

Main economic events

- Production of cotton-fibre for the 1st half year grew by 30.6%**
 In 1st half year of 2005 production of cotton-fibre in Republic grew by 30.6% up to the amount of 644.647 Kt.
- UzDaewooAuto increases its production**
 During 7 months of 2005 JV "UzDaewooAuto" increased its production by 75.5% compared to the same period in 2004 – up to 61.4 thousand vehicles.
- EBRD will lend a USD 7M loan to Uzbek-Turkish JV "Bayteks tijorat"**
 Project valued by USD 29.3M, envisages the construction of textile plant in Tashkent region with total capacity of 7 Kt of cotton yarn and 10 million units of knited goods a year.
- Uzbekistan increased the production of ethyl alcohol by 26%**
 The production of ethyl alcohol in Uzbekistan from January to July 2005 increased by 26% compared to the same period in 2004 up to 1.845 million decalitres.
- In Uzexpocentre 2nd exhibition TEXTILEXPO 2005 will be held**
 The participation of Turkish companies in the event should be noted. The share of Turkish companies in total number of participants was 30%, whereas German companies constituted 24%.

Main macroeconomic indicators of Uzbekistan (2000-2004)

Indicators	2000	2001	2002	2003	2004
GDP, trln. soum	3.25	4.92	7.45	9.84	12.2
Real GDP growth, %	3.8	4.2	4.0	4.4	7.7
State budget execution, % to GDP (-def./+prof.)	-1.0	-1.0	-0.8	-0.4	-0.4
Foreign trade turnover, billion USD	6.2	6.3	5.7	6.7	8.7
Inflation (CPI), %	-	-	-	3.8	3.7

Source: State Statistics Committee, Avesta Research

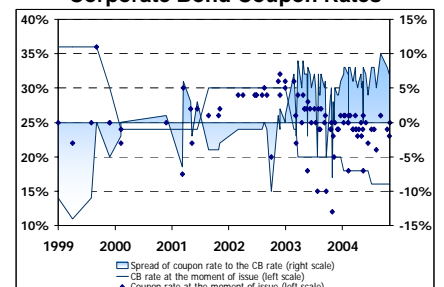
Official exchange rate of the CB RU to major world currencies (USZ)

	16.08.2005	09.08.2005	Chg./%
1 USD	1128.87	1127.03	+0.16 ↑
1 EUR	1401.27	1389.97	+0.81 ↑
1 GBP	2045.85	1999.46	+2.32 ↑
10 JPY	103.01	100.22	+2.78 ↑
1 RUR	39.87	39.66	+0.53 ↑

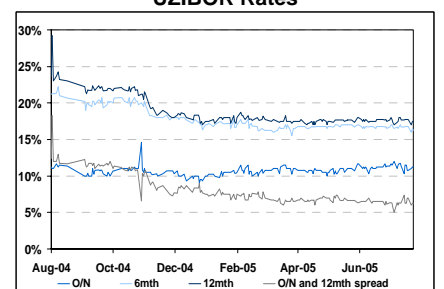
Key interest rates in national currency as of 19.08.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.75
AWACRI	23.28
CBCAP* (UZS)	200.79
CBCAP* (USD)	174.13

Corporate Bond Coupon Rates



UZIBOR Rates



Sources: Avesta Research. Central Bank of RU. Uzbekistan Banking Association

Today

Coupon payments on corporate bonds:

CJSC «Shark Telekom» (198M soum) 2nd coupon payment

- coupon rate – 27%
- amount of coupon payment – 13.37M soum

OJSC «Marvel Juice Co.»-2 (400M soum) 5th coupon payment

- coupon rate – 25%
- amount of coupon payment – 25M soum

Upcoming events calendar

August 21: Payment of 3rd coupon of 1st CB issue of OJSC «Uzplodoovoshvinprom-holding» is expected.

August 21: Payment of 3rd coupon of 1st CB issue of SC «ELCUT Cotton Production» is expected.

August 23 – 25: 2nd Uzbek International Exhibition «Transportation and logistics – TransUzbekistan 2005» will be held.

Production of cotton-fibre for the 1st half year grew by 30.6%

In 1st half year of 2005 production of cotton-fibre in Republic grew by 30.6% up to the amount of 644.647 Kt, informs "Uzreport.com". This year cotton was allotted 1.391M hectares. The forecasted harvest from the given area makes up 3.6M tonnes of raw cotton.

Uzbekistan is the fifth largest producer of cotton-fibre in the world. Annually there are about 3.5M tonnes of raw cotton and 1-1.2M tonnes of cotton-fibre produced.

However, during 7 months the enterprises in textile industry of the Republic decreased the cotton yarn production by 12.4% down to 86.026 Kt, cotton fabric – by 24.7% down to 162.31M m². It can be explained by the fact that more than 75% of produced cotton in Republic is exported (Uzbekistan is the second largest exporter of cotton in the world).

UzDaewooAuto increases its production

During 7 months of 2005 JV "UzDaewooAuto" increased its production by 75.5% compared to the same period in 2004 – up to 61.4 thousand vehicles, reported "RBC" with a reference to the company representative. During aforesaid period UzDaewooAuto produced 36 594 units of Daewoo Nexia (+92.8%), 14 729 units of Daewoo Matiz (+52.6%), 8 597 units of Daewoo Damas (+75.2%) and assembled 1 490 units of Daewoo Lacetti (increased by 4.6 times)

It is significant to note that in 2005 UzDaewooAuto is planning to produce about 110.5 thousand vehicles, meanwhile export 56.9 thousand vehicles.

EBRD will lend a USD 7M loan to Uzbek-Turkish JV "Bayteks tijorat"

Project valued by USD 29.3M, envisages the construction of textile plant in Tashkent region with total capacity of 7 Kt of cotton yarn and 10 million units of textile goods a year.

European Bank for Reconstruction and Development (EBRD) plans to lend a USD 7M loan to Uzbek-Turkish JV "Bayteks tijorat" in October of 2005, is stated in press release of the bank.

It was reported in press release that loan will be directed to support the textile project that is being accomplished in the private sector of economy.

In December 2004 Turkish Bursel textil put into operation the textile plant in Chirchik (Tashkent region) that was valued USD 39.9M. The project envisages the organization of textile, dyeing- decorating and sewing production with a capacity of 5 Kt of fabric and 56M units of textile products. The project was financed by a USD 13M loan from EBRD, OPEC fund – USD 5M, internal funds of Bursel Textil and statutory capital of joint venture. The credits were not guaranteed by the government of the Republic.

Uzbekistan increased the production of ethyl alcohol by 26%

The production of ethyl alcohol in Uzbekistan from January to July 2005 increased by 26% compared to the same period in 2004 up to 1.845 million decalitres, reports "PRIME-TASS" with a reference to the GosKomStat (Stats Committee) of the Republic of Uzbekistan.

The production of food alcohol made up 1.821M decalitres (+25.8%), industrial alcohol – 12.4 thousand decalitres (decreased by 1.3 times), rectified alcohol – 452.4 thousand decalitres (+3.5%). Production of vodka and distillery products made up 3.109M decalitres (-7.4%), cognac – 17 thousand decalitres (decreased by 1.3 times), wine – 1.235M decalitres (-4.9%), champagne – 49 thousand decalitres (decreased by 1.39 times), beer – 7.056M decalitres (+11.6%).

In Uzbekistan the production of ethyl alcohol in 2004 fell by 18% compared to the same period of 2003 and constituted 2.886M decalitres.

In Uzexpocentre 2nd exhibition TEXTILEXPO 2005 will be held

From 6th to 8th September there will be a second Uzbek International Exhibition "Textile, technology and equipment for light industry" TextileExpo 2005, informed "Uzreport.com".

"Textile Expo Uzbekistan 2005" – the largest specialized exhibition on textile, technology and equipment for light industry in Central Asia. The organization of project TextileExpo Uzbekistan will be fulfilled by International exhibition company ITE Group Plc (Great Britain) and company ITE Uzbekistan.

It should be noted the essential participation of Turkish companies in the event. The share of Turkish companies in total number of participants will be 30%, whereas German companies constitute 24% and rest of companies-participants which make up about 45% are from Austria, Australia, Belgium, Belarus, Italy, India, China, Korea, Russia, USA, Turkey, Switzerland, Japan and Uzbekistan.

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