

Avesta Research

UZBEKISTAN DAILY

Business update

24 August 2005

Main economic events

- OPIC invests in CIS**
 American Overseas Private Investment Corporation (OPIC) started receiving the offers from company managers on establishment of private investment funds in CIS countries.
- “UzDAEWOO bank” directed more than 5B soum on financing investment project**
 Loans are mainly provided at the expense of own funds of the bank.
- Total number of plastic cards of bank “Asaka” by the end of 2005 to make up 150 thousand**
 By 1 August 2005 approximately 100 thousand plastic cards of the bank “Asaka” were issued.
- The volume of transportation services in Uzbekistan is increasing**
 The total volume of goods transportation in the Republic increased by 6.9% up to 370.9M tonnes.

Main macroeconomic indicators of Uzbekistan (2000 - 1Q2005)

Indicators	2002	2003	2004	2004 1Q	2005 1Q
GDP, trln. soum	7.45	9.84	12.2	2,1	2,5
Real GDP growth, %	4.0	4.4	7.7	4,8	4,8
State budget execution, % to GDP (-def./+prof.)	-0.8	-0.4	-0.4	4,0	1,9
Foreign trade turnover, billion USD	5.7	6.7	8.7	2,1	2,3
Inflation (CPI), %	-	3.8	3.7	1,1	2,2

Source: State Statistics Committee, Avesta Research

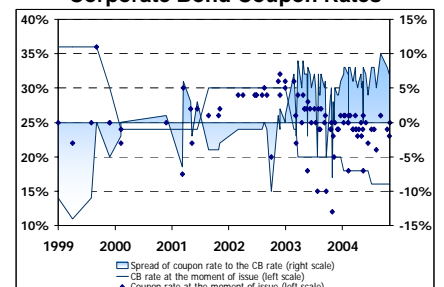
Official exchange rate of the CB RU to major world currencies (USZ)

	23.08.2005	16.08.2005	Chg./%
1 USD	1130,74	1128,87	+0,17 ↑
1 EUR	1378,03	1401,27	-1,66 ↓
1 GBP	2034,43	2045,85	-0,56 ↓
10 JPY	102,66	103,01	-0,34 ↓
1 RUR	39,54	39,87	-0,83 ↓

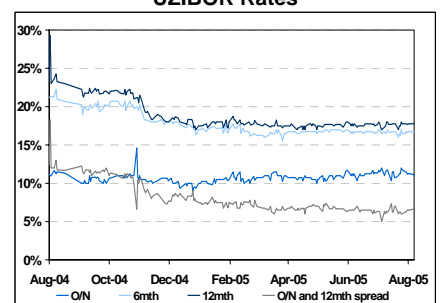
Key interest rates in national currency as of 24.08.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.75
AWACRI	23.24
CBCAP* (UZS)	195.09
CBCAP* (USD)	169.19

Corporate Bond Coupon Rates



UZIBOR Rates



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

Today

2nd Uzbek International Exhibition «Transportation and logistics – TransUzbekistan 2005» is held.

Coupon payments on corporate bonds:

CJSC «Karvon Bozori» (1B soum)
7th coupon payment

- coupon rate – 28%
- amount of coupon payment – 70M soum

Upcoming events calendar

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

August 26-27: President of Republic of Uzbekistan Islam Karimov will participate in the governors meeting of Commonwealth of Independent States

August 27: Payment of the 4th coupon of 1st CB issue of SE “Polifleks” is expected.

OPIC invests in CIS

American Overseas Private Investment Corporation (OPIC) started receiving the offers from company managers on establishment of one or more private investment funds in Russian, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzya, Moldavia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan, informs BBC with a reference to the president of OPIC Ross Konnelli.

OPIC is ready to finance newly established funds with a sum up to USD 100M, but not more than 33% of the total amount of the capital. Applications of company managers OPIC will be accepted till 26 September. Independent investment consultant Cambridge Associates LLC will assist OPIC in assessment of proposals.

“UzDAEWOO bank” directed more than 5B soum on financing investment projects

By results of 1 August 2005 “UzDAEWOO bank” directed 41.8% of 12.5B soum of its credit portfolio on financing investment projects, informed “UzDAEWOO bank”. The bank provides loans in any currency and carries out crediting at the expense of its own funds.

“UzDAEWOO bank” practices syndicated projects crediting jointly with “Ipotekabank”, “Capitalbank” and “Uzpromstroybank”.

The amount of loans on project financing is in the range of USD 200 thousand - USD 2.2M and credit period is less than 5 years.

The interest rates on these credits, whether they are fixed or floating, are within the limits of 6% - 12%.

Total number of plastic cards of bank “Asaka” by the end of 2005 to make up 150 thousand

By 1 August 2005 approximately 100 thousand plastic cards of the bank “Asaka” were issued, reported the Agency “UzReport.com”. Half of this issue falls at 1st half of 2005. According to the specialists of the banks, at this rate the number of plastic cards will make up 150 thousand by the end of 2005.

At present the number of wages projects of the bank exceeded 2 thousand, whereas the number of terminals of bank “Asaka”, set in various trade outlets, constituted 1325.

Only during 7 months of 2005 bank’s non-cash turnover on the cards made up 1.4B soum. For comparison, from the period of 1999 to 2005 bank’s non-cash turnover on cards made up 1.9B soum.

Besides, during 4 months the banks issued more than thousand credit cards with total amount of 300M soum.

The volume of transportation services in Uzbekistan is increasing

Uzbekistan increased its fuel transfer through header pipelines in January-June 2005, compared to the same period of 2004 by 3.5% up to 37.2M tonnes, reports PRIME-TASS according to the information of Statistics Committee.

At the same time, 36.6M tonnes of natural gas (in oil equivalent, +3.5%) were transferred and 56.2 thousand tonnes of crude oil (-9.8%) were transferred.

Supply turnover through head pipelines (without taking into account Turkmen gas) grew by 4.8% up to 18.6B tonne-kilometres.

Cargo transportation by railway transportation grew by 0.8% up to 22.569M tonnes, supply turnover – 9.2B tonne-kilometres (+1.0%).

Total volume of cargo transportation by all means increased by 6.9% up to 370.9M tonnes, supply turnover – 6.7% up to 33.8B tonne-kilometres.

Export of goods in the Republic grew by 15.5% up to 17.828M tonnes (4.8% out of total volume of cargo transportation against 4.6% of the period of January-June 2004)

Share of export to CIS countries made up 65.2% (53.7%) of all exporting conveyances, 34.8% (46.3%) to foreign countries.

The volume of imported goods in the Republic grew by 7.2% up to 2.629M tonnes. Import of goods from CIS countries made up 66.4% (67.3%) out of total volume of imported goods, from the foreign countries – 33.6% (32.7%).

Public conveyance during the period of January-June 2005 grew by 11.5% up to 1.854B people, passenger turnover – by 14.2% up to 21.266B passenger-kilometres.

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