

Avesta Research

UZBEKISTAN DAILY

Business update

20 September, 2005

Main economic events

- The 6th International Exhibition “Infocomexpo 2005” is opened**
 More than 70 companies from 12 countries will participate in the exhibition.
- “Unitel” will invest \$33M in network development in 2005**
 According to the company’s business plan, the number of Unitel subscribers is expected to increase up to 300 thousand users by the end of 2005.
- Net profit of Asakabank increased by 45% in Jan-Aug 2005**
 Net profit of Asaka, second biggest bank in Uzbekistan, has increased by 45,4% as compared to the same period in 2004 up to 5,371 bln. soum.
- “ALSKOM” has received a license for mandatory insurance**
 According to the order of the Ministry of Finance as of 25th July, 2005 insurance company “ALSKOM” received a license №00048.
- A new joint venture has started functioning in Navoi region**
 The enterprise is expected to produce 120 tonnes of silk yarn annually.

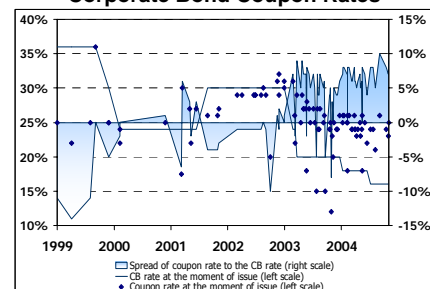
Official exchange rate of the CB RU to major world currencies (USZ)

	20.09.2005	13.09.2005	Chg./%
1 USD	1138.56	1136.58	+0.17 ↑
1 EUR	1385.29	1401.97	-1.19 ↓
1 GBP	2054.76	2086.08	-1.50 ↓
10 JPY	102.10	103.78	-1.62 ↓
1 RUR	40.23	40.23	0.00

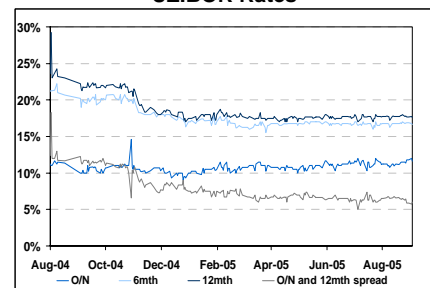
Key interest rates in national currency as of 20.09.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.60
AWACRI	23.27
CBCAP* (UZS)	200.05
CBCAP* (USD)	172.01

Corporate Bond Coupon Rates



UZIBOR Rates



Main macroeconomic indicators of Uzbekistan (2000-2004)

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

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

Today

The 6th International Uzbek Exhibition “Telecommunications and Computer Technologies” has been opened.

Upcoming events calendar

- September 20-22:** 6th Uzbek International Exhibition “Telecommunications and Computer Technologies” is being held.
- September 21:** Payment of 3rd coupon of 1st CB issue of LLC “Qogoz Savdo” is expected.
- September 21:** Payment of 8th coupon of the 1st CB issue of JV “Sarbondeks” is expected.
- September 23:** Payment of the 5th coupon of 1st CB issue of LLC “Qurilish industriya hajmli uy joy” is expected.

The 6th International Exhibition Infocomexpo 2005 is opened

The 6th International Exhibition “Telecommunications and Computer Technologies” (Infocomexpo 2005) has been opened today in the Central hall of “Uzexpocenter”, as “Uzreport.com” informs on its web site.

Infocomexpo is one of the most significant events in the sphere of telecommunications and information technologies in Central Asia. The exhibition plays an important role in the latest technologies and services demonstration, promotes experience exchange, search for potential partners, and is of interest to both communication industry specialists and wide range of visitors. From the time of its foundation Infocomexpo (UzTel) has welcomed 300 international companies, which are now contributing to the development of informatization sphere in Uzbekistan.

More than 70 companies from 12 countries will be presented in the exhibition. Uzbek national stand which includes 18 companies is presented in the exhibition for the first time. 55% of participants are Uzbek companies. Russian companies form 15% of participants, and the rest 30% are the companies from Belgium, Germany, Holland, Kazakhstan, Canada, China and other countries.

“Unitel” will invest \$33M in network development

Cellular operator Unitel, the second biggest operator in Uzbekistan, will invest \$33M in the network development by the end of 2005, as Vasilis Billis, the manager of Unitel, told to “PRIME-TASS”.

“All the financial resources will be invested into equipment, network expansion, increase of the coverage zone and improvement of the communication service quality; we plan to adopt this volume next year” V. Billis said. According to him, in August the company signed the contract on the supply of 200 base stations and 2 commutators, the suppliers of which are Chinese company Huawei Technologies and Swiss Ericsson.

V. Billis refused to specify the value of the contract, saying, however, that Unitel plans to establish 300 base stations in all regions of Uzbekistan.

According to the company’s business plan, the number of Unitel subscribers is expected to increase up to 300 thousand by the end of 2005 as compared to 260 thousand of current users and 120 thousand at the beginning of the current year.

Net profit of Asaka bank increased by 45% in Jan-Aug, 2005

Net profit of the state joint-stock commercial bank “Asaka”, second biggest bank in Uzbekistan, increased by 45,4% in January-August, 2005 as compared to the same period in 2004 up to 5,371bln. soum, reported “PRIME-TASS” with reference to the bank’s authorities.

The bank’s assets has risen by 18.3% to 5.371B soum, credit investments-to 446.704B soum (+26.6%), bank liabilities – to 450.997B soum (+22.1%), capital – to 157.702B soum (+8.6%).

The bank’s current share capital registered is 5.475B soum.

“ALSKOM” has received a license to provide mandatory insurance

According to the order of the Ministry of Finance as of 25th July, 2005 insurance company “ALSKOM” received a license №00048 to provide insurance services in the area of general insurance in the voluntary or mandatory form.

In the opinion of Farrukh Hasanov, the director of Insurance and Marketing Department of “ALSKOM”, at present time the share of mandatory types of insurance in the total volume of insurance premiums has the tendency to decrease in the insurance market of Uzbekistan.

Mandatory insurance is the competitive sector of insurance business in Uzbekistan where 4-5 insurance companies, mainly with the government share, operate.

A new joint venture has started functioning in Navoi region

As “UzA” reports, a new joint venture “Navoi Silk” (Uzbekistan-UAE-Singapore) has started functioning in the Karmaninsky district of Navoi region.

JV has begun processing of silk cocoons produced in the current year. From now on all the silk output grown in the region will be processed here. The enterprise is expected to produce 120 tonnes of silk yarn annually.

By now JV has already processed more than 10 tonnes of cocoons. Production of silk ribbons and other output will be arranged here.

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