

# Avesta Research

## UZBEKISTAN DAILY

## Business update

21 September, 2005

### Main economic events

- Navoi MMC plans to attract the \$33M loan**  
 The main Uzbek gold manufacturer and monopolistic uranium producer plans to attract \$33M foreign credit by the end of 2005 for the gold-mining complex building.
- Fixed capital has been increased by 1.27T soum due to investments**  
 The volume of foreign investments and credits directed towards fixed capital increase was 20.1% in Jan-Jun of the current year.
- The volume of construction works amounted to 605.3B soum**  
 Construction works of 551.4B soum were carried out by non-state constructing organizations which made up 91.1% of total construction works.
- 95% of passenger transportation was done by auto transport**  
 1 854M people were transported by all types of transport in the Republic during the first 6 months of 2005, which is 11.5% higher than during the same period of 2004.
- New production lines of JV "B.H.T." are launched**  
 The forecasted enterprise potential with the use of the new equipment is 36M nappies and 72M of hygienic linings annually.

### 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

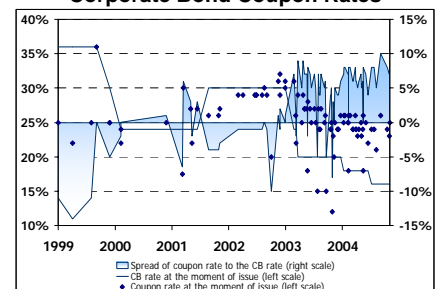
### Official exchange rate of the CB RU to major world currencies (USZ)

	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

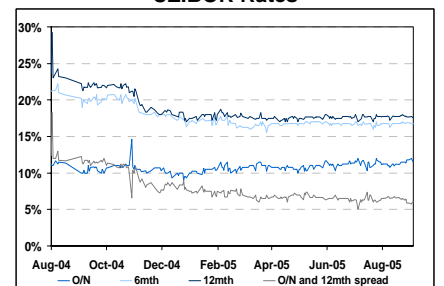
### Key interest rates in national currency as of 21.09.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.67
AWACRI	23.27
CBCAP* (UZS)	200.05
CBCAP* (USD)	172.01

### Corporate Bond Coupon Rates



### UZIBOR Rates



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

### Today

**LLC "Qogoz Savdo" (700 mln. soum)**  
**3<sup>rd</sup> coupon payment**  
 - coupon rate – 22%  
 - amount of coupon payment – 38,5 mln. soum

**JV "Sarbondeks" (870 mln. soum)**  
**8<sup>th</sup> coupon payment**  
 - coupon rate – 29%  
 - amount of coupon payment – 63,075 mln. soum

### Upcoming events calendar

**September 20-22:** 6<sup>th</sup> Uzbek International Exhibition "Telecommunications and Information Technologies" is being held.  
**September 23:** Payment of the 5<sup>th</sup> coupon of 1<sup>st</sup> CB issue of LLC "Qurilish industriya hajmli uy joy" is expected.  
**September 27:** Payment of 1<sup>st</sup> coupon of 4<sup>th</sup> CB issue of OJSC "Marvel Juice Co" is expected.

## Navoi MMC plans to attract the \$33M loan

Navoi mining-metallurgical combine, the main Uzbek gold manufacturer and monopolistic uranium producer, plans to attract \$33M foreign credit by the end of 2005 to build the gold-mining complex in the Central Kyzylkums, informed *"PRIME-TASS"* with the reference to the plant's authorities.

The MMC representative clarified that "the plant is currently considering the offers of several foreign banks, German and French in particular, concerning the conditions of making the credit and will decide on the financing sources in October of the current year". The loan will be used for the acquisition of equipment for the realization of the first stage of gold-mining factory building.

In the last years gold production at the Navoi plant was 57-59 tonnes while the total gold mining in the Republic was about 80t. In accordance with the perspective gold-mining industry development program for the period of up to 2010 year NMMC plans to increase gold production by 20% by the end of that period.

## Fixed capital has been increased by 1.27T soum due to investments

1 272.8B of foreign investments were spent on the increase of Uzbekistan's fixed capital in Jan-Jun of 2005; growth rate was 105.4% as compared with the same period in 2004, reported *"Uzreport"* with the reference to the State Statistics Committee.

Distribution of the investments into fixed capital according to financing sources is as follows:

- budget resources – 207.7 bln. soum (16.3% decrease as compared with the 1<sup>st</sup> half of the last year);
- enterprises' resources – 514.2 bln. soum (15% increase);
- foreign investments and credits – 255.4 bln. soum (-3.9%);
- resources of the population – 179.9 bln. soum (14% decrease);
- bank credits and other loan resources – 23 bln. soum (1.9 times increase) and non-budget funds resources – 92.5 bln. soum (3.5 times increase)

Thus, in Jan-Jun of 2005 foreign investments and credits directed to fixed capital increase amounted to 20.1% of their total volume.

## The volume of construction works amounted to 605.3B soum

As *"Uzreport.com"* reports, construction works for 605.3 bln. soum were made in Jan-Jun, 2005, which is 103.4% of the construction works of the first half of 2004, including construction works of 316.1 bln. soum (104.1%) made by big organizations.

According to the information provided by State Statistics Committee, construction works of 551.4 bln. soum were made by non-state constructing organizations which made up 91.1% of total construction works (their share has decreased by 1% as compared with the last year).

## 95% of passenger transportation was done by auto transport

As *"Uzreport.com"* informs with the reference to the data of State Statistics Committee, 1.854 mln. people were transported by all transport types in Uzbekistan in the first half of 2005, which is 11.5% more than in the same period of 2004.

The biggest weight falls at auto transport, which made 95.4% of transportations (1.769 mln. people), with passenger circulation being 83.3% (17.7 bln. passenger-kilometer).

Railway passenger transportation increased by 2.4% and amounted to 7.8 mln. of passengers; 366,9 thousand of passengers were transported by air which is by 10.7% less than in 2004.

## New production lines of JV "B.H.T." are launched

The project of JSICB "Ipak Yuli" for crediting the purchase of equipment for the Uzbek-American joint venture "B.H.T." was finished. The production of import substituting output, baby nappies and hygienic linings, is arranged in the JV, as said by *"Uzreport.com"*.

Uzbek-American JV LLC "B.H.T." was created in 2003. Forecasted enterprise potential with the use of new equipment is 36 mln. nappies and 72 mln. of hygienic linings annually. The cost of finished goods is substantially lower than that of the imported ones, but the quality is not inferior to that of the foreign made analogues. The company's goods will be produced both for the internal needs satisfaction and exporting. At full production capacity the enterprise's profit can exceed 600K EUR annually.

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