

Main economic events

- EBRD lends 8 million USD for textile plant “Bayteks Ticaret”**
 “Bayteks Ticaret” will employ more than 1,200 people and manufacture, at full capacity, about eight million pieces of quality basic and polo T-shirts a year.
- Uzbekistan increased the cotton harvest by 6.5% in 2005**
 The cotton harvest in Uzbekistan for the first time has exceeded the planned level.
- Real estate exchange: week results**
 54 objects for the total amount of 16,034.7 thousand soums were sold through auctions, 11 objects for the amount of 254,585.3 thousand soums were sold at exchange trade.
- Communication in Uzbekistan. Facts and figures**
 This article summarizes the main development indicators of cellular market. Figures that can be useful for any market researcher.
- MTS fully acquired Turkmenistan-based American company**
 OJSC “Moblie TeleSystems” declared the purchase of additional shares (49%) of Barash Communications Technologies, Inc. (BCTI). In that way, MTS’s shareholding in the company reached 100%.

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

	01.11.2005	25.10.2005	Chg./%
1 USD	1155.14	1152.03	+0.27 ↑
1 EUR	1392.75	1374.49	+1.33 ↑
1 GBP	2050.14	2034.14	+1.79 ↑
10 JPY	99.85	99.45	+0.40 ↑
1 RUR	40.64	40.33	+1.77 ↑

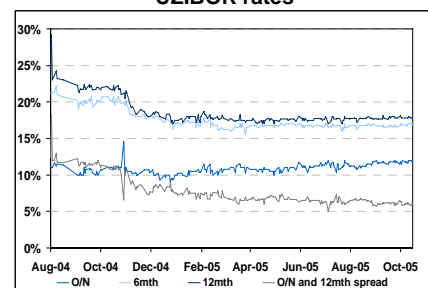
Key interest rates in national currency as of 02.11.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	18.00
AWACRI	23.17
CBCAP (UZS)	190.39
CBCAP (USD)	161.79

Corporate Bond Coupon Rates



UZIBOR rates



Main macroeconomic Indicators of Uzbekistan, 2002-2005

Indicators	2002	2003	2004	2004 1st Q	2005 1st Q
GDP, trillion soums	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

CJSC «Karvon Bozori»-3, (600 mln USZ) 6th coupon payment

- coupon rate – 23%
- amount of coupon payment – 34.5 mln USZ

Upcoming events calendar

- 8 November:** Start of 4th coupon payment on the 2nd CB issue of JV LLC «Uzmedcotton» is expected.
- 8 November:** Start of 2nd coupon payment on the 1st CB issue of LLC «Office Trading» is expected.
- 11 November:** Start of 5th coupon payment on the 1st CB issue of «Stamford Capital, Inc Tashkent».
- 12 November:** Start of 7th coupon payment on the 2nd CB issue of «Biznes Vestnik Vostoka» is expected.

EBRD lends 8 million USD for textile plant "Bayteks Ticaret"

The European Bank for Reconstruction and Development is lending \$8 million for private company "Bayteks Ticaret" ("BT") to build and operate a modern plant in Uzbekistan to manufacture knitted cotton garments, mainly for export, as reported at *<fibre2fashion.com>*.

"BT" will employ more than 1,200 people and manufacture, at full capacity, about eight million pieces of quality basic and polo T-shirts a year. The five-year loan will cover 29% of the cost of building the new plant in the capital, Tashkent. This investment is part of the EBRD country strategy for Uzbekistan, which focuses on supporting private-sector development and entrepreneurship, particularly SMEs and micro-business.

Comments: At present the tendency of transferring the 'real production' from Europe to Asia is surely observed. With all that, Uzbekistan has to compete with countries like China, India, South Korea; at the same, country possesses competitive advantages like cheaper labour and raw materials, that served its purpose for attracting Turkish companies.

Uzbekistan increased the cotton harvest by 6.5% in 2005

The cotton harvest in 2005 stepped up by 6.5% comparing to 2004 and made up 3.77Mt, as reported by "Prime-TASS" agency with reference to cotton department of the Ministry of water and agriculture. By middle of October agricultural enterprises, for the first time, had fulfilled the projected results in the amount of 3.6Mt. In addition, the production of lint cotton in January-September reached 776.077Kt (+30.6% compared to the same period of 2004).

Real estate exchange: week results

During 24-29 October 65 state objects were sold for the amount of 270,620 thousand UZS, as reported on the website of *State Property Committee of RUz*. In particular, 54 objects for amount of 16,034.7 thousand UZS were sold through auctions RREE and LLC "Kim oshdi savdolari agentligi" branches, and 11 objects for the amount of 254,585.3 thousand UZS were sold at exchange trade. The leader by number of objects sold was RREE branch in Kashkadarya region (44 objects), by proceeds – branch in Fergana (97.1M UZS).

Comments: If the total amount of deals at auctions is divided by number of objects sold, then the average cost of one object is less than 0.3M UZS, while the average cost of object sold at exchange trades makes up 23.1M UZS. It can be concluded that in future the major number of real state will be sold through exchange.

Communication in Uzbekistan. Facts and figures

The copy of the article by Leonid Konik "Communication in Uzbekistan: silk road into regions" is presented on Mobile Forum website (*MForum.ru*), figures and facts published in journal "Standart". It can be useful for marketing researchers, interested in Central Asian communication markets.

- 250M USD is telecom market capacity, with more than 40% share of JSC "Uzbektelecom";
- the number of fixed line users is 1,900,000;
- 804,000 is aggregated mobile subscriber base as of 01.08.2005 (vs. 400,000 as of 01.01.2005); forecast: more than 2,000,000 by the end of 2006;
- Uzdunrobita is planning to bring the number of its base stations to 700 by the end of 2005, Unitel – to more than 450, Coscom – to more than 250;
- Investment plans for 2005: Uzdunrobita - \$50M, Unitel - \$83M

Comments: This data is evidence of dynamic development of communication market and presence of severe competition among companies in Uzbekistan. However, after the sharp increase in number of dealer nets and base stations, the stabilization stage might set in.

MTS has fully acquired Turkmenistan-based American company

OJSC "Mobile TeleSystems" (MTS) declared the purchase of additional shares (49%) of Barash Communications Technologies, Inc. (BCTI). In that way, MTS's shareholding in the company reached 100%. BCTI is mobile service provider in Turkmenistan. MTS purchased 49% of shares for \$18.52M (in June, 2005, MTS bought 51% of shares for \$28.05M). Turkmen market entry 'became darkened' 'by scandal, which, by the way, was settled soon. Official version was acquisition of controlling stock without agreement with Turkmen government. As a result, the license was withdrawn. After negotiations, BCTI resumed its activity on terms of the assignment the part of profit into the republic budget.

Comments: The number of subscribers of MTS is more than 50.36 million. The population in 87 regions of Russia, Belarus, Ukraine, Uzbekistan, and Turkmenistan, where the company has licenses for providing services of GSM standard makes up 233.1 million. Farther extension of geographical activity might result in the unification of company's tariffs and plans.

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