

### Main economic events

- Aggregate capital of Uzbek banks increased by 4.7%**  
 Aggregate assets of commercial banks for 9 months rose by 12.2%, including the volume of credit investments by 9.1%.
- New gas-processing plant will be built in Ustyurt oil-gas region**  
 Company "Uzgeoburneftegazdobycha" declared the tender for development the project on construction the gas-processing plant.
- Activity on markets – guarantee of prosperity**  
 Since the beginning of year, in Tashkent markets food goods for nearly 3 bln UZS have been sold, the volume of agricultural output made up more than 2.6 Kt.
- ABD granted Uzbekistan a loan for introduction of ICT to secondary education**  
 Loan contract for the amount \$30m to facilitate the introduction of information-communication technologies (ICT) to secondary education in Uzbekistan was concluded.

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

	08.11.2005	01.11.2005	Chg./%
1 USD	1158.28	1155.14	+0.27 ↑
1 EUR	1368.86	1392.75	-1.7 ↓
1 GBP	2027.34	2050.14	-1.1 ↓
10 JPY	98.35	99.85	-1.5 ↓
1 RUR	40.56	40.64	-0.2 ↓

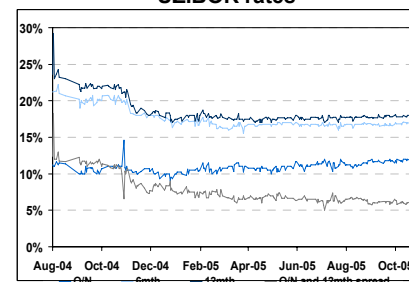
#### Key interest rates in national currency as of 11.11.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.80
AWACRI	23.18
CBCAP (UZS)	181.96
CBCAP (USD)	153.80

#### 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 sums	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

- «Stamford Capital, Inc Tashkent» (200M UZS) 5<sup>th</sup> coupon payment  
 - coupon rate – 25%  
 - coupon payment amount – 12.5 million UZS

### Upcoming events calendar

- 12 November:** Start of 7<sup>th</sup> coupon payment on the 2<sup>nd</sup> CB issue of «Biznes Vestnik Vostoka».
- 12 November:** Start of 3<sup>rd</sup> coupon payment on the 2<sup>nd</sup> CB issue of LLC «Nuron Savdo» is expected.
- 13 November:** Start of 5<sup>th</sup> coupon payment on the 2<sup>nd</sup> CB issue of OJSC «Almalyk MMC» is expected.
- 13 November:** Start of 5<sup>th</sup> coupon payment on the 1<sup>st</sup> CB issue of LLC «RUNDIS».

### **Aggregate capital of Uzbek banks increased by 4.7% to 862.7 billion soums**

The aggregate capital of Uzbek banks in January-September increased by 4.7% (compared to the beginning of 2005) to 862.7b UZS, as reported by *"Prime-TASS"* with reference to Central Bank of RUz (CBU). The CBU representative reported that aggregate assets of commercial banks rose by 12.2% to 5.615 trln UZS, including the volume of credit investments by 9.1% to 3.89 trln UZS. Balance on accounts of individuals went up by 21.1% to 391.2b UZS. At present the republic bank system consists of 30 banks, including 3 state-owned, 5 with foreign capital, 11 joint-stock and 11 private banks.

**Comment:** Farther development of bank sector in many aspects depends on liberalization of bank system, which could promote the attraction of additional investments and the development of many national economy branches.

### **New gas-processing plant will be built in Ustyurt oil-gas region**

Company "Uzgeoburneftegazdobicha" (subsidiary of "Uzbekneftegaz") declared the tender for development the project on construction the gas-processing plant on the territory of Ustyurt oil-gas region, as reported by *"Prime-TASS"* referencing to source in the company. Application deadline is December 21, 2005, foreign as well as local companies can participate. The winner will have to develop the project on construction the GPP with the attraction of modern technologies of gas purification. Ustyurt oil-gas region is the largest and least explored one. Perspective gas resources are estimated to be about 2 trillion cubic meters, liquid hydrocarbon – 900m tons. In longer prospective (25 years), 1.076 trillion tons of gas (about 60% of total resource reserve growth in the republic) are to account for this region. In the end of 2005 "Gazprom" plans to sign an agreement with "Uzbekneftegaz" on exploring and exploitation of perspective fields on Ustyurt plateau.

**Comment:** Construction of GPP will benefit the strengthening the energy potential of Uzbekistan. At the same time this is an opportunity for many companies to conclude subcontracts on the carrying out the construction works and supply of required equipment and raw materials.

### **Activity on markets – guarantee of prosperity**

26.5 thousand trade points are on the markets under association "Toshbozortayerlovsavdo", as reported by *"UzA"* referring to association source. 15 OJSCs, 6 LLCs are members of this company, and they embrace 92 large and small Tashkent markets with total area of 140 hectares. Nearly 19,000 from them are assigned for sale of agricultural products, more than 5,500 – industrial production.

Since the beginning of year, in Tashkent markets food goods for nearly 3.0b UZS have been sold, the volume of agricultural output made up more than 2,600 tons. Gross profit of JSCs for 9 months made up nearly 7b UZS, net profit – almost 600m UZS. 1,664 out of 2,540 tenant-entrepreneurs are registered as subjects, carrying out export-import operations, 876 – as local producers and purchasers of products from local producers. Annual product turnover makes up 100-150m UZS.

**Comment:** Markets functioning efficiency in many aspects determines the development of all national economy branches. Moreover, income level received by significant part of population depends on it as well. Considering not high level of development of supermarkets system, it can be concluded that the number of markets will keep on growing.

### **ADB granted Uzbekistan a loan for introduction of ICT to secondary education**

On November 9, 2005 the president of Asian Development Bank (ADB) Haruhiko Kuroda and the minister of finance Saidahmad Rahimov signed a loan agreement for the amount of 30m USD to facilitate the introduction of information-communication technologies (ICT) to secondary education, as reported at website *«Security.uz»*. The project will bring the direct benefit to 540,000 pupils and 89 thousand teachers, mainly of schools in rural and remote regions with the largest number of families with insufficient income. ADB did facilitate the preparation of national strategy on introduction the ICT in general education institutions. This strategy foresees the introduction of ICT in every schools on the constant basis with the affording the equal opportunity for remote regions schools.

ADB cooperates with Uzbekistan in education sector, and already loaned 260m USD for this sphere. Uzbekistan joined ADB in 1995. The total amount of loan means by October 31, 2005 made up 890m USD for 18 projects. In addition, ADB did approve 58 grants of technical assistance for the amount of 30m USD. In 2004 5.3b USD and 196.6m USD were approved as loans and grants of technical assistance by ADB, respectively.

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