

Main economic events

- 184 state-owned entities have been sold**
 Total amount of deals made up 393.4 mln UZS.
- NBU and ExImBank signed an agreement**
 Chinese Eximbank renders a \$2.5M loan to finance the delivery of medical equipment.
- Events on the insurance market**
 The companies long for entering the segment of obligatory insurance.
- Media-business will be developing**
 NTRC of Uzbekistan and enterprises, belonging to its structure, were granted with tax benefits till January 1, 2010.

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

	15.11.2005	08.11.2005	Chg./%
1 USD	1161.46	1158.28	+0.27 ↑
1 EUR	1363.79	1368.86	-0.37 ↓
1 GBP	2023.26	2027.34	-0.20 ↓
10 JPY	98.50	98.35	-0.15 ↑
1 RUR	40.22	40.56	-0.84 ↓

Key interest rates in national currency as of 16.11.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.60
AWACRI	23.18
CBCAP (UZS)	181.96
CBCAP (USD)	153.80

Corporate Bond Coupon Rates

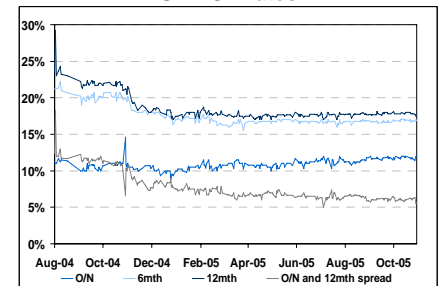


Main macroeconomic Indicators of Uzbekistan, 2002-2005

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

UZIBOR rates



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

Today

CJSC "Shark Telekom", (198m UZS) Start of 7th coupon payment

- coupon rate – 27%
- coupon payment amount – 13.365m UZS

OJSC "Marvel Juice Co."-2, (400m UZS) Start of 6th coupon payment

- coupon rate – 25%
- coupon payment amount – 25m UZS

Upcoming events calendar

19 November: Start of 4th coupon payment on the 1st CB issue of «ELSUT Cotton Production» is expected.

19 November: Start of 4th coupon payment on the 1st CB issue of OJSC HC «Uzplodoovoshvinprom-holding» is expected.

21 November: Start of 8th coupon payment on the 2nd CB issue of JV LLC «ANAT» is expected.

23-25 November: 4 international exhibitions «FoodExpo Uzbekistan 2005», «FoodTek Uzbekistan 2005», «Pack Tek Uzbekistan 2005» and «AgriTek Uzbekistan 2005» will be held in the hotel "Intercontinental".

184 state-owned entities were sold

During last week 184 state-owned objects were sold for 393,425,800 UZS, as stated at website of the *State Property Committee of RUz*. In particular, 157 objects were sold at auction and competitive trades at branches of RREE and LLC "Kim oshdi savdolari agentligi" (42,221,700 UZS), 27 objects – at exchange trades (351,204,100 UZS). This week, the leader by number of objects sold is Surkhandarya branch of RREE (84 objects), by deals amount – Tashkent region branch (121,924,400 UZS).

The relation of number to deal amount at other branches were as following: Republic Karakalpakstan– 9 objects for 215,320 UZS, Bukhara branch – 6 objects for 1,256,000 UZS, Djizak – 21 objects for 746,000 UZS, Kashkadarya – 1 object for 7,437,000 UZS, Navoi – 19 objects for 47,698,000 UZS, Samarkand – 3 objects for 45,806,600 UZS, Surkhandarya – 84 objects for 17,575,000 UZS, Tashkent region – 23 objects for 121,924,400 UZS, Tashkent city – 3 objects for 87,441,000 UZS, Fergana – 3 objects for 35,548,820 UZS, Khorezm – 10 objects for 1,324,000 UZS, Central apparatus of RREE – 2 objects for 26,453,680 UZS.

Comments: Week ago, 178 state-owned entities were sold for 149,925,500 UZS. It can be said that the sales volume growth rate made up more than 100% for last 7 days. Nevertheless, it is unlikely that this tendency will continue, and in long term the stabilization of market could be expected.

NBU and ExImBank signed an agreement

Press-service of the *National Bank of Uzbekistan* reports that on November 1, 2005 NBU and Export-Import Bank of Chinese People's Republic signed the individual loan agreement for \$2.5M to finance the delivery of medical equipment. In this context, this year NBU signed 2 individual loan agreements for 279M Yuan to finance the delivery of computer equipment to Uzbek schools and land-improvement equipment. Just in the end of 2004 NBU and ExImBank of CPR closed frame loan agreement for \$300m. In May 2005 NBU and ExImBank signed two credit agreements for total amount of \$31.4M. In July additionally two individual loan agreements for total amount of \$10m, means were directed to delivery of satellite equipment and financing the reclamation works in number of Uzbekistan regions.

Comments: Lately, the relationship between Uzbekistan and China entered into new stage of active development. It promotes the attraction of additional foreign investments, creation of working places, and increase of the population welfare.

Events on the insurance market

Insurance agency «Temir Yo'llari – Sug'urta» formed its statutory capital at the level of \$337,000, reported by «*UzReport.com*» referencing to the agency director. According to General Director Dilshod Kadirov, the company planned to bring the statutory capital to \$500,000 by October 2005 (in order to carry out operations in the sphere of obligatory insurance). This was decided at the founders' meeting held in the end of July. At present, everyone does everything in his power to achieve the stated goal by the end of 2005.

IA «Temir Yo'llari – Sug'urta» was founded in April 2002 with the statutory fund of 155M UZS. According to results of the 1st half 2005, there were collected 94M UZS as insurance premiums (+75% compared to analogous indicator in 2004). Insurance payments made up 2.7M UZS (nearly 6 times higher). Now the agency plans to get a license to carry out operation on obligatory insurance.

In contrast, «Universal Sug'urta» did already form the statutory fund of required \$500,000 in 2004 and handed an application to get license on 16 class of voluntary and obligatory insurance operations. Joint insurance company «Universal Sug'urta» was formed in 2003; starting statutory fund was \$150,000; 50.4% of shares belong to Switzerland investors.

Comments: Strive of insurance companies to get a license for obligatory insurance operations tells about high attractiveness and large prospective in this segment. Therefore, in future the decrease in the insurance premiums on this type of service is expected.

Media-business will be developing

National TeleRadioCompany of Uzbekistan (NTRC) and enterprises, part of it, were granted with tax benefits on income and import tariffs on imported equipment and materials till January 1, 2010. (Presidential Decree "On measures on reformation and development of independent telecasting channels", published in local press on Tuesday). According to it, freed means should be spend on the strengthening the material and technical base of NTRC. 4 unitary enterprises will be included into the structure of NTRC.

At present, teleradio-casting unit structure is presented by state and non-state electronic mass media, consisting of 50 tele-studios, 13 radio stations, and 36 cable TV studios. NTRC of Uzbekistan broadcast through 4 TV and 4 Radio channels, average 24 hour broadcast makes up 54 and 93.2 hours respectively; coverage area is 98% of the territory of Uzbekistan.

Comment: Media-business brings significant profits in many countries of the world, both to the owners and government. Adopted Decree will facilitate the farther development of this business in Uzbekistan.

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