

- Growth of exported goods by small and private business made up 9.7%**
 During 9 months goods for \$3.86b were exported by small and private businesses.
- Czech ERIELL will construct drilling wells in Uzbekistan**
 ERIELL Corporation won a tender of JSC "Uzgeoburneftegazdobycha" on the selection of foreign contractor for the construction of drilling wells in oil and gas fields in Uzbekistan.
- Results of the last exchange trades of cotton**
 On the lot for sale in hard currency at UzComEx on 30th November, 2005 900 tons of cotton fiber (1st class, 5th type, category-class "Urta", 2004 harvest) were sold.
- Fair on sale of light industry goods is taking place**
 More than 100 enterprises will present their own production in wide assortment, in particular, member enterprises of SJSC "Uzbekyengolsanoat", "Uzbek Ipagi", and so on.
- Uzbekinvest notes the growth of export insurance**
 Thus, for 9 months the number of issued policies of export contracts was 3.3 times more than that in analogous period in 2004.

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

Today

LLC «NIGSA», 2 (1.0b UZS)
Start of 4th coupon payment

- coupon rate – CB+7%
- coupon payment amount – 57.5m UZS

"Extension of export opportunities for small and private enterprises in Uzbekistan" (Seminar, hotel "Dedeman").

Analytical center **AvestaResearch** specializes in the preparation of analytical reviews and the conducting of individual research of companies, industries, and markets. In particular, the Center emphasizes the research in the field of telecommunication, oil and gas, mining, food, textile, cotton, and construction branches. **AvestaResearch** is the member of Avesta Investment Group.

Upcoming events calendar

5-7 December. Republic trade-fair on "wholesale and retail trade of consumer goods" has started in show-room at "Uzbekyengilsanoat".

8 December. Start of payment of 8th coupon and repayment of the 1st CB issue of **LLC «Buztel»** is expected.

9 December. Start of payment of 7th coupon of the 1st CB issue of **LLC «TETEX»** is expected.

Business update

5 December 2005

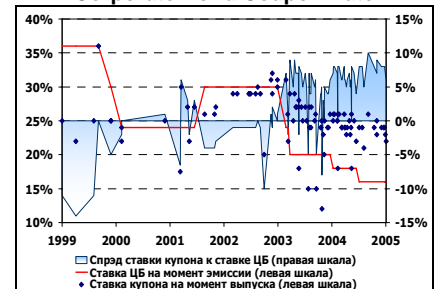
Official exchange rate of the CB RU to major world currencies (UZS)

	29.11.2005	22.11.2005	Chg./%
1 USD	1167.79	1164.61	+0.27 ↑
1 EUR	1365.26	1371.44	-0.45 ↓
1 GBP	1997.62	1999.52	-0.10 ↓
10 JPY	97.45	97.66	-0.22 ↓
1 RUR	40.56	40.38	+0.45 ↑

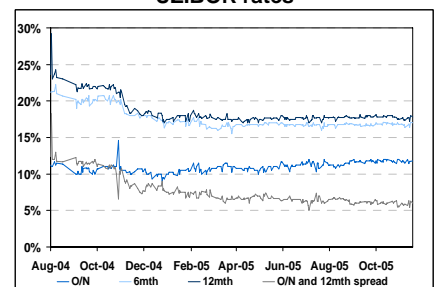
Key interest rates in national currency as of 05.12.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.80
AWACRI	22.65
CBCAP (UZS)	187.91
CBCAP (USD)	157.96

Corporate Bond Coupon Rate



UZIBOR rates



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

Growth of exported goods by small and private business made up 9.7%

«Uzreport.com» reported that on December 5, 2005 in hotel «Dedeman Silk Road» the seminar “Extension of export opportunities for small and private enterprises in Uzbekistan” was held. It was organized by the Chamber of Commerce and Industry of RUz, representative office of American Chamber of Commerce, Fund “Eurasia”, and German Business-club in Uzbekistan. The main issue was the discussion of the present state of the enterprises’ export activity, the development of recommendations on the elimination of the problems and obstacles in this sphere.

At present the export potential of the enterprises is not fully utilized. Thus, despite the fact that for 9 months the goods for total amount of \$3.86b (+9.7% comparing to analogous indicator in 2004) was exported by small and private businesses. Certainly, the subjects of small business have potential to increase this indicator several times.

More than 200 representatives of domestic business units, international organizations and foreign companies participated in this seminar. Particular questions discussed were those concerning with the rise of the competitiveness of the Uzbek enterprises’ products in external markets, introduction of systems on improving the quality of produce, and many other aspects affecting the extension of export potential of local producers.

Czech ERIELL will construct drilling wells in Uzbekistan

Czech ERIELL Corporation won a tender of JSC “Uzgeoburneftegazdobycha” on the selection of foreign contractor for the construction of drilling wells in oil and gas fields in Uzbekistan, “Pime-TASS” reports referencing to source at SJSC “Uzgeoburneftegazdobycha”, the branch enterprise of NHC “Uzbekneftegaz”.

It is planned that the company will carry out the horizontal boring of about 40 boreholes in Bukhara-Khiva and Ustyurt oil and gas regions. It is expected that the construction of first boreholes will begin in 2006. The financing of the project is carried out through the means attracted by Czech company without the Uzbek Government guarantees and also own funds of NHC “Uzbekneftegaz”.

In the middle of 2004 ERIELL began the realization of the project on the boring of 28 gas exploitation boreholes in Kashkadarya region (turnkey approach). The realization period of this project is 3.5 years. The financing is carried out through the loan granted by the Austrian Raiffeisen Zentralbank AG without the Government guarantees (30%), and also own funds of NHC “Uzbekneftegaz” (70%).

Results of the last exchange trades of cotton

Analytical service at RCRE RU informs that according to results of trades organized, at ‘currency area’ on 30 November, 2005, 900 tons of cotton fiber (1st class, 5th type, category-class “Urta”, 2004 harvest) were realized. The seller was Bukhara TJSC “Bukhorohtaasanoat”, the buyer- Turkish company. The total deal amount made up 943,200 USD (1,048 USD for 1 ton). After this deal, the portion of Turkish consumers in the structure of cotton buyers at ‘currency trade area’ of RCRE RU increased to 27%.

Fair on sale of light industry goods is taking place

On 5-7 December in show-room of SJSC “Uzbekyengilsanoat” the republican fair on ‘wholesale and retail sale of light industry goods’ will be organized, as reported by «Uzreport.com». The purpose of this event is to get familiar local and foreign buyers with industrial and consumer goods, and formation portfolio of orders for light industry Uzbek enterprises in 2006. More than 100 enterprises will present their own products in wide assortment, in particular, 52 enterprises of SJSC “Uzbekyengolsanoat”, 15 enterprises of association “Uzbek Ipagi”, 10 representative enterprises of the Chamber of Commerce and Industry, etc. More than 450 companies, organizations, and private entrepreneurs will participate as buyers; they will have an opportunity to conclude direct contracts, including export, on the delivery of products in 2006.

Uzbekinvest notes the growth of export insurance

This year National company on export-import insurance “Uzbekinvest” has continued its work on the promotion of services in the sphere of export insurance, directed on the provision of complex insurance protection of Uzbek exporters from political and commercial risks at international capital markets, as reported at the website of «Uzreport.com». Thus, for 9 months the number of issued policies of export contracts was 3.3 times more than that in analogous period in 2004, the amount of insurance commitments on risks coverage – 4.3 times more than in 2004.

NCEII “Uzbekinvest” renders the services on the insurance to export companies in food, chemical, light, construction, oil and gas, and agriculture branches.

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