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- Uzmetkombinat has increased the steel production by 6.5%**
 The rolling of the ferrous metals for 11 months rose by 7.9% and made up 543,205 tons.
- Production and sales at UzDaewooAuto will rise in 2006**
 In 2006 the company plans to increase the production and sales in the internal market to 60,000 units (577b UZS).
- Coal production for 11 months increased by 11.2%**
 OJSC “Uzbekugol”, the monopoly in solid fuel production in Uzbekistan, did raise the production of coal by 11.2% (comparing to January-November 2005) to 2.763m tons.
- Ferrous metals trades in off-season period**
 In general terms, the aggregate demand, comparing to the summer peak, did slow down multiply.

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 « Favorit Intel », (250m UZS)**
Start of 5th coupon payment
 - coupon rate – CB+6%
 - coupon payment amount – 13.75m UZS
- JV « Coscom », (600m UZS)**
Start of 7th coupon payment
 - coupon rate – 26%
 - coupon payment amount – 39m UZS

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Business update

15 December 2005

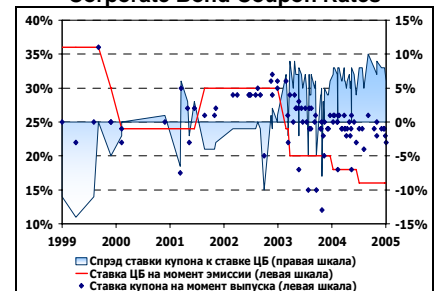
Official exchange rate of the CB RU to major world currencies (UZS)

	13.12.2005	06.12.2005	Chg./%
1 USD	1174.09	1171.04	+0.26 ↑
1 EUR	1389.77	1369.18	+1.50 ↑
1 GBP	2066.99	2025.90	+2.04 ↑
10 JPY	97.20	96.53	+0.69 ↑
1 RUR	40.51	40.43	+0.20 ↑

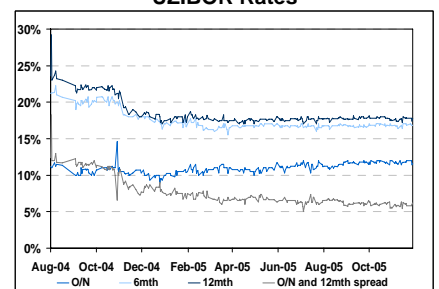
Key interest rates in national currency as of 15.12.2005 (in % per annum)

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.80
AWACRI	22.77
CBCAP (UZS)	185.57
CBCAP (USD)	154.69

Corporate Bond Coupon Rates



UZIBOR Rates



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

Upcoming events calendar

16 December. Start of payment of 8th coupon and paying off of the 3rd CB issue of JV OJSC «QOXIZ» is expected.

20-23 December. At showroom of “Uzkurgazmasavdo”, Central-Asian exhibition of textile, textile industry and technologies «CENTRAL ASIA GARMENT TECH» will be organized.

IMF and Uzbek Government agreed upon estimation of economic results

IA «Uzreport» informs that in the end of November – beginning of December 2005 the Mission of IMF visited Uzbekistan. The purpose of visit was the study of last economic tendencies and estimation of the development perspective for 2006. The IMF representatives agreed with the Government upon the estimation of the economic results for 9 months, expected results for 2005 and forecast for 2006. In particular, the Mission confirmed the GDP growth for 9 months at the level of 7.2%, and anticipated for the whole year – at the level of no less than 7%. The experts highly estimated the execution of the State budget, the forecasted 2005 deficit of 0.4% of GDP, supported the carried out reforms on further liberalization of tax system (about which was reported earlier), recognized the preparation of new edition of the Tax Code, and other analogous arrangements. They recognized that the all mentioned actions would cut substantially the tax burden and would further stimulate the production development, growth of investments and amount of services in the medium-term outlook. The progress in the structural reforms was marked out: simplification of procedures on the licensing and registration of certain kinds of enterprise, reduction in the accounts and audit visits for the business subjects, etc. In banking sector the mission approved the measures on the provision of the regular cash from clients' accounts and total absence of the debt on the cash payments to population. Finally, the mission gave recommendations on certain individual aspects of the economic, monetary and fiscal policies.

Uzmetkombinat has increased the steel production by 6.5%

Joint-stock manufacturing amalgamation "Uzmetkombinat" increased the steel production for January-November 2005 to 574,805 tons (+6.5% comparing to analogous period in 2005), "Prime-TASS" reports referencing to the government statistics. The rolling of the ferrous metals rose by 7.9% and made up 543,205 tons. In 2004 the steel production in the republic stepped up by 24% to 602,161 tons, including JSMA "Uzmetkombinat" – by 24.6% to 588,091 tons. The rolling of ferrous metals that year rose by 23.3% to 550,669 tons.

Production and sales at UzDaewooAuto will rise in 2006

According to the specialists of JSC "UzDaewooAuto", for 11 months of 2005 42,871 vehicles were sold (411b UZS). From this number 18,858 were realized by means of bank loans (more than 172b UZS or 44% of total sales volume), as reported in newspaper "Narodnoye slovo". In 2006 the company plans to increase the production and sales in the internal market to 60,000 units (577b UZS), more than 32,400 units are to be sold for consumer loans (311.63b UZS). According to the estimation of the company's specialists, considering the sales increase and realization of 55% of produce via bank loans, the forecasted demand amount for loans will make up 159b UZS in 2006, 181b in 2007, 204b – in 2008. At the same time due to the repayment of the loans given earlier, the total credit requirements of banks will amount to 33b UZS in 2006, 9b – in 2007, and 0 – in 2008. Thus, yet taking into account the considerable sales growth in 2005-2008, through the direction of means from repaid loans, the need for additional resources will drop to 0 by 2008.

Coal production for 11 months increased by 11.2%

OJSC "Uzbekugol", the monopoly in solid fuel production in Uzbekistan, did raise the production of coal by 11.2% (comparing to January-November 2004) to 2.763m tons, as reported at the website of "Kazkommertsbank" referencing to State Statistics Committee RU. In particular, the production of brown coal made up 2.691m tons (+10.6%), coal – 72,000 tons (+38.5%). In 2004, the coal production rose by 41.4% (comparing to 2003) to 2.699m tons. The growth is primarily due to introduction into exploitation (after the first stage reconstruction works) the open-cast "Angrenskiy", the main coal bas in Uzbekistan. According to forecast, in 2005 the coal production will amount 3.0m tons, including 2.92m tons of brown coal and 80,000 tons of coal.

Ferrous metals trades in off-season period

Monitoring of the exchange trades in ferrous metals for the last calendar month shows that fundamental reasons, which influence on price movement in the wholesale metal market remain traditional. First of all, decrease of demand for metal in off-season period can be related to these factors. As a whole, for the period under this review the aggregate demand has decreased several times in comparison with the summer peak. Relatively high demand is observed only for several most liquid groups of metal, such as armature of 12-35 GS type, circle of 12 st3 type as well as for all types of steel angle bars. For the first time demand for armature of 12-35 GS type was lower than supply. In this connection the weighted average price for it has fallen to the level of the starting price. Presently the consumers are ready to pay the highest premium to the starting price for angle bar of 45 st3 type (+15.25%) and square of 12 st3-5 type (+10%), reports "uzex.com".

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