

● **Germany and France will render financial assistance to Uzbekistan**

The Government of the Republic of Uzbekistan and Federal Republic of Germany signed agreements on financial and technical cooperation (total amount of 19m EUR). The Government of France approved €7m for the assistance to Uzbekistan in financing two projects in the sphere of water-supply and irrigation.

● **Investment funds: results for 9 months**

According to the results of the analysis several highly-liquid funds can be distinguished as “Hamrokh invest”, “Semurg”, “Daromad plus”, “Kamalak”, “Antakiya”, “Mulk”, “Capital invest”.

● **Joint capital of Halq bank increased by 6.4%**

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

	20.12.2005	13.12.2005	Chg./%
1 USD	1177.09	1174.09	+0.26 ↑
1 EUR	1413.45	1389.77	+1.70 ↑
1 GBP	2083.92	2066.99	+0.82 ↑
10 JPY	101.22	97.20	+4.14 ↑
1 RUR	41.08	40.51	+1.41 ↑

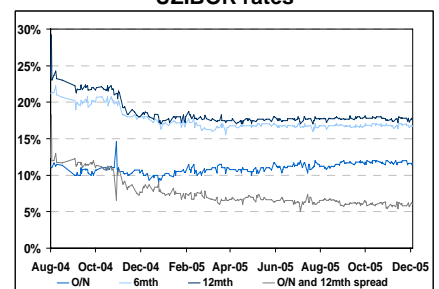
**Key interest rates in national currency as of 21.12.2005 (in % per annum)**

Refinancing rate of CB RU	16.00
UZIBOR (12 months)	17.75
AWACRI	22.75
CBCAP (UZS)	184.52
CBCAP (USD)	153.47

**Corporate Bond Coupon Rate**



**UZIBOR rates**



**Main macroeconomic Indicators of Uzbekistan, 2000-2005.**

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**

Special general meeting of shareholders of JSC “Uzpromstroybank”.

**Upcoming events calendar**

**20-23 December.** At showroom of “Uzkurgazmasavdo”, Central-Asian exhibition of textile, textile industry and technologies «CENTRAL ASIA GARMENT TECH» is taking place.

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## Germany and France will render financial assistance to Uzbekistan

The Government of the Republic of Uzbekistan and Federal Republic of Germany signed agreements on financial and technical cooperation (total amount of 19m EUR), as reported at the website of «Uzreport.com». Agreements "On financial cooperation between the Governments of RU and FRG in 2005" (€15m) and "On technical cooperation between the Governments of RU and FRG in 2004-2005" (€4m) were signed on December 21, 2005 at the Ministry of Foreign Economic Relations, Investments and Trade (MFERIT). Alisher Shaikhov, the Minister of Foreign Economic Relations, Investments and Trade, represented the Uzbek party, and Hans-Joachim Kiderlen, the Ambassador Extraordinary and Plenipotentiary – the German government.

First agreement is aimed at the realization of the project in the sphere of professional education in the construction and municipal sector (€8m as a benefit loan, €1m as a grant), and also projects in the financial sector on the support the small and private enterprises, micro-crediting and mortgage (€5m as benefit loan, €1m as a grant). According to the terms of the second agreement, Germany assigns 1.5m EUR for the support of economic development in individual regions, 2m EUR – development of professional education in the construction sphere, and 500,000 EUR – to enlarge the volume of bilateral Fund on fore-projected research. According to MFERIT RU, for 10 months of 2005 the volume of two-way turnover reached \$261.9m (98.7% of last year level). With all that, the export jumped up by 64.9% (+\$68.4m), and import moved down to 86.4% of 2004 level (\$193,5m).

«Uzreport.com» also informed that the Government of France assigned €7m for the assistance to Uzbekistan in financing two projects in the sphere of water-supply and irrigation. "Financial Protocol between the Governments of RU and France on the financing of the third stage of reconstruction the south Golodnostepskiy canal" and "Financial Protocol between the Governments of RU and France on the financing the delivery of water desalt equipment into 15 settlements in the Republic of Karakalpakstan» were signed on December 21, 2005 between Alisher Shakhov and Jean-Bernard Harth, the Ambassador Extraordinary and Plenipotentiary of the Republic of France. According to these documents, the French Government allotted long-term privileged loans 4.9m EUR and 2.1m EUR correspondingly. As reported by MFERIT, in January-November the turnover between Uzbekistan and France made up \$92.7m (+50% comparing to last year figure), from which export accounted for \$58.1m (222,8% comparing to 10 month period in 2004), import - \$34.6m (95.4% of 2004 year 10 month level). At present, nine joint-ventures, with French capital, and two 100% French enterprises, and one enterprise without a status of an Enterprise with Foreign Capital, function on the territory of Uzbekistan. In addition, 14 representatives of French companies are accredited.

## Investment funds: results for 9 months

The analysis of Net Assets Value (NAV) of investment funds (IFs) showed that combined NAV (as of 01.10.2005) made up 3,751m UZS (+10.1% comparing to analogous period in 2004). The highest growth rates were at such funds as "Semurg" (24%), "Hamrokh-invest" (20.2%), "Kamalak" (18.3%). IA «Uzreport» informs the decrease of NAV at some funds ("Aum-capital", "Dustlik"). The highest growth by the "profitability of total assets analysis" was observed at funds "Antakiya" (39.8%), "Hamrokh-invest" (28.5%) and "Mulk" (21%). With all that, as a whole, that indicator decreased by 17.1% comparing to analogous period in 2004.

The aggregate revenues figure declined by 15.8%. The reason is that last year the main part of revenues accounted for the realization of portfolio securities. For 9 month period, the main portion of revenues (80% or 526.1m UZS) was dividends on the investment portfolio. In particular, this indicator rose by 21.6%. According to the results of the analysis several highly-liquid funds can be distinguished as "Hamrokh invest", "Semurg", "Daromad plus", "Kamalak", "Antakiya", "Mulk", "Capital invest". The analysis showed that those funds were able to add 40% as dividends on the nominal amount by the end of the year. At present, there are 18 IFs, including 4 PIFs, 70,000 legal entities and individuals are the shareholders of IFs. The reason for reduction in the number of IFs is the mergers and acquisitions by the larger funds, and the transformation into another form of property.

## Joint capital of Halq bank increased by 6.4%

During 11 months of 2005, the joint capital of Halq bank increased by 6.4% (comparing to the beginning of the year) to 15.37b UZS, "PRIME-TASS" informs referencing to the bank's press-service. Assets rose by 4.5% to 76.834b UZS. Investments into securities amounted to 19.14b UZS (+6.1%), loans to clients – 19.76b UZS (+60%), cash and other equivalents – 22.02b UZS (+80%). Obligations increased by 3.9% to 61.463b UZS. With all that the amount of deposits stepped up by 5% to 60.176b UZS. The statutory fund amounted to 10.545b UZS. The Ministry of Finance RU (51%) and Central Bank RU (49%) are the founders of the Bank.

At the end of last year the Government released the bank from all tax payments till January 1, 2008. Released means will be totally directed to the compensation of operational expenses on the opening and performing the individual saving pension accounts (ISPA). According to the legislative document the Halq bank was determined as the only institute that will accumulate accounts of citizens', taking part in the accumulating pension system.

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