

- Almalik Mining Industrial Complex will renew extraction of polymetallic ores at Uch-Kulach**
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- NMIC in January-April has fulfilled the plan of gold production by 100.4%**
 The level of production of concentrate in comparison with the similar period of the last year has made 107,4%
- Cooperation between Korea and Uzbekistan: Facts and numbers**
 Uzbekistan delivers in Republic Korea basically a cotton fibre, articles of food, provides transport, tourist, insurance, communication, and transport-forwarding services.
- Increase in the volume of localization**
 Under the forecast of analysts of the Ministry of Economics, in 2007 the increase in volumes of localized production in 30 directions is planned.
- Comments on trading results at UzSE «Toshkent»**
 The trades in the primary market were not carried out.

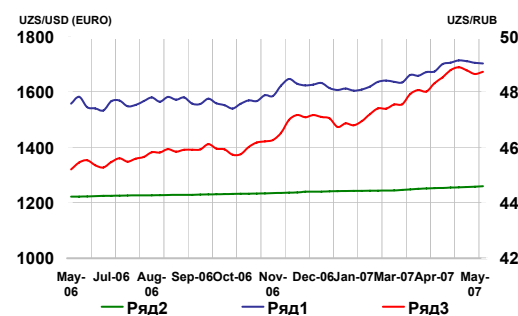
Official exchange rate of the CB RU to major world currencies (UZS)

| | 29.05.2007 | 22.05.2007 | Chg./% |
|--------|------------|------------|--------|
| 1 USD | 1260.27 | 1259.35 | +0.11↑ |
| 1 EUR | 1695.82 | 1701.89 | -0.14↓ |
| 1 GBP | 2500.75 | 2486.46 | -0.38↓ |
| 10 JPY | 103.62 | 103.87 | -0.77↓ |
| 1 RUR | 48.63 | 48.72 | +0.16↑ |

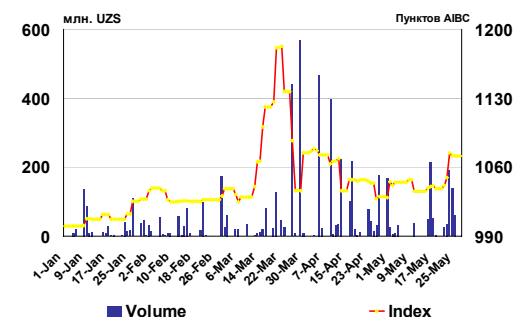
Key interest rates in national currency (in % per annum)

| | 04.05.2007 | Chg in 3 months |
|-------------------------|------------|-----------------|
| CBU rate | 14,00 | -2% |
| UZIBOR (12 мес.) | 14,00 | +1,37% |
| AWACRI | 21,74 | -4.6% |
| AIBC | 1044,815 | +0,13% |

Dynamics of exchange rates for 52 weeks



AIBC dynamic



The main macroeconomic indicators of Uzbekistan for 2002-2006.

| indicator | 2002 | 2003 | 2004 | 2005 | 2006 |
|--|------|------|------|------|------|
| GDP, trill. UZS | 7,45 | 9,84 | 12,2 | 15,2 | 20.8 |
| Real GDP growth % | 4,0 | 4,4 | 7,7 | 7 | 7.3 |
| State budget execution % to GDP (-deficit./+surplus.) | -0,8 | -0,4 | -0,4 | +0,1 | -- |
| Foreign trade turnover, billions of USD | 5,7 | 6,7 | 8,7 | 9,5 | 10.7 |
| Inflation (CPI), % | - | 3,8 | 3,7 | 7,8 | 6.8 |

Source: State Committee of Statistics of RUz, Avesta Research

Today

Upcoming events calendar

No events are expected

Almalik Mining Industrial Complex will renew extraction of polymetallic ores at Uch-Kulach

Approximately in two years the extraction of polymetallic ores on deposit Uch-Kulach will be renewed, informs an internet site "*infogeo.ru*".

The decree of the President of Uzbekistan from 2006 "About an effective utilization of a mineral and raw-material base of polymetallic ores of deposits Khandiza and Uch-Kulach", and the Special order of the Cabinet of Ministers have identified certain platforms for the beginning constructions of concentrating factories with installation of the modern equipment. The project Uch-Kulach has been named by the President among the most significant at final February session of the government.

The suspension of extraction of ore is connected with price depreciation of lead and zinc in the world market, and also with absence of a lead factory in the republic. Earlier Uch-Kulach annually gave out more than 1300 thousand tons of breed. The product has been directed for enrichment to Almalyk, and then to Chimkent for final completion. As a result the material became noncompetitive. At the present moment AMIC has started revival of the mine. The contract with the St.-Petersburg project institute of Joint-Stock Company "Mehanobrinjining" about development of projects of operation has been concluded.

Partners have undertaken updating of six objects of not completed construction under warehouse, conduct carrying out process of drinking and technical water, and other communications. TEC and architectural documents of the project has been approved. The project will be financed by AMIC and republican Fund of reconstruction and development. The volume of construction activities for this year became certain - 8 billion UZS. At present moment the enterprise employs more than 310 employees, with start-up of their main manufacture this number will be more than 700. Under the order of AMIC sewing shop produces 12,5 thousand pairs mittens per months. Marble blocks from local deposit Kulsuyuk also directing to AMIC where finishing material is being produced. On the deposit, marble getters are producing semifinished items - so-called slabs. Limestone in Jamansay for Kungrad a soda factory is being extracted. Monthly ship makes about 13 thousand tons.

NMIC in January-April has fulfilled the plan of gold production by 100.4%

For four months of this year the state task on realization of gold is executed on 100,4%, while the volume of a commodity output in established prices has made 113,7%.

The task on production of uranium is executed on 100,1%. The Level of production of concentrate in comparison with the similar period of the last year has made 107,4%, and phosphorus bread-stuffs - 146,5 %.

Construction of the mountain-metallurgical enterprise on the basis of gold deposits Kokpatas and Daugustau which will work on technology bio-lixiviation. Input of this unique complex will allow to increase considerably production of gold in Northern ore-area and to involve in processing persistent sulphidic ores. In the last year, Southern ore-enterprises have started realization of the project on construction of a large mining complex on the basis of deposits Zarmitan gold zones. The project provides expansion of capacities of operating mine Zarmitan due to the organization of mountain works by open and underground ways, increase in volumes of extraction, processing of ore and release of gold due to construction of new mines, on the basis of high technologies of conducting underground mountain works with use of the self-propelled mountain-transport equipment of the Swedish manufacture of firm Atlas Copco Group.

According to the long-term program of development uranium extraction branch of the company, seven deposits are planned to set up into operation, on five of which prospecting works are being carried out. As a result the volume of extraction of uranium will increase in one and a half time coming to 2012, informs an internet site "*bullion.ru*".

Cooperation between Korea and Uzbekistan: Facts and numbers

The Korea takes leading place among trading partners of Uzbekistan. According to data of State Statistical Committee of the republic, for 2006 bilateral commodity circulation has made nearby 615 million US dollars, volume of export - nearby 45 million US dollars, and import - nearby 569 million US dollars, informs IA "*press-uz.info*".

Uzbekistan delivers in Republic Korea basically a cotton fibre, articles of food, provides transport, tourist, insurance, communication, and transport-forwarding services. The list of importing materials from Korea includes accessories for cars, chemical products and plastic, ferrous metals. Investment cooperation between two countries is developing; the quantity of the enterprises in view of the Korean capital for last year has increased in 1,5 times and has reached 211, including 26 - with the 100% Korean capital. Activity of these enterprises basically concentrated in sphere of trade, light, chemical, the food-processing industries, mechanical engineering and metal working, housing and communal services, public health services, tourism and services. In MFERIT of Uzbekistan 58 representations of the South-Korean companies which field of activity includes carrying out of export-import transactions, rendering of transport services, textile manufacture, service of electronics are accredited.

Increase in the volume of localization

Within the framework of the Program of localization, production for the sum 478,3 billion UZS, or 121,3% to the quarter forecast has been produced in the first quarter 2007. Within the framework of 230 projects which have been carried out at 148 enterprises, it is realized production on 433,4 billion UZS, including it is exported on 149,7 million US dollar. The settlement effect of import substitution has made 389,5 million US dollar. 447 new workplaces has been created, informs IA "*press-uz.info*".

The three-year state program of localization developed in republic for 2006-2008, puts as the main task to provide workplaces in national economy, to develop allied industries, and to raise a level of incomes of the population. Besides, due to granting solid tax privileges, competitiveness of production in the internal and external markets raises, there is an economy of currency means.

Among new types of production mastered within the limits of the program there are calcium soda, two line ploughs, pipeline latches and valves, chisel chisels, the equipment for mini-factories, filtering fabrics, etc. Now, it is exported over 50 kinds of localized production, including wheel disks for cars, details groups for engines, steel, glasswares, cables of communication with waterproof filling and others.

The decision come into force in May of this year of the Cabinet in the program of localization updatings are brought. Heating boilers and modular boiler MT are included as additional products, as well as conditioners, the musical centers, microwave ovens and vacuum cleaners produced by Joint-Stock Company joint venture "Tashkent radio engineering factory" and "Zenith Electronics".

Under the forecast of analysts of the Ministry of Economics, in 2007 the increase in volumes of localized production in 30 directions is planned. Realization of the accepted measures will allow to lower volumes of import considerably.

Comments on trading results at UzSE «Toshkent»

According to trading results carried on 4th of June, 2007 at UzSE "Toshkent", the total volume of trades has made 68 904 747 UZS. Transactions with 27 158 units of shares of 5 issuers have been carried out.

The leader on volume of the tenders became - "Uzbekekspertiza" - one transaction for a total sum 51.4 million UZS (6 237 units of shares at the price which exceeded its face value in 1,05 times) has been concluded with the shares of the company. The second place has borrowed - "Ipotekabank" - one transaction for a total sum 16.5 million UZS (16 572 units of shares at nominal price) has been concluded.

The trades in the primary market were not carried out.

Trading results at UzSE «Toshkent» for 04.06.2007

| Issuer | Region | Sector | Max. Price of transac., UZS/USD | Number of shares | Amount of transaction, UZS | Price / nominal |
|--|-------------|--------------------|---------------------------------|------------------|----------------------------|-----------------|
| Uzbekekspertiza | Tashkent | Other | 5 250 | 9 804 | 51 471 000 | 1,05 |
| Ipotekabank | Tashkent | Bank | 1 001 | 16 572 | 16 588 572 | 1,00 |
| Pakhtabank | Tashkent | Bank | 1 000 | 803 | 803 000 | 1,00 |
| Kashkadaryopakhtasanoat HA birlashmasi | Kashkadaryo | Cotton and textile | 8 183 | 5 | 40 915 | 1,64 |
| Bobur | Andijan | Light industry | 1 260 | 1 | 1 260 | 1,91 |
| Total: | | | | 27 185 | 68 904 747 | |

Source: UzSE «Toshkent», Calculations by: Avesta Research

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