

- **«Uzbektelekom»: results of 2006**

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- **1,6 billion US dollars investments up to 2010**

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- **Credit of IDB**

The demand line of credit is opened for the period of 10 years and provides a 2-years grace period.

- **Credit of Asian Development Bank**

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- **New production at «Uzmetkombinat»**

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- **Comments on trading results at UzSE «Toshkent»**

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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

Quotations of share prices at exchange list of UzSE «Toshkent» for 04.07.2007

Issuer	Price of last transaction (UZS)	Change (%)	Issuer	Price of last transaction (UZS)	Change (%)
Uzsanoatqurilishbanki	1 550,0	0%	Xamkor Bank	100,0	0%
Galla Bank	100,0	0%	Ipak Yuli Bank	100,0	-0,5%
Ipoteka Bank	1 000,1	0%	Kapital bank	10 300,0	0%
Pakhta Bank	1 000,0	0%	Aloka bank	100,0	0%

Today

Upcoming events calendar

No events are expected

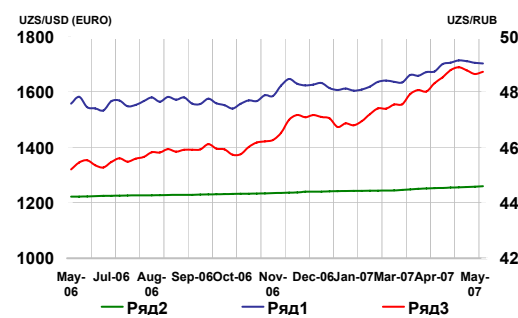
Official exchange rate of the CB RU to major world currencies (UZS)

	19.06.2007	12.06.2007	Chg./%
1 USD	1263.54	1261.63	+0.15↑
1 EUR	1691.88	1684.28	+0.45↑
1 GBP	2498.65	2481.25	+0.70↑
10 JPY	103.31	103.76	-0.43↓
1 RUR	48.54	48.56	-0.04↓

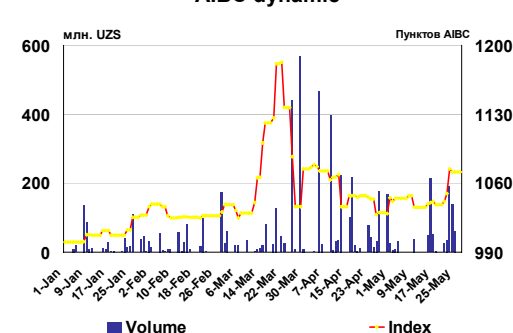
Key interest rates in national currency (in % per annum)

	02.07.2007	Change in 3 months
CBU rate	14,00	-2%
UZIBOR (12 m.)	14,00	+1,37%
AWACRI	21,74	-4.6%
AIBC	1040,384	+0,13%

Dynamics of exchange rates for 52 weeks



AIBC dynamic



«Uzbektelekom»: results of 2006

Joint-stock company "Uzbektelekom" is the largest operator of telecommunications and covers all territory of Uzbekistan with its network.

The local network of telecommunications of the company totals more than two thousand automatic telephone exchanges with capacity 1,9 million numbers, 72% of which are digital ones.

For the last year, the income of JSC "Uzbektelekom" from provided services has made 154,9 billion UZS. Profit from general economic activities has made 8.1 billion UZS, while the net profit of the company for the last year has made 8,1 billion UZS. The growth of the basic telephone sets on branches and the enterprises of the company has made more than 28,5 thousand.

According to the Decision of the President of Republic of Uzbekistan from 23 January 2007 "About further development and modernization of telecommunication networks of joint-stock company "Uzbektelekom", work on realization of joint project with Chinese development bank and JSCB "Alokabank" on development and modernization of the network on a leasing basis in the total cost 21 283,7 thousand US dollars, has been started informs an internet site "bankir.uz".

1,6 billion US dollars investments up to 2010

Uzbekistan plans to attract 1.6 billion US dollars investments from Arabian financial institutions up to 2010 for realization 26 investment projects, including:

- 384,1 million US dollars for modernization of chemical industry;
- 385,5 million US dollars for reconstruction of irrigation systems and development of private business in agricultural sector of the economy;
- 188 million US dollars for reconstruction of electric power objects;
- 190,4 million US dollars for re-equipping metallurgical enterprises;
- 150 million US dollars for modernization and technical re-equipment of enterprises manufacturing building materials;
- 149,2 million US dollars for projects in sphere of communal services;
- 131 million US dollars for construction and reconstruction of colleges and academic lyceums,
- 89 million US dollars for sphere of healthcare.

The structure of the Arabian coordination group includes Islamic development bank (IDB), the Saudi fund of development, the Kuwaiti fund of Arabian economic development, fund of international development of OPEC and Abu-Dhabian fund of development.

Session of "a round table" in Tashkent passes under IDB initiative with the purpose of identifying opportunities and coordination of actions of financial institutions for crediting projects presented by the government of Uzbekistan. According to the Ministry of Economics, in 2006 Uzbekistan has attracted 895,7 million US dollars foreign investments for realization of the projects included in the state investment program (growth is 20% in comparison with a parameter of 2005), including under guarantee of the government 211,9 million US dollars (growth on 5,4%). The volume of direct investments has increased for 25,4% - up to 683,8 million US dollars. In 2007, according to the investment program approved by the government, it is planned to master foreign investments in amount of 1,018 billion US dollars for realization 77 projects, informs "vesti.uz".

Credit of IDB

The Islamic development bank (IDB) has opened its credit line in total amount 15 million US dollars for three Uzbek banks - Ipoteka-bank (3 million US dollars), Uzpromstrojbank (4 million US dollars) and to bank "Asaka" (8 million US dollars) - for crediting investment projects in industrial and agricultural sectors of private business, informs an internet site "vesti.uz".

The demand line of credit is opened for the period of 10 years and provides a 2-years grace period. The minimal sum of financing for one project makes 50 thousand US dollars, maximal - 2 million US dollars. Credits of IDB are not allowed to be used in manufacture of tobacco products and in lottery business. The means, given to banks, will be divided into 2 equal parts. Each bank will have the right to use the second tranche only after full development of the first tranche.

According to conditions of the credit agreement the size of the margin (use of the interest rate is forbidden by laws of Islam) for credit line is based on 6-month's rate of LIBOR+2,5%. For leasing operations financing is given under the floating rate and for operations on a method of installment sale - under the fixed rate defined during approval of each project.

Credit of Asian Development Bank

In the last week, the board of directors of Asian development bank (ADB) has approved the decision on lending Uzbekistan credit in amount of 20,7 million US dollars for realization of the project on reforming management of public finances, informed in the press release of permanent mission of ADB in Tashkent.

It is expected, that the credit will be given under the guarantee of the government for 25 years with a grace period 4 years. The interest rate under the credit will be preferential and will be based on rate of LIBOR.

The project, in total 37,4 million US dollars is realized with the purpose of improving the process of planning and use of the state financial resources and to raise efficiency and transparency of execution of the budget.

Within the framework of the project, it is planned to approve and introduce uniform system of execution of the state budget and reporting, and also to introduce system of intermediate term budgetary planning.

In particular, it is planned to create territorial divisions of exchequer on all country which will serve the budgetary organizations and tax bodies, to improve exchequer operations by creation of uniform information system and telecommunication network on management of public finances, and also create the centralized system of book keeping for management, monitoring and estimations of the project.

The realization of the project will be finished in the end of 2011. The government of Uzbekistan will provide 16,7 million US dollars for realization of the project.

Besides its credit, ADB will provide the grant in amount of 600 thousand US dollars for development of the state bodies involved in realization of the project. In turn, the government will provide for these purposes 120 thousand US dollars.

As it was informed earlier, the project on reforming management of state finances, including optimization of management of the state budget and the organization of work of exchequer, is being realized in republic since 2002. In 2006, the law "About exchequer execution of the state budget" has come into force in Uzbekistan which provides legal base for creation and functioning bodies of exchequer.

Realization of the project has begun in 1st of June 2005, on stage-by-stage transition to exchequer execution of the state budget in regions of the republic. From the beginning of 2007, exchequer execution of the budget is introduced in all areas of the country.

Up to 2006, World Bank has been acting as the basic partner of the government on development of the project on optimization the management of state finance. In 2006, the government of Uzbekistan planned to attract a loan of WB on realization of the project, however in March of the last year the bank has declared change of its strategy of crediting Uzbekistan in favour of socially significant and global projects.

Uzbekistan became a member of ADB in 1995. For this period of time, the bank has provided Uzbekistan with its credits for realization of 19 projects for a total sum 914,7 million US dollars and 32 million US dollars in the form of the technical help under 62 projects in the field of formation, agriculture, modernization of transport communications and power sector, informs an internet site "*news.kkb.kz*".

New production at «Uzmetkombinat»

In June, joint-stock production association "Uzmetkombinat" has introduced production of two new large manufactures - a wire and welding electrodes. The first type of product is calculated to be produced six thousand tons of wire per year, and the second - 500 tons of electrodes.

The program of modernization and technical re-equipment of production developed at the enterprise includes more than ten actions. They are reconstruction of machines pouing steel of electrosteel-smelting shop on continuous basis, development of new technology of processing wastes of steel-smelting manufacture, and many others. The policy of combine is to to produce finished goods of the improved quality that at the least expenses of the basic raw materials. Only in that case it will appear competitive in the world market and will not lead to rise in price of construction on internal, the newspaper "Pravda Vostoka" informs.

Comments on trading results at UzSE «Toshkent»

According to trading results carried on 4th of July, 2007 at UzSE "Toshkent", the total volume of trades has made 457 496 944 UZS. Transactions with 104 181 units of shares of 15 issuers have been carried out.

The leader on volume of the tenders became - "Surhonoziqovqatsanoati" - one transactions in secondary market with national currency for total sum 259.58 million UZS (2 018 units of shares at price which exceeded its nominal value on 10.50 times) has been concluded with the shares of the company. The second place has borrowed - "Kapital bank" - one transaction for a total sum 84 million UZS (8 408 units of shares at nominal value) has been concluded.

Trading results at UzSE «Toshkent» for 04.07.2007

Issuer	Region	Sector	Max. Price of transac., UZS/USD	Number of shares	Amount of transaction, UZS	Price / nominal
Surhonoziqovqatsanoati	Surkhandarya	Food industry	128 751	2 018	259 819 518	10,50
Kapital bank	Tashkent	Bank	10 000	8 408	84 080 000	1,00
Pakhta-bank	Tashkent	Bank	1 050	60 118	63 123 900	1,05
Ohongaronshifer	Tashkent reg.	Construction	20 000	1 744	34 880 000	20,00
Chortoq tuman ulgurju chakana savdo	Namangan	Other	2 027	3 127	6 338 429	1,08
Namangan tuman MTP	Namangan	Agriculture	1 000	3 004	3 004 000	1,00
Faikon IF	Tashkent	Finance	100	20 000	2 000 000	1,00
Sirdaryo viloyat qishloqhujalikkimyo	Sirdarya	Chemical industry	1 875	874	1 638 750	1,88
Chilonzor buyum bozori	Tashkent	Trade	1 000	1 250	1 250 000	1,00
Kuvasaytsement	Ferghana	Construction	16	24	498 097	41,49
Итого:				104 181	457 496 944	

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

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