

- **We are 27 mln**  
Population increased by 298.8 thousand people since the start of the year.
- **UzDaewooAuto is starting serial production of Lacetti cars**  
Cost of the project is estimated to be 47.7 mln USD
- **“UT Bank”: operational results**  
Assets of the bank are 45.175 bln UZS
- **Cotton exports set for long-term decline**
- **Comments on trades at RSE “Toshkent”**  
Sales volume at RSE “Toshkent” was 206 mln UZS.

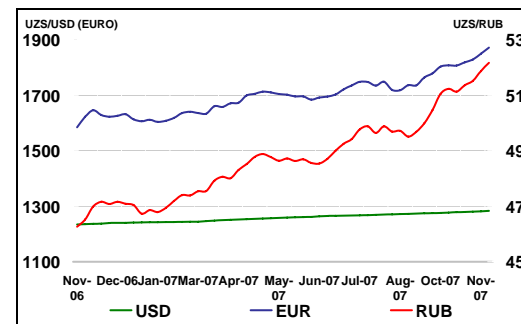
#### Official exchange rate of the CB RU to major world currencies (UZS)

	20.11.2007	13.11.2007	chg./%
1 USD	1284,06	1283,01	0,10%↑
1 EUR	1878,71	1871,78	1,19%↑
1 GBP	2650,69	2686,75	1,35%↑
10 JPY	116,18	112,86	8,27%↑
1 RUR	52,14	52,17	0,58%↑

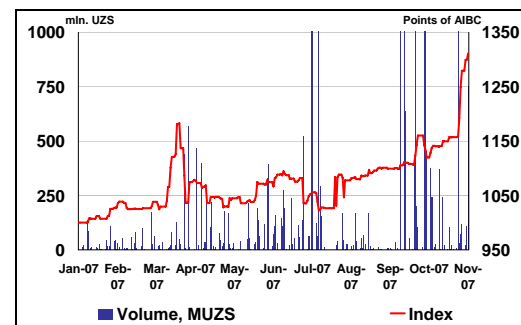
#### Key interest rates in national currency (in % per annum)

	16.11.2007	Change in 3 months
CBU rate	14,00	0%
UZIBOR (12 m.)	13,50	
AWACRI	18,52	-4,55%
AIBC	1253,173	+14,60%

#### Dynamics of exchange rates for 52 weeks



#### AIBC dynamic



#### The main macroeconomic indicators of Uzbekistan for 2002-2007.

indicator	2002	2003	2004	2005	2006	1H07
GDP, trill. UZS	7,45	9,84	12,2	15,2	20,8	10.1
Real GDP growth %	4,0	4,4	7,7	7	7.3	9.7
State budget execution % to GDP (-deficit./+surplus.)	-0,8	-0,4	-0,4	+0,1	--	+1.9
Foreign trade turnover, billions of USD	5,7	6,7	8,7	9,5	10,7	6.6
Inflation (CPI). %	-	3.8	3.7	7.8	6.8	2.7

#### Quotations of share prices at exchange list of UzSE «Toshkent» for 15.10.2007

Issuer	Price of last transaction (UZS)	Change (%)	Issuer	Price of last transaction (UZS)	Change (%)
Uzsanoatqurilishbanki	2 050,0	0%	Xamkor Bank	100,0	0%
Galla Bank	105,0	0%	Ipak Yuli Bank	100,0	0%
Ipoteka Bank	1 035,0	+3,5%	Kapital bank	10 500,0	0%
Pakhta Bank	1 050,00	0%	Aloka bank	154,00	+10%
Turonbank	1000,00	0%			

**We are 27 mln**

Resident population of the Republic of Uzbekistan, by preliminary data, on October 1, of the current year was 27 mln people increasing by 298.8 mln people or 1.1% in comparison with the beginning of the year, stat.uz infoms.

Natural population growth was 345.4 thousand people, hereof 249.6 thousand or 72.3% fall on rural area. Balance of migration for 9 months, by preliminary data, was negative 46.6 thousand people. Number of new born during 9 months was 451.8 thousand increasing by 37.8 thousand or 9.1% as compared with similar period of 2006, birth rate increased from 20.9 to 22.4 per 1000.

Birth rate increased in all regions. Significant increase is observed in Ferghana (from 19.7 to 23.2 per 1000), Namangan (from 20.2 to 22.6 per 1000) and Tashkent (from 19.1 to 21.5 per 1000) regions. The lowest birth rate remained in Tashkent city – 18 per 1000.

Number of passed away during January-September of the current year as compared with the corresponding period of 2006 increased by 1.9 thousand people or 1.8%. Mortality rate was up in Kashkadarya (from 4.1 to 4.4 per 1000), Navoi (from 5.1 to 5.3 per 1000), Samarkand (from 4.9 to 5.1 per 1000) and Djizzakh (from 4.1 to 4.3 per 1000) regions. The highest mortality rate remained in Tashkent city – 7.9 per 1000.

From total number of mortals, 59% passed away as a result of blood circulation system diseases, 7.3% - respiratory diseases, 6.6% - accidents, intoxication and injuries. By preliminary data, during January-September of the current year 6.2 thousand children under one died. Infant mortality rate during the period in question decreased from 15.1 per 1000 in 2006 to 14.3 thousand per 1000 in the current year. Out of total number of infant mortality cases, 39.7% occurred due to respiratory diseases, 39% - situations in perinatal life, 8.5% - congenital anomaly and 6.3% - infectious and parasitic diseases.

During 9 months of the current year 166.3 thousands marriages and 13.1 thousand divorces were recorded, resulting in 8.3 marriages and 0.7 divorces per 1000 people versus 7.3 and 0.6 in the analogous period of 2006.

**UzDaewooAuto is starting serial production of Lacetti cars**

CJSC "UzDaewooAuto" will start serial production of Daewoo Lacetti car worth 47.7 mln USD in the 4th quarter of 2008.

This was reported by PRIME-TASS agency with reference to source in JSC "Uzavtoprom", which includes automobile plant in its structure. There is a contract between UzDaewooAuto and General Motors Daewoo and Technology for delivery of machines and equipment to organize serial production of Lacetti cars valued at 41.5 mln USD. In line with Feasibility report, approved by the government of Uzbekistan, it is planned to build at the plant production capacity of 30 thousand cars per year. Meanwhile, out of the cited amount 5 thousand cars are expected to be exported.

In May, 2005 JSC "Uzavtoprom" bought 50% shares of korean Daewoo Motor in UzDaewooAuto for about 110 mln USD. In mid October, 2005 UzDaewooAuto prolonged its contract with General Motors for delivery of parts up to 2010. In September of the current year General Motors and JSC "Uzavtoprom" established JV "GM Uzbekistan" on the basis of the plant in Asaka for assembly of 3 models of Chevrolet – Captiva, Epica and Tacuma with production capacity reaching 50 thousand cars with possibility of expansion to full-scale production in the next 3 years. In line with the terms of establishing the JV, General Motors owns 25% shares of the enterprise, with possibility to increase it up to 40%.

CJSC UzDaewooAuto was established on equal terms by uzbek association of car manufacturing enterprises "Uzavtoprom" (at present JSC "Uzavtoprom") and South Korean company Daewoo Motor. In 1996, JV put into operation a car manufacturing plant worth 650 mln USD. From the establishment the plant was constantly increasing its production and export volumes. For instance, according to the data of State Committee for Statistics, production of cars by CJSC "UzDaewooAuto" according to the results of 2006 increased by 38.7% as compared with 2005 and was 140 080 cars, export volume increased by 1.55 times up to 82.5 thousand cars, while supply into the domestic market increased by 29.3% up to 59.6 thousand cars.

At the moment in Uzbekistan there are about 70 enterprises supplying parts to CJSC "UzDaewooAuto", including more than 10 JV's. Production localization level of the plant in 2009 is planned to increase up to 70% versus 60% at the present moment. In particular, in line with localization of car manufacturing in the country there are enterprises producing accumulators, glass, fuel tanks, noise-reducing mufflers, seats, bumpers, cords and electrical wires for engine, paints, fuel and brake pipes, plastic accessories for equipping saloon. During 2008 UzDaewooAuto plans to start producing modified version of Nexia (Nexia-150) car and to reach full capacity – 200 thousand cars.

**“UT Bank”: operational results**

On October 1, 2007 assets of the bank totaled 45.175 bln UZS. Credit portfolio was 6.745 bln UZS. Liabilities made up 37.207 bln UZS. On October 1, 2007 total volume of deposits was 10.505 bln UZS. Deposits from population totaled 7.29 bln UZS, including 3.725 bln UZS in foreign currency, bankir.uz reported.

CJSC “Uzbek-Turkish bank” was established in May, 1993. Primary activity of the bank are credit provision to ventures, in particular, joint uzbek-turkish companies, small and medium enterprises, support of private entrepreneurship, handling and performing export-import operations, participation in the securities market.

**Cotton exports set for long-term decline**

(Source: Economist Intelligence)

Uzbekistan's agriculture sector is struggling at present, in contrast to other branches of the economy. It grew by just 3.5% year on year in the first nine months of 2007. Although the cotton crop looks set to exceed slightly the government target of 3.6m tons for 2007, it is unlikely to be significantly higher than the 3.63m tons harvested in 2006. The annual target was reportedly reached by mid-October, with some acreage still left unpicked. The total area given over to cotton was 1.44m ha, with the yield averaging 2.5 tons/ha, a little down on the 2006 yield.

The annual cotton crop has fallen substantially since independence, owing to factors such as deteriorating soil quality and infrastructure. Cotton now accounts for roughly 20% of exports, down from nearly half at independence in 1991. The decline in the official cotton harvest since independence could also be partly attributable to smuggling, since the Soviet-era state procurement system, the ‘goszakaz’, sets prices for cotton artificially low.

Exports of cotton fibre are set to decline further in the coming years as a result of investment in domestic light industry. The government is aiming eventually to raise the domestic textiles industry's share in consumption of cotton fibre to 50%, as a result of which exports of cotton fibre are expected to decline to 750,000-800,000 tons during the 2007-08 marketing year. The impact of this on export revenue will be mitigated by high cotton export prices: world cotton prices are forecast by the Economist Intelligence Unit to rise by more than 20% cumulatively in 2008- 09. Uzbekistan will export most of its cotton fibre to Russia and to Asian markets, including Bangladesh, China, India and South Korea.

**Comments on trades at RSE “Toshkent”**

Sales volume on October 22, 2007 at RSE “Toshkent” was 206 mln UZS. 139 298 share of 9 entities participated in trades.

Leader by sales volume was Pakhta-bank with 124.3 mln UZS. It should be noted that price for this entity's shares went up from 1 030 to 1 050 UZS. In total, there were sold 120 thousand shares of the bank on this day. Second by sales volume was UzPSB, a day before its shares were traded at 2400. During this trading day they were traded at 2000, 2495, 2740 and as a result reaching a maximum of 2900 UZS per share. There was a transaction with shares of Alokabank totaling 61.6 thousand UZS; price was 154 UZS per share, 54% above the par value. This is the highest price on these shares from the start of the year.

There were no trades in the primary market both for hard convertible currency (HCC) and national currency as well as on the secondary market for HCC.

Trading results at RSE “Toshkent” (22.11.2007)

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Pakhta-bank	Tashkent city	Bank	1 050	120 000	124 364 640	1,05
UzPSB	Tashkent city	Bank	2 900	15 162	39 016 300	1,45
Uzbekengilsanoat	Tashkent city	Light industry	100 000	380	38 000 000	1,00
Turon bank	Tashkent city	Bank	1 000	1 803	1 803 000	1,00
Kizilkumcement	Navoi	Construction	15 625	87	1 359 375	20,83
Ipoteka bank	Tashkent city	Bank	1 035	1 200	1 242 000	1,04
Uzneftgazkazibchikarish	Tashkent city	FEC	4 500	196	882 000	4,50
Uylrefrans	Sirdarya	Transport	1 500	70	105 000	1,50
Alokabank	Tashkent city	Bank	154	400	61 600	1,54
<b>Total:</b>				<b>139 298</b>	<b>206 833 915</b>	

Source: RSE «Toshkent», Calculations: Avesta Investment Group

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