

- **Daewoo does not resent discounts**

Distributor of Daewoo in two weeks increased sales of the brand in Russia by 40% as a result of discounts on cars.

- **Uzbekistan plans to increase gas prices**

"Uztransgaz", starting from January 1, 2008 plans to increase price of the natural gas delivered to Tajikistan up to 180 USD per 1 thousand cubic meters.

- **EBRD granted a credit to Hamkorbank**

The value of the loan is 2.2 mln Euro.

- **RSE "Toshkent"**

Consolidated sales volume at RSE "Toshkent" was 515 mln UZS.

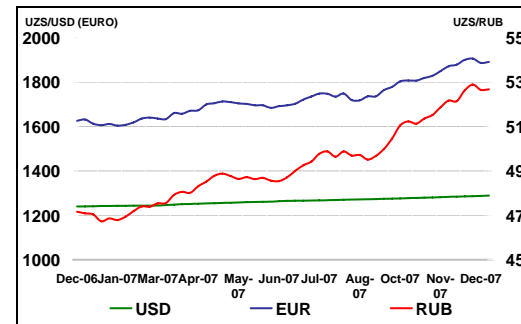
Official exchange rate of the CB RU to major world currencies (UZS)

	18.12.2007	11.12.2007	chg./%
1 USD	1288,74	1287,58	0,09%↑
1 EUR	1890,97	1886,82	0,22%↑
1 GBP	2629,67	2630,01	-0,01%↓
10 JPY	115,45	116,3	-0,73%↓
1 RUR	52,68	52,65	0,06%↑

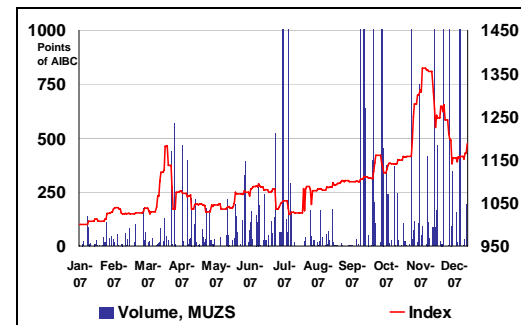
Key interest rates in national currency (in % per annum)

	20.12.2007	Change in 3 months
CBU rate	14,00	0%
UZIBOR (12 m.)	13,57	
AWACRI	18,52	-4,55%
AIBC	1186,951	+6,93%

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	2 160,0	-10%	Xamkor Bank	100,0	0%
Galla Bank	104,0	0%	Ipak Yuli Bank	100,0	0%
Ipoteka Bank	1 000,00	0%	Kapital bank	10 500,0	0%
Pakhta Bank	1 050,00	0%	Aloka bank	154,00	0%
Turonbank	1000,00	0%			

Daewoo does not resent discounts

In the beginning of December the new Russian distributor of Uzbek plant UzDaewooAuto – “UzDaewooAuto-Saratov” company started the first federal promo campaign of the brand, giving it unusual form for the car market. Official dealers of Daewoo are offering customers to pull out one of several tickets. On the other side of every ticket, there is amount of the discount: 5000 Rubles, 10 000 Rubles, 30 000 Rubles or 70 000 Rubles. However, the biggest discount does not come out often – in 40 cities it was received by a few more than 30 people, vedomosti.uz informs.

Customers liked the game. In two weeks the campaign was implemented, sales of Daewoo in the network of dealers in comparison with November increased by 40%, Tokhir Jalilov - General Director of “UzDaewooAuto-Saratov” said. Along with this, he confesses, boom around the campaign was a complete surprise.

“The campaign motivated to come to salons those people who were postponing the purchase for a later time” – explains the manager of the biggest Russian dealer company “Avtomir” Roman Kurakov. In fact, “Avtomir”, whose majority of sales is conducted in Moscow, saw moderate results from the promotion named “Novogodnee chudo” (New Year’ miracle) in comparison with regional dealers: Kurakov expects sales to go up by 10-15%. General Director of “Inkom-avto” Vladimir Franke, too, noted that promo campaign in December significantly increased sales without calling out actual figures. Brand-manager of “Volgaavtograd” Natalya Ryabtseva says that in several months of the current year the company has sold three times more Daewoo cars than in the analogous period of 2006, with the current promotion increasing demand even further: “People like to win discounts; many of them bring their friends afterwards”.

Locomotive of the brand, Daewoo Nexia sedan, is becoming a regional car, explains Kurakov. In Moscow customer are interested in more modern and expensive cars. In fact, up to 2002 it was #1 selling foreign-made car in Russia. Market share of Uzbek manufacturer was steadily declining in recent year. In 2005, Daewoo had 8% market share of new foreign-made cars, while in 11 months of 2007 – less than 6%. This year UzDaewoo has entrusted the fate of its brand in Russia to its subsidiary, which by this time had become the biggest seller of Daewoo in Russia: “UzDaewooAuto-Saratov” had about 60% of sales of the brand.

Kurakov is happy with the activeness of the new distributor of the brand. Daewoo practically did not have centralized promo campaigns before. Whereas in the current the distributor had decreased prices already, causing the demand to increase. In October, the whole lineup of Daewoo became cheaper by 10 000 Rubles. Once sales of the new model of Nexia starts in Russia from 2008 the situation should improve, Jalilov believes. The task of “UzDaewooAuto-Saratov” for 2008 is to achieve sales growth of at least 20% through the network of dealers.

According to TNS Gallup adFact, advertisements of Daewoo in 2007 were more: i.e. in Moscow outdoor advertising was 3 times more than in 2006 – up to 1500 surfaces. Total number of Daewoo ads in 2006 was 4300, in January-November, 2007 – 5300. Marketing budget is undisclosed. General Director of “UzDaewooAuto-Saratov” promises to prepare “genuine marketing projects” in the future, too. In some way or other, fall in the market share of Daewoo was almost stopped.

Daewoo got help from the business environment, as well – rival brands are rising in price or in short of demand. Customers have to wait quite long for inexpensive configurations of Ford Focus and Renault Logan, while Hyundai is increasing prices of its budget models. Currently, Daewoo is cheaper than a new model of VAZ: Lada Priora costs 282 000 Rubles while Nexia starts at 235 000 Rubles. Price of Matiz starts at 185 000 Rubles. In fact, when salons were called up it was evidenced that it is not easy to find them in Moscow. In some salons you would have to wait for about 2 weeks for them. Similarly, it is not simple to buy from official distributors of VAZ: Priora, “#10”, classic, both versions of Niva are short of demand. In reality, there are no waiting lines for them – there are many dealers of AvtoVAZ, thus customers prefer to look for cars in different salons, including applications to unofficial dealers.

Discounts, announced by the manufacturer of distributors, are offered out of dealers’ margin and as a rule do not exceed half its size. On average the margin is 3.5-5.5% of cars price, consequently, discount does not exceed 3%. Sometimes, the manufacturer adds another 1.5-2% out of its margin. Discounts up to 15% of the selling price of a car, promised by some dealers, can be only obtained with purchase of an expensive configuration of a car and order of extra expensive services.

Uzbekistan plans to increase gas prices

“Uztransgaz” plans from January 1, 2008 to increase the price of natural gas delivered to Tajikistan up to 180 USD per 1 thousand cubic meters, vesti.uz informs. “Tajikgaz” is yet trying to negotiate for a lower price, but “Uztransgaz” has already informed Tajik side that the contract for delivery in the next year should be made by December 24 included.

Tajikistan intends to increase the volume of purchased gas in the next year from its only importer – “Uztransgaz” – from 650 mln cubic meters in 2007 up to 950 mln cubic meters. Both parties made an agreement on the volumes of gas for 2008. However, Tajik side is trying to decrease the price. At the start of negotiations Tajikistan was insisting on the price of 130 USD per 1 thousand cubic meters.

From January, 2007 Tajikistan is buying Uzbek gas at the price of 100 USD per 1 thousand cubic meters versus 55 USD a year before. Import of natural gas from Uzbekistan to Tajikistan during January-October, 2007 was 470.8 mln

cubic meters (an increase of 0.9% against analogous period of the previous year) for the total value of 47.1 mln USD (an increase of 83.5%).

Self produced natural gas in Tajikistan during January-October, 2007 was 14.5 mln cubic meters (a decrease of 11.6%). Gas produced inside the country is exclusively consumed by population of the country and only in the southern part of it.

JSC "Uztransgaz" is part of the National Holding Company "Uzbekneftegaz", engaged in transportation of natural gas and liquid hydrocarbons, produced in the territory of Uzbekistan, to domestic consumers and for export, as well as conducts transit of gas through gas pipelines of the country. The government owns 97.5% of "Uztransgaz" shares, employees of the company – 2.5%.

EBRD granted a credit to Hamkorbank

EBRD granted a credit in the amount of 2.2 mln Euro to "Hamkorbank" with the purpose of giving credits to local enterprises, bankir.uz informs. In addition, EBRD gave a credit in the amount of 3 mln USD, recognizing successful operations of the bank, as well as taking into account good reputation of the bank in the sphere of crediting small enterprises. EBRD granted a credit for the first time without requiring government guarantees.

In August, 1991 the Central Bank of Uzbekistan had registered this bank under the name "Andijonbank". With the expansion of the bank and opening branches in the regions of the country, under the authority of the general meeting of "Andijonbank" shareholders on July 1, 2000 it was renamed to JSCB "Hamkorbank". Among prioritized directions of activities of the bank is financial support of small businesses and private entrepreneurships. The bank is an active participant of the securities market, offering underwriting services – placing securities among investors issued by consulting, clearing companies. Since 2000, JSCB "Hamkorbank" cooperates with IMF, EBRD.

By the results of 3rd quarter of 2007, assets of the bank were approximately 305 bln UZS (or 242.7 mln USD), with liabilities totaling 281 bln UZS (22.6 mln USD). Own capital of the bank is equal to 24 bln UZS (19.09 mln USD).

Comments on trade results at RSE "Toshkent"

Consolidated sales volume of RSE "Toshkent" on December 20, 2007 was 515 mln UZS. 1 045 555 shares of 11 issuers were traded during the day.

"Surkhonozikovkatsanoati" had the highest sales volume of the day – 219.5 mln UZS. Transaction occurred at the price of 141 626 UZS per share, which is 11.55 times nominal value. It was followed by "Gallabank" – 125 mln UZS. The fourth by sales volume was "Uzpromstroybank" – 65 thousand UZS. The selling price was 2 200 UZS, which is 10% more than nominal value. It should be pointed out that price of the bank's shares is highly volatile, in November transactions with the bank's shares were settled in the range of 2000 – 2990 UZS.

There were no trades in the secondary and primary market for hard convertible currency.

Trading results at RSE "Toshkent" (20.12.2007)

Emitter	Region	Sector	Max price, Soum/\$	Number of shares, units	Volume, Soum	P/NBV
Surkhonozikovkatsanoati	Surkhandarya	Food	141 626	1 550	219 520 455	11,55
Gallabank	Tashkent city	Bank	125	1 000 000	125 000 000	1,25
Okhangaronshifer	Tash. reg.	Construction	20 000	4 964	99 280 000	20,00
UzPSB	Tashkent vity	Bank	2 200	30 120	65 064 000	1,10
Khorazm ipagi	Khorezm	Cotton and textile	6 000	537	3 222 000	1,10
Toshkent regional trading	Tash. reg.	Other	310	4 900	1 510 000	3,10
SP Mebel	Tashkent city	Retail	1 900	739	1 404 100	1,00
Kishlokxujalikkimyo	Kashkadarya	Chemical	1 088	295	320 960	1,09
Kumkurgan-Invest	Surkhandarya	Other	100	2 400	240 000	1,00
Ipoteka bank	Tashkent city	Bank	1 270	20	24 250	1,27
Total:				1 045 555	515 600 765	

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

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