

- Increase in GDP during the nine months made 9,4%**
 During the past 9 months of current year growth of gross domestic product comparing to the corresponding period of the last year made 9,4%, «*uza.uz*» writes.
- A common order of rent payments is being designed**
 The order of leasing none-residential premises to entrepreneurs is being studied in order to explore the matters related to supporting entrepreneurship, «*12.uz*» states.
- Mitsubishi will increase technological level of «Uzbekneftegaz»**
 Business manager of Mitsubishi Masatoshi Nishizava has visited Tashkent. Japanese company is ready to take part in new oil-and-gas related projects of Uzbekistan, «*gazeta.uz*» reports.
- Comments on the results of trades in RSE «Toshkent»**
 On October 20, 2008 the turnover of the stock exchange made more than 22,8m sum.

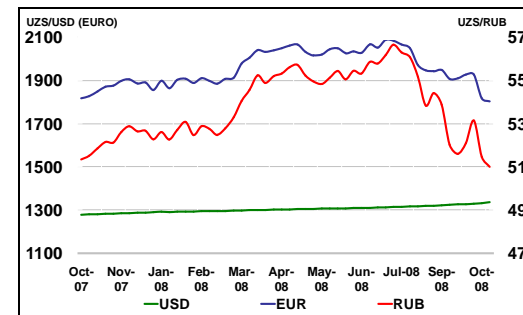
Official exchange rates of CB to the main international currencies (sum)

	14.10.2008	07.10.2008	Chg./%
1 USD	1 336,53	1 333,29	0,24↑
1 EUR	1 804,45	1 818,61	0,78↓
1 GBP	2 272,50	2 351,26	3,35↓
10 JPY	133,79	127,78	4,70↑
1 RUR	51,00	51,48	0,93↓

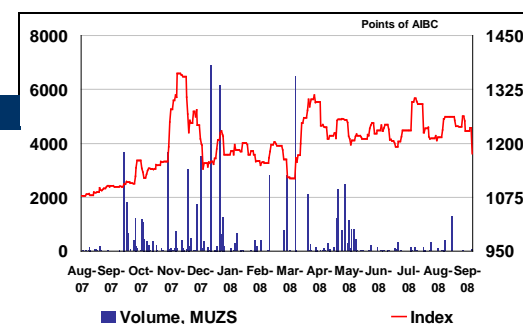
Main interest rates in national currency (in % annual)

	20.10.2008	3-months change
Rate of CB RU	14,00	0%
UZIBOR (12 months)	13,50	0%
AWACRI	17,61	0%
AIBC	1 200,1	-8,02%

Dynamics of the change in the exchange rate of international currencies to sum



Dynamics of AIBC index



Main macroeconomic figures of Uzbekistan for 2004-2007

Figures	2002	2003	2004	2005	2006	2007	1H 2008
GDP, trillion sum	7,45	9,8	12,2	15,2	20,8	28,2	13,6
Real GDP growth, %	4,0	4,4	7,7	7	7,3	9,5	9,3
Administration of the state budget, to GDP	-0,8	-0,4	-0,4	+0,1	-0,5	1,1	1,9
Foreign trade turnover, bill. USD	5,7	6,7	8,7	9,5	10,7	14,2	9,8
Inflation, %	-	3,8	3,7	7,8	6,8	6,8	-

Source: State Committee on Statistics of RU, Avesta Investment Group

Events Calendar

- October 27:** Special meeting of the shareholders of OJSC «Makhsus tajriba avtokorkhona»
- November 5:** Special meeting of the shareholders of OJSC «Ammofos»
- November 6:** Special meeting of the shareholders of OJSC «STM»
- November 14:** Special meeting of the shareholders of OJSC «Kuvasaycement»
- November 21:** General meeting of the shareholders of OJSC «Delta Qurmah»

Increase in GDP during the nine months made 9,4%

A meeting of the Cabinet of Ministers was held. During the meeting it was noted that, the growth of gross domestic product during the past 9 months of current year in comparison with the corresponding period of the last year made 9,4%; industrial production volume has increased by 12,4%, production of consumer goods by 18,4%, agricultural goods by 4,1%, and services by 18,5%, «*uza.uz*» writes.

Increase in export provides a significant positive balance of foreign trade. State budget was implemented 1,9% to the GDP, the level of inflation has exceeded the forecasted rates.

In 2008 increase in GDP of Uzbekistan is planned to be at the level of 8% in comparison to 2007. The volume of industrial production is planned to be increased by 9,6%, of agriculture by 5%, of capital investments by 16% at the level of inflation not more than 6-8%.

The increase in adopted investments made 22,4%, including foreign direct investments 33,5%. 284 production units were put into operation, including third and fourth units of getting propane-butane mix at Shurtan field, «Alyorteks» textile mill in Andijan region, a joint venture on production of polymeric pipes «Zamonaviy polimer kuvur» in Djizakh region, and milk processing plant «Ost-Milch» in Tashkent region.

The share of small business in the gross domestic product has increased up to 45,3% against 43,1% during the corresponding period of last year.

545,2 thousand new work places were created, including 188,2 in the sphere of service, and 85,1 thousand due to the out-work.

Measures that are being taken in the economy and in the regions with the aims of decreasing unprofitable and ineffective joint ventures were discussed during the meeting. The necessity of taking additional measures on financial recovery of unprofitable enterprises, and expediting realization of bankrupt-businesses to effective owners was highlighted.

Special attention was given to the discussion of the results of financial-banking structure during the 9 months of current year, and expected results for the whole year of 2008. It was also noted that regardless, expanding financial crises that is enveloping many countries, banking system of Uzbekistan is characterized by being independent from the foreign financial resources, and, therefore, is not effected by negative outcomes of that crises.

Along with that, the necessity of further improvement of the activities of professional insurance market participants and taking measures on expanding the range, increasing the quality, and affordability of the provided services, especially in the countryside, and on providing insurers' protection were noted.

A common order of rent payments is being designed

With the initiative of State de-monopolization committee the order of leasing none-residential premises to entrepreneurs is being studied in order to explore the matters related to supporting entrepreneurship, «*12.uz*» states

It has been found during the studies that, significant problems are being caused due to the high rental payments set by the decisions of hakims (mayors). Thus, the rate of the rents for 1 sq. m in Tashkent region fluctuates between 544 and 11088 sum (0,41-8,27 USD). In Karakalpakstan republic rental payment makes 350-3600 sum (0,26-2,67 USD).

In Navoi region the rates are set depending on the price of the unit being leased. Thus, in accordance with the decision of Navoi region hakim from 22.09.2004 №190 rent payment for the property with the price of 1 m sum (746 USD) reaches 2,1 m sum (1567 USD) up to 100 times minimum wage rate. It should be noted that, the rent payment rates are set regardless the form of the unit's ownership.

Besides, during the registration of rental contracts by regional self-sustained organizations of State property committee 10% of the contract amount is collected from the balance holder of the state premises leased.

At the same time, amounts to be collected for registration of none governmental premises, which make 7%-15% of the contract amount, is set in accordance with the decisions of hokimiyats.

Thus, the balance holder will own only 40% of the rental payments for leased state premises, as 50% of the payment is transferred to the budget, and for none-governmental premises this amount makes 85-90%, which does not foster interest of lesser in leasing idle premises.

Analyses of concluded contracts have shown that, rental contracts are concluded only for 1 year period, and in case of their prolongation they should be registered again. Lack of long term contracts restrains full usage of idle premises. This situation has been formed due to the lack of a common approach of setting rental payments for idle premises.

As the outcome of analyses a proposal has been put forward to the Cabinet of Ministers in order to set a common order of leasing idle premises, and fostering interests of lesser and leaseholders. The proposal foresees the necessity of forming the rates of leasing, abortion of the resolutions of Karakalpakstan Republic Ministers' Counsel, decisions of the regional hakimiyats and Tashkent city on setting leasing rates for idle premises that are not state property. Moreover, the proposal suggests revising leasing rates of idle premises, creating accessible conditions for entrepreneurs, who rent premises for operating their business, and reduction in case of long term renting.

Mitsubishi will increase technological level of «Uzbekneftegaz»

Business manager of Mitsubishi Masatoshi Nishizava has visited Tashkent. Japanese company is ready to take part in new oil-and-gas related projects of Uzbekistan, «gazeta.uz» reports.

Mitsubishi Corp. that, has already been taking part in tenders on supply of technology, has expressed availability in expanding partnership in the interest of started, as well as, new projects.

During the meeting with the delegation of Mitsubishi led by business manager Masatoshi Nishizava, proposals of the company on partnership in the field of condensed natural gas, modernization of oil processing units, and projects in within the framework of pure development mechanism were discussed.

In particular, matters of the Japanese company participating in supplying technology and equipments for liquid alternative fuel from natural gas at the Mubarek gas processing plant for about 200m USD were looked at.

Two other projects that foresee modernization of Fergana OPP: construction of lube fraction treatment unit, reconstruction of catalytic reforming unit for 46m USD, and introduction of oil-slime processing technology 10m USD.

Nowadays «Uzbekneftegaz» has processed a list of projects directed to increasing condensed gas production. Total investments into those projects up to the year of 2010 make about 320m USD. Implementation of those projects will enable raising condensed gas production up to 586,9 ths tons by 2010 against 237,6 ths tons in 2007.

Mitsubishi Corp. includes 29 branches in Japan, and more than 192 abroad. It is a leading Japanese company in the amount of incomes it receives. Apart from production and realization of different products (from textile products to cars and equipment), main activities of Mitsubishi include administrative support of new businesses development and attraction of modern technology and capital into realization of the projects.

Comments on the results of trades in RSE «Toshkent»

Total turnover of the stock exchange on October 20 of 2008 made more than 22,8m sum. 7 exchanges on the shares of 4 companies and 1 bank went through exchanges at RSE «Toshkent». All the exchanges were held for national currency on ordinary shares. The greatest volume of sales was registered on the shares of OJSC«Faykon» for 10m sum. The whole amount was registered during one exchange. OJSCB «Khamkorbank» was registered having 2 exchanges for the total amount of 8,9m sum.

Exchanges on ordinary shares of OJSC «Toshkentdonmakhsulot» during 2 transactions for the total amount of 3,6m sum should also be noted.

Total turnover at RSE «Toshkent» since the beginning of 2008 has reached 96,261 million sum. Turnover at RSE «Toshkent» during September made 15,709 billion sum.

Results of the exchanges at RSE «Toshkent» for 20.10.2008

Issuer	Type	Region	Sector	Max. Price of the deals, UZS/\$	Qty of the shares, units	Volume, sum
OJSC «Faykon»	Ord.	Tashkent city	Finance	500	20 000	10 000 000
OJSCB «Khamkorbank»	Ord.	Andijan	Bank	130	68 552	8 911 760
OJSC «Toshkentdonmakhsulot»	Ord.	Tashkent city	Food	600	5 960	3 576 000
OJSC «Yulreftrans»	Ord.	Sirdarya	Transportation	1 000	325	325 000
OJSC «Pakhtamash»	Ord.	Tashkent city	Cotton	423	48	20 304
Total:						22 833 064

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

General statistics of the market at RSE «Toshkent» since the beginning of 2008

	January	February	March	April	May	June	July	August	September
Total turnover (m. shares)	10,2	15,4	13,1	11,7	45,3	12,4	7,8	17	1,7
Total turnover (b. sum)	3,3	9,1	16,0	7,8	13,5	16,0	7,8	4,8	15,7
Average daily turnover (thousand shares)	537	734	688	534	2 158	592,6	370	810	81
Average daily turnover (m. sum)	175	433	844	353	643	761	370	199	748
The volume of primary distribution (m. sum)	918,5	2 121	8 857	2 008	5 068	4 139	0	1 603	1 965
Turnover in national currency (m. sum)	3 214	8 125	15 450	7 508	9 743	7 200	4 104	3 724	5 579
Turnover in USD (m. sum in equivalent)	120	961	594	264	3 760	8 783	3 663	458	10 130

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

Shares of the sectors at the exchange market from the beginning of 2008

Sector	January	February	March	April	May	June	July	August	September
Services	64%	72%	90%	72%	61%	40%	33%	52%	12,2%
Industry	26%	16%	9%	19%	26%	59%	64%	35%	86,6

Agriculture	9%	12%	1%	8%	12%	1%	2%	6%	0%
Other	1%	4%	0%	1%	1%	0%	1%	8%	1%

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

Top -10 according to the turnover volume at the RSE «Toshkent» since the beginning of 2008

Company	Turnover volume, m sum		Last price, sum	Average price, sum	% of the charter capital	% of the volume for the year	Dividends in 2007, sum	
	Year	Month					sum	% of the nom.
Pakhta bank	14 590	18,1	1 000	1 058	29,1%	15,9%	160	16,0%
Kvartz	9 249	0,0	\$90,05	101 018	2 760,9%	10,1%	0	0,0%
Kizilkumcement	6 729	0,0	\$95	116 352	4,0%	7,3%	5 950	7,4%
Ipotekabank	6 647	5,6	1 530	1 050	9,8%	7,2%	120	12,0%
Alokabank	3 966	0,0	120	120	11,7%	4,3%	11	11,0%
Kapital sugurta	3 924	0,0	250	235	98,1%	4,3%	0	0,0%
Suvmash	2 976	0,0	\$42,47	\$42,47	262,7%	3,3%	2 534	25,3%
Kredit-standard	2 404	0,0	\$282,78	\$282,78	21,4%	2,6%	0	0,0%
Khamkorbank	2 313	10,4	130	103	21,8%	2,5%	400	400,0%
UzKKhMLizing	2 142	0,0	\$2	2 098	22,9%	2,3%	-	-

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

Main indicators for the year 2008, billion sum

	Last figures	A month ago	2007
Cumulative turnover of RSE	96,26	85,27	110,21
Cumulative turnover of ESNET	6,15	5,75	12,94
AWACRI, %	17,91	17,51	18,52
Refinancing rate of CB RUz, %	14,00	14,00	14,00
AIBC, units	1 200	1 228	1 079,94
Total assets of the banks	11 097,00	11 097,00	9 106,70
Total capital of the banks	1 657,00	1 657,00	1 349,60
Average price of property, \$/sq.m	814,00	785,00	727,00
Lease of offices, \$/sq.m	9,40	11,40	9,90
Trade volumes at the SEN	0,263	2,00	78,70
Exchanges amount at the SEN, thn.	0,08	0,3	9,70

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

Contact Information

Avesta Investment Group (CJSC)

License of CSM for Investment advisor №1012

Legal Address: 25 Amir Temur str., 100000

Tashkent, Uzbekistan

Postal address: 36 Navoi str., 100011

Tashkent, Uzbekistan

Tel: +998 (71) 244-3363, 244-3685

Tel/fax: +998 (71) 244-3667

E-mail: info@avestagroup.com

Internet: <http://www.avestagroup.com>

Depository Avesta Trust (LLC)

License of CSM for Securities custodian №1053, registry holder №1054 and nominal securities holder №1055

Postal address: 36 Navoi str., 100011

Tashkent, Uzbekistan Republic

Tel: +998 (71) 144-3685

Tel/fax: +998 (71) 144-3667

E-mail: trust@avestagroup.com

Internet: <http://www.avestagroup.com/trust/>

Brokerage house Avesta Securities™ (Avesta Sekurities LLC)

License of CSM for Securities №1133

Tel: +998 (71) 132-6202

Tel/fax: +998 (71) 244-3667

E-mail: securities@avestagroup.com