INTRODUCTION TO THE KYRGYZ REPUBLIC

GENERAL INFORMATION

- **Official name:** Kyrgyz Republic
- **Form of government:** Parliamentary republic
- **Language:** Kyrgyz (state) Russian (official)
- **Currency:** KGS
  1 USD = 68.86 KGS
  1 EUR = 77.78 KGS
- **Financial and cultural centers:** Bishkek city and Osh city

**Capital:** Bishkek

**Total territory:** 199.9 thous. sq.km

**Population:** 6.2 million

**Average age:** 27 years

**Time zone:** UTC+6

**Climate:** moderate continental
The Kyrgyz Republic has one of the largest mineral deposits in Asia. The country is rich in mineral resources and well known for its gold reserves and deposits of rare metals.

Currently, the mining industry is represented by the following sectors:

<table>
<thead>
<tr>
<th>Sector</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>More than 60 gold deposits have been explored in the country;</td>
</tr>
<tr>
<td>Non-ferrous metals:</td>
<td>There are 7 large deposits of antimony and 3 major deposits of tin and tungsten;</td>
</tr>
<tr>
<td>Coal</td>
<td>Geological reserves and projected reserves of coking coal reach 260 million tons, which makes it possible to begin work on their exploration and the construction of coke and by-product process;</td>
</tr>
<tr>
<td>Oil and gas:</td>
<td>15 oil and gas fields are developed in Jalal-Abad, Osh and Batken oblasts;</td>
</tr>
<tr>
<td>Deposits of construction materials:</td>
<td>Hundreds of deposits of construction materials, mining and chemical raw materials. Three operating cement plants with capacity of 1.37 million tons per year, dozens of brick factories;</td>
</tr>
</tbody>
</table>
The level of investment inflow to the sector was USD 416.1 mln. from 2010 to 2017 and has a tendency of growth.
The Kyrgyz Republic has been listed in the top 20 tourist destinations for 2018, according to Passion Passport.

- Over **100 thousand** operating companies
- **5.2%** of all workers of the country
- Export of services is **415 million U.S. dollars**, 6.4% of country’s GDP
- More than **3 million foreign visitors** in a year

**LARGE POTENTIAL OF THE INDUSTRY**

- Health tourism
- Extreme tourism
- Mountain tourism
- Diving
- Water tourism
- Sports tourism
- Cultural tourism (sightseeing)
- Business tourism
- Event tourism

**Unique Issyk-Kul Lake** is the second largest alpine lake in the world

- The country is crossed by the **Great Silk Road** which attracts thousands of tourists
- The growing trend of outbound tourism of nearby **Southeast Asia and India**
- The Kyrgyz Republic has been listed in the **top 20 tourist destinations for 2018**, according to Passion Passport

Visa-free travel for **61 countries**:

Australia, Austria, Belgium, Bosnia and Herzegovina, Vatican, Great Britain, Hungary, Germany, the Netherlands, Denmark, Greece, Iceland, Ireland, Italy, Spain, Canada, South Korea, Kuwait, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, New Zealand, Norway, UAE, Poland, Portugal, Saudi Arabia, Singapore, Slovakia, Slovenia, the USA, Finland, France, Croatia, Czech Republic, Switzerland, Sweden, Estonia, Qatar, Brunei, Bahrain, Japan, Azerbaijan, Armenia, Georgia, Moldova, Belarus, Kazakhstan, Russia, Tajikistan, Vietnam, North Korea, Cuba, Malaysia, Turkey, Ukraine, Uzbekistan, Mongolia.
The construction sector of the Kyrgyz economy has a high potential. The scale of construction in the Kyrgyz Republic increases every year.

More than 700 operating companies

Contribution to GDP of the country is 9%

In 2017, the growth of the industry was 8%

Forecast: in the next 3 years, industry growth will be 21%

The structure of the construction costs (at cost)

- 65% Labor costs
- 16% Material costs
- 7% Other costs
- 2% Depreciation of fixed assets
- 10% Social insurance costs
ECONOMIC SECTOR: AGRICULTURE

- Contribution to the economy - 13% of GDP
- 33% of the country’s workforce is employed in the industry
- More than 383 thousand agricultural subjects is registered in 2017
- The annual gross output of products is 3.5 billion U.S. dollars
- All agricultural products are exempted from 12% VAT (Value Added Tax)

Legend:
- Grain
- Wheat
- Barley
- Corn
- Rice
- Milk
- Sugar beet
- Cotton
- Tobacco
- Oilseeds
- Potatoes
- Eggs (mln. pieces)
- Vegetables
- Melons and gourds
- Fruits and berries
- Grapes
- Meat
- Wool
Total cultivation area, occupied with agricultural crops is **1.2 mln ha.**

### Agricultural crops (thous. ha)

- Cereal crops: 310,0
- Vegetable crops: 81,6
- Feed crops: 54,5
- Potato: 49,2
- Oil-bearing crops: 45,4
- Other crops: 31,0
- Sugar beet: 16,4
- Raw cotton: 5,6
- Tobacco: 3,4

### Total output of agricultural industry products in 2017

- Plant production: 51%
- Cattle production: 49%

### Meat production

- Beef or veal: 50%
- Pork: 11%
- Mutton or chevon: 27%
- Horsemeat: 8%
- Poultry meat: 4%

### Cropping and cropping capacity

<table>
<thead>
<tr>
<th>Crop</th>
<th>Cropping (thous. tonnes)</th>
<th>Cropping capacity (centner per 1 ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain</td>
<td>1813,0</td>
<td>28,1</td>
</tr>
<tr>
<td>Sugar beet</td>
<td>195,4</td>
<td>293,4</td>
</tr>
<tr>
<td>Raw cotton</td>
<td>68,6</td>
<td>29,3</td>
</tr>
<tr>
<td>Tobacco</td>
<td>6,5</td>
<td>21,0</td>
</tr>
<tr>
<td>Potato</td>
<td>1332,0</td>
<td>163,3</td>
</tr>
<tr>
<td>Vegetables</td>
<td>881,5</td>
<td>186,8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meat Product</th>
<th>(thous. tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beef or veal</td>
<td>96,9</td>
</tr>
<tr>
<td>Pork</td>
<td>15,1</td>
</tr>
<tr>
<td>Mutton or chevon</td>
<td>51,8</td>
</tr>
<tr>
<td>Horsemeat</td>
<td>22,2</td>
</tr>
<tr>
<td>Poultry meat</td>
<td>6,8</td>
</tr>
</tbody>
</table>
Based on simplified taxation system, the industry actively developing in the last couple years by using cheap raw materials.

- Increase in volume of output – **59% in 5 years**
- Output of products per year – **375 mln USD**
- Employment in the sector – **90,000 - 150,000 persons**
- Average monthly wages – **170 USD**
- Export directivity – **90%** of products goes to markets of Russia, Kazakhstan and Europe
- Clothes export – **2nd place** by volumes after gold
- More than **35,000** continuing companies
- There is a **simplified taxation** system based on patent
Incomes from freight traffic activity in 2017 – **140 mln USD**

Cargo transportation volume in 2017 - **31.2 mln tonnes**

The most widespread cargo transportation type – motor, **29.3 mln tonnes in 2017**
Electric-power industry is a strategic branch of the economy of the Kyrgyz Republic. Hydroelectric potential allows to provide with electricity both our country and nearest countries.

- **Hydraulic power industry** – 53% of total volume of energy resources
- There is 2% of the country’s GDP per sector
- **16%** of industrial output volume of the country
- The sector provides **10%** of incomes of the country’s budget
- Hydroelectric potential of the country – **142 bln kWh**
- Country potential is engaged for **8-9.5%**

There is a big potential for development of **small-scale and medium-scale power generation**. Water resources of minor rivers are developed for **3%**.