



Kyrgyz Republic  
Ministry of Economy



# **Investment Opportunities of the Kyrgyz Republic**

**Meeting of the Asia-Pacific Foreign Direct Investment (FDI) network  
for Least Developed and Landlocked Developing Countries  
29 November 2012, United Nations Conference Centre, Bangkok, Thailand**

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Ministry of Economy of Kyrgyz Republic



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# Geographical location

*Kyrgyzstan is an international transit center*

- Capital City:** Bishkek
- Languages:** Kyrgyz (state),  
Russian (official)
- Government:** Unitary  
Parliamentary  
Republic
- Area:** 200 thsd km<sup>2</sup>
- Population:** 5,5 mln.
- Currency:** Som\*



\* (KGS 47.3 = USD1)



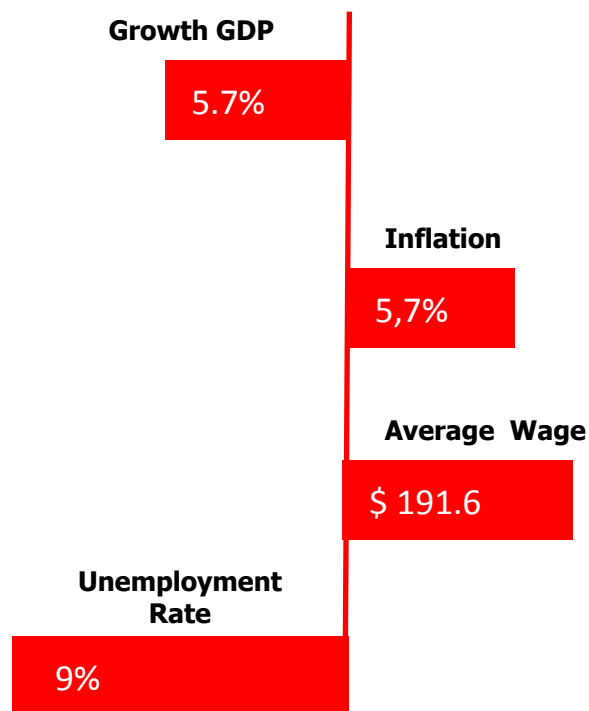
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# Macroeconomic Indexes

**2011**

Growth GDP	5,7 %
GDP per capita	1130,7 \$
FDI	849,2 mln. \$
Inflation	5,7 %
Unemployment Rate	9,2 %
Average Wage	197 \$

**2011**





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# Leading FDI destination

## I National Legislation

Law on Investment Activity

Law on Protection of Foreign Investments

Law on Special Economic Zones



## I International Agreements

Avoiding of double taxation

Bilateral treaties



## I Government Institutional Support

Export and Investment Promotion Foundation

Investment Company

National Fund for support of Entrepreneurship



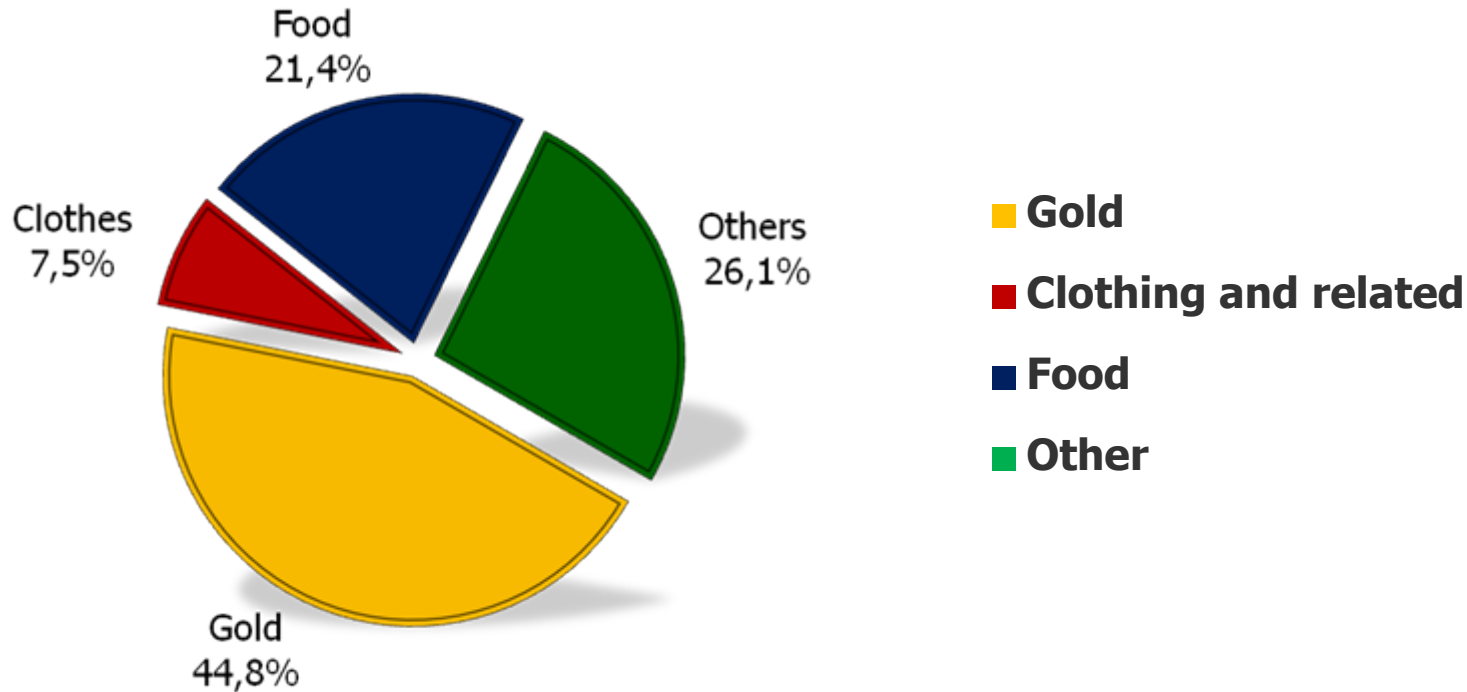


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# External Trade (Export)

**Commodity Turnover** 6507 mln. USD  
**Export** 2240 mln. USD

**2011**





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# Internal Trade (Import)

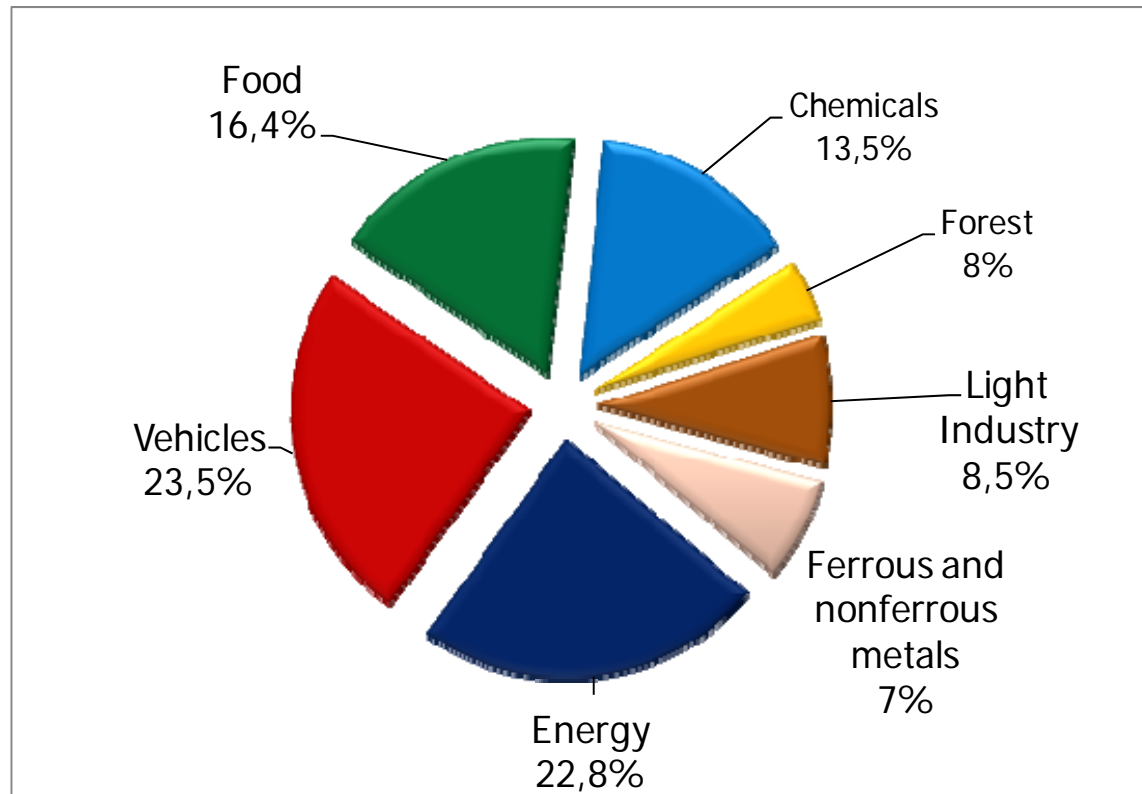
■ **Commodity turnover**

**6075 mln. USD**

■ **Import**

4261 mln. USD

**2011**



■ **More than 100 trading partners**

■ **WTO membership**



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# Doing Business: Kyrgyz Republic

## Metodology:

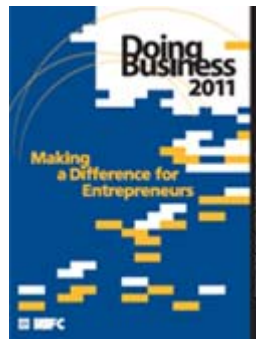
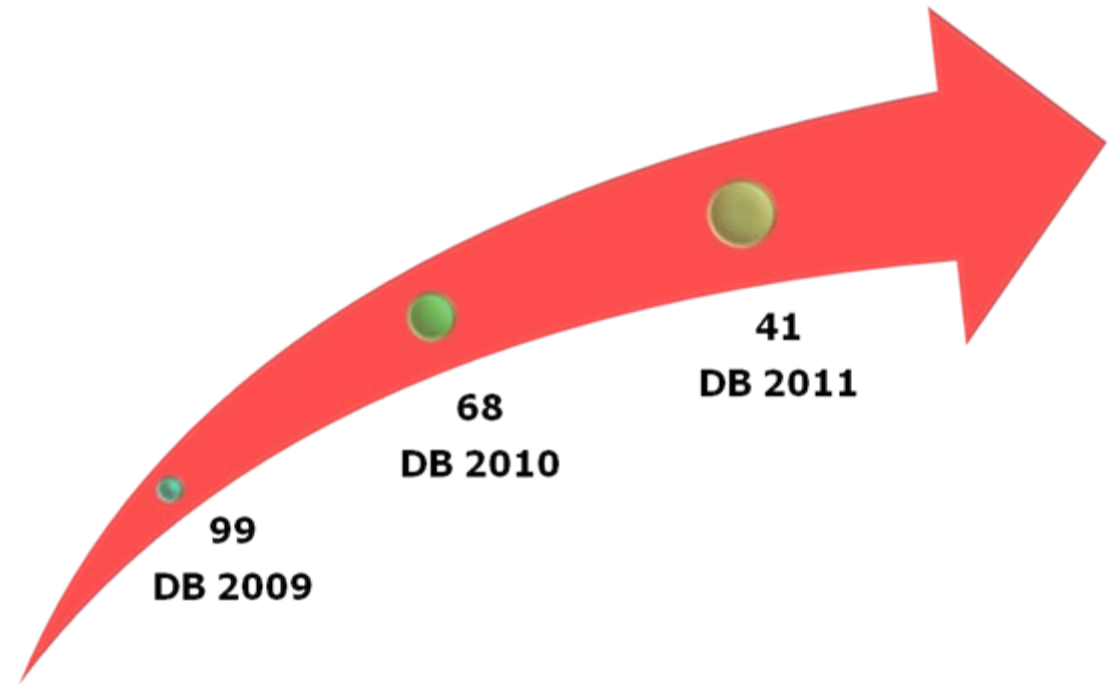
Opening of Business

Hiring of labor

Registration of ownership

Investor protection

Execution of contracts



Project "Doing Business" explores business environment of 183 countries since 2004



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# Legal Basis and PPP



## **Investment Legislation:**

- National Treatment
- Free repatriation of capital
- Access to international arbitration

## **Arrangements of PPP in sectors:**

- Vehicles and railroads;
- Airports;
- Schools and hospitals;
- Water supply and etc.







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# Mobility of the executive power system

## Optimization of the organizational structure of the Government and executive bodies

- Number of ministries and committees reduced from 44 to 39
- 2 inspection boards established



## Adoption of a single register of public services

- Number of government services reduced from 20000 to 386
- 223 of them free
- 163 of them for a fee



## Effectiveness of the state executive power and local self-government

- Criteria for evaluating the performance of government and heads of local government bodies are adopted





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# Tax Regulation

■ Value added tax (VAT)	12%	■ Retail Sales Tax
■ Profit Tax (PT)	10%	■ Restrictions on Capital Outflows
■ Income Tax (IT)	10%	■ Inheritance Tax

Type of Tax	Kyrgyz Republic	China	Kazakhstan	Tajikistan	Uzbekistan
<b>VAT</b>	<b>12%</b>	17%	12%	20%	20%
<b>PT</b>	<b>10%</b>	15-25%	10-20%	25-30%	9-35%
<b>IT</b>	<b>10%</b>	5-45%	10%	8-13%	10%



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# Building competitive economy

The Law on State Development bank is adopted

The Law on PPP is adopted

Number of inspecting bodies reduced from 21 to 12

138 types of licences and permits are eliminated

Abolition of visas for 44 countries



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# Mineral Resources



■ The Hydropower potential- 142 bln. kW/h per year



■ Explored reserves of gold - 420 тонн



■ Many kinds of construction materials



*Lead*

*Mercury*

*Antimony*

*Rare-earth metals*

*Uranium*



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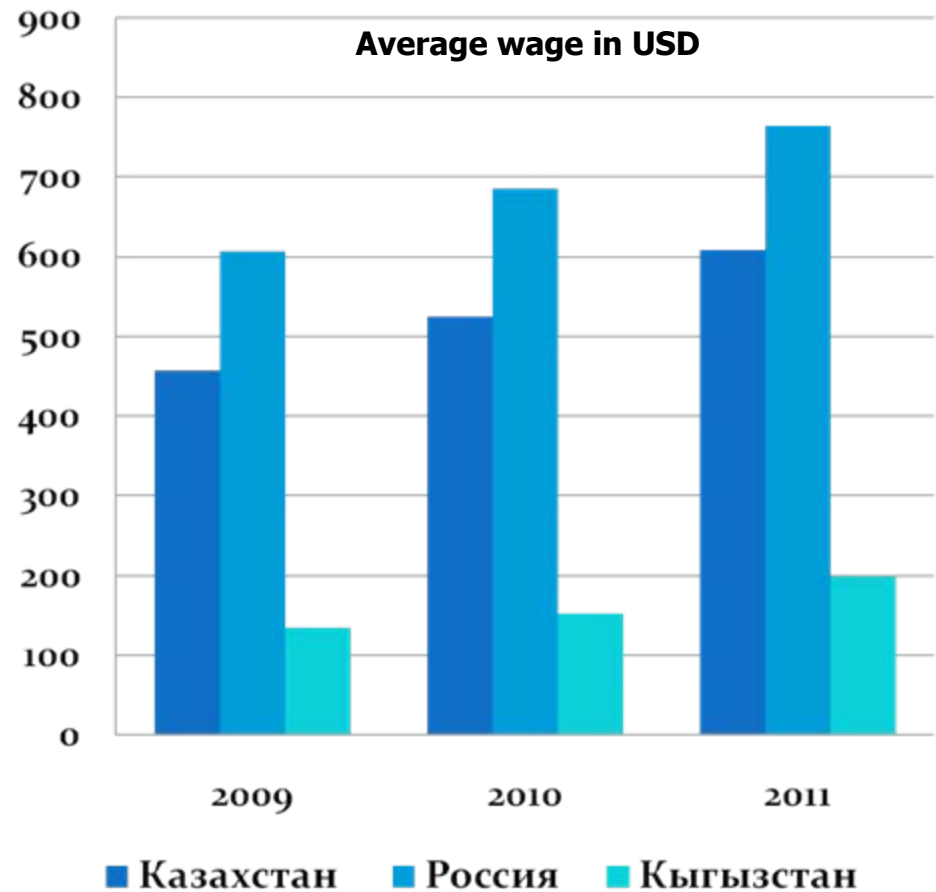
# Cheap and highly qualified labor force

**2011**



**197 USD**  
**Average Wage**

- Market Culture**
- High level of literacy**
- Knowledge of IT technologies and foreign languages**








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# Why KYRGYZ REPUBLIC ?

 **Liberal Tax Regime**

 **Geographical location**

 **Favorable  
investment  
environment**

 **Cheap and highly  
qualified labor force**

 **Neighborhood  
with major  
economies**

 **Rich mineral reserves**





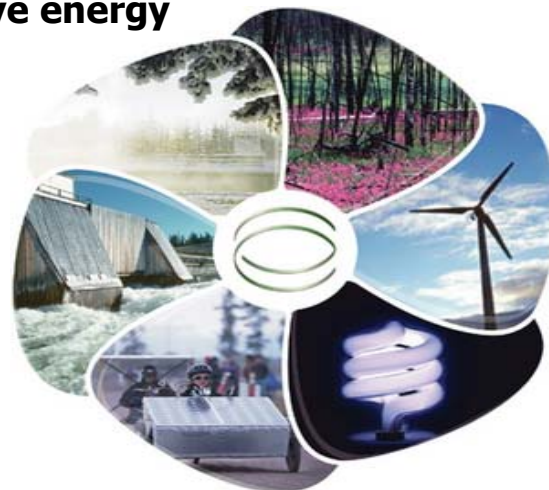
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# Which sectors are attractive?

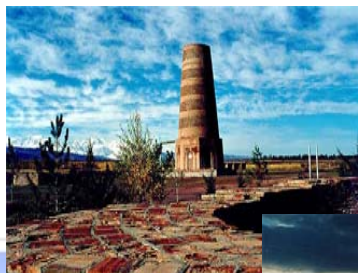
## Agriculture



## Alternative energy



## Development of mineral resources



## Tourism







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# Which sectors are attractive?

ICT



Transportation and  
Logistics



Light Industry







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# Thank you!

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