



International Energy Investment Forum

ECONOMIC PERSPECTIVES AND INVESTMENT CLIMATE IN KYRGZSTAN

Vienna, June 10-11, 2024



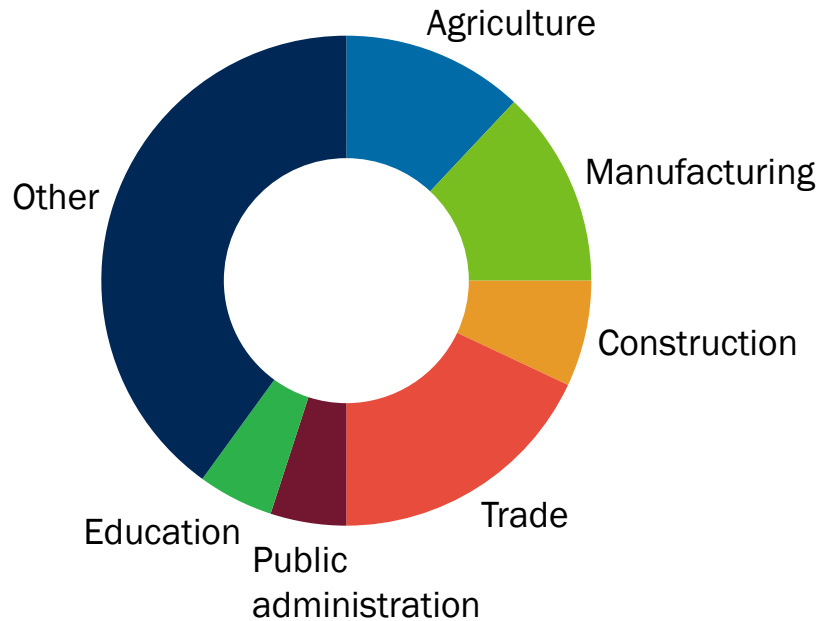


KYRGYZSTAN GDP

Average GDP growth rate over 3 years

7%

GDP structure



2021

2022

2023

GDP growth

5.5%
(USD 8.3 BN)

9%
(USD 12.1 BN)

6.2%
(USD 13.7 BN)

GDP per capita

1,350
USD

1,740
USD

2,000
USD



KEY MACROECONOMIC INDICATORS

GDP growth over Jan – Apr 2024

USD 3.8 BN

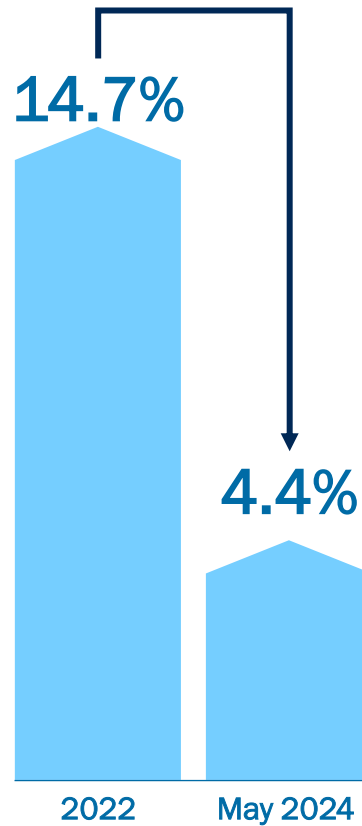
GDP growth rate



Jan – Apr 2024



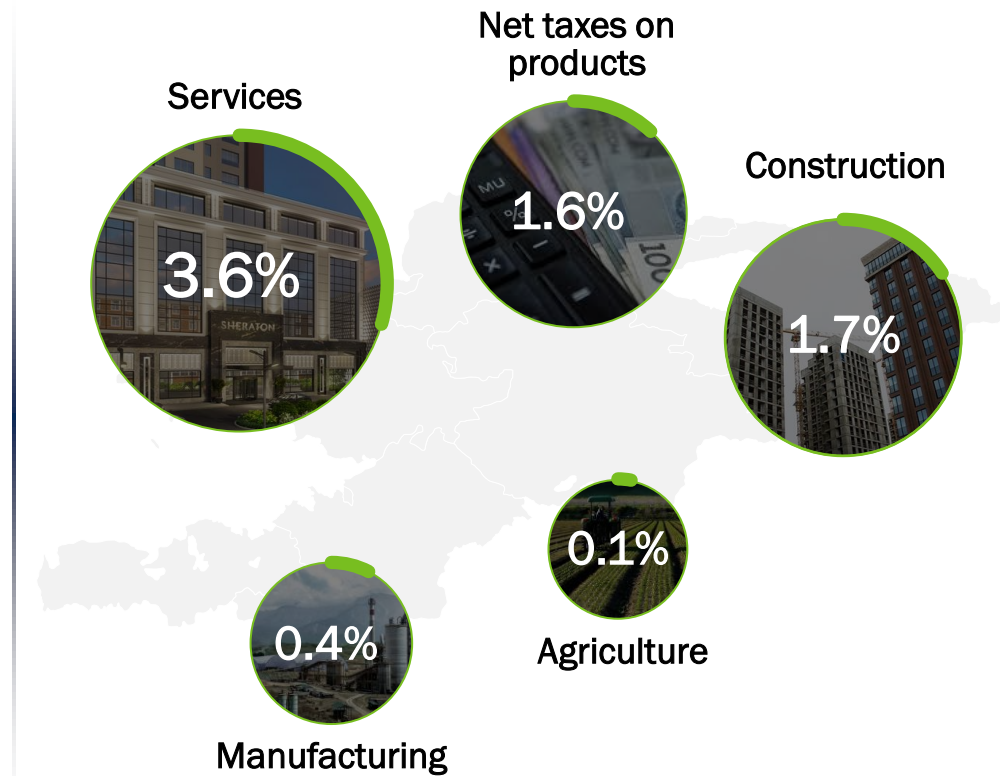
Annual Inflation Rate



Industries' share in GDP



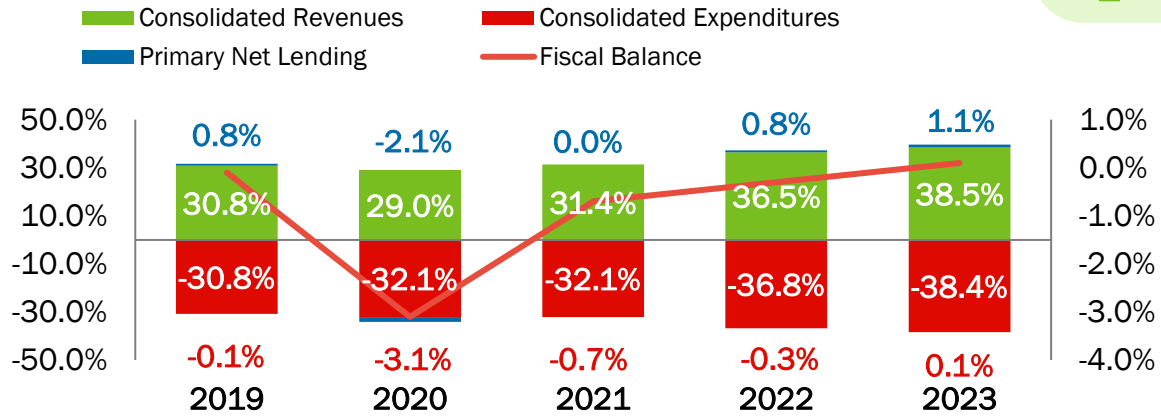
Jan – Apr 2024





KEY FISCAL STATISTICS

Fiscal Account

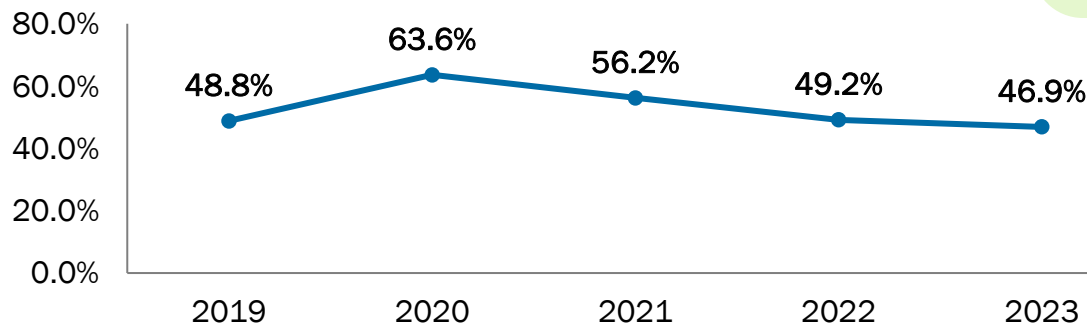


The overall budget deficit decreased to **0.3%** of GDP in 2022 on the back of strong import VAT collection and despite the significant increase in the public wage bill and capital spending.



Kyrgyzstan was the only country in the region that closed 2023 with surplus of **13 BN Soms.**

Gross Debt (% of GDP)



Public debt decreased to **46.9%** of GDP in 2023 from 56.2% of GDP in 2021 mainly driven by a restated higher GDP growth.

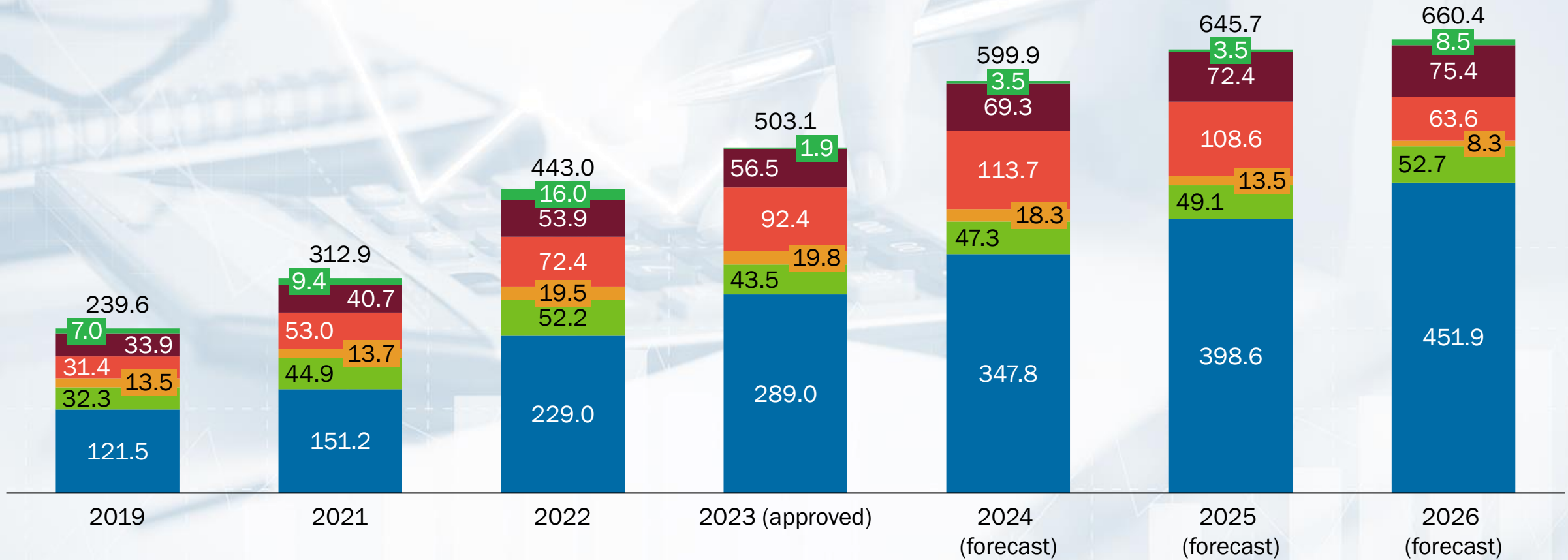


It is expected to decrease to **42.7%** of GDP by 2025 due to lower fiscal imbalances and sustained buoyant growth.

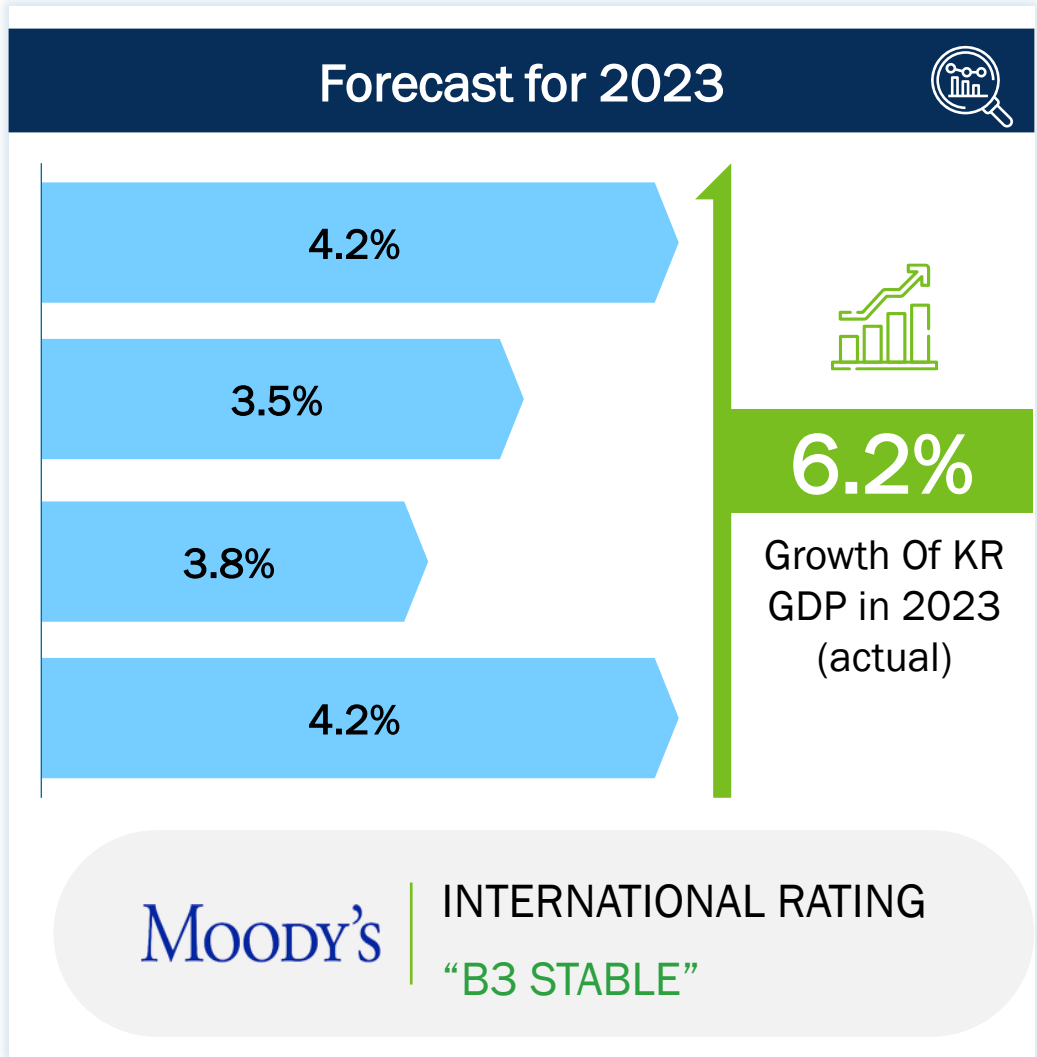
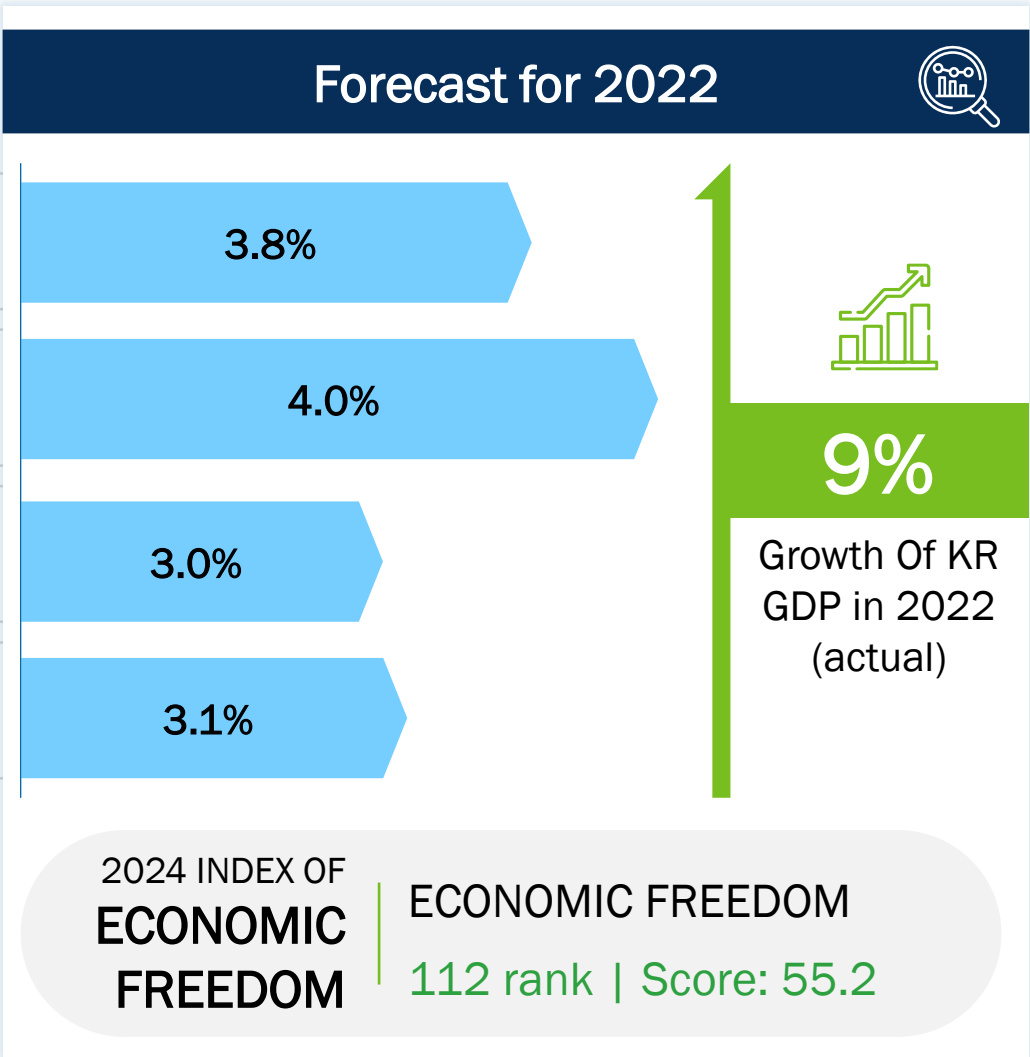


CONSOLIDATED BUDGET RESOURCES, 2019-2026 (KGS BILLION)

■ Tax revenues ■ Non-tax revenues ■ Grants ■ Assets and liabilities ■ SF and MHIF revenues ■ Beginning of the Year Balance

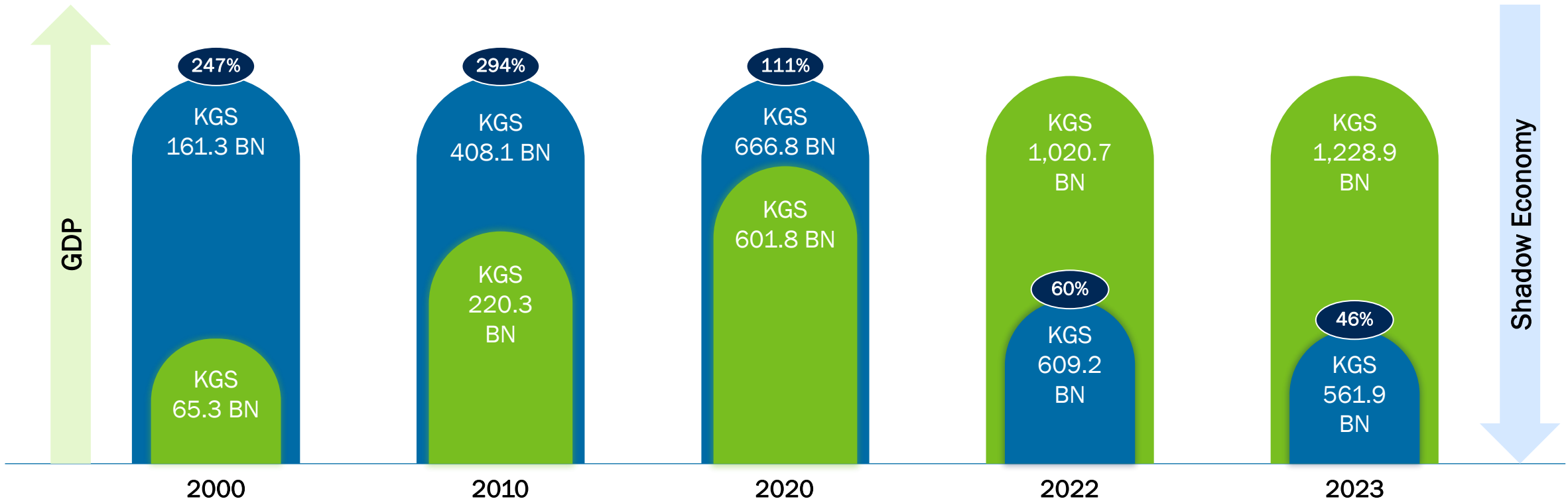


FORECASTS AND FACTS: DATA OF INTERNATIONAL FINANCIAL INSTITUTIONS FOR KYRGYZSTAN





ASSESSMENT OF SHADOW ECONOMY (USING THE GUTMANN METHOD¹)



$${}^1 \text{GDP}_u = \text{GDP}_o * (1 - \frac{1}{1 + \frac{C}{DD}}) / \frac{DD}{M1}$$

GDP_u
shadow economy

GDP_o
formal economy

C
currency circulation
(out of banks)

DD
deposits in commercial
banks (on demand)

M1
money aggregate

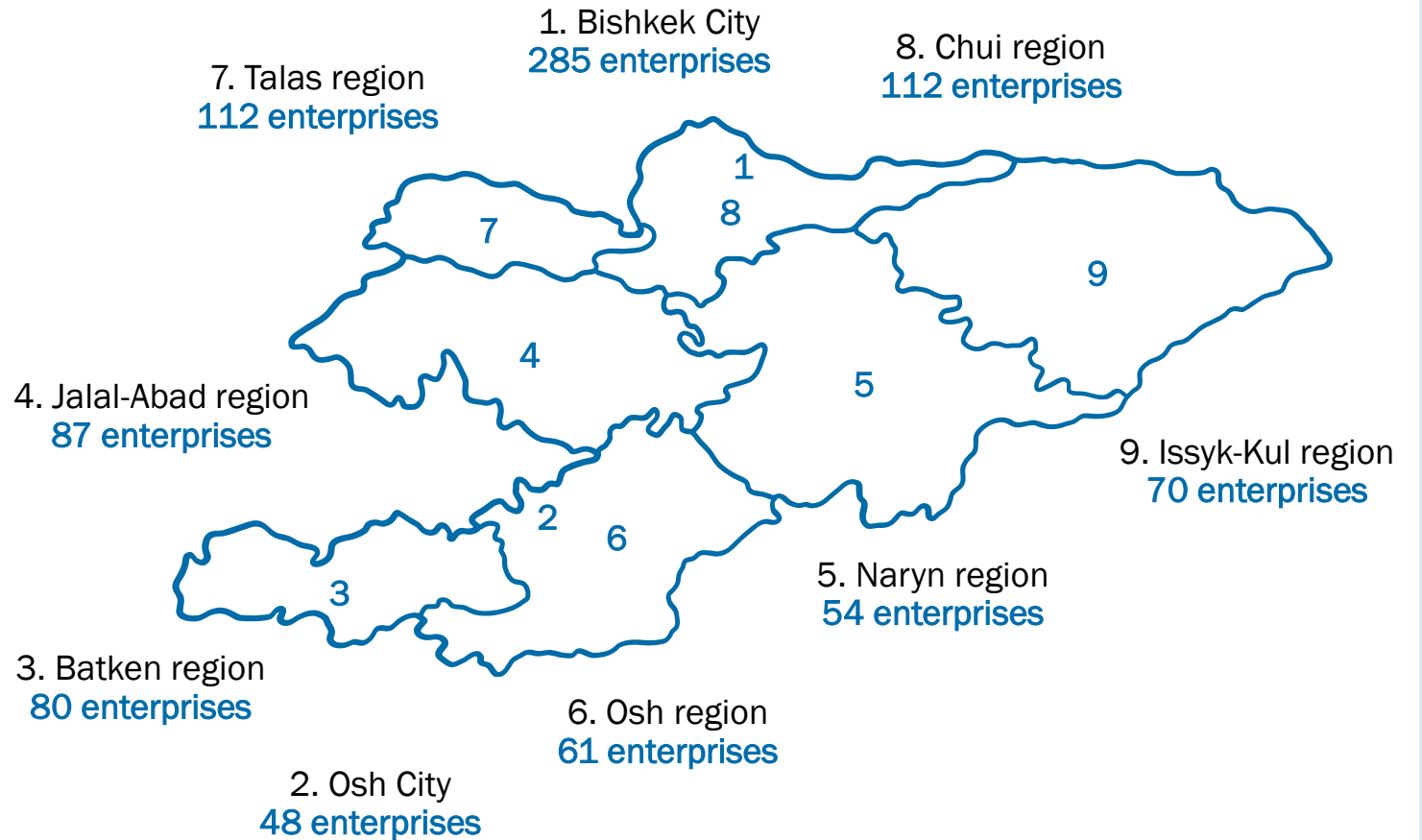
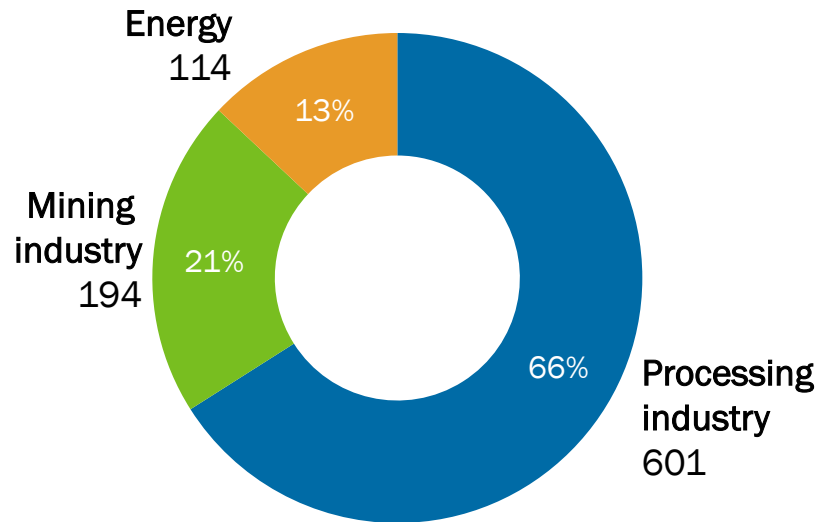


NUMBER OF MANUFACTURING ENTERPRISES

Enterprises operate in Kyrgyzstan

909

Enterprises





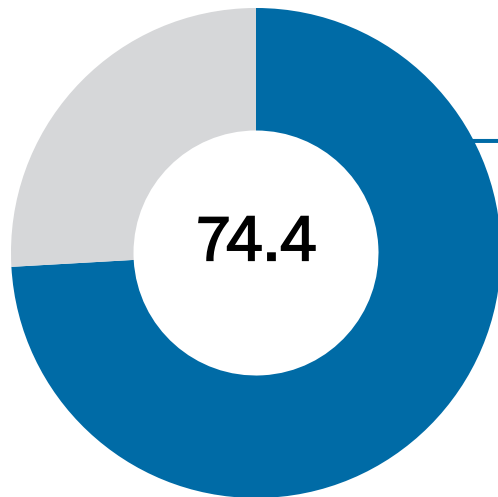
SUSTAINABLE DEVELOPMENT GOALS IN KYRGYZSTAN

The UN and its partners in Kyrgyzstan are working towards achieving the Sustainable Development Goals: **17** interconnected and ambitious Goals which address the major development challenges faced by people in Kyrgyzstan and around the world.

General Country Performance

45 out of 166 countries

Country Index



1 Finland	86.762
2 Sweden	85.983
3 Denmark	85.684
4 Germany	83.365
5 Austria	82.286
6 France	82.057
7 Norway	82.008
8 Czech Rep.	81.879
9 China	72.0145
...	
● 45 Kyrgyzstan	74.41
...	
49 Russia	73.7953
53 Azerbaijan	73.5356
56 Armenia	73.2666
66 Kazakhstan	71.6569
69 Uzbekistan	71.1585
85 Tajikistan	69.1991
91 Turkmenistan	68.47

SDG Average Indicators



National Commitments of Kyrgyzstan on acceleration of Agenda 2030: Quality Education (SDG 4), Green Economy (SDG 7, 8, 9, 12, 13)



TAX PREFERENCES IN POWER SECTOR



01

Exemption from Corporate Income Tax



02

Exemption from VAT



03

50% Exemption from Property Tax



04

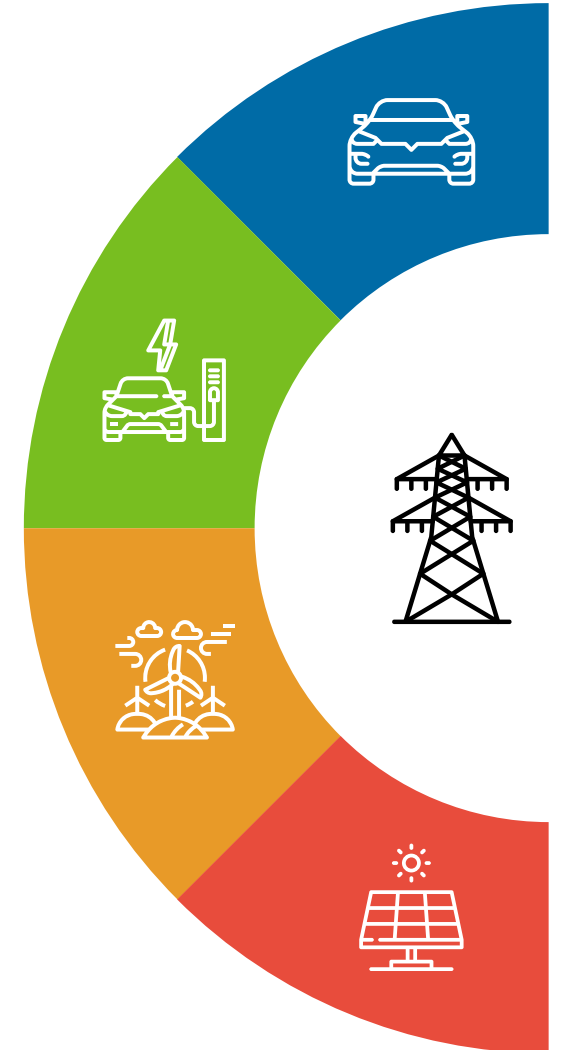
Exemption from VAT for Specific Goods

Motor vehicle, year of manufacture:
5 years Driven by electric motor only

Equipment for electric charging vehicles
propelled only by an electric motor

Specialized goods and equipment for
construction of power plants based on
renewable energy

Equipment and its components that meet
energy and resource efficiency
requirements





LOGISTICS: TRANSPORT CORRIDORS OF CAREC IN THE KYRGYZ REPUBLIC

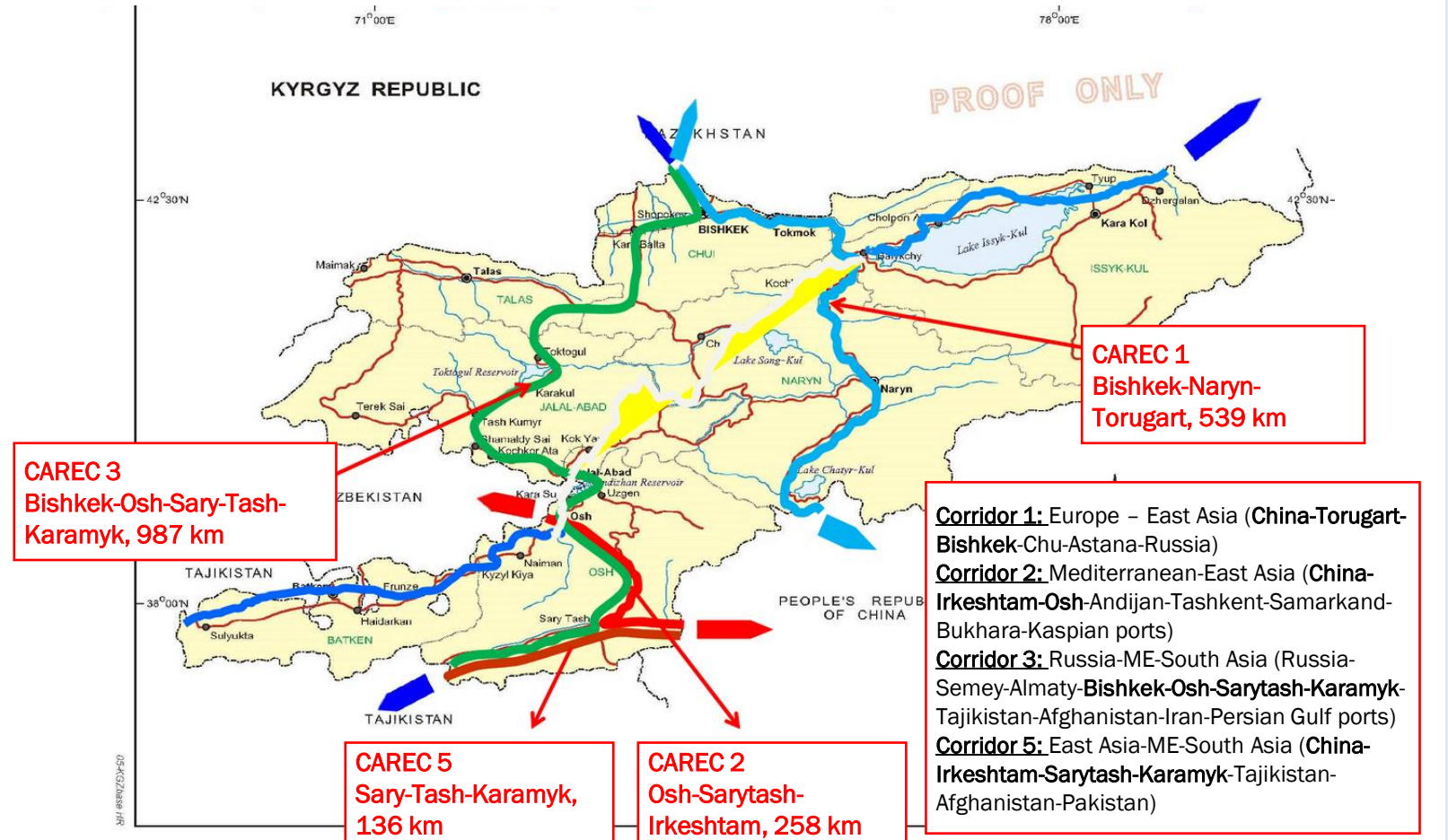
CAREC Goals



Expansion of trade in the region



Improvement of competitiveness of business in member states





LOGISTICS: RAILWAY CHINA-KYRGYZSTAN-UZBEKISTAN

Length **454 km**

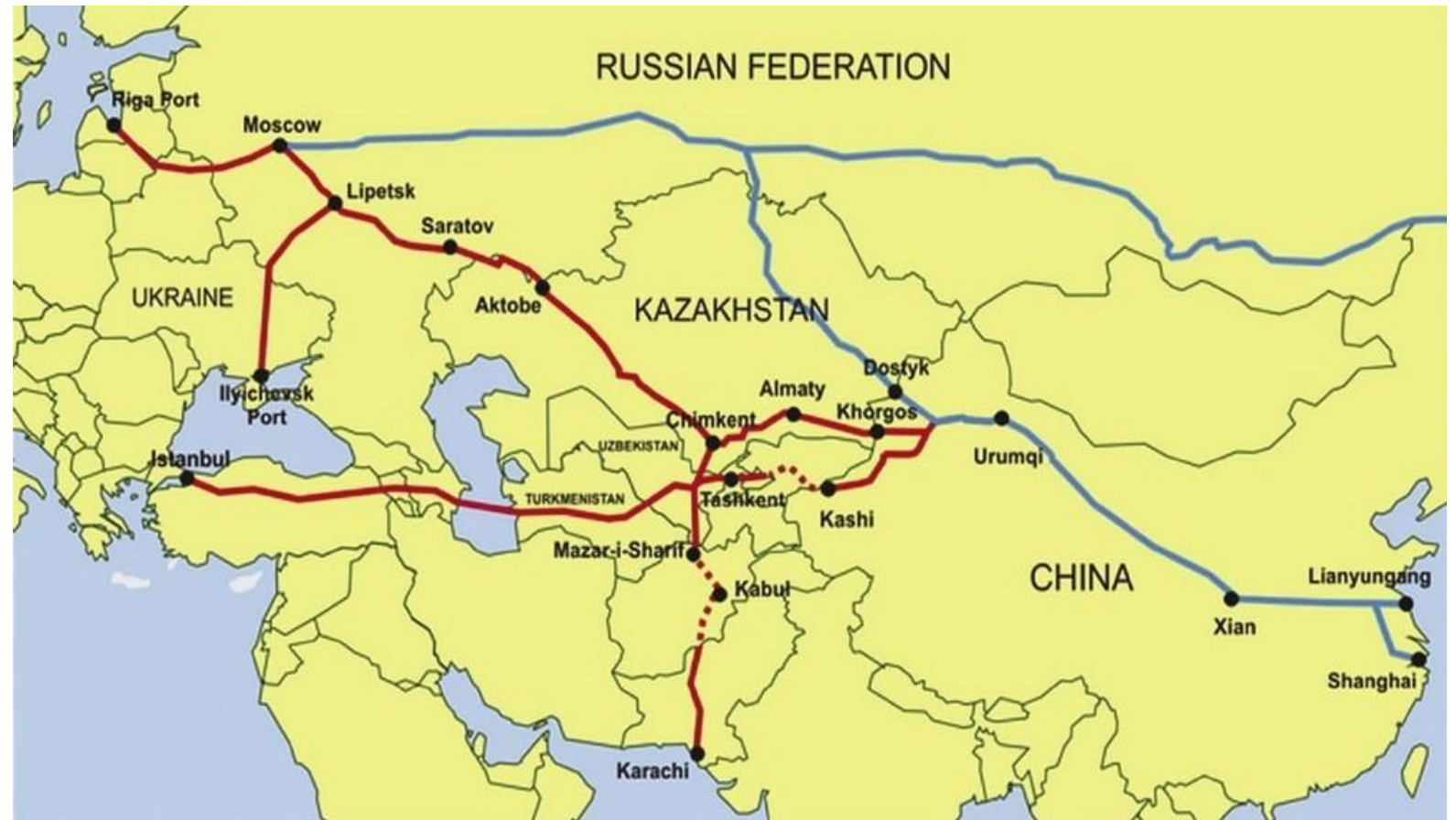
Railway



The new railway is shorter than existing transport corridor by more than 900 km



Movement of goods will decrease by 3-7 days





Organics

The Kyrgyz Republic is in a very advantageous position for the development of agriculture due to the favorable climate of its agricultural products and its territorial advantage. The territory of the Kyrgyz Republic is divided into regions that have different geographical and climatic conditions, which gives comparative advantages.

For example, in the Chui region, sugar beet is the predominant agricultural product; Issyk-Kul region is famous for apples and pears; in Batken region, farmers grow apricots (dried); Osh and Jalal-Abad regions are the largest producers of apricots (dried); Osh and Jalal-Abad regions are the largest producers of cotton and walnuts, Naryn region is famous for livestock; in Talas region is the largest exporter of soybeans.



TOURISTIC POTENTIAL



The tourism potential of Kyrgyzstan is immense, with tourism products aligned with global brands such as the Great Silk Road and the World Nomad Games.

01



Many picturesque lakes, including Issyk – Kul Lake, deepest lake in the world.

02



Active tourism: mountain tourism, alpinism, hiking and bicycling.

03

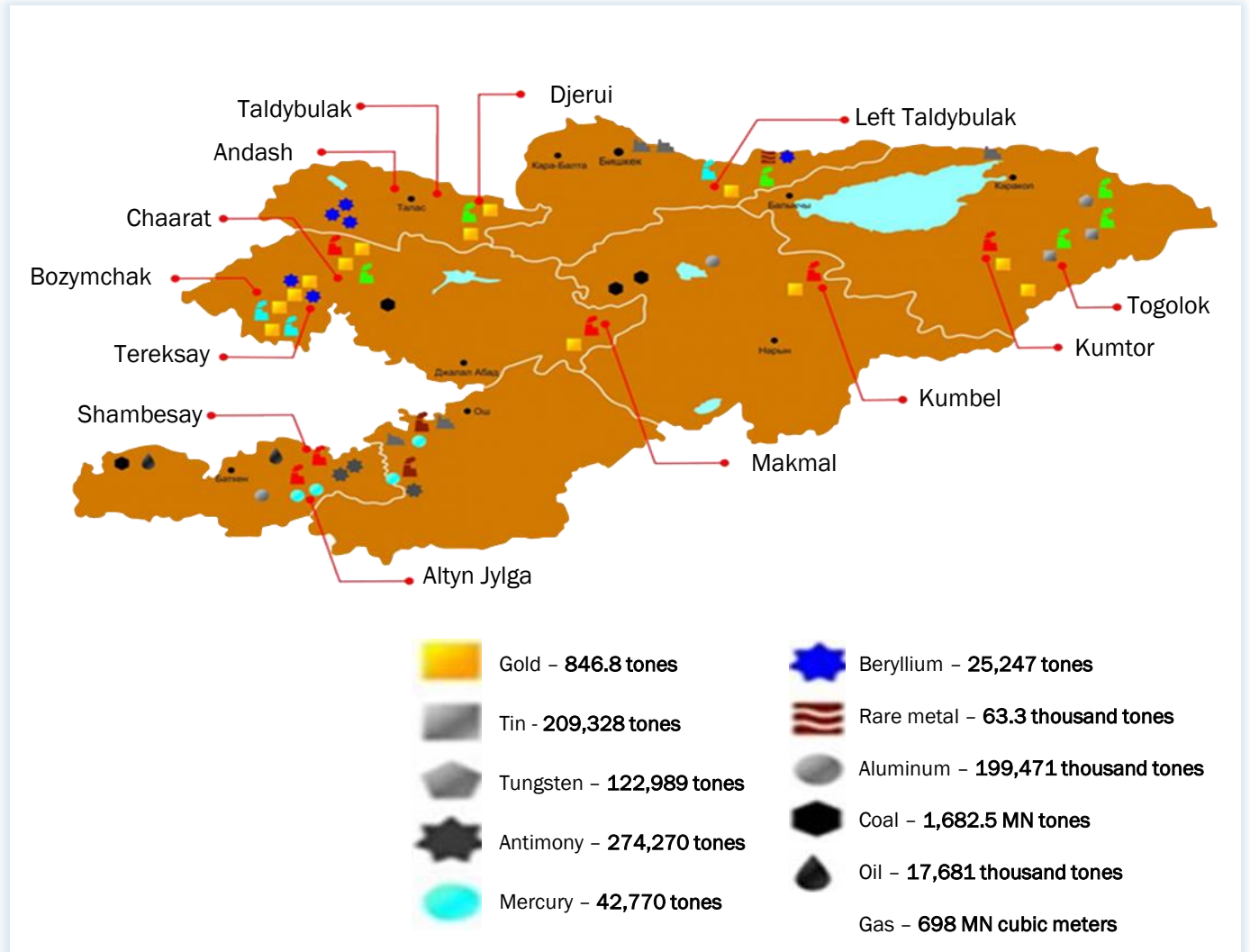
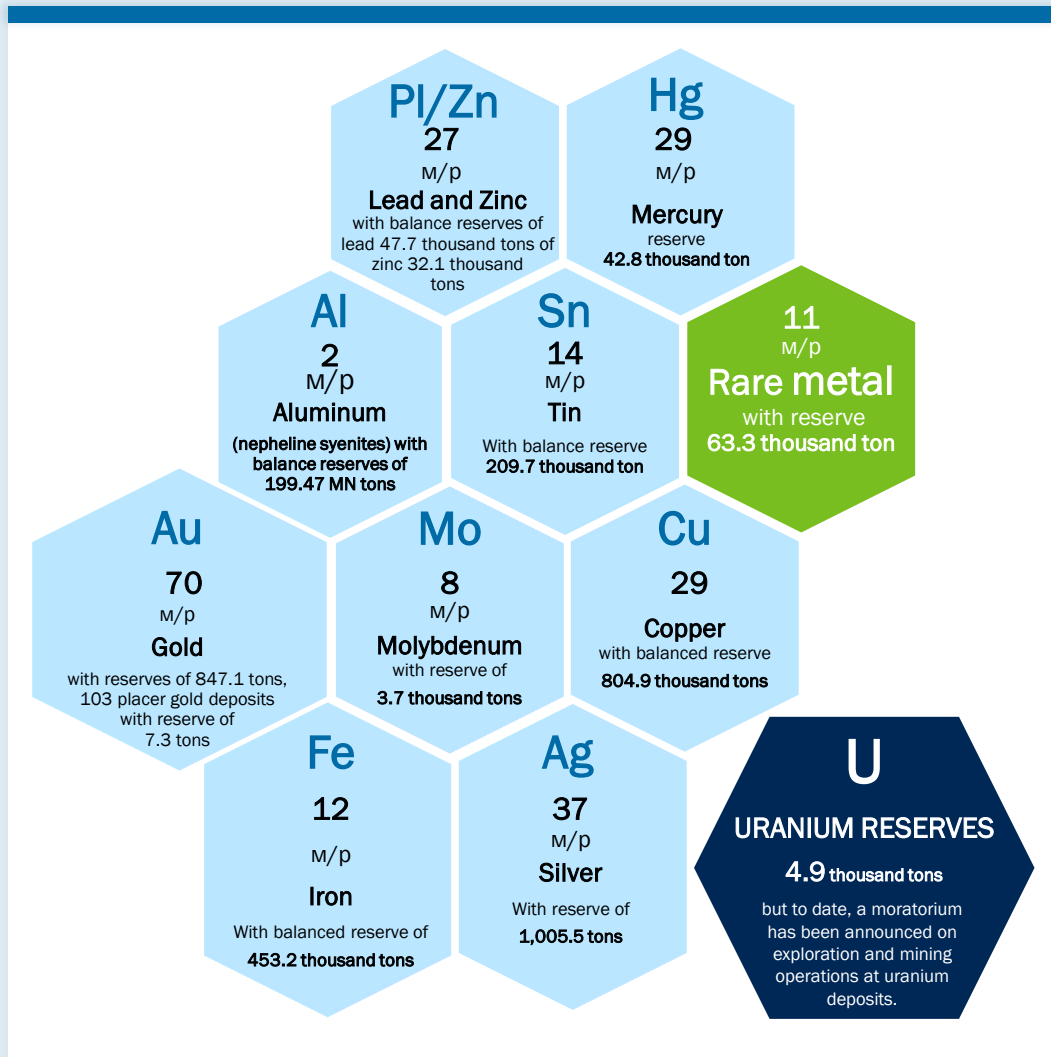


Cultural tourism: visiting historical and cultural monuments, national festivals and other national events.

04



POTENTIAL OF MINING INDUSTRY



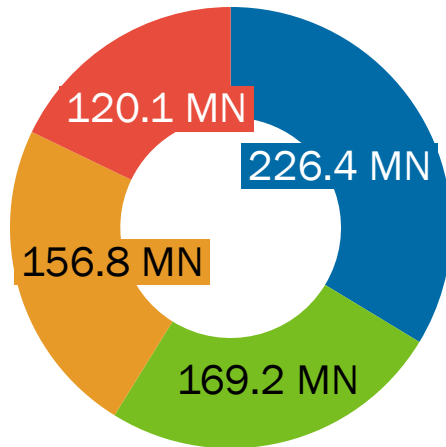


FOREIGN DIRECT INVESTMENTS INFLOW

FDI inflow in the KR in 2023

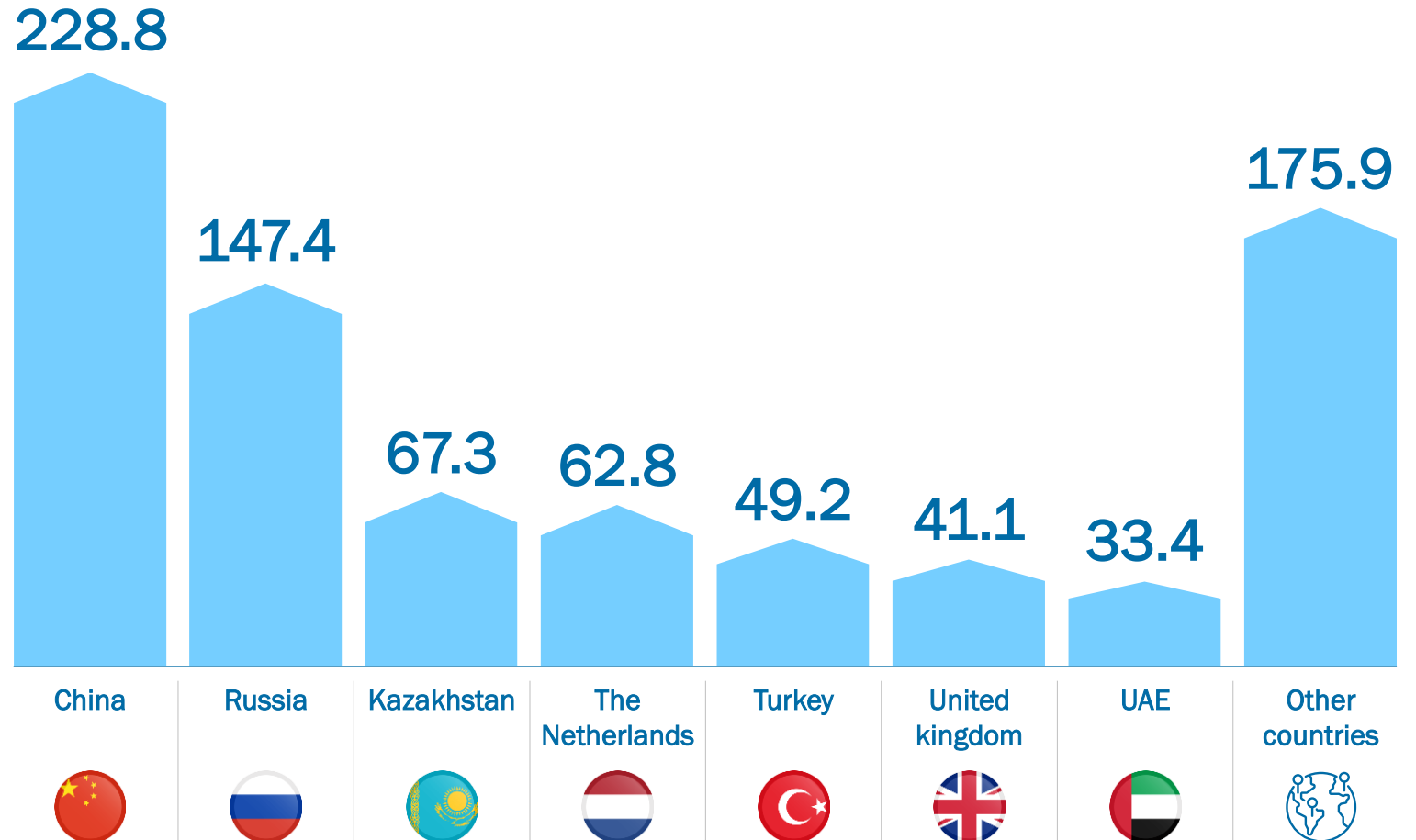
USD 798.2 MN

FDI inflow by industries



- Processing industries
- Mining
- Financial intermediation and insurance
- Wholesale and retail trade, car and motorcycles repairs

FDI inflow by countries (MN USD)





EXPERIENCE IN ESTABLISHING INVESTMENT AND DEVELOPMENT FUNDS

Total amount of charter capital

USD 1.2 BN



Kyrgyz - Russian Development Fund



Kyrgyz – Azerbaijani Development Fund



Turkic Investment Fund



Kyrgyz – Hungarian Development Fund



Kyrgyz – Uzbek Development Fund



Abu-Dabi Kyrgyz Investment OJSC

Funds provide funding for development of following projects



Agro-industrial complex



Water supply sector



Health care sector



Automobile industry



Research & development



Gas industry complex



Apparel and textile industries



Mining and metallurgic industries



Transport



Trade



Entrepreneurship development



Energy complex



Housing construction



Information technologies



Tourism development