



Ministry of Economic Regulation
of the Kyrgyz Republic

CAREC Business Development Forum

Urumqi, People's Republic of China
29-30 July

Deputy Minister - Sanjar Mukanbetov

Liberal treatment



SOC (since 2001)



MIGA (since 1993)

**Kyrgyz Republic –
active participant
of integration
processes**



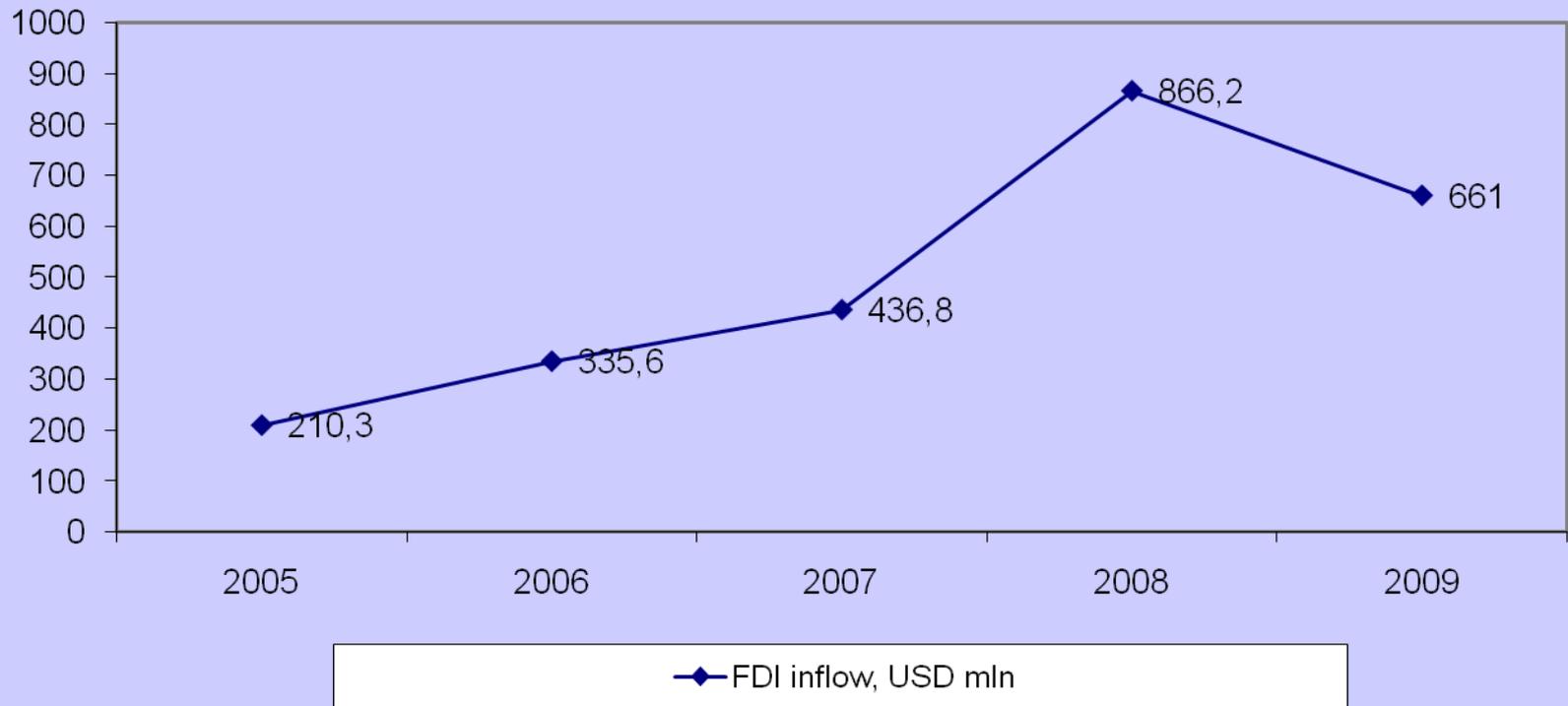
WTO (since 1999)



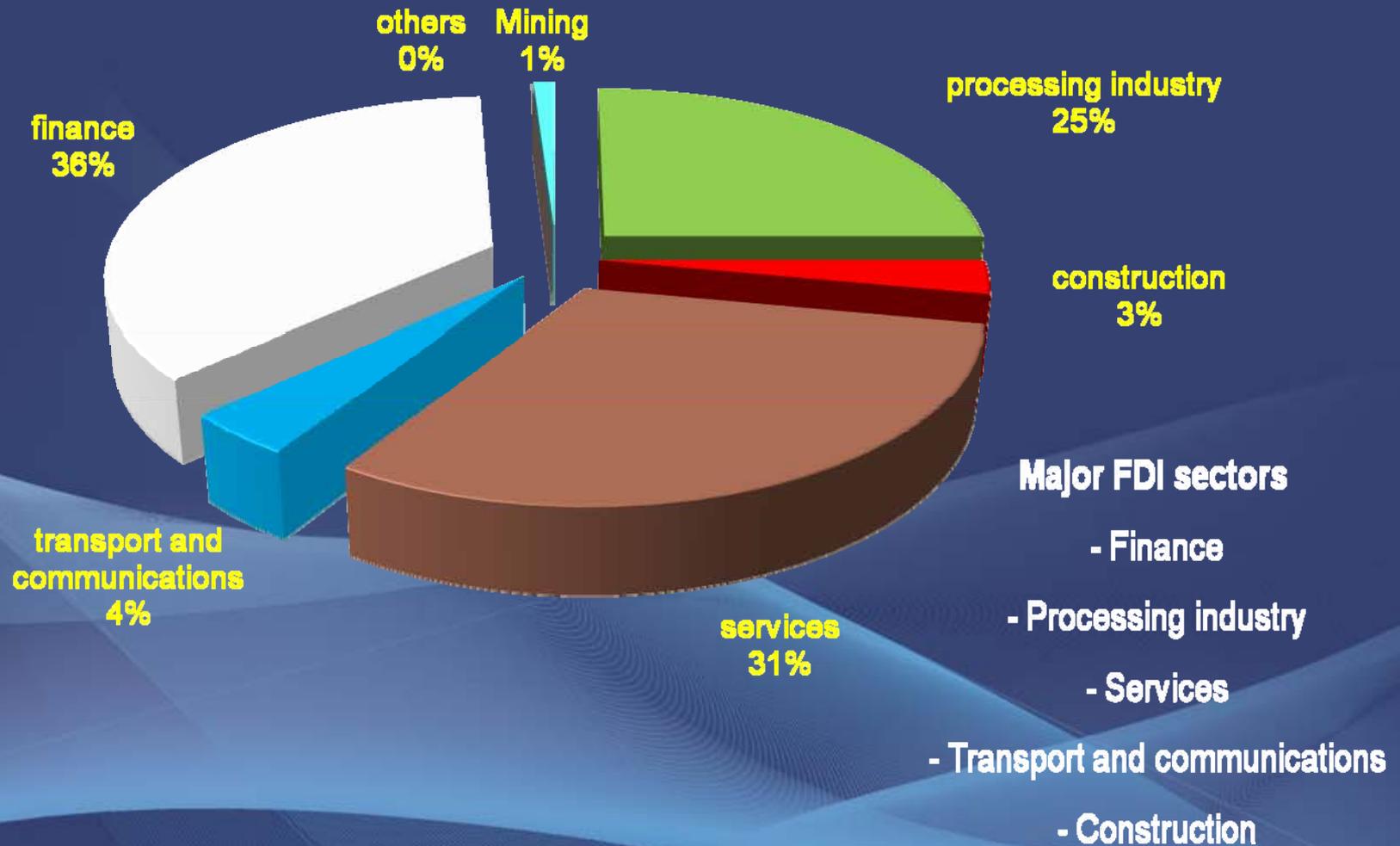
EurAsEC (since 2000)

Foreign direct investments

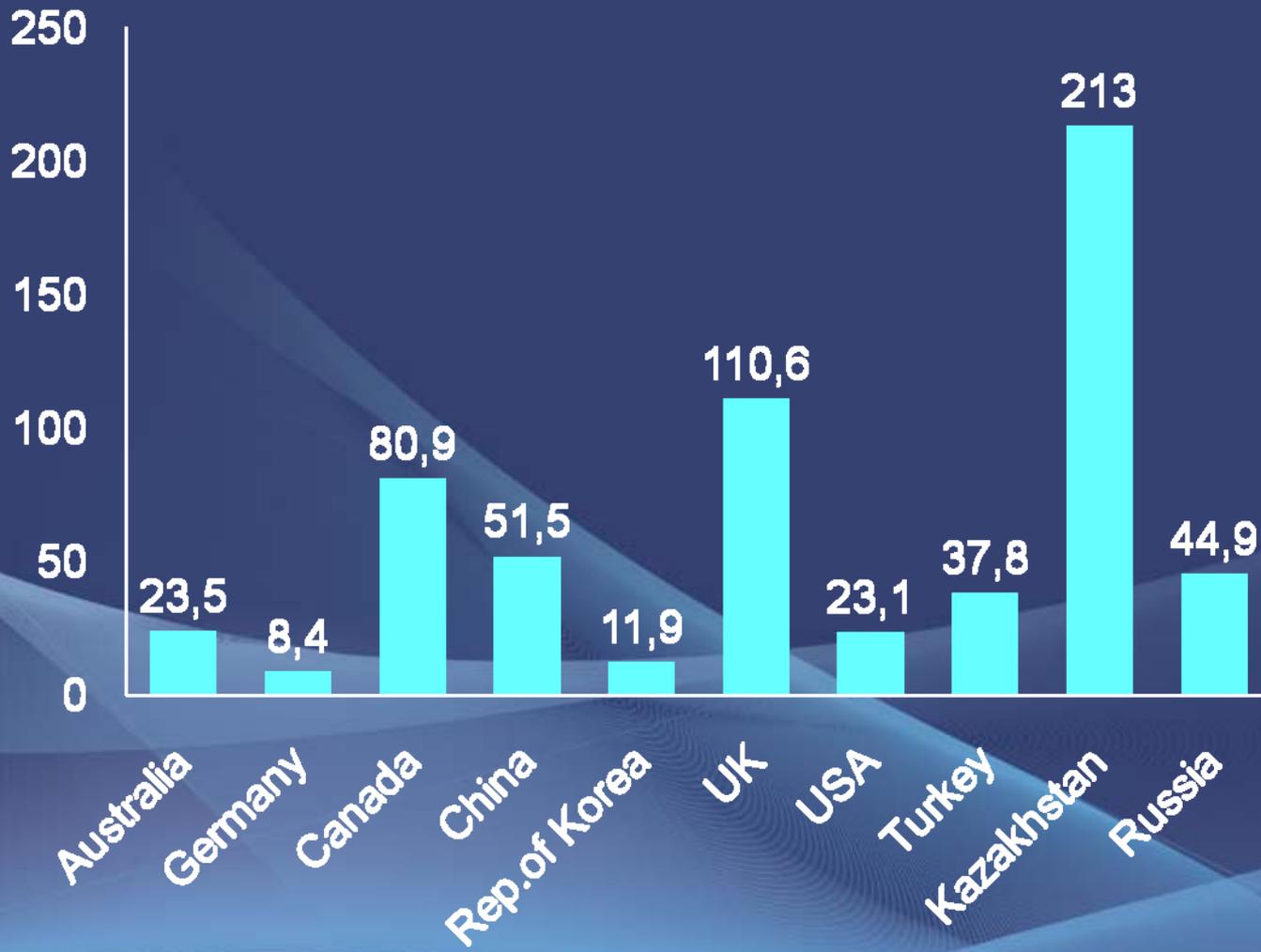
FDI inflow, USD mln



FDI inflow by sectors in 2009



FDI inflow by countries in 2009, USD mln



Major partner countries

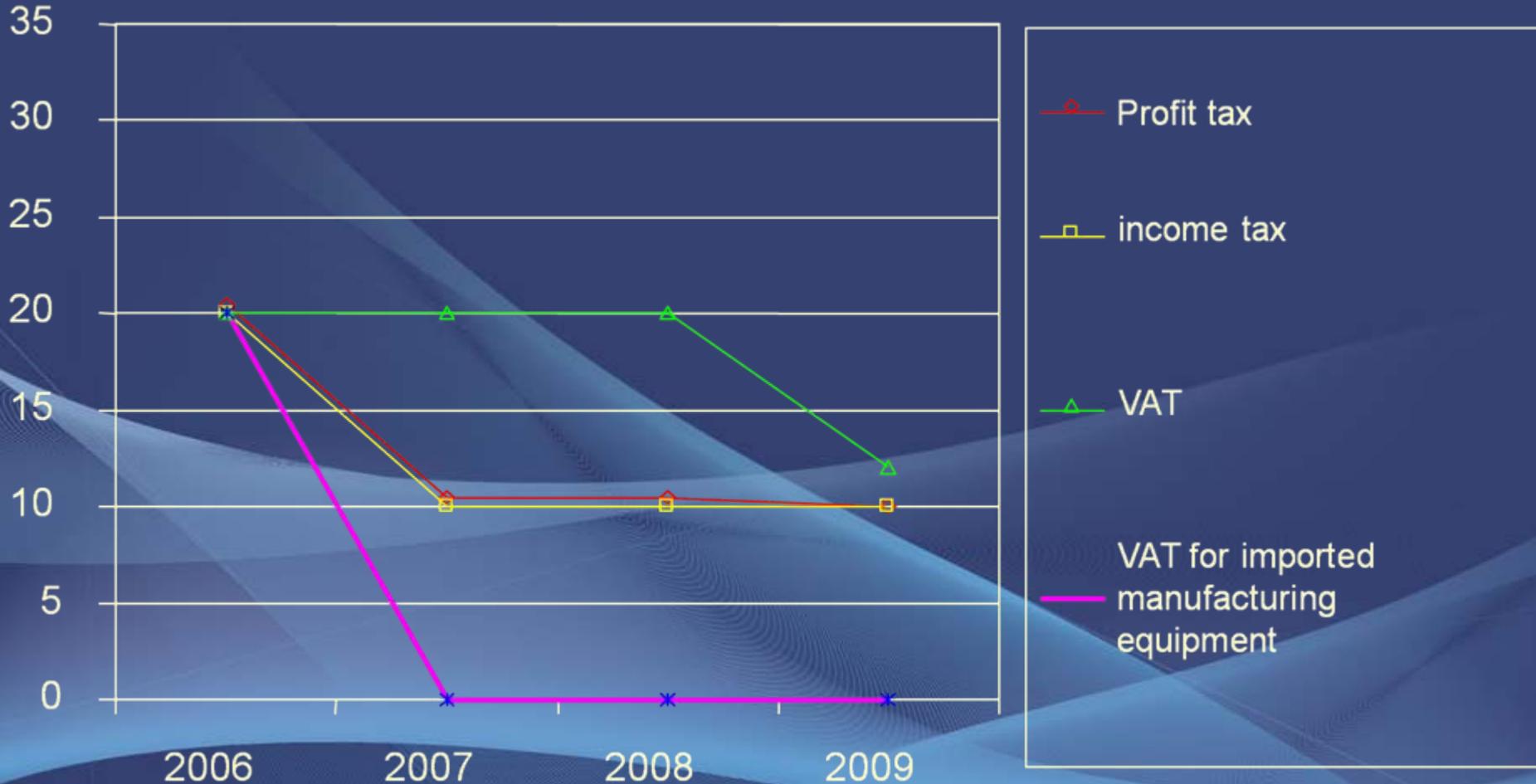
- Kazakhstan
- United Kingdom
- Canada
- China
- Russia



Investment policy

- ✓ Liberal investment conditions
- ✓ Availability of incentives and preferences
- ✓ Low tax rates
- ✓ Right to apply to International arbitration court
- ✓ In-time payment of adequate compensation in case of expropriation
- ✓ National regime for foreign investments
- ✓ Free repatriation of capital, dividends and profit

Taxation reforms



Improvement of business legal framework

Regulatory Impact Assessment methodology - RIA

The adoption of each legal act regulating entrepreneurial activity is possible provided that RIA has been carried out. The general goal of RIA is a prohibition of legal acts impeding the business

Revision of the list of licences and permits

30% reduction of the list of all permits and licences

«Doing Business» reforms

Doing Business
1st stage
Kyrgyz Republic
Government Programme
«100 Days of Reforms»
68th rank



1st stage reforms:
Amendments to the laws On State Registration of Legal Persons, On Town Building and Architecture, On Joint-Stock Companies, Civil Code, etc.

Doing Business
2nd stage
Kyrgyz Republic
Government Programme
«Kyrgyzstan to Top 50 Countries»
41st rank



2nd stage reforms:
Adoption of the new Law of the Kyrgyz Republic «On State Registration of Legal Persons, Branches (Representative Offices)», modifications and amendments to the Civil Code, Administrative Code, Labor Code, Customs Code, to the laws «On Economic Associations and Societies», «On Collateral», etc.

Influence of «Doing Business» reforms

Much easier to start a business

The number of procedures is reduced to 2

The number of days is reduced to 5

The cost is reduced to 2.8% of GNI per capita

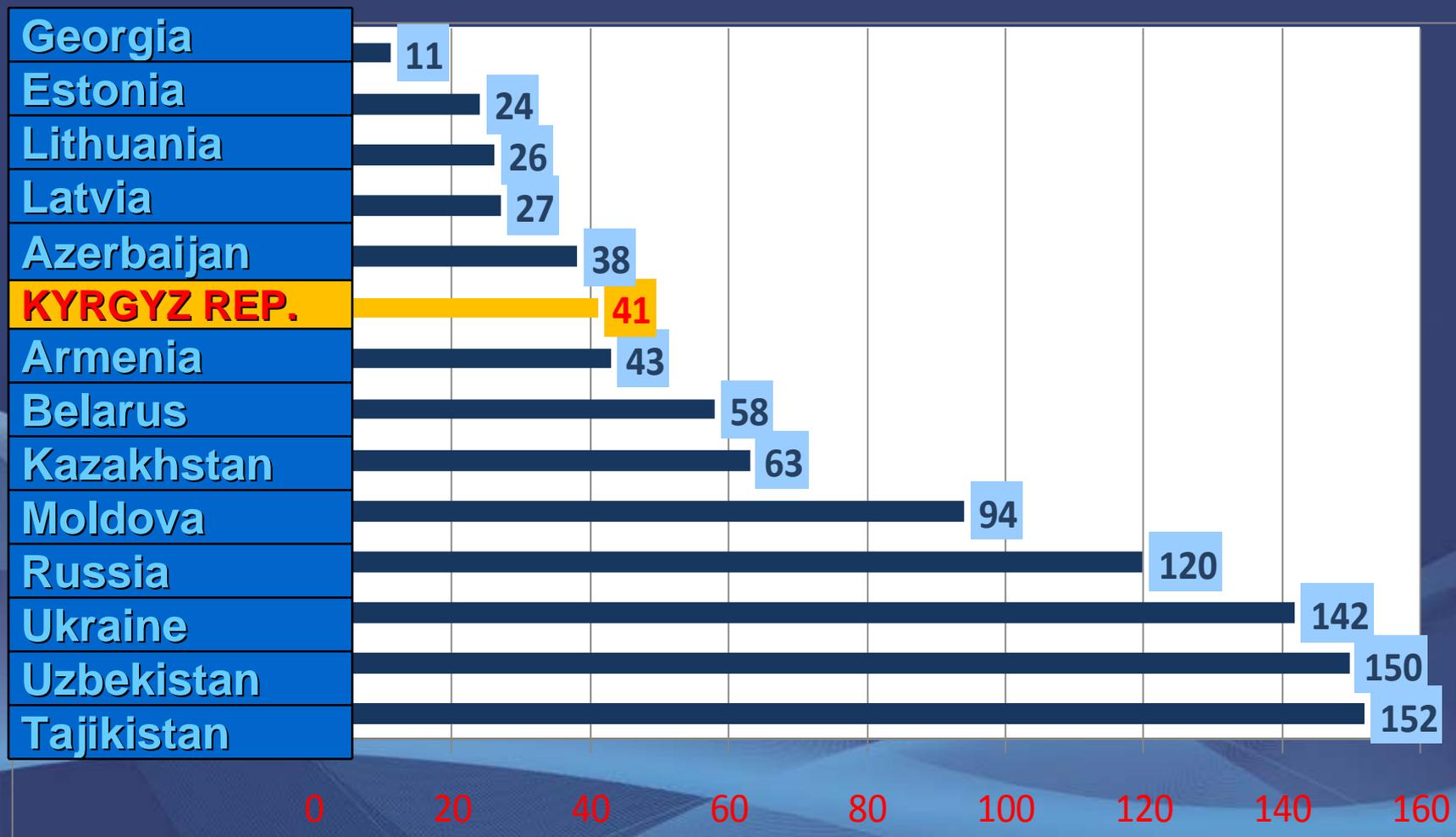
Significant simplification of property registration

The number of procedures is reduced from 7 to 2

The number of days is reduced from 8 to 2

The cost is reduced to 0.09% of GNI per capita

Kyrgyz Republic – leader on the «Doing Business» 2010 Ranking among Central Asian nations



Investments Promotion Agency – IPA Kyrgyz Republic (project)

IPA



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graph TD; IPA[IPA] --> A[One Stop Shop for foreign investors]; IPA --> B[One Public Body for investment attraction and promotion]; IPA --> C[One Database on all investment projects in the Kyrgyz Republic];
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One Stop Shop for
foreign investors

One Public Body for
investment attraction
and promotion

One Database on all
investment projects in
the Kyrgyz Republic

Priority sectors of Kyrgyz economy

- Hydropower energy
- Mining
- Agriculture
- Tourism
- Infrastructure

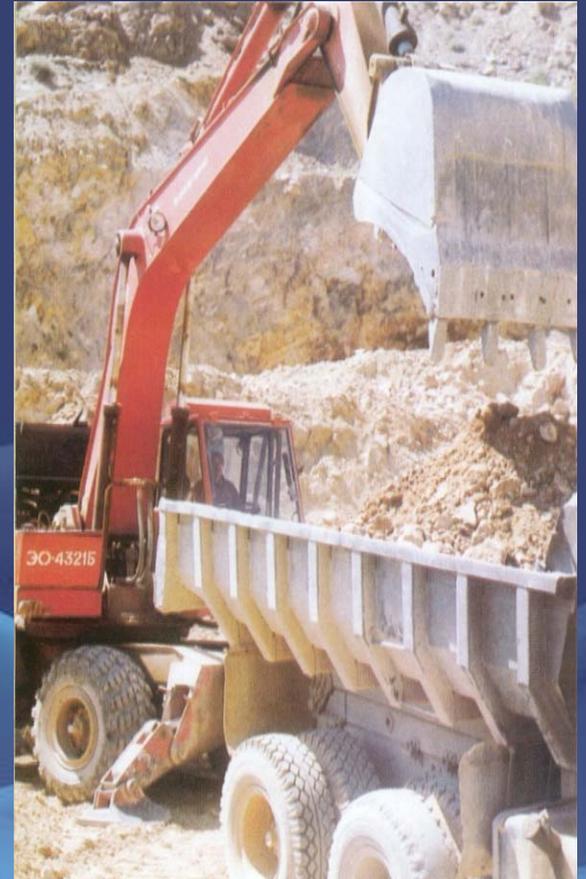
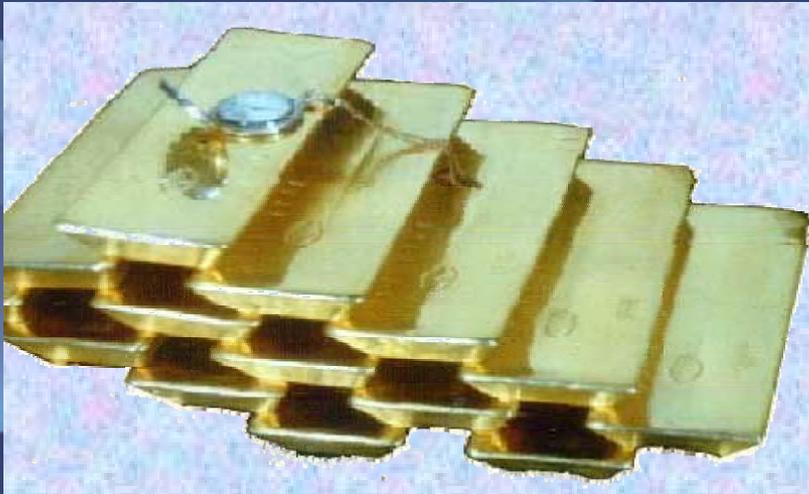
Hydropower energy

- Hydropower energy potential per year - 142 bln. K.W.H.
- Export of electric power - 2 bln. K.W.H.
- Expected demand in CA countries - 5 bln. K.W.H.
- Expected demand in China and Pakistan - 7 bln. K.W.H.
- Production volume - 14 bln. K.W.H.



Mining sector

The country has abundant mineral resources. The most leading of which are gold, mercury, antimony, less-common metals, tin, tungsten, coal, underground mineral waters



Agriculture

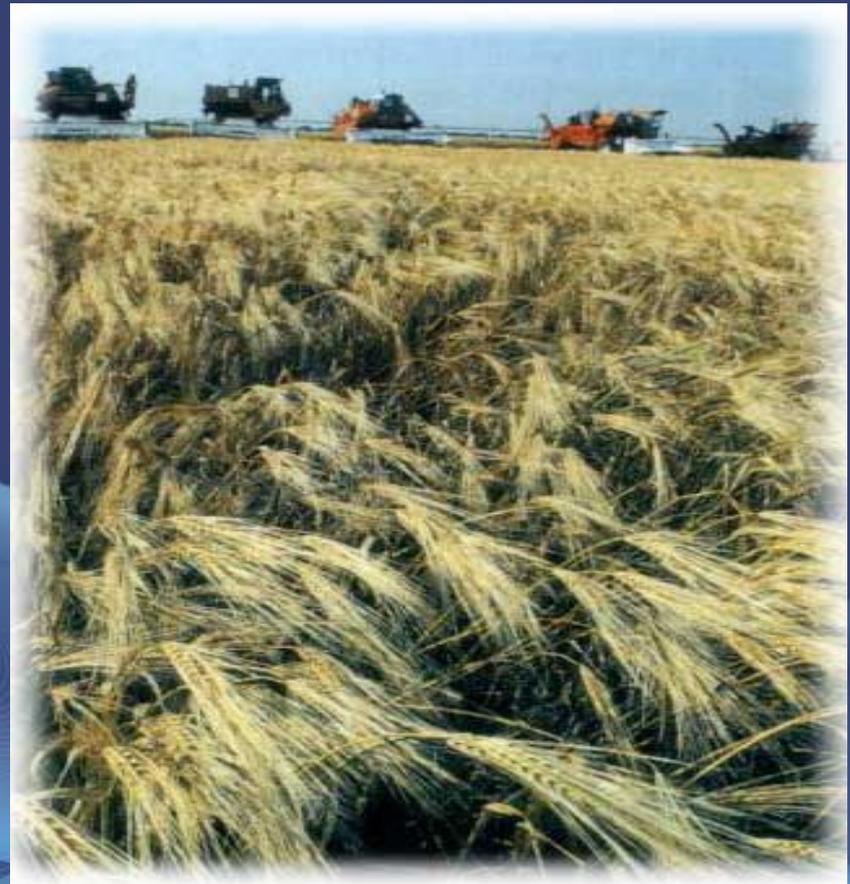
Kyrgyz Republic produces more agriculture products than it consumes. There is good opportunity for further processing and exporting of finished goods.

Meat – 187,6 thousand tons

Milk – 1197,6 thousand tons

Wool – 10,6 thousand tons

Volume of agricultural output in GDP is almost 27%.



Tourism

The Kyrgyz Republic possesses a huge potential for development of tourism thanks to unique nature, picturesque landscape, cultural and historical sights.



Investment projects in industry

1. Ferrosilicoaluminium plant construction
2. Quartz sand and industrial silicon plant construction
3. Light aircrafts production
4. Equipment production based on variable structures mechanisms
5. Creation of foundry-rolling minifactory
7. Cement Plant Construction
8. Stone-working factory

Investment projects in infrastructure

1. Karakol Airport leasing by a private company
2. Issyk-Kul International Airport re-construction
3. Construction of the “China-Kyrgyz Republic-Uzbekistan” railroad

Investment projects in hydropower

1. Uch -Kurgan GES Reconstruction
2. Small hydropower stations construction
3. Construction of cascade of Upper-Naryn Hydro Electric Power Station

Summary of the advantages in the KR

- ❑ Favorable legislation
- ❑ Neighborhood of large economies (Russia, China, Kazakhstan)
- ❑ Well-functioning financial system
- ❑ Unlimited profit repatriation
- ❑ Low wage level
- ❑ Well-educated population

Thanks for your attention...

Contacts

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