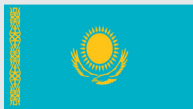


August 31, 2008

Kazakhstan



Drought forces Kazakhstan farmers to slaughter most of their cattle

Kazakh farmers of South Kazakhstan region will have to slaughter most of their cattle as continuously dry weather poses serious threat of losing the entire livestock.

The hot summer and lack of fodder has been forcing Kazakh farmers to sell off cattle in Kyrgyzstan at below market prices. Some farmers are loaning their cattle to Kyrgyz farmers who have fodder to feed the cattle. In exchange, Kyrgyz farmers are allowed to keep offspring.

However, neither of the taken measures has helped farmers averting massive slaughter of their cattle as the end of summer season promises to be very dry with daily temperatures as high as +40 C. Besides high temperatures, pastures in Kazakhstan suffered from devastating spring floods and locust plague.

According to Ospan Ukybayev, the Head of the Agricultural Department at the local administration in the Saryaghash province of South Kazakhstan region, locust plague and drought forces farmers to slaughter at least 40% of their cattle.

The Prime-Minister of Kazakhstan Karim Masimov ordered in early May to organize state purchasing of meat under fixed prices from farmers. However, lack of refrigerating equipment slows down the purchasing and makes farmers suffer significant losses.

Nevertheless, Nurzhan Parpiev, agricultural specialist at the Saryaghysh province administration does not think that the situation is hopeless. In his opinion, locust plague and drought at one time is very unusual to South Kazakhstan. However, Kazakhs have been breeding cattle for centuries and have their own "side-tracks".

For instance, they have their ways to relocate herds, connections with relatives in other regions with more affluent pastures.

Nurzhan Parpiev also stressed that state food supply corporations provide significant help to those farmers whose pastures were attacked by locust and drought.

- Source: 24.kg News Agency

Food self-sufficiency of Kazakhstan makes 67-75 %

Food self-sufficiency of Kazakhstan makes 67 - 75 %, according to the First Vice President of Democratic Party "Adilet", Tolegen Sydyhov.

"If import of a certain type of product makes 20 % of the volume of domestic production, this product is likely to face stagnation and in case if this figure reaches 60 % local production will completely stop," stressed the First Vice President of "Adilet".

"According to the forecasts of the leading analytical agencies, deficit of food in the world markets will remain at least until 2009, continuing to put pressure upon prices," he also said.

According to the Director of Agriculture and Ecology Department of Democratic Party "Adilet", Atamurat Shamenov, local production of meat, poultry and by-products in Kazakhstan in 2007 was 846 thousand MT and the demand was more than 1 million.

Self sufficiency of fish makes 59 %, vegetables - 23 %, fruits and other processed tinned products - 17 %, vegetable oil - 81 %, self-sufficiency of dairy products is equal to 76 %, sugar - 75 %, and chocolate and confectionery products - 50 %. - Source: Kazakhstan Today

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Tajikistan



Inflation for January-July 2008 stands at 9.87% in Tajikistan

In Tajikistan inflation for January-July 2008 has stood at 9.87%, according to the State Committee for Statistics.

Monthly inflation rate over period January-July 2008 in consumer's sector has amounted to 1.41%, which is 0.74% more than in the same period of last year.

Prices of food products rose by 11.2% in seven months to July 31 2008. Prices of nonfoods and paid services rendered to the population have risen by 3.1% and 18.2% respectively.

Inflation for the first six months of this year stood at 8.28%, while specialists expected inflation to stand at 8% by the end of this year.

May Session of the Government has endorsed a draft prognosis of main directions of the country's Monetary Policy for 2008. One of the main objectives of the document is to hold inflation at 15% by the end of the year and provide a 7% production growth.

Mr. David Owen, Senior Advisor in the Middle East and Central Asia Department of the International Monetary Fund's (IMF) during the visit to Tajikistan in early August noted that the macroeconomic situation in Tajikistan is improving after the past difficult winter; however, there are issues and problems that should be solved.

According to him, measures in the macroeconomic policy should be aimed at decreasing inflation in the second half of the year. He noted that measures taken by the Government in the first half-year had been taken "quite rigorously and in a positive way". "If this policy continues, we are sure Tajikistan will succeed in decreasing the inflation rate in the second half of the year," Mr. Owen said, adding that inflation is the main problem in conducting macroeconomic policy.

He noted that IMF's recommendations to the official bodies consist in supporting those measures of macroeconomic policy that were concerted during adoption of the monitoring program. Among these measures are rigorous monetary policy and decreasing growth in monetary aggregates.

"If the official bodies are able to implement all measures provided for by the program, we will consider that they did their utmost because there are also additional factors, which do not depend on authorities, such as food and power prices," said the IMF official. "The main task is to stick to that macroeconomic program, which was concerted and adopted. If there are no any unfavorable events regarding prices of raw materials, Tajikistan will succeed in decreasing the inflation rate to 15% in the second half of the year." - *Source: AsiaPlus News Agency*

Kyrgyzstan



Inflation settled in Kyrgyzstan

The price growth has finally settled in Kyrgyzstan in July. In seven month of 2008 the inflation rates reached 15.1%. The experts believe that it is a temporary slowdown and in autumn inflation will rise again.

The inflation slowdown consequently led to GDP growth, which made 7.7% in January-July 2008. It was mostly due to agricultural industry growth which amounted to 5.4%, industrial products growth - 5.4%, which is 0.6% without taking the "Kumtor" gold mining indices into account.

In January Kyrgyzstan's consumer price index was only 1.9%, in February it was 3.3%, and in March it reached 6.1%. Inflation reached 7.2% by the end of April and 10.4% in June. The average monthly price growth made up to 2.53%.

Deflation was put on record in July; the prices have decreased only by 0.1%. Rafkat Hasanov, the President's Investment Council expert explains this process by external factors, Government and National Bank's policies and abrupt horticultural products price fall.

“Inflation in Kyrgyzstan has passed its peak point. The global tendencies changed and the oil prices also fell. The local policy of the country is also effective: Government and National Bank’s strategies give their results” the expert pointed out.

Another reason of deflation is purchasing and business capacity slowdown. “First, it is summer, second, world tendencies play important role,” Nelly Simonova Director of the “Senti” Financial Company said.

Rafkat Hasanov forecasts that prices will remain on the same level in August, September and will start growing again in October. - *Source: 24.kg News Agency*

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