

Kazakhstan



After accession to WTO Kazakhstan's GNP to grow by 4% - World Bank

Kazakhstan's accession to the World Trade Organisation (WTO) will provide an average GNP growth by 4% in the average term perspective and by approximately 10% in the long term perspective. Such forecast was made at a round table entitled "Kazakhstan's Accession to the WTO: Analysis and Assessment of Consequences" by David Tarr, an expert from the World Bank.

According to the expert, "depending on the situation other consequences can be expected as well." Mr. Tarr presumes that as a result of Kazakhstan's accession to the WTO it is possible that "the industrial production in several areas will decline, labour resources will quit these areas for other areas, first of all for the export-oriented ones."

"However we do not see whatever is going to happen at the labour market as a big problem. Many countries encountered such situation when they opened their markets, but the general level of employment did not decline. If preventive social measures are taken by the government, the consequences may be softer," - he observed.

He also stressed that apart from the workforce, "capital will also move to more profitable sectors. The export-oriented ventures will gain profits at the expense of lowering the exchange rate and improvement of access to other markets. Such areas of the Kazakhstani economy as petrochemical industry and metallurgy will profit while the biggest losses are expected in production of medical equipment, transport vehicles and book-printing."

In general Mr. Tarr is positive that the local

producers will profit from the accession in the long term perspective, because "the openness of the market will cause a growth of the investments and the fixed capital of domestic companies. The openness of the Kazakhstani market will promote improvement of telecommunications, banking, insurance and transport services and consequently reduce costs for economic activities." - *Source: Kazakhstan Today*

Kazakh scientists create bird flu vaccine

Kazakh scientists have created the first national bird flu vaccine to be used on birds.

"Immune and biological characteristics of the vaccine developed in Kazakhstan is on par with those of foreign analogues," claimed Byrganym Aitimova, Kazakhstan's Minister of Education and Science. Currently, an experimental series of the vaccine, called Kazakhstan-15, is ready and was registered with the Veterinary Department of the country's Ministry of Agriculture, Aitimova added.

Seidigappar Mamadaliev, the Director of the Research Institute of Biological Safety, noted that the Kazakh vaccine is different from foreign analogues in that "it is based on H5N1 pathogen and is the most epidemiologically relevant."

In July 2005, experts of this institute were able to retrieve the pathogen from birds in the Pavlodar region of Kazakhstan, which died from the virus.

"We believe we are not ready for an international certificate for this vaccine, but will definitely do so next year when we achieve greater reproductive characteristics for the drug," Mamadaliev noted. He added the institute is planning to ship vaccine abroad, including throughout Central Asia,

Erlan Ramankulov, Director General of Kazakhstan's

National Biotechnology Centre, which oversees the research institute, told reporters: "It took less than half a year to develop this vaccine whereas experts typically expect two years for the development, tests, registration and preparation of scientific and technical documentation for a vaccine."
- Source: *Newkerala.com*

Inflation reached 0.8% in November, 7.5% from the beginning of year

The inflation in Kazakhstan reached 0.8% in November, 7.5% - from the beginning of the year, the Statistic Agency told Kazakhstan Today.

According to the Statistic Agency, at the food market the prices for eggs grew 4.6%, for fruit and vegetables - by 4.3%. The prices for dairy grew by 2.5% (fresh milk - by 4%, sour milk products - by 2.5%, cheese and curd - by 1.2%). The prices for fish and sea foods grew by 1.3%, for animal oil - 1%, for meat - 0.4%. The National bank of Kazakhstan forecasts 0.9% inflation in December 2006 and 8.4% this year as a whole. - Source: *Kazakhstan Today, Interfax; Edited by: usapeec.kz*

Changes in Customs Code approved by Mazhilis submitted to Senate

Deputies of the mazhilis (parliament's lower house,) have approved changes and amendments in the law "On changes and amendments in the Customs Code".

"The main purpose of the document is to bring norms of the customs legislation in compliance with the WTO requirements," - Natalia Korzhova, Minister of Finance, said presenting the draft law to MPs.

In particular, the draft law excludes the norm on the double taxation of the imported commodities, whose country of origin is not identified. Also a provision on a preliminary solution on the customs value of the transported commodities is excluded. The draft law has been submitted to the senate for consideration.
- Source: *Kazakhstan Today*

Kyrgyzstan



Kyrgyz government resigns

Kyrgyzstan's government resigned on December 19 in a dispute with parliament, adding new tension to the troubled politics of a country of strategic interest to both Russia and the United States. The resignation was accepted by President Kurmanbek Bakiyev, who has faced intensive political infighting since coming to power after March 2005 demonstrations drove longtime ruler Askar Akayev into exile.

PM Kulov said the government's decision to resign was made to accelerate the holding of parliamentary elections. Kyrgyzstan held parliamentary elections in 2005, but the new constitution adopted last month includes changes to the structure of the parliament, raising the number of seats from 75 to 90 and the method for electing deputies - which will be done by party lists instead of the single-mandate system.

Kulov said that despite contradictions between the current parliament structure and the one mandated in the new constitution, it should be possible for legislators to continue their work.

"The most important thing now is that in order to push through reforms there is a need to elect a new parliament," he said. "According to the constitution, our deputies maintain their powers until the election of a new parliament. Therefore, I do not see any principle problem about whether to dissolve parliament now or to continue working until new elections."

Kulov noted in his announcement to reporters that Bakiev should form a new government based on a party majority. However, no party has a majority in parliament, which further necessitates the holding of new parliamentary elections. - Source: *EurasiaNet*

Kyrgyzstan did not approve Ukraine's joining WTO

Kyrgyz Economy and Finance Ministry refuted statements made by Ukraine's Deputy Economy Minister Valery Pyatnitsky that "on December 18,

the Kyrgyz government yielded and agreed to give its approval for Ukraine's joining the WTO".

According to the press office of the Ministry, the statement of the Ukrainian Deputy Minister does not correspond with reality: there was no approval.

The Kyrgyz party did put a list of questions in front of the Ukrainian side. The questions are to be settled in the framework of the procedure of settling claims to a country entering the World Trade Organization." Signing the protocol between Kyrgyzstan and Ukraine will happen only after the negotiation process is over. The process is to be continued next year.

Earlier, Kyrgyzstan demanded to return debt, which saved up since USSR time in the amount of \$27 mln, but later put new demands – to annul import duties on numerous agricultural products, particularly, on sugar and meat products. - *Source: Regnum, Kyrgyz National News Agency; Edited by: usapeec.kz*

Kyrgyzstan posts 2.5% GDP growth, 3.6% inflation in 11 mths

Kyrgyzstan's GDP grew 2.5% year-on-year in January-November to 104 billion som, the National Statistics Committee told Interfax. GDP growth minus the contribution by the Kumtor gold project would have been 5% to 99 billion som.

Extractive industry output fell 0.3% and manufacturing output fell 14.2%.

Gross agricultural output rose 1.8% to 70 billion som in 11 months. Construction sector growth was 5.6% and trade sector growth was 14.5%. Freight rose 2.5% to 26.4 million som and passenger services by all types of transport grew 1.6% to 412 million som.

In the first ten months of 2006, Kyrgyzstan had a trade deficit of \$812.4 million. Imports were \$1.423 billion and exports came to \$640.4 million.

Targeted GDP growth is 8% and inflation - 5.7% in 2006. GDP fell 0.6% and inflation was 4.9% in 2005. - *Source: Interfax*

Tajikistan



Tajikistan posts budget surplus of 0.5% of GDP in 10 mths

Tajikistan's state budget ended October with a surplus of 40.2 million somoni or 0.5% of GDP in January- October 2006, compared with 36.5 million somoni (0.7% of GDP) a year earlier, Tajikistan's State Statistics Committee told Interfax.

The state budget's revenue and grants grew by 26.9% year-on-year from January to October to 1.318 billion somoni, or 17.6% of GDP, which was 5.2% above target.

State budget spending increased by 18.9% to 1.278 billion somoni, or 17.0% of GDP (19.9% below target). The somoni averaged at 3.28/\$1 in the period from January to October. - *Source: Interfax*

New Ministers appointed in Tajik Government

Head of the abolished Ministry of State Revenues and Tax Collections Gulomjon Boboev was appointed new Minister of Trade and Economic Development replacing Hakim Soliev.

Mirgand Shabozov, for his turn, was re-appointed chairman of the State Statistics Committee. Hamrokhon Zarirov was appointed Foreign Minister, replacing Talbak Nazarov in this post. Hamrokhon Zarirov had served as Ambassador Extraordinary of Tajikistan to the United States since 2003. - *Source: Avesta News Agency, ASIA-Plus*

Happy holidays!

May the coming year bring you joy, happiness and prosperity!

