



CASIP-SMEs project

KYRGYZ REPUBLIC

(KYRGYZSTAN)



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KYRGYZSTAN

BRIEF INTRODUCTION

- ❖ In 1991 Kyrgyzstan proclaimed itself an independent and sovereign state
- ❖ Currency – som (KGS)
- ❖ Political system – Parliamentary system (since June, 2010)
- ❖ Population – 5.2 milion
- ❖ Language – Kyrgyz (state), Russian (official)
- ❖ Bishkek – the country's capital

Diverse investment sector

MINING

Kyrgyzstan is rich in mineral resources, well-known for its gold and rare earth metal deposits: gold, lead, mercury, antimony, uranium

TOURISM

More than 2 milion tourists have visited Kyrgyzstan in 2012

AGROSECTOR

The contribution od agroculture is 22,5% of GDP. Kyrgyzstan produces and exports cotton, fruits, vegetables, beans, etc.

Diverse investment sector

CLOTHING MANUFACTURE

Clothing is the second largest export item after gold mining.

90% of production destined for mid-tier clothing markets in Russia, Kazakhstan and Europe.

ENERGY

Kyrgyzstan hydro production is the third largest among CIS countries. The basis for this is hydropower, which accounts for about 90% of the country's electricity production.

Free Economic Zones

Kyrgyz Law provide special legal regime on territory of FEZ that sets benefits in the area of foreign economic activity. Those benefits are:

- Customs duties on imported goods to FEZ or re-exported goods as well as non-tarif restrictions on export and import are exempted;
- Special custom regime includes unrestricted cross-border movement;
- Free circulation of foreign currency;
- Export of goods produced within territory of FEZ is free from licensing;
- Investors who carry out economic activity on territory of FEZ are exempted from all taxes, duties, except investors who produce goods and services on territory of FEZ for sale in the local market.

Successful Economic Reforms

- ❖ The “one-stop-shop” approach in export and import operations allows traders to obtain all necessary documentation in one place, and within a set period of border checkpoint.
- ❖ There are now only 2 procedures for starting a business, which take no more than 5 days.
- ❖ For property registration, there are only 2 procedures which take no more than 2 days.
- ❖ The significant Law “On Public Private Partnership” was adopted in May 2009. Public-Private Partnership is a policy for infrastructure development, involving private enterprises in an effort to liberalize the economy.

Investors-friendly business climate

The Kyrgyz Republic has signed multilateral agreements with 27 countries on protection and encouragement of foreign investors.

According to a Doing Business report for 2012, Kyrgyzstan is ranked #1 in Protection Investors in Central Asia.

The Kyrgyz Republic has signed bilateral tax treaties with 21 countries, protecting against the risks of an individual or corporate entity being taxed twice on the same income

Bold legislative actions, such as enacting a new tax code, speak for government's attempt to improve Kyrgyzstan's business environment, which:

- ❖ Reduced the overall number of taxes from **16% to 8%**
- ❖ Reduced VAT from **20% to 12%**
- ❖ Reduced corporate tax from **20% to 10%**

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Investors-friendly business climate

Government has worked in crafting liberal investment legislation for foreigners.

Legislation provides a broad scope of rights and guarantees to foreign investors, including:

- ❖ Protection against out-of-court expropriation and nationalization
- ❖ Full repatriation of capital and profits



Thanks for your kind attention!

