



## Kyrgyzstan: Market Profile

### Major Economic Indicators

	2015	2016	2017**
Population (000)	6,019	6,107#	6,196
GDP (US\$ bn)	6.678	6.551#	6.854
Real growth (%)	3.5	3.8#	3.4
GDP per capita (US\$)	1,109	1,073#	1,106
Inflation - CPI index	6.5%	0.4%	3.6%
Unemployment rate	7.6%	7.5%#	7.4%
Exports (US\$ bn)	1.470	1.545	N.A.
YoY growth (%)	-22.5	5.1	N.A.
Imports (US\$ bn)	4.070	3.919	N.A.
YoY growth (%)	-29.0	-3.7	N.A.
Average exchange rate (Som per US\$)	64.5	69.9	68.8##

Note: # estimate, ## Jan- Jul 2017, \*\* forecast

Source: IMF, WTO, National Bank of the Kyrgyz Republic

- Kyrgyzstan is a mountainous country located at the crossroads of Asian cultures. Its economy relies heavily on the exploitation and export of gold, mercury, natural gas and uranium, along with agricultural products such as cotton, meat, tobacco, wool and grapes,. Due to its mountainous landscape, livestock farming dominates its agricultural economy, while aluminium production represents the bulk of its industrial production. Meanwhile, the service sector, including banking and tourism, has become an increasingly important growth driver.
- Although billed as the eastern gateway to Central Asia, one-third of Kyrgyzstan population is considered to be living below the poverty line. The country remains under strong Russian influence after the dissolution of the Soviet Union, receiving military protection and remittance up to an equivalent of 30% of its GDP from Russia.
- On 21 May 2015, Kyrgyzstan signed a law ratifying treaties on the country's accession to become the fifth member of the Kremlin-led Eurasian Economic Union (EAEU), along with Russia, Kazakhstan, Belarus and Armenia. Following months of ratification procedures, Kyrgyzstan finally acceded on 12 August 2015. With presidential approval, customs controls at eight checkpoints on Kyrgyzstan's borders have been abolished.
- In common with other Central Asian countries, Kyrgyz business ties with China are getting stronger. Bilateral trade is looking increasingly rosy and China has become the country's second-largest trading partner, after Russia. There are now more than 250 Chinese companies registered in Kyrgyzstan, including Zhongda China Petrol Company and Zijin Mining Group, and covering various industries such as mining,



trading, construction, telecommunications, agriculture and metallurgy.

- To encourage foreign investment in priority sectors such as tourism, light industry, agro-industrial sector, transport, mining and electric-power industry, the Kyrgyz government has put in place a wealth of investment incentives available for investors including tax, customs and social insurance privileges and financial and regulatory measures such as incentives on public-private partnership and free economic zones. More information can be found at the [Investment Promotion Agency under the Ministry of Economy of the Kyrgyz Republic](#).
- The inflows of foreign direct investment (FDI) to Kyrgyzstan amounted to US\$1.1 billion in 2015, with China contributing US\$152 million. As of the end of 2015, China's total stock of FDI to Kyrgyzstan exceeded US\$1.0 billion, up from US\$125 million in 2006. Investment from Hong Kong, however, is far from significant.

### Hong Kong's Trade with Kyrgyzstan

(US\$ million)	2015		2016		Jan-Jun 2017	
	Value	Growth	Value	Growth	Value	Growth
Total Exports	5.356	+20.5	7.523	+40.5	4.782	+63.3
Domestic exports	*	-96.9	0.314	..	-	-
Re-exports	5.356	+20.5	7.210	+34.6	4.782	+63.3
Imports	0.082	- 51.6	0.509	+523.2	0.159	-15.4
Total Trade	5.438	+17.8	8.032	+47.7	4.940	+58.6

- nil

\* insignificant

.. over 1,000% increase

Source: Hong Kong Trade Statistics, Census & Statistics Department

### More Information

More information on the Belt and Road countries' economic and investment environment, tax and other subjects that are important in considering investment and doing business are available in [The Belt and Road Initiative: Country Business Guides](#).

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