Embassy of India

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**Economic and Commercial Digest for the month of August 2021**

**GDP of Agriculture**: According to National Statistics Committee, GDP of agriculture, forestry and fisheries amounted to KGS 118,478.7 million during January-July 2021, a decrease by 3.4% comparing to same period in 2020. Crop production decreased by 13.3% causing overall decrease in agricultural production.

**WB report on Kyrgyz GDP**: According to the World Bank, Kyrgyzstan is on the 134th place in GDP among 199 countries of the world as of June 30, 2021. The World Bank report on economic situation in July 2021 was prepared on the basis of gross domestic product and national gross product.

**Remittances from Russia**: According to National Bank of Kyrgyzstan, a total of $26.69 billion in remittances were sent to Kyrgyzstan from Russia in 16 years, which is almost four times the country's GDP in 2020 (as of December 31, 2020 - $7.2 billion). Gross inflow of remittances into Kyrgyzstan through transfer systems amounted to $986.3 million during January-May 2021 growing by 41% comparing to 2020. 97.6% of the total remittances were from Russia. Biggest decline in remittances, by 30%, was recorded in 2020.

**Foreign Trade**: According to National Statistics Committee, Kyrgyz foreign trade turnover was amounted to more than $3 billion during January to June 2021, an increase by 21.9%. Imports increased by 40.2%, while exports decreased by 9.5%. Mutual trade turnover of Kyrgyzstan with the EAEU member states amounted to $1.5 billion, an increase by 28.9%. Exports increased by 1.6% and imports increased by 1.2 %. Russia (65.4%) and Kazakhstan (32.2%) were the biggest trade partners of Kyrgyzstan among the EAEU. Trade turnover between Kyrgyzstan and Kazakhstan amounted to $495.6 million in January-May 2021, an increase by 28.4%.

**Gold export**: Kyrgyzstan exported 4.14 tons of gold worth $235 million during Jan-June 2021, a decrease by 6.16 tons ($304.5 million). 98.5% (4.08 tones) were sent to the United Kingdom. Gold exports to Russia amounted to 33 kg (0.8%), to Italy - 16.5 kg (0.4%), to Turkey - 11.3 kg (0.3%).

**Manufacturing and Food products’ output**: According to National Statistics Committee, the manufacturing output of Kyrgyzstan amounted to KGS 135.7 billion in January-July 2021. Production of food and tobacco products amounted to KGS 20.9 billion in January-July 2021.

**IMF’s recommendation on Public Debt**: The International Monetary Fund (IMF) recommends Kyrgyzstan to reduce public debt to below 60% of GDP by 2025. This level of debt would still be higher than the pre-crisis 51.6% percent of GDP, but would provide some fiscal space to respond to future downturns. IMF projects Kyrgyz economy to grow by 3.8% in 2021 and 6.4% in 2022, after stabilization of Covid-19. However, uncertainty remains high because the pandemic may take an unexpected turn," IMF said.

**EDB’s forecast on inflation in Kyrgyzstan**: According to Eurasian Development Bank forecast, Inflationary pressures in Kyrgyzstan will begin to ease in the fourth quarter of 2021.  As EDB predicted, the growth in inflation was due to the low base of the previous year, the rise in prices of food products, as well as the recovery of domestic consumer demand. The rate of growth in price will remain above the target of 5-7% by the end of the year, the review says. According to National Statistical Committee, Kyrgyzstan recorded highest inflation rate of 7% among the EAEU countries in July 2021. During January - July 2021, prices increased by 11.3% compared to the same period last year.

**IMF SDR to Kyrgyzstan**: According to IMF country office in Bishkek, Kyrgyzstan received approximately $240 million from the International Monetary Fund in the form of Special Drawing Rights allocation. The National Bank of the Kyrgyz Republic said the IMF SDR will be used to replenish the country's gold and foreign exchange reserves. It said the current gold and foreign exchange reserves, including the last SDR allocation, is $2.872 billion.

**Import from Russia**: According to Russian Federal Customs Service, Kyrgyz imports from Russia amounted to $919 million in the first half of 2021, an increase by 35% ($236 million) compared to the same period in 2020.

**Import of wheat from Russia**: According to Kyrgyz Emergency Situations Minister Boobek Azhikeev, Kyrgyzstan and Russia reached an agreement on supply of 70,000 tons of wheat from Russia. As per the agreement, supply of wheat was scheduled to commence from September 1.

**Business delegation from Tatarstan**: Kyrgyz Investments Minister Almambet Shykmamatov met with Russian business delegation from Tatarstan, who visited Kyrgyzstan on 24-31 August 2021. Tatarstan business delegation members said that they are interested in opening their branches in Kyrgyzstan, creating joint ventures, supplying services, importing and exporting agricultural and garment products. The delegation included such companies as TatNeft, Kuloenergomash, Rus Oil Technology, Legprom and others.

**Kyrgyz-Turkmenistan**: According to Ministry of Energy of the Kyrgyzstan, Kyrgyzstan and Turkmenistan signed an agreement on the import of electricity from Turkmenistan. As per the agreement, Turkmenistan will supply Kyrgyzstan with 501.9 million kilowatt-hours of electricity from August to December 2021. Negotiations are underway on the export of natural gas from Turkmenistan to Kyrgyzstan.

**Kyrgyz-Austria**: Austria’s Ambassador to the Kyrgyz Republic Willy Kempel met Kyrgyz Minister of Foreign Affairs Ruslan Kazakbayev (10 Aug). Ambassador discussed with the Minister about the possibility of Austria's providing soft loans (concessional lending) for the implementation of projects in the Kyrgyz Republic. Kazakbayev invited the Austrian delegation to take part in the 1st EU-CA Economic Forum, scheduled to be held on 05 November 2021 in Bishkek. Discussions also centered around holding a Kyrgyz-Austrian business forum in Kyrgyzstan.

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