



Joint Government/WB/IMF Workshop
**“COPING WITH SHORT TERM RISKS AND VULNERABILITIES &
ACCELERATING LONG TERM GROWTH”**

Medium term policy to accelerate economic growth

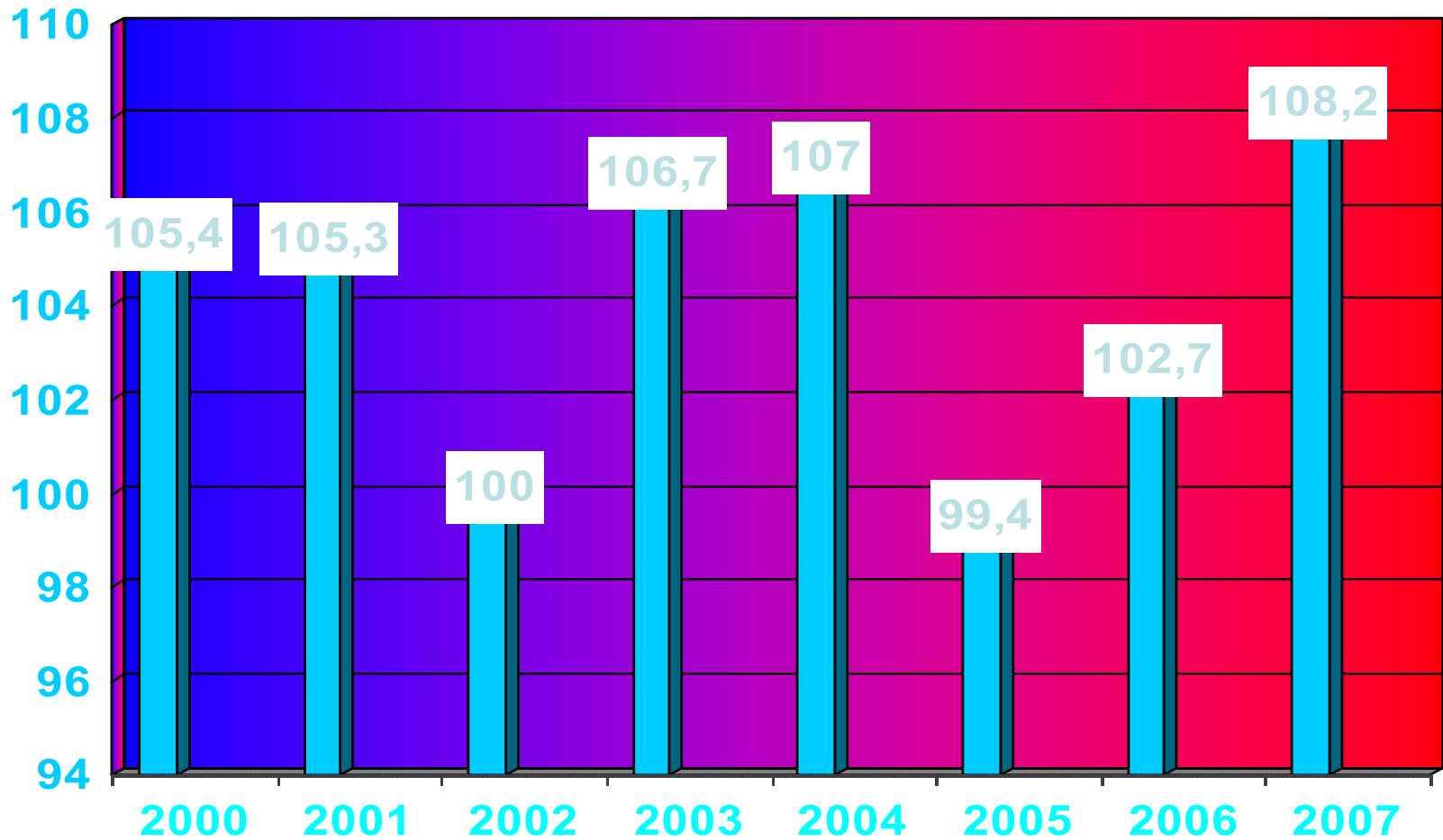
Akylbek Japarov

Minister of Economic Development and Trade
of the Kyrgyz Republic

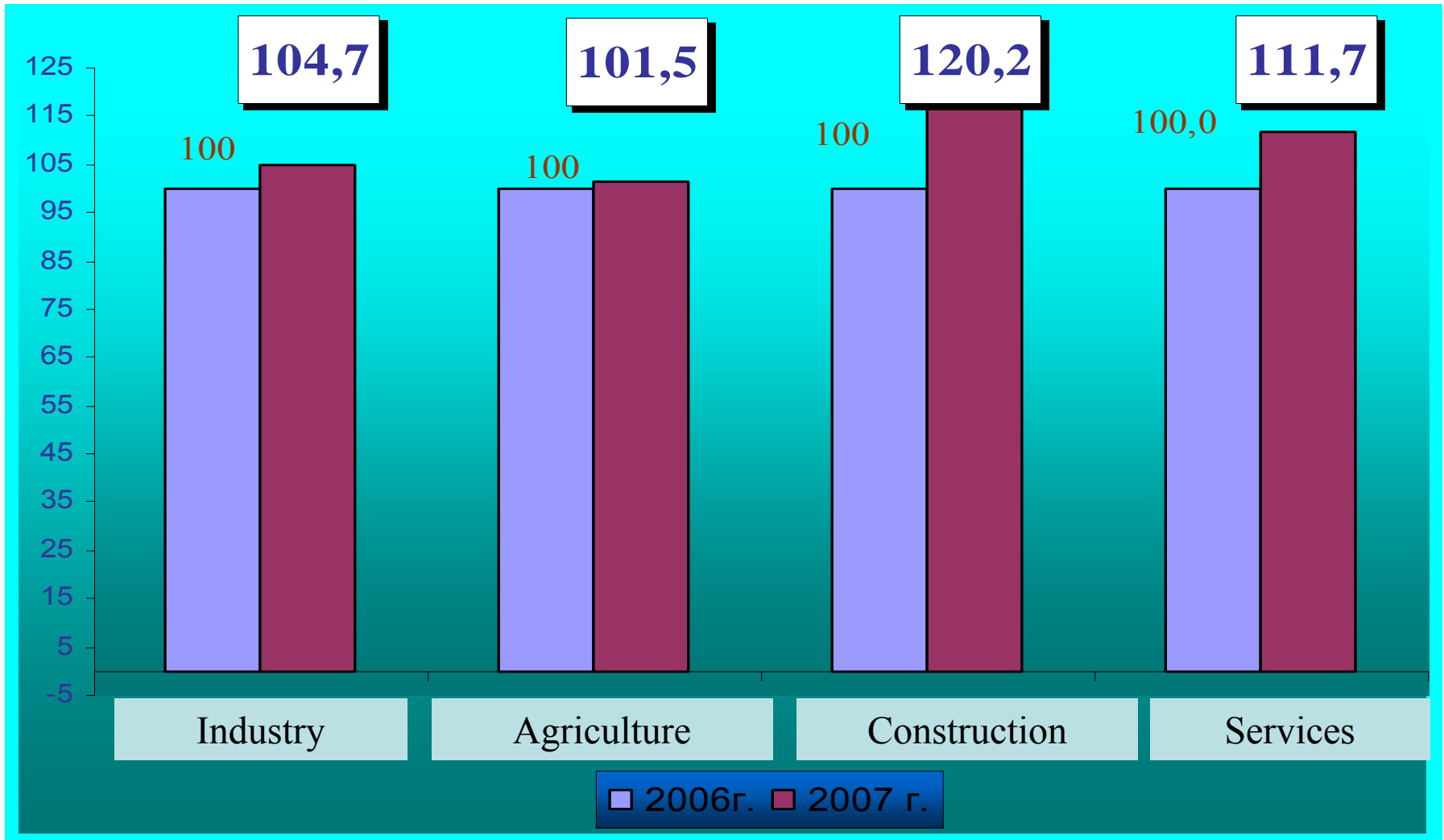
Bishkek, June 25, 2008

GDP development in 2000-2007

(real growth rates, %)

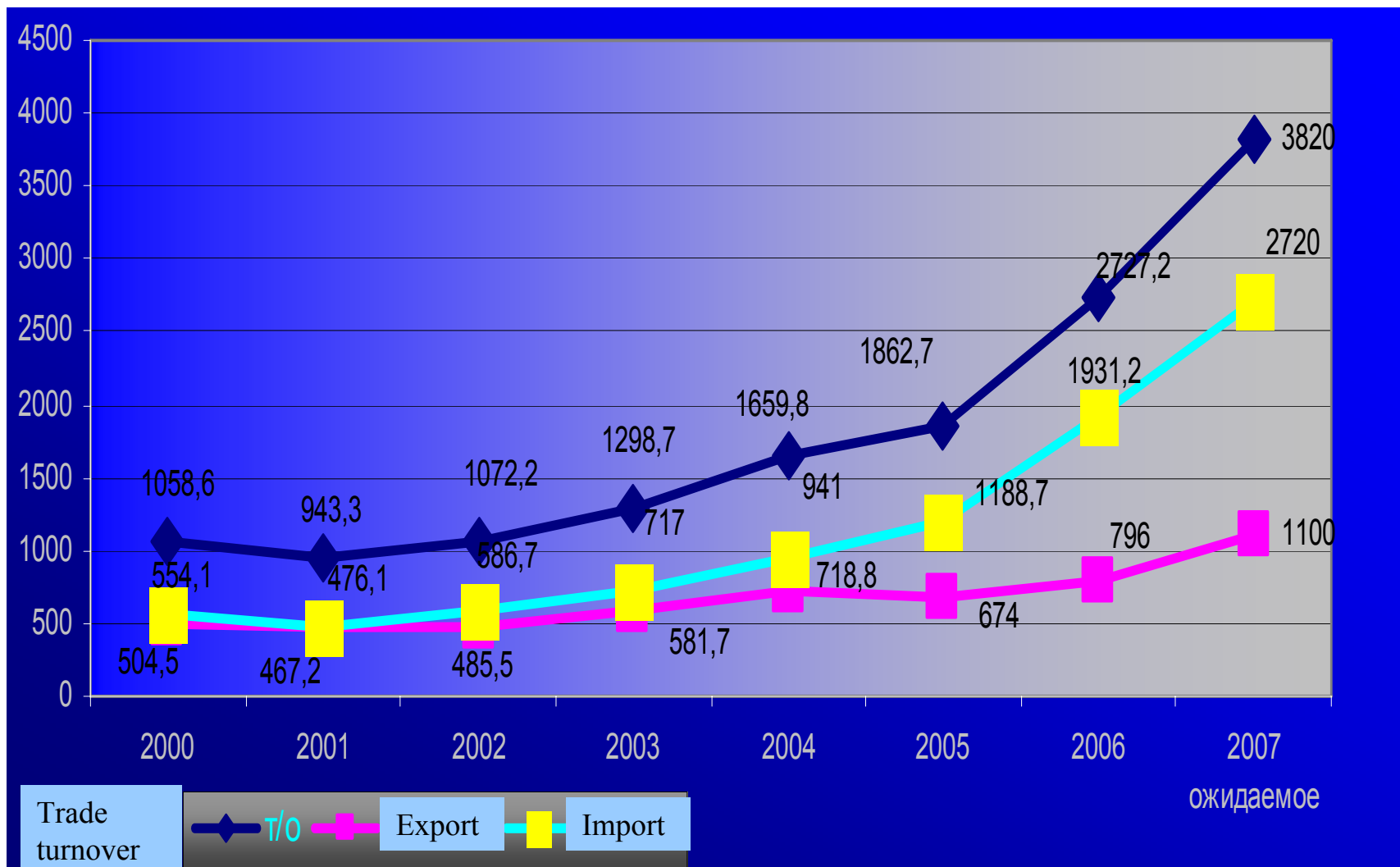


Real growth rates of main sectors of economy 2006-2007

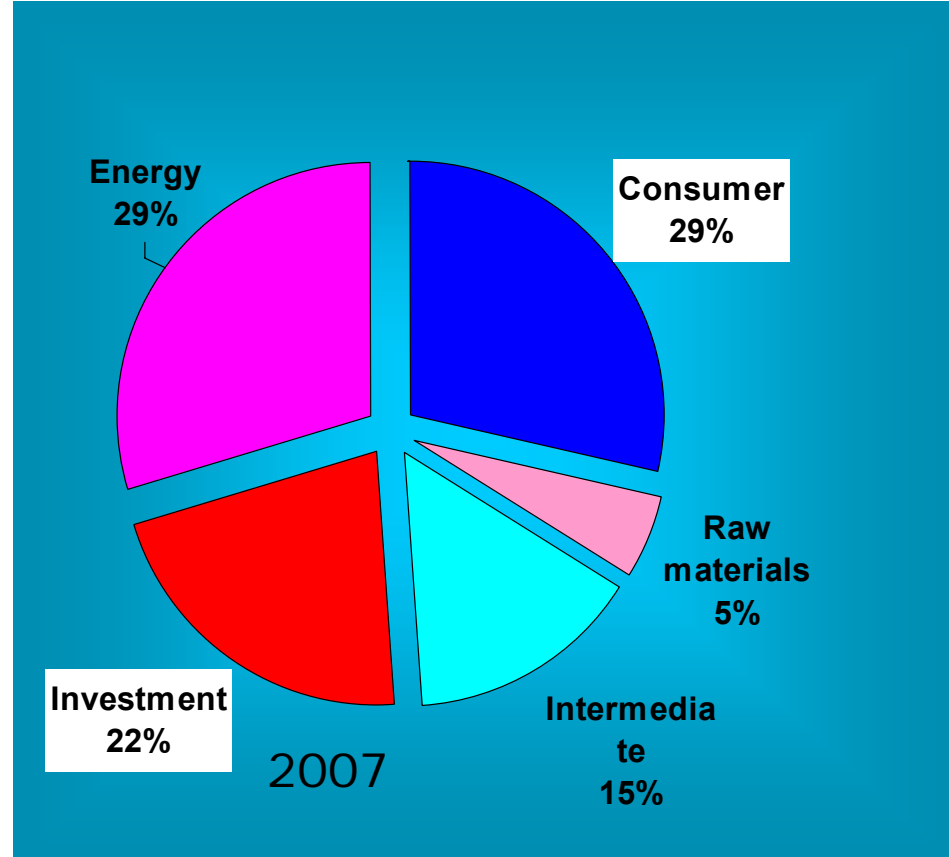
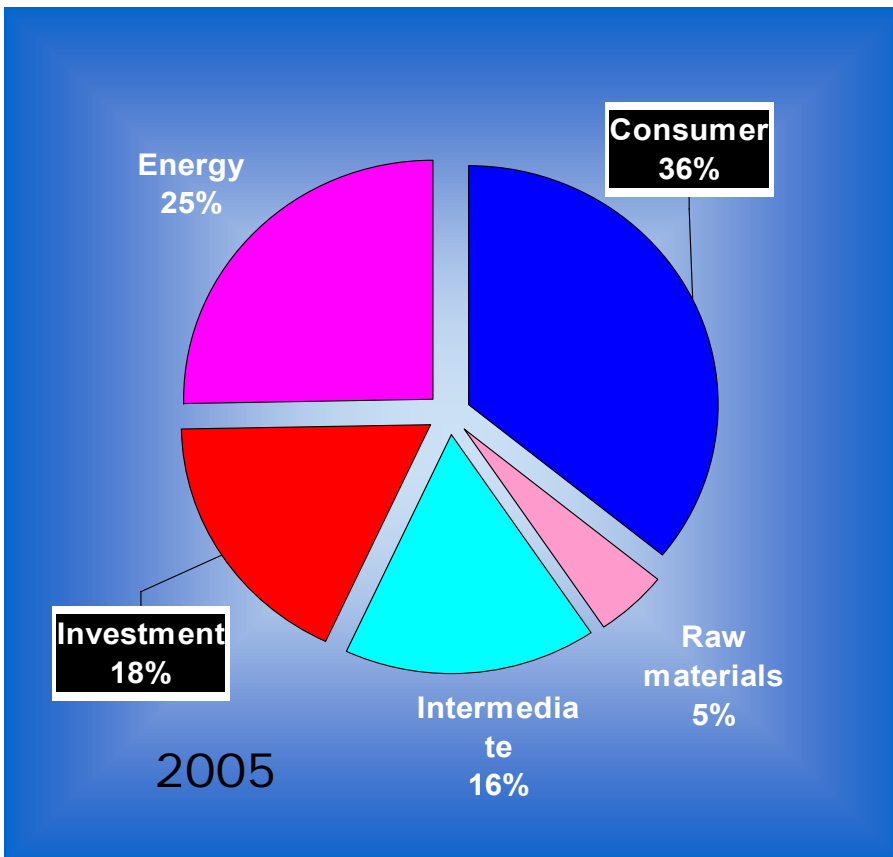


Development of external trade in 2000-2007

(mln.US dollars)

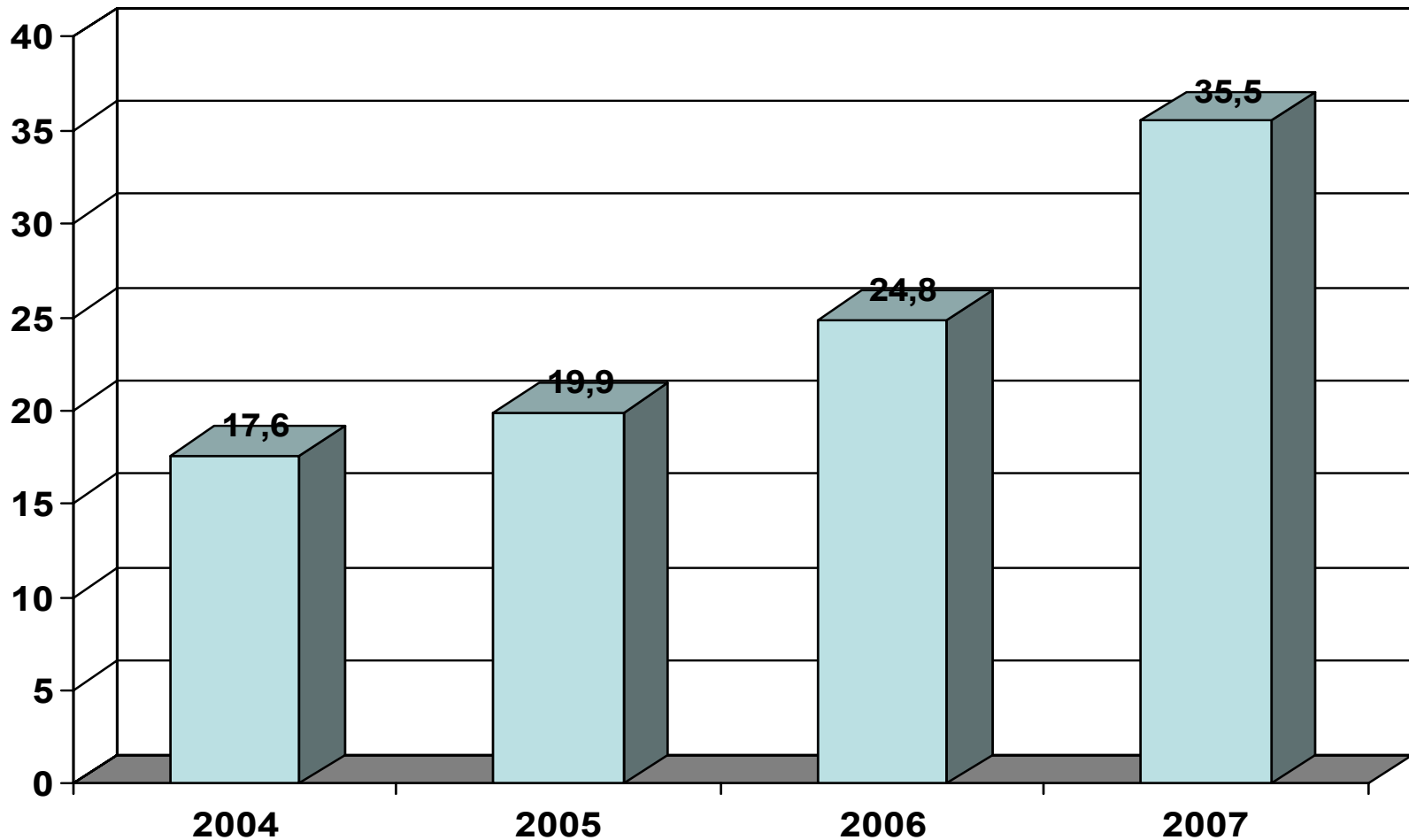


Import of goods, functional classification 2005 vs 2007

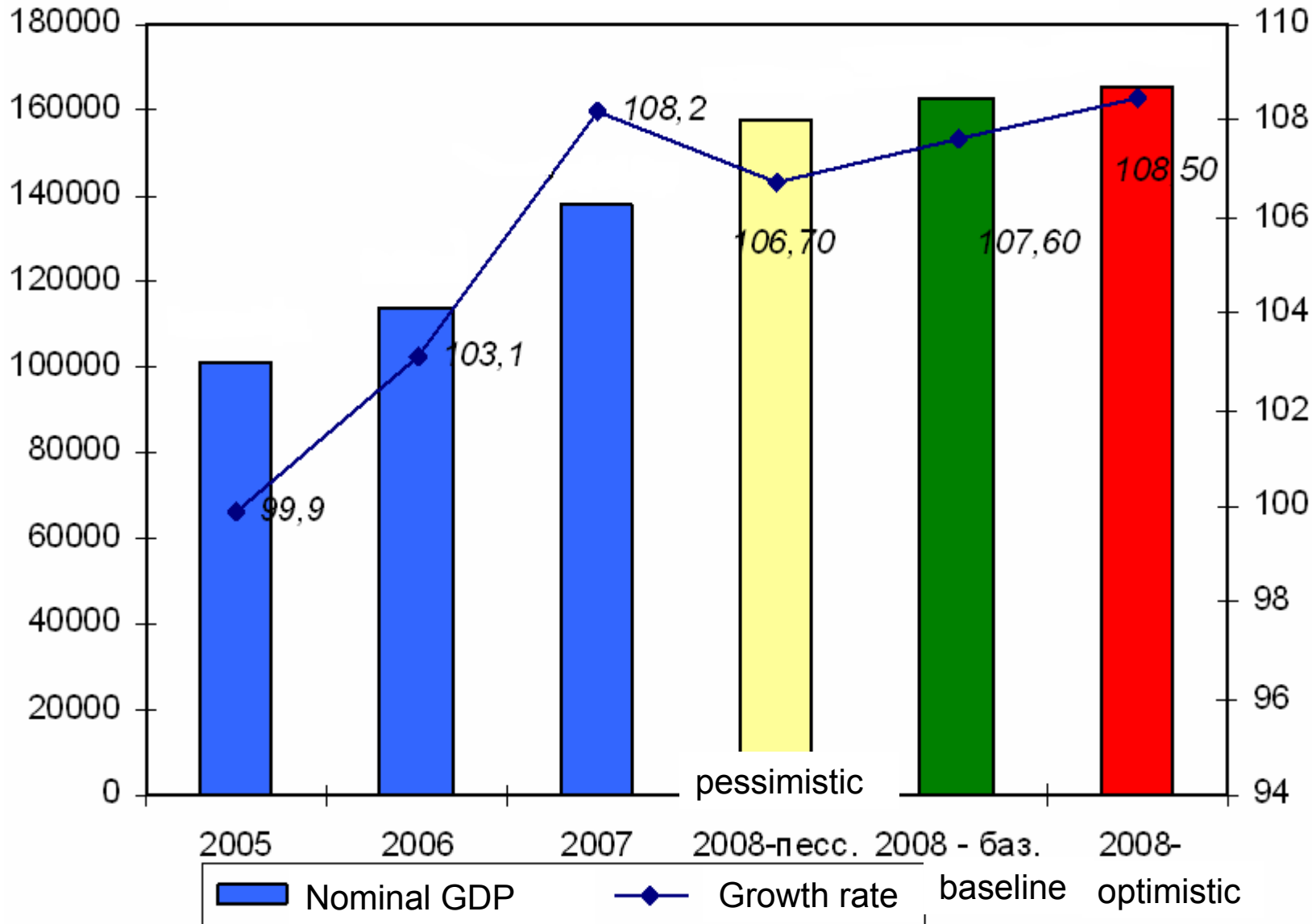


State Revenues in 2004-2007

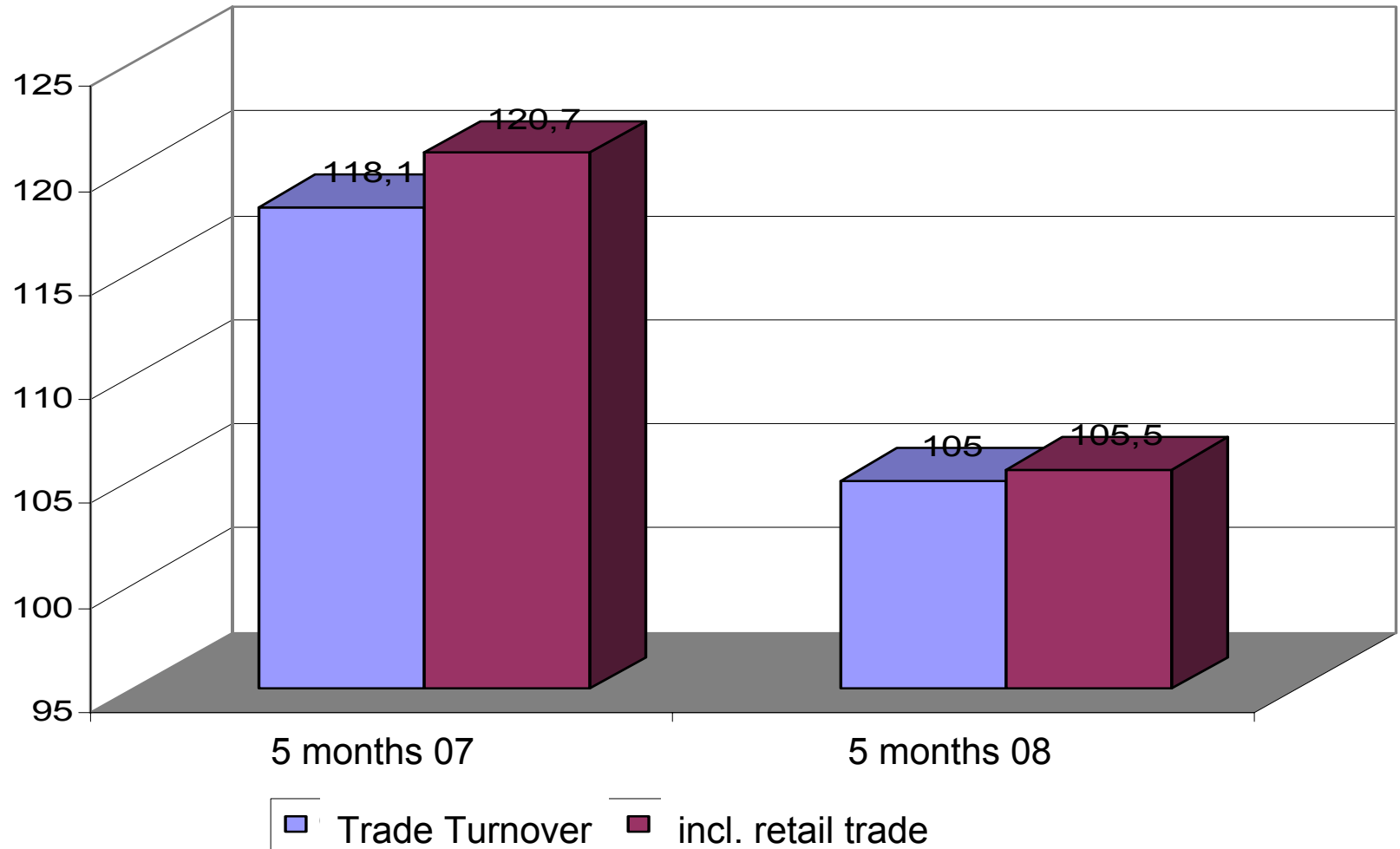
bln.soms



Growth rate of GDP, mln.soms

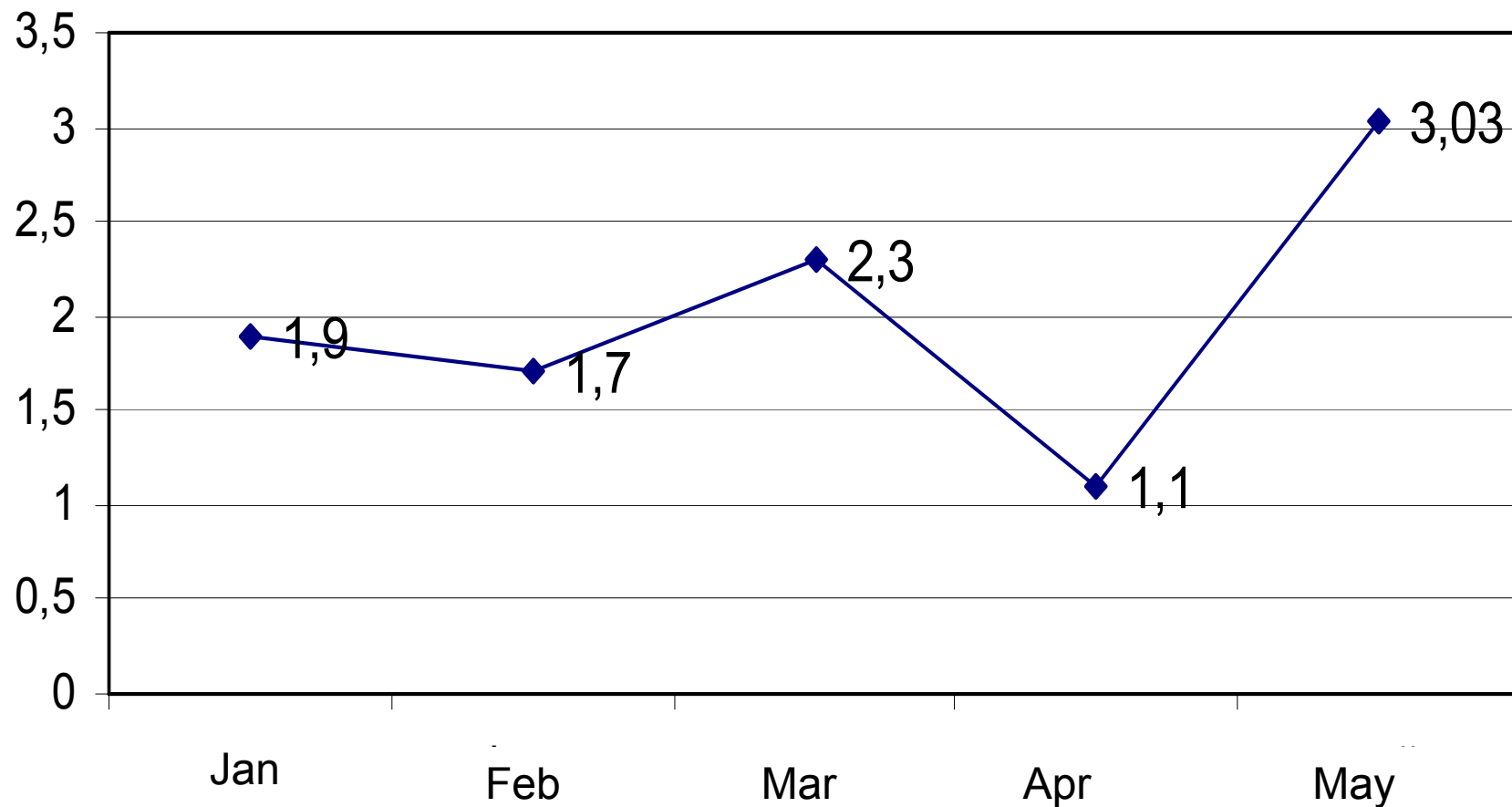


Growth rate of domestic trade, 2007-08

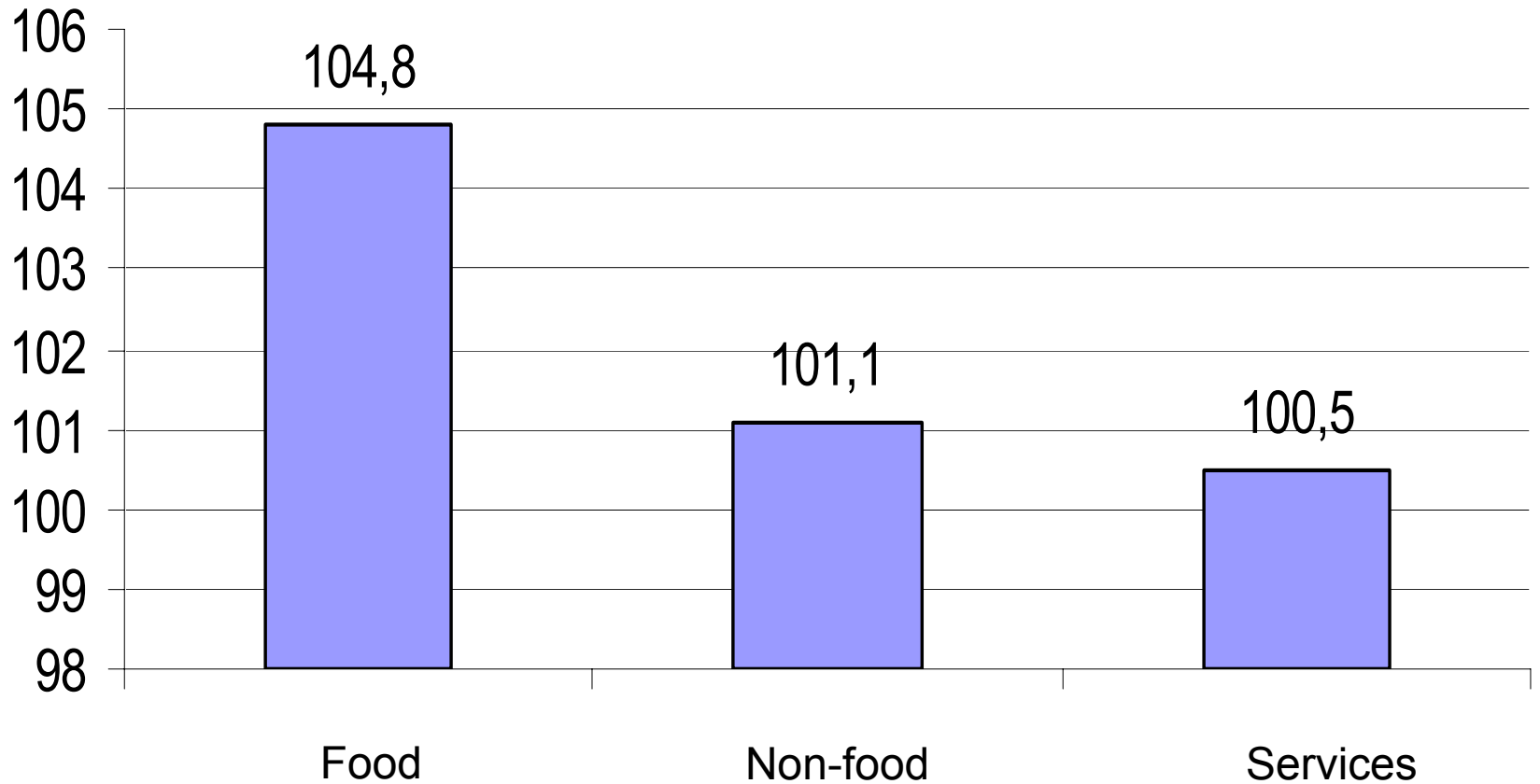


Consumer price index

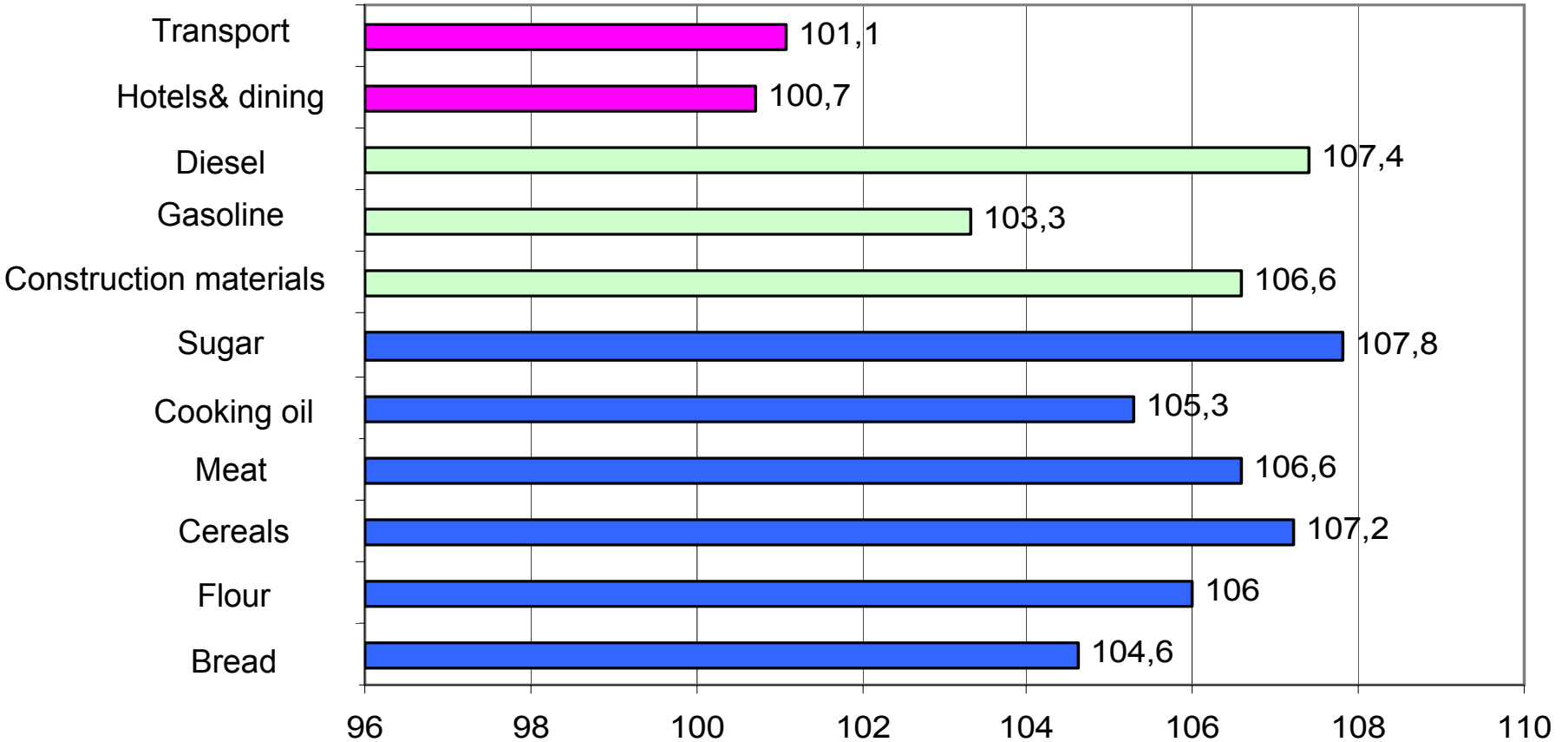
Jan-May 2008, % to previous month



Price index by commodity groups, May 08, in % to previous month



Price index of key consumer items, May 08, in % to previous month



Projections of economic growth in some countries in 2008

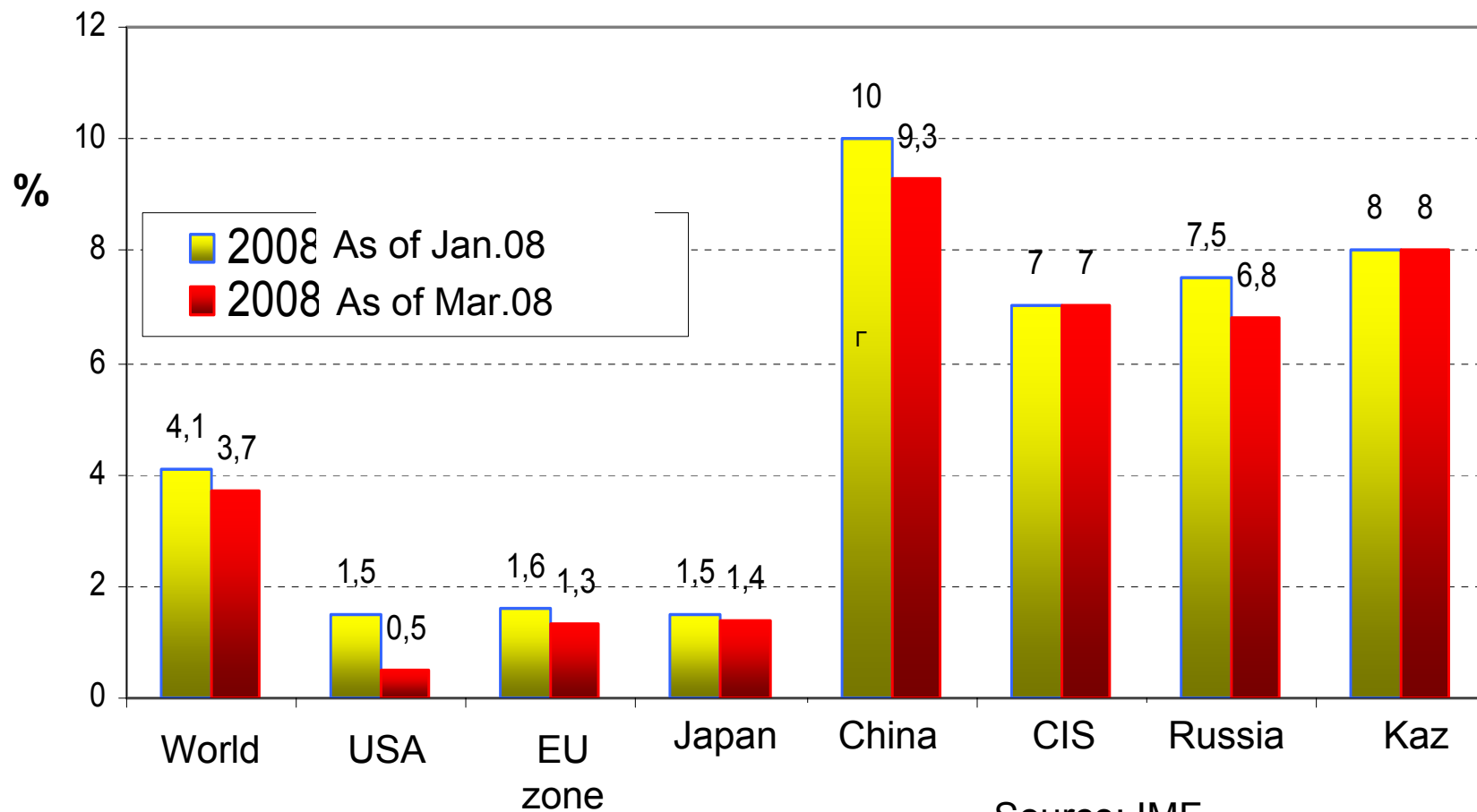
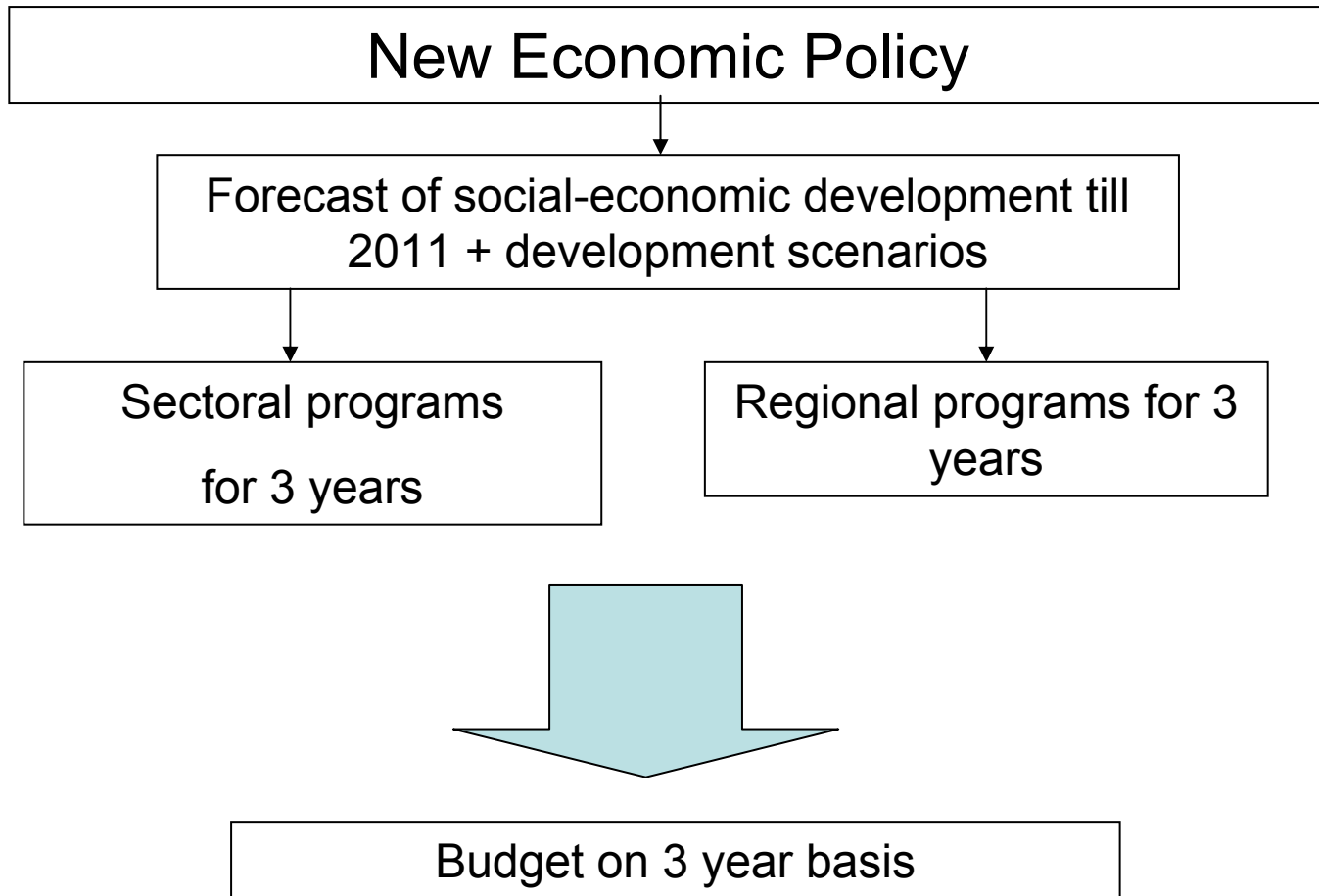


Image of future

‘Times of dealing with critical everyday problems and patching holes are gone. It’s time to think about future. I mean the long term vision of the Kyrgyzstan’s role and place in the world and region. I believe it’s burning time to define image of our future development till 2035 ...’

*President Kurmanbek Bakiev,
President's message to population, Sep 2007*

Government



Elements of strategy for medium term development

- Vision and development goals
- Development priorities
- Concrete projects
- Resources
- Mechanisms of implementation
- Monitoring, analysis and evaluation

Objective of New Economic Policy – improve life standards through economic growth

Main tasks of NEP :

- Efficiency of financial system;
- Development of technology and innovations;
- Improvement of labor force quality;
- Improved quality of health care services;
- Improved efficiency of social security;

Priorities of the Program

First Priority

Effective
combination of
domestic resources
and foreign
investments

Second Priority

Maintenance of
infrastructure and
modernization of the
economy

Third Priority

Training and supply
the market by
qualified labor force

Fourth Priority

Fiscal Policy

Fifth Priority

Reforms in social
sector

Sixth Priority

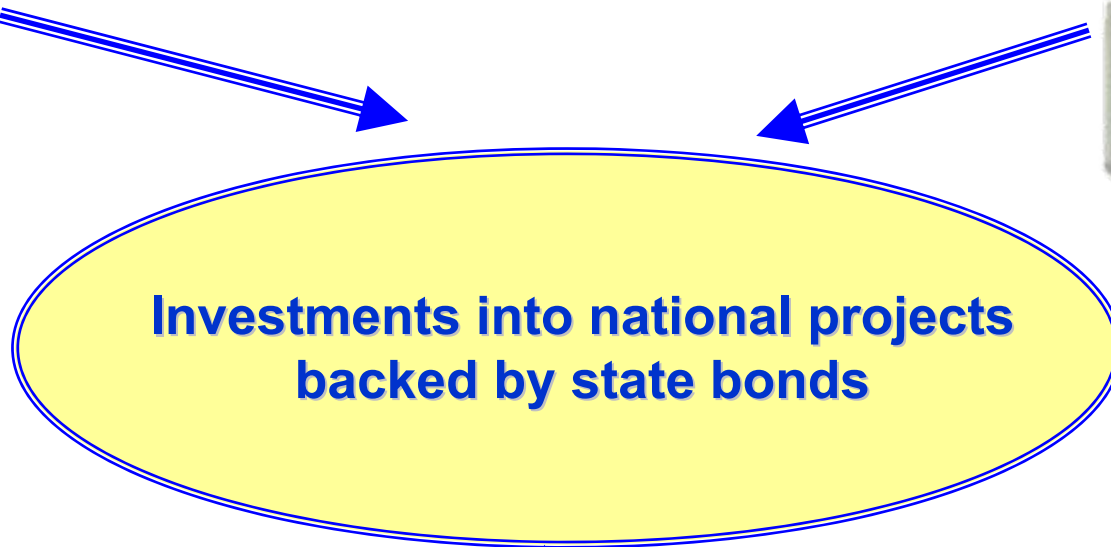
Development of
regions

Use resources of Social Fund and National Bank for economic development of the Kyrgyz Republic

Social Fund



National Bank



**Investments into national projects
backed by state bonds**

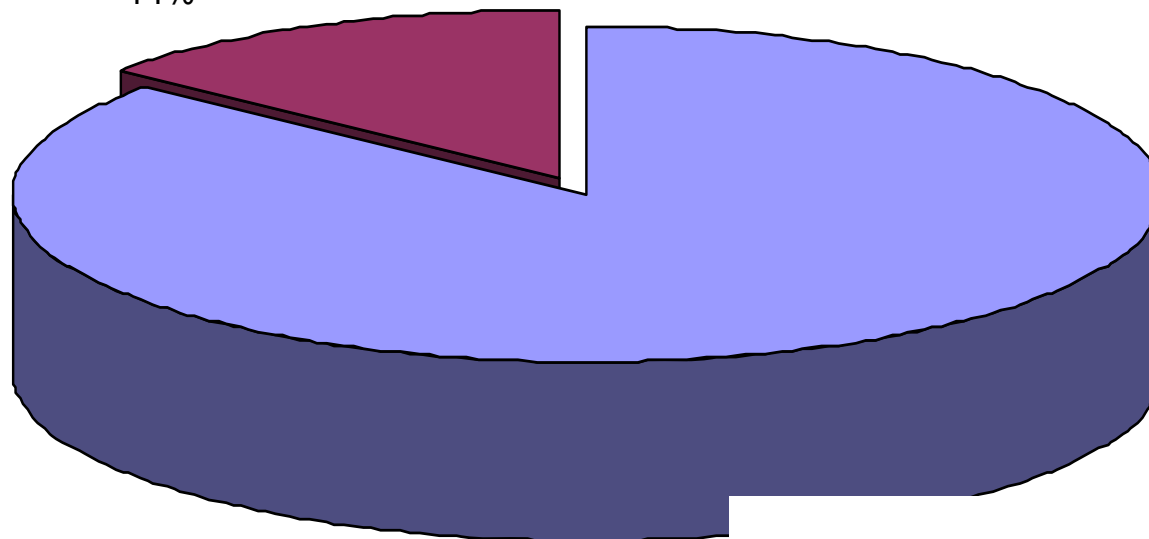


Ministry of Finance

Republican Budget of the Kyrgyz Republic in 2007

Investment expenses

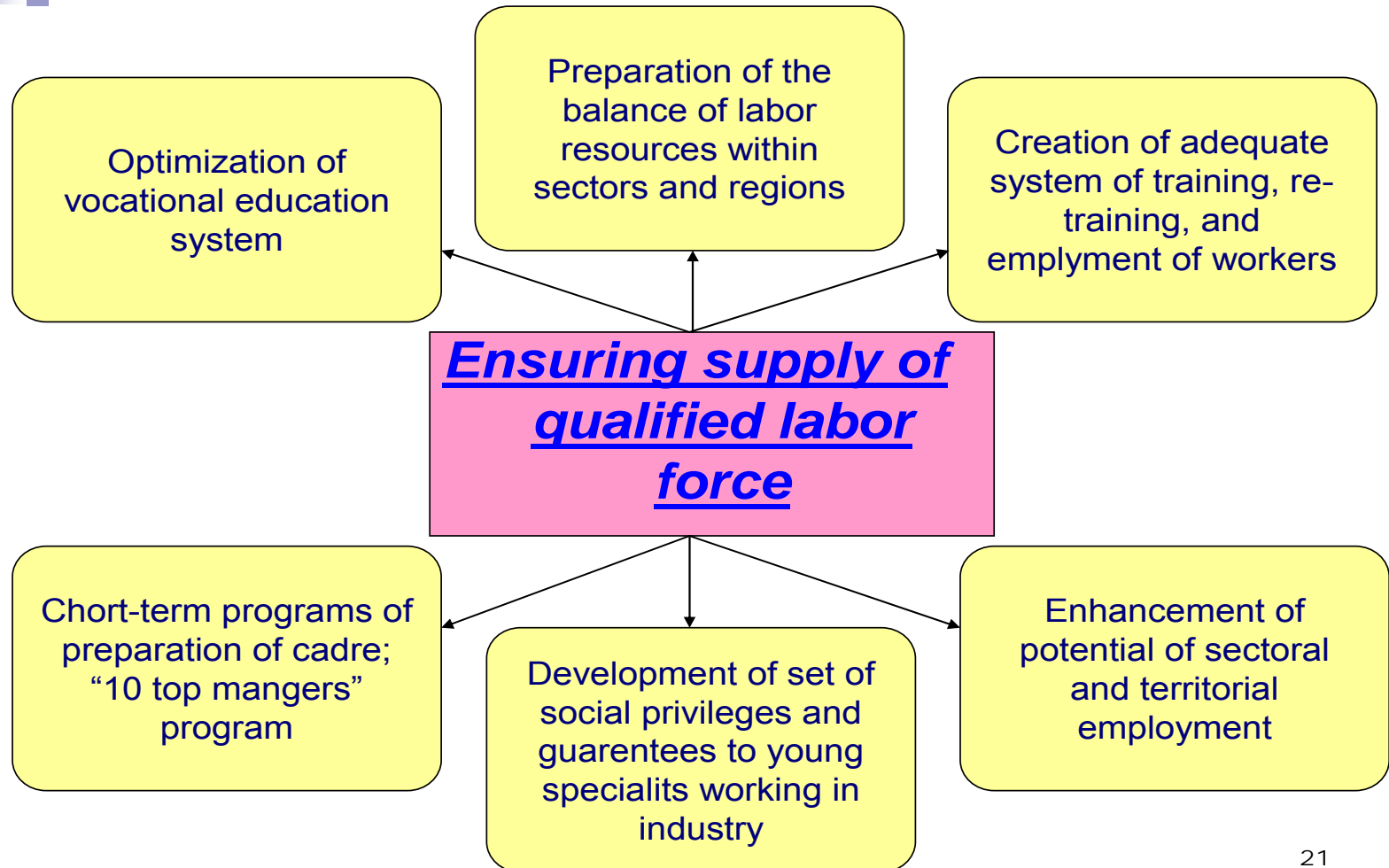
14%



Customer expenses

86%

Supply of the economy by qualified labor force

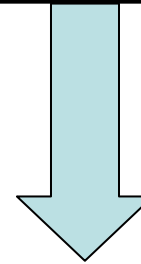
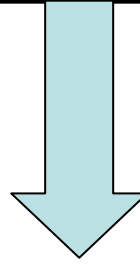
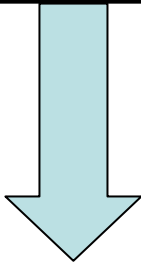


Principles of fiscal policy

Stability and
predictability of tax
policy

Consistent and
calculated decline of
tax burden

Simplification and
de-bureaucratization
of tax system



Accelerated economic growth

5th Priority - Human and Social Development

In social policy Single Social Standard of the Kyrgyz Republic have to be developed. And define minimum set of standards the state delivers. Main tasks are:

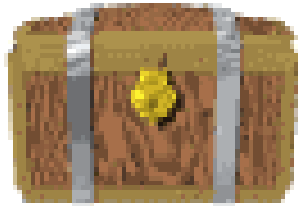
- Establishment of Social Standards Fund
- Enhance quality of education
- Easy access to better quality healthcare services
- Providing social protection to population
- Development of labor market and implementation of active measures to support employment
- Optimization of migration processes
- Enhance participation of population in cultural life
- Development of physical culture and sport

State budget expenditures for social sector accounted for 21 bln.soms
(48% of total expenditures)

Joint actions of the state bodies will be directed to increase economic growth



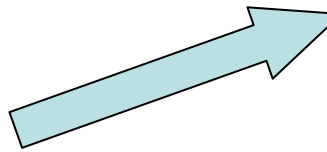
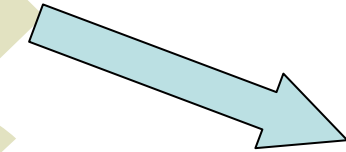
**Ministry of Economic
Development and Trade**



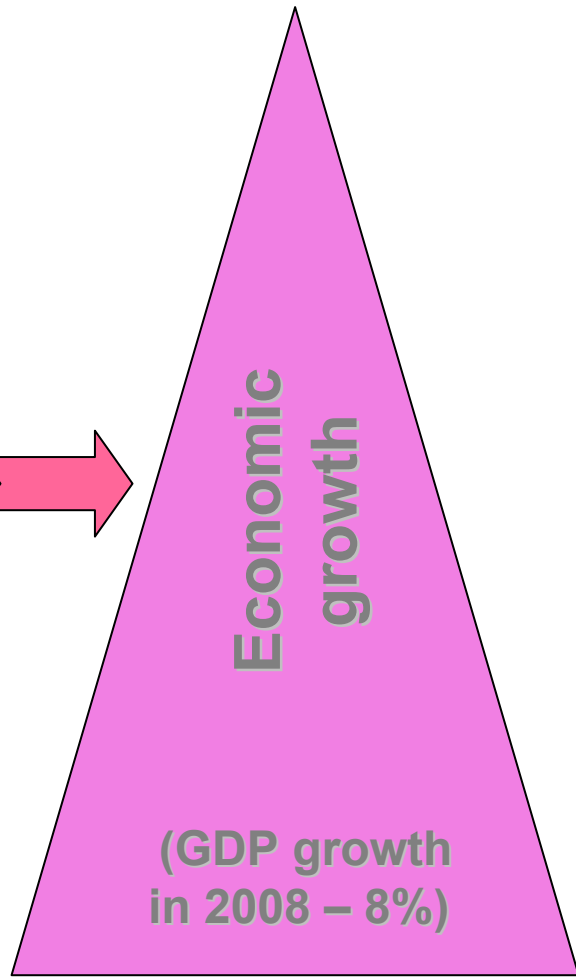
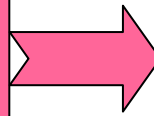
**Ministry of
Finance**



National Bank



**Conducting
balanced
fiscal and
monetary
policies**



**Economic
growth**

**(GDP growth
in 2008 - 8%)**