

Table 1. Kyrgyz Republic: Policy Matrix, 2000–2002

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
Overall Budget	<i>Maintain fiscal deficit at a level which can be financed by external assistance at concessional terms, privatization receipts, and by sale of T-bills, without accumulating arrears. Improve fiscal transparency.</i>	Fiscal Policy		
		1. Reduce cash budget deficit from 11.2 percent of GDP in 1999, to 7.4 percent in 2000, and 6.3 percent in 2001.	1999–2001	
		2. Incorporate the Public Investment Program (PIP) fully into the 2000 budget; incorporate the PIP disbursement reports in budget execution reports; establish a unit at the MOF that would monitor financing of the PIP and co-sign disbursement documents.	January 2001	AsDB
		3. Include the Housing Fund under DEBRA in the 2001 budget.	January 2001	
Revenues	<i>Increase revenues as a share of GDP.</i>	4. Take measures to reduce tax arrears by initiating bankruptcy procedures for noncompliance according to existing criteria.	2000–2002	
		5. Refrain from granting new tax exemptions (both discretionary and in the form of amendments to the tax code).	2000–2002	
		6. Amend the tax code to:		
		(a) Reenact provision that exempts insurance companies from paying profit taxes and instead charges 5 percent on gross premia.	June 2000	FAD
		(b) Include all customs duties, excises and other duties in the VAT base.	June 2000	
		7. Transfer all dividends and other payments received from Kumtor to the budget.	2000–2002	
		8. Begin returning VAT refunds to regular exporters, in line with FAD recommendations.	Jan. 2000	FAD
		9. Move to the destination principle for VAT for all CIS countries.	Jan. 2001	
		10. Impose all transaction taxes (including VAT, excise, turnover and customs duties on the imported content) at the FEZ customs border on all goods sold into the domestic market, regardless of the degree of processing in the FEZ.	June 2000	FAD, WB

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
Tax and Customs Administration	<i>Balance the tax burden on both domestic and imported goods by improving and modernizing customs and tax administration</i>	11. Submit draft legislation to parliament to subject all enterprises registering in the FEZs after October 1, 1999 to the tax on profits earned in the FEZ and re-invested outside the FEZ, and to make clear that any income tax exemption does not extend to employees.	March 2000	FAD, WB
		12. Develop a property tax system in coordination with the establishment of a land registry system.	Dec. 2000	WB
		13. Increase the tax rate for retail turnover and paid services from 2 to 5 percent.	Jan. 2000	
		14. Unify the information base, paper trail and procedures of the State Tax Inspectorate (STI) and the State Custom Inspectorate (SCI). Encourage compliance by closely monitoring documentation and payments.	2000–2002	FAD
		15. Reduce all in-kind tax payments and netting out of arrears. Tax offsets will be no more than 15 percent of tax revenues in 1999, 10 percent in 2000, and 5 percent in 2001; assets seized by the STI, the Social Fund, or the Economic Development Fund of the MOF will be auctioned for cash rather than kept at the State Reserve Fund or any other government institution.	2000–2001	
		16. Develop a program to modernize customs administration, including a plan to increase its role as a revenue collection agency and implement an internationally recognized valuation system. The program will include:		FAD
		(a) start redrafting the customs code on the basis of further technical assistance for implementation in mid-2001;	June 2000	
		(b) establishing and training post-release verification and anti-smuggling teams;	June 2000	
		(c) reduce the personal import duty exemption from \$3,000 to \$1,000;	2000	
		(d) reduce the personal import duty exemption from \$1,000 to \$500; and	2001	
		(e) reduce the personal import duty exemption from \$500 to \$100.	2002	

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA	
Expenditure	<i>Continue strict expenditure control, while safeguarding expenditures for health, education and social protection.</i>	17. Conduct annual audits by the State Tax Inspectorate (STI) of enterprises that receive VAT refunds.	2000-2002		
		18. Submit to Parliament a system of presumptive taxation for small businesses(in line with FAD recommendations), for implementation in 2001.	Sept. 2000	FAD	
		19. Refrain from granting loans from the budget to agriculture and non-agricultural enterprises and farms.	2000–2002	WB	
		20. Improve budget execution and expenditure control in line with FAD recommendations by: (a) installing commitment control. (b) preparing monthly financial plans. (c) setting monthly cash limits.	2000–2002	FAD	
		21. Start enforcing monthly reporting by extrabudgetary funds to the Treasury and issue instructions to add extrabudgetary funds to the Medium-term Fiscal Forecast process.	June 2000	FAD	
		22. Complete transition to fully meet Minimum Standard on Fiscal Transparency	Sept. 2001	FAD	
		23. Improve treasury cash management, including the enforcement of penalties for delays in settlement and transactions.	2000–2002	FAD	
		24. Reduce all in-kind payments by: (a) the budget to 40 percent of expenditures; (b) the budget to 20 percent of expenditures; (c) the Social Fund to 10 percent of expenditures; and (d) the Social Fund to 8 percent of expenditures.	2000 2001 2000 2001		
		Public Sector Reform			
		<i>Improve the quality of public sector resource allocation, decision making, and service provision.</i>	25. Prepare new compensation system for civil servants, including better remuneration for highly qualified employees.	March 2000	UNDP TACIS

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
		26. Test personnel policies and systems developed in collaboration with TACIS in the Ministry of Finance. Finalize hiring policies and advertise all new civil service jobs in local newspapers.	March 2000	TACIS, UNDP
		27. Design personnel management systems (enrollment, appraisal, promotion, discharge) in line with the Civil Service Law and other relevant legislation.	June 2000	
		28. Initiate reform of the public sector, including the following elements:		UNDP
		(a) restructure the public administration, both at the central and local levels, leading to the consolidation and downsizing of government departments and agencies, eliminating duplication and reducing employment.	June 2000	
		(b) strengthen the activities of a number of departments and activities, such as those of the Treasury, debt management, PIP unit, customs and tax administration and those essential for economic management in the MOF; and	2000–2002	
		(c) develop a comprehensive anti-corruption program.	June 2000	
		Pension Reform		
	<i>Enact fundamental reform of the state pension fund that will provide sustainable financing and reduce the high social contribution rate</i>	29. Observe deficit reduction targets of the Social Fund for 2000 and 2001, and ensure that any surplus be used to reduce payroll taxes.	2000–2001	WB
		30. Increase retirement age in line with the pension reform program.	2000–2002	WB
		31. Reduce early retirement privileges and special pensions.	Sept. 2000	WB
		32. Adopt a transparent indexation policy for pensions in line with WB recommendations.	Nov. 2000	
		33. Maintain the pension fund as an independent institution, but increase coordination of revenue collection with the STI in line with WB recommendations.	2000–2002	

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
		Monetary and Credit Policies and Financial Sector Deepening		
	<i>Increase efficiency of NBKR's monetary policy instruments and promote the development of the treasury bill market, banks and nonbank financial institutions.</i>	34. Strengthen liquidity forecasting by initiating short-term liquidity management on the basis of a two-week targeting horizon that coincides with the reserves holding period. Furthermore, MOF will prepare weekly revenue and expenditure forecasts.	2000–2002	MAE, FAD
		35. Introduce National Bank bills.	June 2000	
		36. Commission and complete an audit of the NBKR's international reserves by an internationally reputable firm.	June 2000	
		37. Enhance the flexibility, marketability, and effectiveness of reverse repos (e.g., improve marketability of instruments by relying on treasury bills).	2000–2002	MAE
		38. In order to resolve the banking crisis, the following actions will be pursued:		MAE
		(a) establish a high level committee with representatives from the NBKR, MoF and other relevant agencies that will develop a comprehensive restructuring strategy;	March 2000	
		(b) undertake inspections of two banks;	March 2000	
		(c) undertake inspections of five further banks;	June 2000	
		(d) adopt a plan to liquidate Maksat Bank;	January 2000	
		(e) approve a plan to conclusively settle the activities of Kyrgyz Kramds Bank;	January 2000	
		(f) adopt a plan for the recapitalization of Bishkek Bank.	January 2000	
		39. Adopt regulations to strengthen corporate management in banks and strengthen accountability of bank managers.	January 2000	
		40. Finalize legislation to empower the NBKR to liquidate banks whose license is withdrawn, including for reasons of unsound or imprudent bank practices.	January 2000	
		41. Complete the reorganization of the Banking Supervision Department and complete the review of all internal policies and procedures. Complete review of prudential regulations.	January 2000	MAE

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
		42. Amend draft law on the establishment of a premium-based deposit insurance law, in line with IMF and AsDB recommendations.	June 2000	MAE, AsDB
		43. Raise minimum capital requirement for existing banks to: (a) som 50 million; and (b) som 100 million.	August 2000 August 2001	MAE, AsDB
		44. Approve a medium-term strategy for the National Bank and review its by-laws to improve internal procedures through more effective decision-making.	March 2000	
		45. NBKR to develop a public communication strategy to improve the transparency of monetary policy.	January 2000	
		46. Adopt regulations addressing mergers and reorganizations of commercial banks.	March 2000	
		47. Prepare a list of commercial banks that will be subject to international audits in the framework of the AsDB program for the development of the financial sector. Eight international audits will be completed by mid-2000.	June 2000	
		48. Establish an automatic clearing system on the basis of electronic payments for retail transactions. Develop and establish a real-time gross settlements system to ensure the efficiency of clearance of large payments.	December 2000	
		External Economic Policies and Debt Management		
Trade Regime	<i>Continue and further liberalize the trade system</i>	49. Reduce the top tariff rate to 15 percent.	Dec. 2000	
		50. Eliminate export duties on grain and flour.	Dec. 1999	
Debt Management	<i>Improve external and domestic debt management in light of growing debt burden.</i>	51. Abstain from recourse to nonconcessional external loans (with a grant element of less than 35 percent) contracted or guaranteed by the government.	2000–2002	
		52. Establish an external debt monitoring system that is comprehensive and accessible to both the MOF, the NBKR, and Goskominvest.	June 2000	USAID, IMF
		53. Submit the Law on State Debt to parliament.	June 2000	USAID, IMF

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
Private sector development and privatization	<i>Enhance the scope of private sector activity and reduce that of government in key sectors.</i>	54. Undertake stock-taking exercise of all ongoing investment projects in order to prioritize these projects.	June 2000	
		55. Issue regulations to improve prioritization of new projects, including:		
		(a) establishment of economic criteria for approving preparation of any new investment projects in ministries (including social impact) and public enterprises (including expected future cash flow and cost recovery policies); and	Sept. 2000	
		(b) development of reporting system from ministries to Goskominvest and MOF regarding progress in project execution (including achievement of development objectives or cost recovery policies).	Jan. 2000	
		56. Strengthen debt recovery procedures through the Fund for Economic Development in the MOF, including seizing assets for delinquency in repayment of budget loans, onlending and State guarantees by more than 6 months; bankruptcy proceedings would take place if further action is required.	2000–2002	
		Structural Policies		
		57. Complete privatization and restructuring plan for Kyrgyz Airlines. Issue an international tender for the sale of Kyrgyz Airlines.	Dec. 2000	
		58. Separate the airports from Kyrgyz Airlines, transfer local airports to local authorities, and separate the operations of international and domestic flights.	June 2000	
		59. Approve and implement changes to licensing regulations which:	June 2000	
		(a) eliminate sublicensing;		
(b) create standard procedures for review, granting, and monitoring of licensing; and				
(c) remove conflict of interest in enterprises/agencies that issue licenses and engage in competing commercial activities.				
60. Begin case by case resolution of conflict of interest conditions for identified enterprises in accordance with action plan agreed with WB.	Dec. 1999			

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
		61. Define explicitly the list of agencies with the right to conduct inspections, the regulations that grant the agencies their authority, and who is subject to inspections.	June 2000	
		62. Prepare a plan to identify and eliminate obstacles to exporting and importing (including pre-shipment inspections, licensing, etc.)	June 2000	WB
		63. Take steps to deal with loss-making enterprises and farms, including concerted action by the STI, SCI, SF, MOF Economic Development Fund, and SPF on bankruptcy.	2000–2002	WB
		64. Issue an international tender for an audit of Kyrgyzgasmunaizat, Kyrgyzgas, and Munai.	Mar. 2000	Japan
		65. Complete international audit of Kyrgyzgas.	Dec. 2000	Japan
		66. Divest the government's majority share in at least 50 enterprises under the case-by-case privatization program, including Bishkek Machine Engineering Plant, Kyrgyzneft Petroleum Company, Linoleum Company, and Resort-Recreational Company.	Dec. 2000	WB, AsDB
		67. Implement the plan to sell the government's minority shares:		
		(a) in 60 enterprises in 2000;	2000	
		(b) in 20 enterprises in 2001; and	2001	
		(c) in 30 enterprises in 2002.	2002	
		68. Sell majority share in Ala-Too Hotel.	Dec. 2000	
		69. Implement AsDB supported program on enterprise accounting, reporting and disclosure.	2000–2002	AsDB, IFC
		70. Adjust domestic long distance rates in line with WB recommendations.	March 2000 and throughout	
		71. Sell 40 percent share of Kyrgyz Telecom according to published criteria.	Sept. 2000	WB
		72. Submit to parliament a revised labor law.	Nov. 2000	USAID

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
Agriculture	<i>Remove obstacles to the development of agriculture in the private sector, including perverse government interventions in input and output markets, promotion of farm restructuring, and selective support to infrastructure.</i>	73. Design plan to auction land from the Land Redistribution Fund.	Nov. 2000	WB
		74. Design a plan to eliminate the state monopoly on seed production and to remove policies and regulations blocking entry and competition in the seed market.	Nov. 2000	WB
		75. Ensure that fertilizers and other inputs received by the government as commodity or financial aid, or procured with the proceedings of state credits, are distributed through wholesalers and small retailers and not through local authorities.	March 2000	WB
		76. Create conditions for the independent operation of the State Reserve Fund without recourse to the budget.	March 2001	EU, Japan, WB
		77. Submit draft legislation on water fees, ensuring decentralization and a target date for full cost recovery of operation and maintenance and investment.	June 2001	WB, AsDB
		78. Take steps, agreed with WB, to lift the moratorium on land sales by end-2000.	Nov. 2000	
		79. Complete the establishment of nationwide land registry.	December 2001	
		80. Implement program to increase capacity of KAFC to appraise and supervise loans, maintain positive real rates of interest to farmers, and ensure complete independence between KAFC and the government.	2000–2002	WB
I. ENERGY	<i>Reduce domestic energy use through price increases, rationalization of energy use, improvements of billing and collection performance, and substantial restructuring of the power and gas sectors including encouraging private investment in distribution.</i>	81. Implement restructuring program for power sector in line with time schedule agreed with donors.	2000–2002	WB, AsDB, EBRD
		82. Implement electricity and heating tariff increases to reach cost recovery as agreed with WB.	2000–2002	WB, AsDB, EBRD

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
		83. Reduce average technical and commercial losses of KyrgyzEnergo to a maximum of 28 percent of total output in 1999, 25 percent in 2000 and 22 percent in 2001.	2000–2002	WB, AsDB, EBRD
		84. In line with the restructuring plan for KyrgyzEnergo: (a) offer one of the power distribution companies for sale; and (b) the remaining companies.	2000 2001	WB, AsDB, EBRD
		85. Implement strategy to protect the poorest households against energy price increases, as agreed with WB	2000–2002	WB
		86. Implement the Action Plan for recovery and restructuring of the gas sector, including compliance with cash collection targets, loss reduction plan, and number of meters installed.	2000–2002	WB
		87. Index all tariffs (including those of privileged households) to exchange rate changes and implement gas tariff increases to reach full coverage of operation and maintenance costs, debt service, investment in metering, and in other minimum required capital expenditures, as agreed with the WB.	2000–2002	WB
		88. Finalize the preparation and approve a concept paper for submission to Parliament for the denationalization and privatization of Kyrgyzgas, including the divestiture of: (a) the liquefied petroleum gases (LPG) activities of Kyrgyzgas, with consideration to maintenance of safety; and (b) all trading activities of Kyrgyzgas related to the fulfillment of the bilateral agreement with Uzbekistan.	June 2001	WB
Statistics	<i>Improve the quality of statistics in line with the General Data Dissemination System, GDDS.</i>	89. Implement “Program to Reform Statistics in the Kyrgyz Republic.”	1999–2000	WB, IMF, OECD, EU TACIS
		90. Finalize preparation of export and import price indices.	March 2000	
		91. Reorganize the NSC to accommodate modified data flows and new data processing and dissemination methods.	Dec. 1999	

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Policy Area	Objectives and Targets	Strategies and Measures to be Adopted 2000–2002	Timing	TA
		92. Include questions on employment in monthly household surveys to create reliable employment and unemployment statistics.	March 2000	WB
		Poverty Reduction, Human Capital Development and Social Safety Net		
II. POVERTY REDUCTION	<i>Reduce poverty levels significantly over the medium term.</i>	93. Prepare a Poverty Reduction Strategy Paper in consultation with donors and civil society.	March 2001	
		94. Develop a national plan, in cooperation with the AsDB and other donors, on early childhood development, in particular, targeted at the poor.	December 2000	AsDB
Health care	<i>Continue to emphasize a cost effective focus on primary health care services, reduction of in-patient hospital care, and focus on the rural population and the most vulnerable.</i>	95. Prepare an analysis of priorities and costs for the health sector, including a review of budget management procedures and decentralization of decision making to hospitals and local providers.	June 2000	WB
		96. Finalize implementation of the family group practice system in Bishkek and Chui and initiate preparation for the extension to all other regions.	2003	WB
		97. Finalize plans for the reorganization of hospitals in Bishkek and initiate plans for reorganization of health facilities in all other oblasts.	June 2000	WB
		98. Continue reduction in hospital's length of stay and number of beds, and prepare a plan for closing down unused wards in hospitals, in agreement with WB.	2000–2002	
		99. Provide sufficient funding from the budget for activities to prevent and control TB, STD, HIV/Aids, Anemia/ARI/DD, and Hepatitis B, and to provide vaccinations for children and maternity care.	2000–2002	
		100. Implement a law on health insurance policy, including issuing resolution with final decision on oblast level administration of health insurance and budget funds.	June 2000	
		101. Complete the development of a system of health accounts and flow of funds, in line with the WB recommendations.	Jan. 2000	WB

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Education	<i>Improve sustainability of sector by improving resource mobilization and rationalize staff and public spending on education. Improve access and equity in basic education.</i>	102. Implement education reforms in line with understandings with AsDB, and in particular submit a status report on rationalization of the education sector by March 2001 and introduce block funding by September 2001, both on a national basis.	2001	AsDB
Social Safety Net		103. Maintain funding for the Unified Monthly Benefit (UMB) .	2000–2002	WB
		104. Develop a monitoring program for poverty and an evaluation system for specific programs, such as the UMB (first evaluation report of UMB ready by March 2000).	March 2000	

Legend of Acronyms

AsDB: Asian Development Bank
DEBRA: Debt Resolution Agency
EBRD: European Bank for Reconstruction and Development
EU TACIS: Technical Assistance for Commonwealth of Independent States
FAD: Fiscal Affairs Department of the IMF
GDDS: General Data Dissemination System
IFC: International Finance Corporation
IMF: International Monetary Fund
KAFC: Kyrgyz Agricultural Finance Corporation
MAE: Monetary and Exchange Affairs Department of the IMF
NBKR: National Bank of the Kyrgyz Republic
NSC: National Statistical Committee
OECD: Organization for Economic Cooperation and Development
PIP : Public Investment Program
SEA: State Energy Agency
SCI: State Customs Inspectorate
STI: State Tax Inspectorate
TA: Technical Assistance
UN: United Nations
UNDP: United Nations Development Program
USAID: United States Agency for International Development
VAT: Value Added Tax.
WB: World Bank

Table 2. Kyrgyz Republic: Medium-Term Projections, 1998-2005

	1998	Projections						
		1999	2000	2001	2002	2003	2004	2005
(Annual percentage change, unless otherwise stated)								
Income and prices								
Nominal GDP (in billions of soms)	34.2	45.2	55.9	65.7	74.1	81.8	90.3	99.2
Nominal GDP (in billions of U.S. dollars)	1.6	1.2	1.2	1.3	1.4	1.5	1.6	1.7
Real GDP increase	2.3	2.2	2.5	3.2	3.8	4.0	4.3	5.0
GDP deflator	8.9	29.3	20.7	14.0	8.5	6.3	5.7	4.6
Consumer prices (end-of-period)	18.4	41.4	20.0	9.9	5.0	4.9	4.9	4.9
Consumer prices (average)	12.0	37.0	27.7	11.8	6.7	4.9	4.9	4.9
(In percent of GDP)								
General Government								
Total revenue and grants	24.4	24.5	25.7	26.4	27.1	27.4	27.6	27.8
State government revenue and grants	18.0	18.1	18.9	19.2	19.8	20.1	20.3	20.5
Social Fund 1/	6.4	6.3	6.8	7.2	7.3	7.3	7.3	7.3
Total expenditures	35.6	34.7	32.9	32.8	31.7	30.2	30.5	30.5
State government expenditure 2/	28.2	27.7	25.8	25.6	24.4	22.9	23.2	23.2
Non-interest current expenditures	20.0	16.8	16.0	15.7	16.3	16.6	16.8	16.7
Interest	2.1	3.4	2.9	2.3	2.1	1.8	1.7	1.7
Capital expenditures and net lending	6.1	7.5	6.9	7.5	6.1	4.5	4.6	4.8
Social Fund expenditures	7.4	7.0	7.1	7.2	7.3	7.3	7.3	7.3
General government balance (cash basis)	-9.9	-11.2	-7.4	-6.3	-4.6	-2.8	-2.9	-2.7
External financing	9.3	11.8	6.0	5.1	3.4	1.2	1.4	1.3
Domestic financing	0.6	-0.6	1.4	1.3	0.2	-0.3	1.4	1.3
Primary balance 3/	-2.1	-1.0	1.9	2.3	2.2	2.0	1.9	2.1
Primary balance including PIP	-7.8	-7.8	-4.5	-4.0	-2.5	-1.0	-1.1	-1.0
Domestic balance 4/	-4.8	-6.2	-2.9	-1.6	-1.4	-1.2	-1.1	-0.8
Revenues	23.8	22.6	23.9	24.8	25.6	26.0	26.4	26.6
Expenditures	29.8	27.8	26.5	26.4	27.0	27.2	27.4	27.4
Savings and investment balances								
Total investment	15.4	11.7	10.0	10.1	10.3	10.4	10.6	10.9
Government	6.6	8.0	7.4	7.5	6.1	4.5	4.6	4.8
PIP	5.7	6.9	6.4	6.3	4.7	3.0	3.1	3.1
Capital investment (budget)	0.9	1.1	1.1	1.2	1.3	1.4	1.6	1.7
Private	8.9	3.7	2.6	2.6	4.3	5.9	5.9	6.1
Total savings	-4.4	-2.9	-3.1	-1.5	-0.4	0.1	0.6	1.8
Government	-4.1	-4.0	-0.5	1.2	1.4	1.6	1.8	2.1
Private	-0.3	1.1	-2.6	-2.7	-1.9	-1.6	-1.1	-0.3
Current account balance	-19.8	-14.6	-13.1	-11.7	-10.8	-10.3	-9.9	-9.1
Memorandum items:								
Public Investment Projects (percent of GDP)	5.7	6.9	6.4	6.3	4.7	3.0	3.1	3.1
Government finances								
Externally financed PIP	5.7	6.9	6.4	6.3	4.7	3.0	3.1	3.1
Fiscal deficit without PIP	-4.2	-4.4	-1.0	0.0	0.1	0.2	0.2	0.4

Sources: Data provided by the Kyrgyz authorities; and Fund staff estimates and projections.

1/ Excluding transfers from government.

2/ Includes PIP and excludes transfers to Social Fund.

3/ Overall balance excluding interest payments and PIP.

4/ Revenues excluding grants; expenditures excluding PIP.

Table 3. Kyrgyz Republic: Demographic and Social Indicators, 1994-98

	1994	1995	1996	1997	1998
Surface area (thousands of sq. km.)	198.0	198.0	198.0	198.0	198.0
Population density (per sq. km.)	22.4	22.8	23.1	23.4	23.7
Population (millions)	4.4	4.5	4.6	4.6	4.7
Population growth rate (percent)	-0.9	1.9	1.4	1.1	1.4
Crude birth rate (per 1,000)	24.6	25.9	23.6	22.2	22.2
Crude death rate (per 1,000)	8.3	8.1	7.6	7.5	7.4
Infant mortality (per 1,000 live births)	29.1	28.1	25.9	28.2	26.2
Adult illiteracy (percent)	2.7	2.7	2.7	2.7	2.7
Primary school enrollment (percent)					
Male	...	99.0	98.0	95.0	...
Female	...	103.0	102.0	101.0	...
Population per physician	301.9	300.9	291.3	305.6	311.8
Population per hospital bed	100.5	111.0	113.3	113.7	118.0
Poverty: headcount index (percent of population)	...	...	51.9	51.0	...
Extreme poverty	...	...	19.1	14.8	...
Gini coefficient	...	...	0.4	0.4	...

Sources: Kyrgyz authorities; and World Bank estimates.

Table 4. Kyrgyz Republic: External Financing Requirements, 1998-2002
(In millions of U.S. dollars)

	1998	1999	2000	2001	2002	1999-2002
		Projection				
Trade balance	-170.7	-60.4	-68.0	-54.1	-41.3	-223.8
Exports, fob	585.1	473.3	505.8	545.8	589.6	2,114.5
CIS countries	302.0	204.3	220.1	232.1	251.3	907.9
Non-CIS	283.1	269.0	285.6	313.7	338.3	1,206.6
<i>Of which:</i>						
Gold (Kumtor)	195.8	185.8	198.1	222.4	235.6	841.9
Imports, fob	755.7	533.7	573.8	600.0	630.9	2,338.3
FSU countries	391.7	263.1	278.0	291.4	314.0	1,146.4
Non-FSU	364.1	270.6	295.8	308.6	316.9	1,191.9
<i>Of which:</i>						
Gold (Kumtor)	24.2	20.0	20.0	20.0	20.0	80.0
Net noninterest services and other income	-128.0	-92.6	-83.9	-91.8	-98.6	-366.9
Non-interest current account (before grants)	-298.6	-153.0	-152.0	-145.9	-139.9	-590.8
Debt service	-130.2	-139.2	-183.5	-203.1	-193.8	-719.7
Amortization (including IMF)	-64.5	-68.0	-127.1	-144.0	-138.7	-477.7
Interest (including IMF)	-65.7	-71.2	-56.4	-59.2	-55.2	-242.0
Change in NBKR official reserves (increase, -)	12.8	-39.1	-9.7	-23.1	3.8	-68.0
Commercial banks	10.0	-5.8	-1.2	0.0	0.0	-7.0
Gross financing requirement	-406.0	-337.1	-346.3	-372.1	-329.9	-1,385.5
Sources of financing	406.0	337.1	346.3	372.1	329.9	1,385.5
Grants	41.5	56.0	54.8	57.5	47.5	215.8
Sources of financing- excluding grants	364.5	281.1	291.5	314.6	282.4	1,169.6
Foreign direct investments	101.8	39.0	76.1	75.0	80.0	270.1
Loans (including IMF)	182.8	179.8	212.9	224.7	175.5	792.9
CIS	13.4	0.0	5.0	5.0	5.0	15.0
Non-CIS	169.3	179.8	207.9	219.7	170.5	777.9
IDA	66.2	29.1	57.7	37.9	18.3	143.0
IMF	14.2	26.7	26.8	26.8	6.7	87.0
ADB	44.3	44.9	73.5	27.2	17.8	163.5
Others	44.6	79.2	49.8	127.8	127.7	384.4
Other, including change in arrears	67.4	103.7	2.5	0.0	0.0	106.2
Errors and omissions and short-term capital	12.6	-41.4	0.0	0.0	0.0	-41.4
Financing gap	0.0	0.0	0.0	-14.9	-26.8	-41.8

Sources: Kyrgyz authorities; and Fund staff projections.