



BUSINESS INSIGHT

AMERICAN CHAMBER OF COMMERCE IN THE KYRGYZ REPUBLIC

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U.S. BUSINESS DELEGATION to the KYRGYZ REPUBLIC

when

July 10-12, 2017

where

Bishkek, Kyrgyzstan

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Dear friends,

This summer has been very busy for AmCham as, on July 10-12, we hosted the first large-scale U.S. Trade Delegation in the history of Kyrgyz-American relations; actively participated in the newly established Business Council under the Speaker of the Parliament of Kyrgyzstan; welcomed businesspersons from South Korea; and attended a high-level Forum "Taza Koom".

The U.S. Trade Delegation met with the President of the Kyrgyz Republic Almazbek Atambayev, the Prime Minister of the Kyrgyz Republic Sooronbai Jeenbekov, and other senior government officials. In addition, the delegation was well exposed to the business community of Bishkek as well. We truly believe that the two MoUs signed as the result of the delegation's work, as well as President Atambayev's business dialogue with American companies on prospective success of U.S. businesses in Kyrgyzstan in New York City on September 21, 2017, will pave the way for significant progress in the development of Kyrgyz-US economic partnership.

The international high-level Forum "Taza Koom" took place with the participation of the President of the Kyrgyz Republic Almazbek Atambayev, the UN Secretary General Antonio Guterres, international missions, organizations, development projects and business community, and resulted in participants signing a joint declaration.

As we get ready for the fall, AmCham is excited to share about an upcoming trip to Georgia for top company managers. During a 3-day trip, delegates from Kyrgyzstan will meet with two Vice Prime Ministers - Alexander Jejelava and Dimitri Kumsishvili, ministers, prominent members of Georgian Parliament, experts, and leading representatives of the business community.

AmCham is proud of its flagship project - Innovative Business Tours to Silicon Valley. We are excited to share that the 4th Innovative Business trip will take place this September, during which participants will receive exclusive access to the world's most innovative companies.

We wish you all to enjoy the last weeks of this beautiful summer and look forward to seeing you all soon at AmCham events.

Zarina Chekirbaeva
Executive Director

Traditional Iftar-Dinner for AmCham members



On June 6, in honor of the holy month of Ramadan, the American Chamber of Commerce in the Kyrgyz Republic held an Iftar-dinner for its members and partners. This year Iftar brought together about fifty representatives of the business community.

The special guests of this year's Iftar dinner were Ermat Aji, representative of the muftiate and graduate of University of Egypt, and Kadyr Malikov, Director of Independent Analytical Center "Religion, Law and Politics" and graduate of University of Jordan and University of Madrid.

Ermat Aji congratulated participants on the holy month of Ramadan, mentioned a positive trend of holding similar events in the community, and thanked our organizers. Zarina Chekirbaeva, Executive Director of the American Chamber of Commerce in the Kyrgyz Republic, concluded by thanking guests and wishing peace and prosperity.

The American Chamber of Commerce sincerely expresses gratitude to "Moskva" restaurant for general sponsorship and highly professional service and to Coca-Cola Bishkek Bottlers for partnership within this event.

First large-scale US Business Delegation visited Kyrgyz Republic

Representatives of large US companies visited Bishkek from July 10 to 12, 2017, to survey the country's trade, economic and investment opportunities. They discussed the prospects of business partnership with local and international partners. The visit of the trade mission was organized by the American Chamber of Commerce in the Kyrgyz Republic (AmCham) in conjunction with the US-Kyrgyz Business Council (USKGZBC).

The US delegation included representatives of such companies as AGCO, Baker McKenzie and General Electric, the founding members of the US-Kyrgyz Business Council (USKGZBC), as well as representatives of such companies as AES, Mobilized Construction, American Councils for International Education, Coca-Cola, VISA, John Deere and others representing the different sectors of U.S. economy.

The delegation met with the President of the Kyrgyz Republic Almaz Atambaev, the Prime Minister of the Kyrgyz Republic Sooronbay Jeenbekov, the senior government officials, representatives of international financial institutions and local business communities. As part of the agenda, AmCham Kyrgyz Republic held a business forum "Kyrgyzstan-USA" and B2B meetings in Bishkek on July 11.

"We prepared for our meetings with state and private enterprises and for exploring the opportunities for cooperation between the two countries," said Executive Director of the US-Kyrgyz Business Council, Elena Son.

"We believe that local companies were certain to find opportunities for cooperation with major US companies. During the visit of the US big business delegation to Bishkek, we tried to find reliable and valuable partners for Kyrgyz companies. As for the Business Forum, it served as an excellent platform for conducting direct meetings with major American companies and discussing issues of joint partnership," said Zarina Chekirbaeva, Executive director of the American Chamber of Commerce in the Kyrgyz Republic.

The American Chamber of Commerce in the Kyrgyz Republic expresses its sincere gratitude for the invaluable support and incredible partnership provided by our great partners - Ministry of Economy of the Kyrgyz Republic, U.S. Embassy, Bishkek, the State Agency for Investment and Export Promotion under the Ministry of Economy of the Kyrgyz Republic, Kompanion Bank, Demir Kyrgyz International Bank, Integra Engineering Group, Kyrgyz Investment and Credit Bank (KICB), Coca-Cola Bishkek Bottlers, FINCA Bank Kyrgyzstan, Hyatt Regency Bishkek - for your guidance, support and resources provided to ensure the success of the First U.S. Trade Delegation to the Kyrgyz Republic and Business Forum "Kyrgyzstan-US."

BUSINESS FORUM KYRGYZSTAN-U.S.

2017





Meeting with businessmen from South Korea

On June 14, the American Chamber of Commerce in the Kyrgyz Republic held a business meeting with representatives of eight companies from South Korea. Within the delegation, there were companies which specialize in agriculture, construction, refrigeration equipment, agricultural marketing, packaging, and protective and surgical clothing. The representatives of the companies came to Kyrgyzstan to research the market and

search for business partners. Zarina Chekirbaeva, Executive Director of the American Chamber of Commerce in the Kyrgyz Republic, made a presentation on business opportunities in Kyrgyzstan, activities of AmCham Kyrgyz Republic, and introduced the company representatives to potential local partners and members of AmCham-Kyrgyz Republic.

The third session of the Business Council under Toraga of the Kyrgyz Republic

On June 16, 2017, the American Chamber of Commerce, represented by the Executive Director, took an active part in the third meeting of the Council, which discussed issues related to the improvement of the Jogorku Kenesh Regulations by considering the introduction of additions to the list of voluntary patent are new types of services. These included ARVs (RIAs), public hearings, parliamentary hearings and involvement of business representatives at all stages of adoption of legislation, automation of interaction between parliament and business, and provision of support to the textile industry.

In addition, the bill "On Amending Certain Legislative Acts of the Kyrgyz Republic" (regarding the laws of the Kyrgyz

Republic "On Tariffs of Insurance Contributions on State Social Insurance," and "On Medical Insurance of Citizens in the Kyrgyz Republic") was considered, which provides for an increase in the rate of tariffs for insurance contributions to 2% of employees for compulsory health insurance. Also discussed were topical issues on improving the implementation of the Law "On public-private partnership of the Kyrgyz Republic."

The next session of the Business Council is expected to be held in Fall, 2017.

International High-Level Forum: "Taza Koom" and the global sustainable development goals



American Chamber of Commerce in the Kyrgyz Republic, represented by the Executive Director Zarina Chekirbaeva, attended the International High-Level Forum on "Taza Koom" and the global sustainable development goals on June 11th 2017.

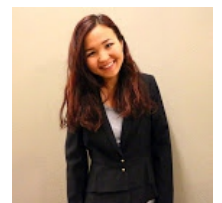
The forum took place with the participation of the President of the Kyrgyz Republic, Almazbek Atambayev, the UN Secretary General, Antonio Guterres, international missions, organizations, and development projects.

New employee at AmCham

It is our great pleasure to introduce Cholpon Altynbek kyzy, new PR and Membership Development manager of American Chamber of Commerce - Kyrgyzstan.

Cholpon has graduated from American University in Bulgaria with Business Administration major and has been an exchange student with Future Leaders Exchange Program (FLEX).

We are excited that Cholpon has joined our team and wish her success in new endeavors.



Business Delegation to Georgia



The American Chamber of Commerce in the Kyrgyz Republic is inviting company CEOs and organization directors to participate in a business delegation to Georgia from the 5th to 9th of September, 2017.

In the program of the business delegation:

- exclusive meetings with leading politicians, heads of government institutions, members of Parliament, experts, and representatives of business circles in Georgia;

- visits to world-renowned client-oriented government establishments, including the Public Hall, Parliament of Georgia and others.

During the trip, various successful key reforms will be explored such as the system of "One Window" and the "Just Drive" service; the concept of a "Smart/Safe city"; the system of "e-governance" (electronic governance); the concept of "Open Parliament"; Reforms of the police system; trends in tourism development.

If you have any further questions, please contact us.

Innovative Business Tour to U.S.A



During the business tour, participants will be able to find out the formula for success of the most progressive and innovative corporations/organizations. Additionally, they will visit the leading hub for high-tech innovation and development - Silicon Valley.

The program of the business tour includes:

- Exclusive access to the headquarters of innovative companies, which will allow you to see the latest developments, working spaces and corporate cultures;

Participants will visit:

Google, Microsoft, CISCO, VISA, Tesla, Stanford University, Boeing, Starbucks, LinkedIn, Salesforce, Coinbase, Wunderman, AmBAR, Theo Chocolate Factory, University of Washington, Bill & Melinda Gates Foundation and other companies.

- A rich cultural program in San Francisco, Seattle and Los Angeles

UK and Kyrgyzstan sign double taxation agreement

On June 13th, the first Double Taxation Agreement between the Kyrgyz Republic and the United Kingdom of Great Britain and Northern Ireland was signed by British Ambassador Robin Ord-Smith and Kyrgyz Minister of Economy Arzybek Kojoshev, the British Embassy in Bishkek said.

This Double Taxation Agreement represents an important step in the developing relationship between the two countries.

The signed agreement is a result of three years of detailed negotiations. The agreement creates a level playing field, allowing British and Kyrgyz companies to avoid double taxation in sectors such as banking and finance, extractives,

international cargo, entertainment, film industry, and sport.

The treaty follows the OECD (Organisation for Economic Co-operation and Development) Model Convention in many respects. In particular, it sets limits on the amounts of tax that can be charged when dividends, interest, and royalties are transferred from one country to the other. Businesses of both countries will welcome that.

British Ambassador Robin Ord-Smith also added: "This double taxation treaty represents an important step in the developing relationship between the Kyrgyz Republic and the United Kingdom on the 25th anniversary of bilateral diplomatic relations. I am confident that this treaty will help to further encourage bilateral trade and investment. I very much hope it will lead to many more British companies looking at business opportunities in the Kyrgyz Republic."

Source: *The Times of Central Asia*, dated 13 June 2017

Bai-Tushum Bank and USAID Agro Horizon Project launch an innovative project to finance farmers in Kyrgyzstan



On June 7th, Bai-Tushum Bank and USAID Agro Horizon Project signed a Memorandum of Understanding to facilitate access to financial resources for farmers. As a part of this project, Bai-Tushum Bank will introduce three innovations. One of those is value added chains lending. Over the past three years the Bank has accumulated significant experience in introducing such soft financing for farmers. Together with the partners Kaindy Kant, Talas Siut, and Ozon Ata factories, it successfully implemented value added chains in dairy processing and sugar beet processing.

Other important innovations will be the introduction of a mobile banking application, enabling users to quickly assess clients' businesses in field. At the same time, the launch of an agent network that utilizes e-wallets will allow users to make payments on loans with no need to visit the Bank's office, thus saving farmers' time and cutting their costs.

The innovation is planned to be introduced in Osh, Jalal-Abad, Batken, and Naryn provinces. The positive experience of this joint project implementation will kick-start the development of agricultural processing, as well as promote further development of remote services rendered to the population through electronic wallets, thus enhancing the financial inclusion of the country's farmers.

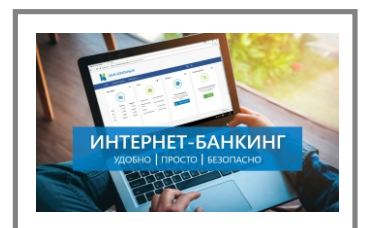
Kompanion Bank has launched an Internet banking service for private clients, legal entities and individual entrepreneurs. Now the bank's customers have a convenient, simple and secure way of online banking.

Convenient. Internet banking allows you to manage your accounts 24/7 and perform basic banking operations:

- Obtaining information about bank payments;
- Making payment of loan debts;
- Free money transfer between own accounts, and also to accounts of bank clients;
- Money transfer by clearing and gross systems;
- Currency exchange.

You can get detailed information about the service on www.kompanion.kg website, by calling the contact center number: 0312 33 88 00, as well as at all branches of the bank.

Kompanion Bank has launched Internet Banking Service

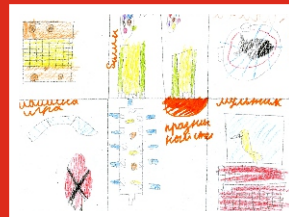


Coca-Cola Bishkek Bottlers sets up charity event on International Children's Day

Coca-Cola Bishkek Bottlers organized a charity event dedicated to International Children's Day on June 1st for children from Nurmeyssa orphanage house.

The children from the orphanage house came to Bishkek to celebrate the international holiday along with children from all over the country. For the first time in their lives, children had an opportunity to watch a cartoon in 3D format, try all kinds of pizza, play the slot machines at Fun City Zone, and get a can of Coca-Cola with their own name written on it. By the end of the event the young guests decided to thank the company by giving their own drawings of the organized event.

The Nurmeyssa orphanage house consists of 36 children ranging from infants to 23 years old and it is located at Orlovka village, Isik-Ata region. Due to the long distance from the city, very few organizations know about the existence of the house, thus they do receive a significant amount of help.



Coca-Cola

Peace Corps Volunteer sets up a project "Bicycles for Mobility"



Dream of a Child NGO, together with Peace Corps Volunteer John Wilkinson, implemented a grant to set up a workshop for the fabrication and modification of bicycles for use by a group of disabled children and young adults.

Leninskoe village in Chui oblast and the surrounding areas contain a number of children and young people with special needs. They are not always given the opportunity to engage in educational or social activities. One of the problems they face is a lack of transportation around the village and to the center.

The project developed three types of three-wheel bicycles:

- 1) Bikes for children who can hardly move their legs or have problems with holding body balance,
- 2) bikes to transport totally disabled children (who can't move), and
- 3) bikes to drive using hands only. The NGO will continue to implement the grant. Several international organizations have provided special equipment and spare parts to fabricate these bicycles.

FINCA Bank wishes children a happy International Children's Day



The employees of branches and of the head office of FINCA Bank wished foster children in child care centers a wonderful International Children's Day.

FINCA Bank commemorated the occasion by organizing an athletic and entertaining festivity named "Mash Botoy" (which can be translated from Kyrgyz as "an agile colt").

The team from the Bishkek branch visited the Nur-Bakcha kindergarten in the village of Dzher-Kazar and donated entertaining toys and sweets to the children.

The employees of Kerben branch presented educational toys to the children fostered in the Archa-Beshik kindergarten.

Their colleagues from Karakol gave children's furniture to the Balazhan kindergarten in the village of Akbulun; additionally, presents were delivered to the Kelechek orphanage in the village of Kyzyl-Suu and to a kindergarten in the village of Kurmenty.

Naryn branch has donated a washing machine to the new Ayday kindergarten.

Batken branch has supported a charitable event named "Diya detey" ("For Children") which took place in the Central Park of the city. The money collected over the course of the event were donated to the Nur children's health complex and to orphan children. Furthermore, all the children who were present at the event received educational toys and ice cream, given to them on behalf of FINCA Bank.

The Crisis Centre for Children in the town of Kara-Balta received vacuum cleaners and chandeliers for its new premises from the representatives of the branch. The employees of the bank gave T-shirts, boots, and sweets to each child fostered there.

Employees of the IT Department in cooperation with their colleagues from the Retail Lending Department of the head office of FINCA Bank collected money and donated video equipment and other necessary items for schoolchildren to the specialized orphan boarding school of Krasnaya Rechka.

FINCA Bank acted as one of the sponsors of the charitable concert devoted to the World Children's Day. The organizer of the event is the non-governmental charitable foundation "Help the children-SCD" which provides assistance to children suffering from oncological, hematological, and immunological diseases, with the support of the Ministry of Culture, Information, and Tourism of the Kyrgyz Republic.

Proceeds from the sale of tickets for of the concert, as well as the donations collected during the concert, will be directed to the purchasing of pharmaceuticals for the little patients of the units of hematology and oncology of the national medical institutions.

15th anniversary of Deloitte in Kyrgyzstan

Kanyshai Sadyrbekova, Deloitte Managing Director in Kyrgyzstan:

"This year's 15th anniversary of Deloitte in Kyrgyzstan is not only a major event for just the Firm, but also for its clients and partners. In those 15 years, we have reached some significant heights and are the recognised market leaders in Kyrgyzstan, having become renowned for the high quality of our services and unique corporate culture.

For me, work is my second home. I enjoy going to work and get great pleasure from what I do. I think that's why I get results and a lot of my plans actually become reality. I've always got a full list of things to do, but it's still great when you know you've done a great job, and by the deadline too! Plus, we have a great team at Deloitte, and each day I learn a lot from my colleagues, partners and even from auditors and consultants who haven't been with us that long.

So much has changed in 15 years. The Firm has grown, promoted its brand, and made a great contribution to developing people and offering new services. Actually, only one thing has remained unchanged and that's the approach to how we work. Our clients and partners value us for the great quality, professionalism, best practices and constant feedback we offer.

Due to the specific nature of what we do, Deloitte employs people of different ages and nationalities.

I've been with Deloitte for 13 years, and have been lucky enough to learn from colleagues with over 20 and even 30 years of experience. I am very grateful to the people I started my career with, who taught me so much and whose advice I truly value. I've found some real friends at Deloitte, even though we all seem to live in different towns! We have a lot of university graduates working for us, people with a sparkle in their eye and a huge thirst for practical knowledge, who fill you with enthusiasm and a desire to demonstrate what you're capable of.

The Deloitte team takes a dynamic worldview, taking part in all sorts of charity and sporting events under the aegis of Wellbeing. We're also members of two international organisations – the American Chamber of Commerce in Kyrgyz Republic and the International Business Council, taking part in a number of business forums and business meetings. Then there's the hugely important corporate social responsibility, where we try to build a future for the younger generations by working with the country's educational institutions and meeting with students at career fairs.

We also enjoy a range of outdoor activities, such as our traditional end-of-year teambuilding exercise. This year, we decided to combine health and fun by organising a half-marathon with the "I love running KG" club. Deloitte employees, clients and partners, and anyone wanting to go for a run, took part in races over 3, 9, 12, 15 and 21 km. Overall, we had about 100 runners, the fastest of whom not only experienced a huge burst of positive emotion, but also won some great prizes. In other words, we had a fun and very special birthday.

The most important thing about working is to enjoy what you do and remain positive. Seeing results, being able to set priorities, perform effectively and cultivate a friendly team of like-minded colleagues is the secret of Deloitte's success in Kyrgyzstan."



What IT-Directors Expect Globally

In its 19th year, the Harvey Nash/KPMG CIO Survey 2017 is the largest IT leadership survey ever undertaken, with 4,498 responses from CIOs and technology executives across 86 countries.

In the 2017 survey, technology leaders tell us that the level of change they are experiencing has reached unprecedented levels, and increasingly it is coming from unexpected corners. Many technology executives are turning this uncertainty into opportunity. They are helping their organizations become more nimble and digital, to navigate through unpredictable change, and to thrive in an uncertain world.

Analysis of the data found a clear divergence between organizations that are effective at digital transformation and those that are not. CIOs at these 'digital leader' organizations are almost twice as likely to be leading innovation across the business, and their organizations are investing in cognitive automation at four times the rate of others.

Some of the key findings include:

- Two-thirds of organizations are adapting their technology strategy because of unprecedented global political and economic uncertainty
- However, 89 percent are maintaining or ramping up investment in innovation, including in digital labour
- Digital strategies have been embraced by businesses at an entirely new level
- Cyber security vulnerability is at an all-time high
- Female CIOs are far more likely to have received a salary increase than male CIOs in the past year, but still the number of women in IT leadership remains extraordinarily low at 9 percent
- Enterprise architecture is the fastest growing tech skill in demand

IT projects are more complex; and weak ownership, an overly optimistic approach, and unclear objectives are the main reasons IT projects fail.



CEOs around the world expect an increase in tax rates

KPMG interviewed over a thousand business leaders from corporations in Europe, America and Asia to know their opinion about key economic issues. The Global CEO Outlook 2017 includes leader's opinions from 11 industries – from automotive industry to retail and pharmacy.

Taxes are expected to rise. Almost 80% of the CEOs from France and Great Britain and 76% of their colleagues from China expect the tax rates to rise in their countries in the next three years. In general, 67% of top managers around the world share their apprehension.

Over half of respondents believe that geopolitical changes have a direct influence on their businesses and this influence has been growing in recent years. The structure and management of foreign assets depend mainly on Brexit conditions.

Over half of CEOs strengthen their teams by engaging specialists from relevant industries (69%) to understand and manage potential risks in different scenarios. Seven out of ten top managers said they started investing more in the last year into the improvement of quality control and risk

management systems.

The survey shows that in general the top management around the world is positive towards the prospects of global economy although the optimistic attitude has dropped as compared to the previous year (65% in 2017 against 80% in 2016).

The only country demonstrating growing confidence among business leaders in the economic growth in the last year is the USA. Japan, on the contrary, became the least positively thinking country – 21% against 93% in 2016.

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