

Kyrgyz Republic - Market Overview

Discusses key economic indicators and trade statistics, which countries are dominant in the market, the U.S. market share, the political situation if relevant, the top reasons why U.S. companies should consider exporting to this country, and other issues that affect trade, e.g., terrorism, currency devaluations, trade agreements.

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The Kyrgyz Republic is a lower middle income country, with an estimated GDP per capita of less than \$1,100 (\$3,700 PPP). The economy remains heavily dependent on remittances from Russia (over 37% of GDP in 2017), and revenue from gold exports (ranging from 8-10% of GDP) – almost entirely from output at the Kumtor gold mine. The Kyrgyz Republic hosts a large, informal economy estimated at up to 60% of GDP. Trade with and investment from Russia and China remain important contributors to the Kyrgyz economy. Keys to sustainable future growth include progress in fighting corruption, improving transparency in business permit issuance and taxation, addressing persistent energy issues, and attracting new sources of foreign investment while decreasing reliance on international donors.

The Kyrgyz Republic is still undergoing an economic transition to the Eurasian Economic Union (EAEU). The accession process has altered economic conditions, as cheaper goods from other EAEU member states have flooded the local market and squeezed Kyrgyz domestic industries. EAEU accession also introduced new regulatory hurdles and led to an increase in non-tariff measures, to which the Kyrgyz government and businesses alike have struggled to adapt. Persistent reliance on Russia as a source of remittances, imports, and government financing subjects the Kyrgyz economy to Russian influence and external shocks.

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