

BALYKCHY

Investment Profile

2019



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ABOUT BALYKCHY

The city of Balykchy is the most important economic and transport center of the Issyk-Kul region. The city is located at the junction of trunk roads which lead from the Chuy region, northern and southern shores of Lake Issyk-Kul. The strategic location of the city contributed to the development of trade markets infrastructure and logistics. The trade in the city's markets is active all year round, which attracts the residents and businesses from the Issyk-Kul region.

Balykchy is a city of regional importance, it is located on north-western shore of Lake

Issyk-Kul. It is a final destination of the railway Lugovoe-Bishkek-Balykchy, which connects the city with the CIS railway network. The city of Balykchy is particularly singled out by available sea port through which large cargoes are transported in the water area of the lake.

The city traces its history from the small fishing settlement Bachino, which in 1909 was renamed the Rybachye village. It received city status in 1954 and developed as a major transport and industrial hub. In ancient times, it was one of transit points in the "Great Silk Road".

WHY INVEST IN BALYKCHY CITY?

- The city has an exceptionally suitable geo-strategic location, close to the border with Kazakhstan and China, and is an important transport hub in the northern part of Kyrgyzstan with access to rail, water and road transport.
- It also stands out by excellent conditions for developing food processing sector thanks to the availability of qualified and cost competitive workforce and well developed infrastructure.
- For brownfield and greenfield investments, the municipality offers to potential investors built and unused processing capacities and land owned by the municipality of total area of 656.8 hectares, including the land of the Free economic zone.
- The municipality of Balykchy city is committed to provide best support to the investor through benefits and investor servicing program. Balykchy city is an ideal place for your investment!



BALYKCHY IS A CITY OF WINDS

Boras (in the name of the Greek God of northern winds – Boreya) are strong local winds that blow down the mountain slope towards the sea (a large lake) and bring significant severe cold in winter. These winds have different local names and occur in the areas where mountain ranges, often of low height, border on the seashore or a large lake. Classic examples are local storm wind Ulan (west wind) and Santash (east, north-east wind) which blow in western (the city of Balykchy) and eastern part of the Issyk-Kul basin, respectively.

Ulan wind has a form of ground jet of strong wind, in which maximum speed in 90% cases is in the lower limits of 100-300 m, and then it decreases to an average height of 0.74 km, which is its upper limit. The average annual frequency of the Ulan (climatic norm) is about 50-60 cases of boras, and in some years maximum frequency can reach 100-150 boras. In winter, spring, and autumn it blows almost equally often (25-30% in each season), and less often in summer (about 15%). According to various estimates, the average duration of the Ulan ranges from 7.5 to 20 hours. In most cases (90%) it lasts no more than 2 days, and the maximum duration with possible short-term breaks may be 4-6 days.

GENERAL INFORMATION

Territory

3,791 hectares.

Population

As of January 1, 2019, the population made 48,061 people, of them 90.0% are Kyrgyz, 7.3% are Russians, 0.6% are Kazakhs, 0.5% are Uzbeks, 0.5% are Uighurs, 0.4% are Tatars and 0.7% are representatives of other nationalities.

Location

Balykchy is located in the western part of the Issyk-Kul region at the junction of the Issyk-Kul, Chuy and Naryn regions 350 km from the PRC border ("Torugart" BCP). The city is 175 km south-west of Bishkek, which is the capital of the Kyrgyz Republic, 180 km north of Naryn, the capital of the Naryn region, and 220 km east of Karakol, the regional center of the Issyk-Kul region. The length of the city along Lake Issyk-Kul is 10 km. The city is about 3.5 km wide. The terrain of the city is a plane with a slope from north to south. The maximum slope is 5-7%. The southern border of the city is limited by the lake (the absolute mark of the water's edge is 1,607 m), the northern border from Kungei-Ala-Too range reaches 1,670-1,680 m. There are moorings, landing stages, lake shipping company management, shipbuilding

and ship-repair enterprise, a railway station and a passenger station on the shore of the lake. The layout of the city takes into accounts the climatic features of the area, which are characterized by frequent strong west wind "Ulan" with speed of 25-28 m/s. Informally, the city of Balykchy is called a city of winds.

Climate

The climate of the city is continental. Precipitation in the city barely exceeds 100 mm a year and falls out mainly in the form of rain. Snow is rare, the number of days per year with snow cover is about 7-10 days, and the thickness of snow cover is 5-8 cm. Water on the shore of the lake does not freeze in winter. The soil of the city is stony and humus-deficient. In combination with arid climate it is characterized by extremely low natural biological productivity.

Time zone

UTC/GMT +6:00 h.

Language

Kyrgyz (state), Russian (official).

Currency

Kyrgyz som (KGS).

GEOSTRATEGIC POSITION

Kyrgyz border checkpoints

Kyrgyzstan shares borders with four countries:

- Kazakhstan.
- China.
- Tajikistan.
- Uzbekistan.

Checkpoints at each border have specific working hours subject to change from time to time. As some checkpoints are remote from settlements (near the mountainous passes: Kyzyl-Art, Torugart, Irkeshtam) it is recommended to arrange border crossings in advance.

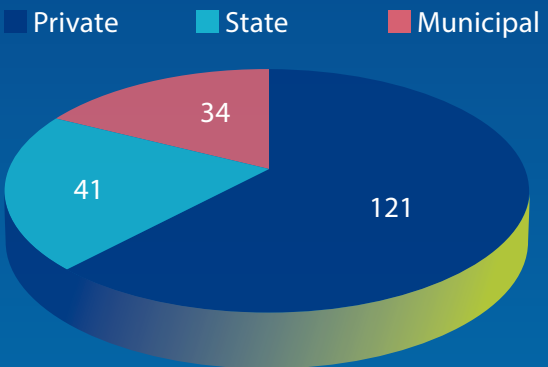
The Issyk-Kul region borders on Almaty region (Republic of Kazakhstan)

The nearest border points are "Kant" and "Ak-Jol" – 153 km and 182 km, respectively. They are located in the Chuy region and work 24 hours per day. They are used for transportation of cargoes. The border point "Karkyra" (road) (Tyup-Kegen) is located in the Tyup region. The distance from the city of Balykchy to "Karkyra" BCP is 264 km (4 hours). Working hours are during daylight hours, until 18.00. This border point operates seasonally from May to September/October. Cargo transportation via this point is not carried out.

MAIN CHARACTERISTICS OF THE ECONOMY

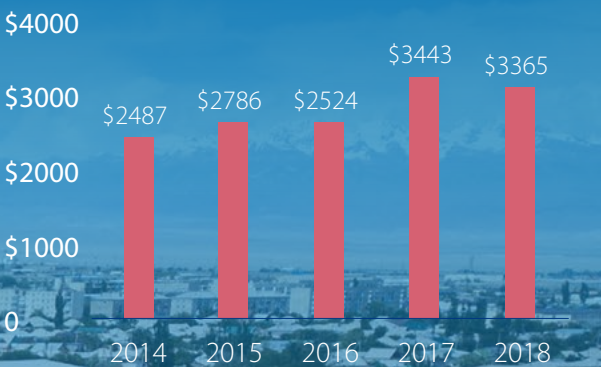
The number of operating enterprises, organizations and institutions (legal entities) by the form of ownership as of January 1, 2018.

Number of firms by form of ownership



According to the Balykchy City Department of State Statistics there has been an increase in manufacturing sector over the past 5 years (see chart).

Industrial ouput, in thousand USD



DISTANCE FROM BALYKCHY CITY TO KEY TRADE POINTS:

| Direction | Distance | Travel time by car |
|--|----------|--------------------|
| Balykchy – Almaty (Kazakhstan) | 376 km | 5 hours |
| Balykchy – Kashgar (China) | 550 km | 9 hours |
| Balykchy – Tashkent (Uzbekistan) | 802 km | 10 hours |
| Balykchy – Bishkek | 175 km | 2 hours |
| Balykchy – Khorgos (Kazakhstan) | 710 km | 9 hours |
| Balykchy – Airport "Issyk Kul" in Tamchy village | 48 km | 40 min |
| Balykchy – International Airport "Manas" | 202 km | 3 hours |

COMPETITIVE SECTORS

LOGISTICS

The geographic location of the city played a decisive role in spatial development of the city. The city is an important transport hub in the northern part of Kyrgyzstan with rail, water and road transport. From the city, the highways lead to Bishkek city, Karakol city - (along the northern and southern shores of the lake), to Naryn city and further to the "Torugart" border point of the Kyrgyz-Chinese border. Here are located trans-shipment points of "Kumtor", "Kyrgyzaltyn", several oil depots, food and coal warehouses, as well as large electrical substations. Balykchy city offers facilities for providing a wide range of logistics services for different business activities.

Road transport

The city has a number of motor transport enterprises: JSC "Avtovneshtans", JSC "Kyrgyztransavto" and JSC "Kyrgyzaltyn" operating. Motor depots transport various

economic cargoes of the Issyk-Kul, Naryn and other regions. In the western part of the city there is a passenger station. The occupied area is 0.5 hectares, the passenger capacity of the waiting room is 70 people.

Balykchy city is also a link of the strategically important highway "Bishkek-Naryn-Torugart". Balykchy is located in the center of this route. The Bishkek-Naryn-Torugart highway is one of the main transport corridors of the Kyrgyz Republic and a section of the transport corridor of the Central Asian Regional Economic Cooperation. The road connects Afghanistan, Azerbaijan, China, Georgia, Kazakhstan, Mongolia, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

The city also has a temporary storage warehouse accredited by the State Customs Service of the Kyrgyz Republic.

Railway and connection to the state and international network

The railway station "Rybachye" of the State Enterprise "National Company "Kyrgyz Temir Jolu" is located in the western part of the city. The station layout consists of 3 tracks, including: 1 main track, 4 receiving and departure tracks and 3 loading-unloading tracks.

The station is terminal: it implements the making up and breaking up of trains. The specificity of RWS is the implementation of mixed railway-marine operations. The passenger train runs daily via route "Bishkek - Balykchy" in summer time, having 3-4 passenger cars. From 2018, the passenger trip "Tashkent - Balykchy - Tashkent" is resumed.

Ports – the nearest sea ports and river ports

There are 2 ports in the city of Balykchy. The State Enterprise "Issyk-Kul Shipping company" is one of the oldest enterprises in the region. Today it is the only enterprise that transports cargoes by water. The shipping company has two ports in Balykchy and Karakol and one landing stage in Kurmenty village. The state enterprise has existed since 1926. For more

than 90 years, it has been transporting cargoes in the water area of the lake: during this period its ships delivered millions of tons of coal, wheat and other cargoes to the Issyk-Kul shore residents.

Airport

The nearest airport is "Issyk-Kul" International Airport which is located 40 km to the East in Tamchy village. It is designed for freight and passenger traffic, classified as 4D class (according to ICAO classification). The airport is located at an altitude of 1,653.8 m, the length of the runway is 3,800 m, width - 45 m. Type of coverage: armored concrete. The airport has 7 parking places for aircraft.

The airport provides services in summer (June-September) for local and international scheduled flights with four cities:

- Osh (Kyrgyzstan).
- Almaty (Kazakhstan).
- Tashkent (Uzbekistan).
- Novosibirsk (Russia).
- The airport also provides charter flights year-round.

Website: www.airport.kg/issykkul

BALYKCHY – KAZARMAN – JALAL-ABAD HIGHWAY CONSTRUCTION PROJECT

Upon the completion of the construction of the alternative North-South highway (Balykchy — Kazarman — Jalal-Abad), Balykchy City will become one of the main and the largest transit points between the South and North of the country.

This road will significantly reduce the travel distance between the cities as the total length of the alternative North-South road is **433 km**, and the length of the existing route between Balykchy and Jalal-Abad is **748 km**. The road construction is expected to be completed in 2021.



FRUITS, BERRIES & AGRICULTURAL PRODUCTS PROCESSING

The never freezing lake and the high mountain terrain resulted in the unique climate conditions for horticulture nearby the Issyk-Kul Lake. The competitive advantage of fresh fruits and berries of the Issyk-Kul region is the climate, where they grow, and a distinctive taste.

- **63,592 farmers** produce fruits and berries in the Issyk-Kul region.
- The total area of gardens is **8,068 ha**.
- The total harvest of fruits and berries is **48,316 tons** on average.
- An average farmer owns about 0.2 hectares in the Issyk-Kul region.
- The most commonly grown fruits are apricots and apples.
- Historically, Russia and Kazakhstan have been the major export markets; 52% of all fruits and berries are exported to these countries.
- The main export products are fresh apples and apricots.

Thus, 150-200 tons of apples per day are exported during season August – December from the Issyk-Kul region. From January to March, export volumes are reduced to 20-30 tons per day. 100-150 tons of apricots per day are exported during season July-September. Goods are transported by suppliers and carriers.



INVESTMENT OPPORTUNITIES OF BALYKCHY CITY

A large investment potential of the region is represented by the agricultural processing, as well as manufacturing of products with higher added value. Today, agricultural processing sector accounts for as little as two to three percent of the Gross Domestic Product. **The main share of products is fresh, which demonstrates the potential of the following activities:**

- Production of baby food made from organic fruits and berries.
- Production of jams and preserves.
- Organic food production.
- Shock freezing of fruits.



RENEWABLE ENERGY

Over the last years, the Mayor's Office of Balykchy has been actively exploring the possibility of introduction and utilization of the Renewable Energy Sources (RES) in the city. The Mayor's Office is strongly interested in building wind power plants (WPP) on its territory.

The climate pattern of the city featured by periodic strong winds at the speed up to 20-25 meters per second allows to view such weather phenomenon as an additional source of energy. Hence, such phenomenon creates ideal conditions for building Wind Power Plants in the city. Analysis of the WPP characteristics obtained from the Hydrometeorology Agency at the Ministry of Emergencies of the Kyrgyz Republic shows that Balykchy has a sufficient wind potential with an average long-term speed of 6.7m/s, at an altitude of 50 m.

Along with the favorable climate, one more argument for development of the WPP in Balykchy is extensive land plots available in the City's

industrial area (a Free Economic Zone). The proposed sites for the Wind Farm are located far away from the residential area, which is an important factor when choosing a place for development of Wind Power Plants. Thereby, WPP location mitigates the negative impact on the population associated with generation of noise or visual impact (please refer to map). Moreover, high voltage transmission lines pass near the site. There are railway and road connections, which will help to deliver equipment to the Wind Power Plant site.



List of Substations to which Wind Power Plants (total capacity of 50 MW) could be connected

| # | Substation | Capacity of substation | Location of substation | Distance to wind farm | Note |
|---|-------------------------|------------------------|--|-----------------------|--|
| 1 | Keramzitnaya 35/10 s/s | 5 MW | Nearby the site designed for construction of WPP | 1 km | Owned by "Vostokelectro" |
| 2 | Rybachie-1 11/35/10 s/s | 26 MW | On the city entrance point from Bishkek (the site of ring road) | 2 km | Owned by Issyk-Kul High Voltage Enterprise of JSC "National Electric Grid of Kyrgyzstan" |
| 3 | Ulakhol 110/10 s/s | 2.5 MW | Ottuk village, Ton rayon, Issyk-Kul region | 20 km | Owned by Issyk-Kul High Voltage Enterprise of JSC "National Electric Grid of Kyrgyzstan" |
| 4 | Pionerskaya 110/10 s/s | 25 MW | In the northern part of the city, crossing of Pionerskaya and Olimpiiskaya streets | 7 km | Owned by Issyk-Kul High Voltage Enterprise of JSC "National Electric Grid of Kyrgyzstan" |

INVESTMENT LOTS

THE LAND PLOTS AVAILABLE FOR GREENFIELD INVESTMENTS:

| # | Area | Purpose* | Map |
|---|--------------|---|-----------|
| 1 | 12 hectares | Construction of industrial facilities | Figure #1 |
| 2 | 25 hectares | Construction of apartment buildings | Figure #2 |
| 3 | 1.8 hectares | Construction of apartment buildings | Figure #2 |
| 4 | 7 hectares | Construction of industrial facilities | Figure #3 |
| 5 | 68 hectares | Construction of private houses | Figure #4 |
| 6 | 15 hectares | Construction of private houses | Figure #5 |
| 7 | 25 hectares | Construction of apartment buildings & commercial property | Figure #6 |
| 8 | 3 hectares | Construction of apartment buildings & commercial property | Figure #6 |

*Note: * The purpose can be changed at the request of the investor, if the proposed investments do not violate the accepted norms.*

FIGURE #1

| | |
|------------------------|--|
| Designation: | Construction of industrial facilities |
| Site area: | 12 hectares |
| Owner: | Mayor's Office of Balykchy city |
| Location: | J. Amanbaev St. nearby State-owned enterprise "Kyrgyzkomur" |
| Status: | Can be leased |
| Infrastructure: | 1. Water supply 2. Electricity supply 3. No sewage facilities 4. Road |



FIGURE #2

| | |
|-----------------------|---|
| <i>Designation</i> | Construction of apartment buildings |
| <i>Site area</i> | 1.8 hectares & 25 hectares |
| <i>Owner</i> | Mayor's Office of Balykchy city |
| <i>Location</i> | Son-Kol microrayon |
| <i>Status</i> | Can be leased |
| <i>Infrastructure</i> | 1. Water supply 2. Electricity supply 3. Sewage facilities 4. Earth road |



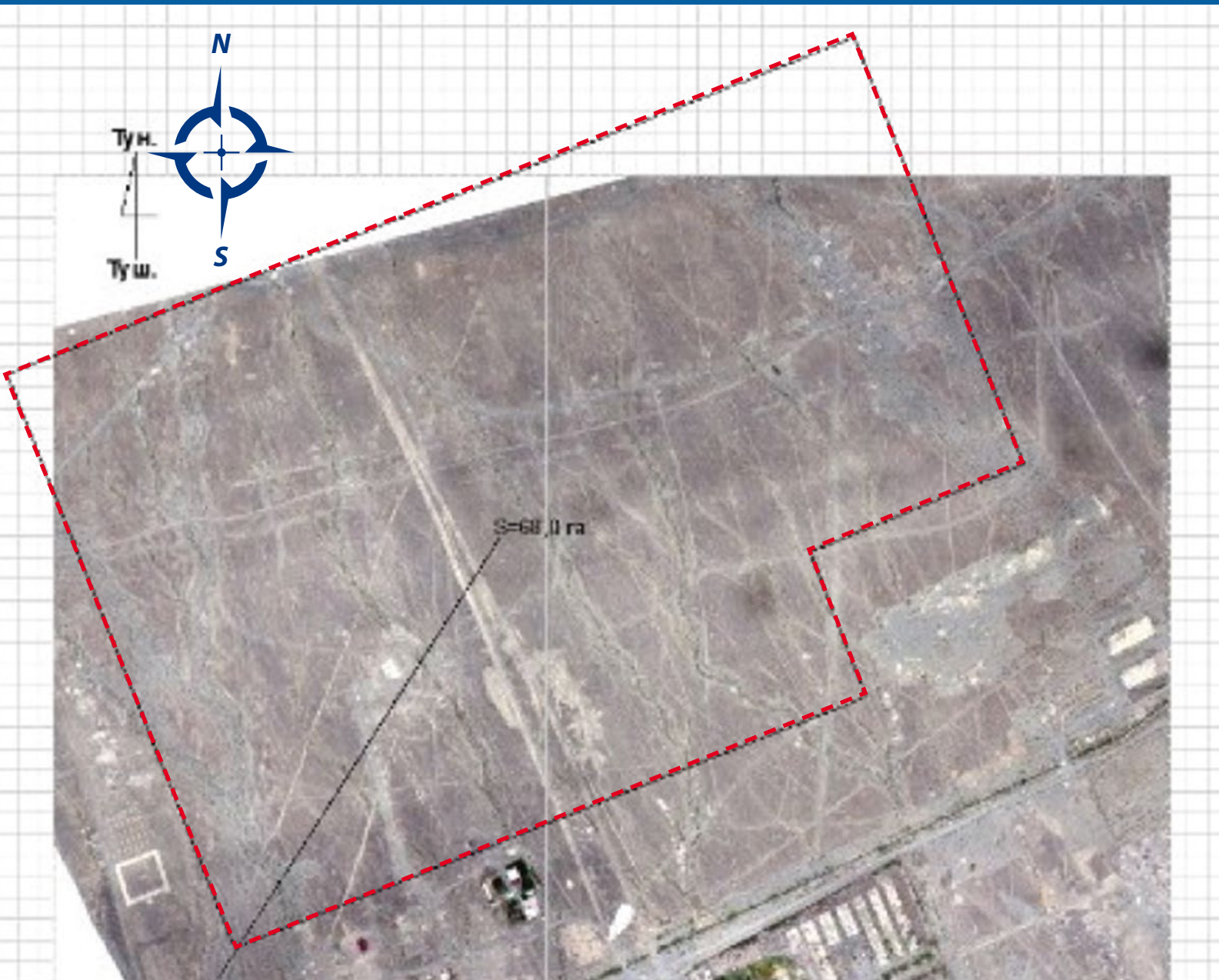
FIGURE #3

| | |
|----------------------------|--|
| <i>Type of investments</i> | Construction of industrial facilities |
| <i>Site area</i> | 7 hectares |
| <i>Owner</i> | Mayor's Office of Balykchy city |
| <i>Location</i> | Crossing of Manas St. & J. Amanbaev St. |
| <i>Status</i> | Can be leased |
| <i>Infrastructure</i> | 1. Water supply 2. Electricity supply 3. No sewage facilities 4. Road |



FIGURE #4

| | |
|---------------------|--|
| Type of investments | Construction of private houses |
| Site area | 68 hectares |
| Owner | Mayor's Office of Balykchy city |
| Location | Northern and eastern sides of Tash-Rabat St. |
| Status | Can be leased |
| Infrastructure | 1. Water supply 2. Electricity supply 3. No sewage facilities 4. Earth road |



FIGUTRE #5

| | |
|---------------------|--|
| Type of investments | Construction of private houses |
| Site area | 15 hectares |
| Owner | Mayor's Office of Balykchy city |
| Location | Western part of City, along Tynystanov St. |
| Status | Can be leased |
| Infrastructure | 1. No water supply 2. No electricity supply 3. No sewage facilities 4. Earth road |

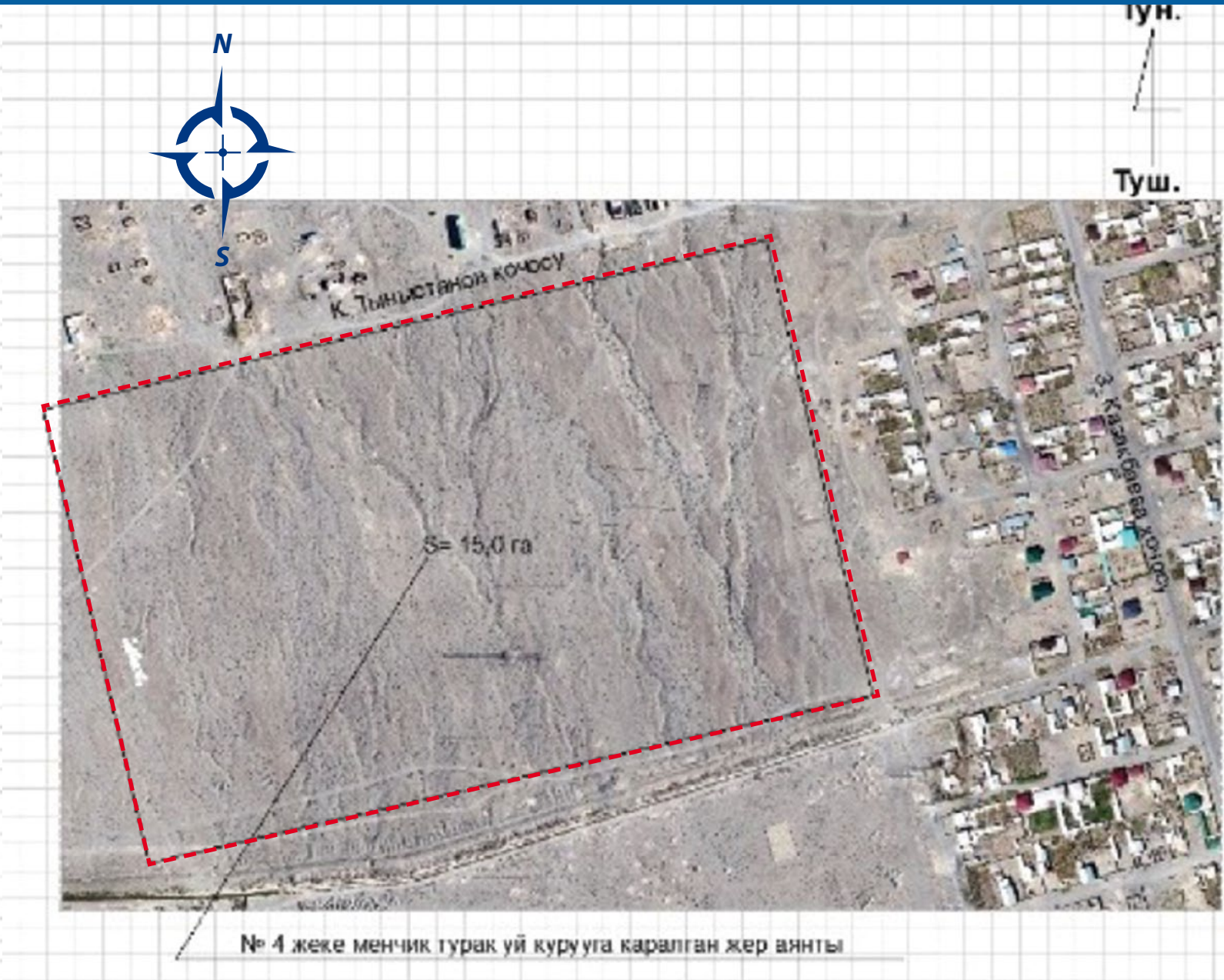


FIGURE #6

| | |
|---------------------|--|
| Type of investments | Construction of apartment buildings and commercial property |
| Site area | 25 hectares & 3 hectares |
| Owner | Crossing of J. Amanbaev St. & Ananiev St. |
| Location | Northern and eastern sides of Tash-Rabat St. |
| Status | Can be leased |
| Infrastructure | 1. No water supply 2. No electricity supply 3. No sewage facilities 4. Earth road |



FREE ECONOMIC ZONE

In 1996, the Free Economic Zone (FEZ) “Karakol” was formed in the territory of Balykchy city. Karakol FEZ is located on the Great Silk Road that connects East and West. The site of the FEZ with a total area of 500 hectares is located at the junction of motor road, railway and waterway with access to the neighboring states - Kazakhstan, China. This FEZ is located at 180 km from Bishkek and at one kilometer from the nearest railway in Balykchy.

According to the Law of the Kyrgyz Republic “On Free Economic Zones in the Kyrgyz Republic”, free economic zones provide investors with several advantages:

- Economic and foreign economic activity entities are exempted from payment of all types of taxes, duties and charges while they operate in a FEZ.
- A special legal regime is effective on the territory of the FEZ that provides a more favorable regulation as compared to the general regime applied for the economic activities.
- FEZ entities are covered by the guarantees of investors’ rights and investments protection as specified in the Kyrgyz legislation on investment activities.
- FEZ entities, which were formed to speed up the regional development, can have additional privileges associated with payment of taxes and social security contributions in line with the tax legislation of the Kyrgyz Republic.
- And other advantages.

Any investor willing to obtain the status of a FEZ entity should file an application to the General Directorate of the FEZ so that to conclude a contract on operation in the FEZ.

The application should contain the following information:

- 1) A type of intended activities of the applicant relevant to the type of FEZ.
- 2) The land area required to perform the intended activities of the applicant.
- 3) Estimated capital investments, including the capital investments amount within a year from the date of concluding the contract on operation in the FEZ.

The applicant shall attach the following documents to the application for conclusion of the contract on operation in the FEZ:

- A copy of the state registration or re-registration certificate.
- A copy of the taxpayer registration form.
- A copy of constituent documents.
- Business plan.

Contact details of the General Directorate of FEZ Karakol:
Phone: +996 555 708 009
+996 554 704 006
E-mail: sez.karakol@mail.ru

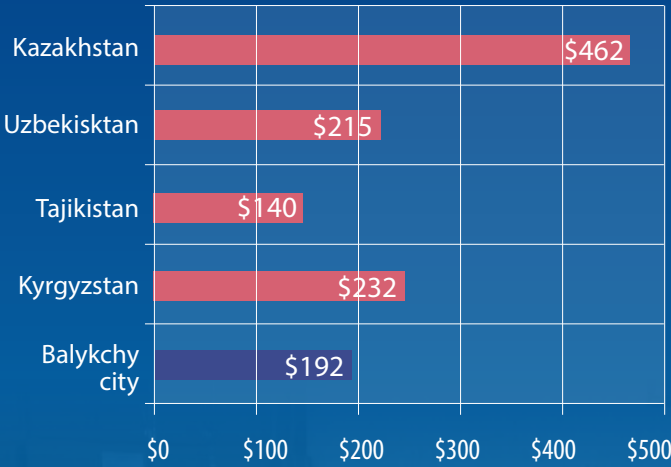


LABOR POTENTIAL

Number of employed and unemployed persons as of January 1, 2019:

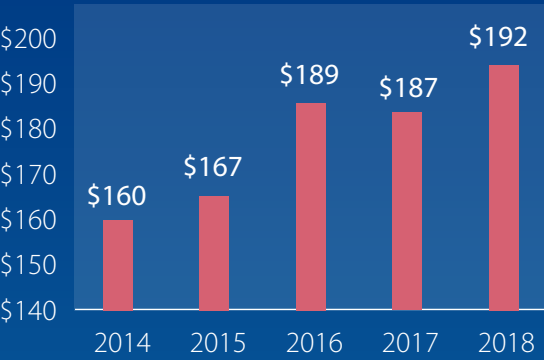
- **Employed population** – 6,545 people.
- **Unemployed** – 654 people.
- Average monthly gross wage for 2018 remains below the average wage in the country and one of the lowest in the CA region.

Average monthly gross wage in 2018 in USD



In the city of Balykchy, there has been an increase in average monthly gross wages over the past 5 years.

Average monthly gross wage over the past 5 years in Balykchy in USD



Educational institutions

Secondary schools – 10.

Including:

- gymnasium - 2
- lyceum - 1

Students – 7,982.

Vocational schools – 1.

Students – 202

Colleges – 2.

Students – 589

(Data for 2018 school year)

INFRASTRUCTURE

- **Power supply:** transforming 529 substations, district 336 electric network, 336 private.
- **Water supply:** length of water supply line - 169 km.
- **No gas supply.**
- **Telecommunication:** Phone lines used by the 5,611 of population, 119 of which are legal entities.
- **Internet:** 1810 users.

Costs of utilities and other services

| Utility | Cost (for legal entities) | Supplier |
|--------------------|--|--|
| Power supply | KGS 2.24 per kWh | “Vostokelectro” JSC 420 Frunze St. +996 3944 4-08-76 www.vostokelectro.kg |
| Water supply | KGS 14.00 per 1 cub. m | “Vodokanal” municipal company 60 Karalaev St. +996 3944 3-01-87 |
| Sewage | KGS 4.6 per 1 cub. m | “Vodokanal” municipal company 60 Karalaev St. +996 3944 3-01-87 |
| Garbage collection | KGS 350 per 1 cub. m. for garbage collection from container | “Improvement and sanitary cleaning” municipal company 148 Abdrakhmanov St. +996 3944 5-07-19 |
| Telecommunication | KGS 1926 is the phone line connection fee KGS 120 per month is the subscription fee | “Kyrgyztelekom” JSC 4 Kaldybaev St. +996 3944 5-00-01 www.kt.kg |
| Internet 3.5 Mb | KGS 4000 (for equipment) is the Internet connection cost (fiber-optic line) Subscription fee. KGS 1,100/month | “Kyrgyztelekom” JSC 4 Kaldybaev St. +996 3944 5-00-01 www.kt.kg |

FOR INVESTORS

INVESTORS' SUCCESS STORIES

1) Logistics center of fruit storage LLC "Oberon"

In 2016, a logistics center with a storage facility with capacity of 2,400 tons was opened. This logistics center is equipped with a modern computerized and automated system. The German company "Plattenhardt + Wirth" carried out installation works in accordance with European standards. The total investment was \$4.45 mln US dollars. The credit funds were used to build the facility and purchase equipment for industrial refrigerated warehouses – a fruit storage facility with controlled atmosphere. The production line of frozen fruits and vegetables was installed, and a dealership network was established for the supply of these products to all cities of Kyrgyzstan and the EAEC countries (Kazakhstan, Russia) as well.

2) Borusan Makina Kyrgyzstan

In 2017, a company Borusan Makina Kyrgyzstan jointly with JSC "Kyrgyzaltyn" opened a service center for heavy mining machinery and equipment. The service center is located on the basis of the transport branch JSC "Kyrgyzaltyn", and its total area is more than 5,000 sq.m. The service center meets all the highest standards

of quality and process safety, and currently it is the sole complex of this kind in Kyrgyzstan. The country's mining and industrial enterprises, including such giant as "Kumtor Gold Company", have an excellent opportunity to obtain high-quality repair works for mining equipment units in the shortest possible time without leaving the country. More than 40 specialists from among local residents are already working on the basis of the service center, 10 of them have been trained at the Wear Service Center (Karaganda, Kazakhstan). The employees were successfully taught in professional repair of large special equipment. In general, the company invested nearly 600k USD in their training.

3) Confectionery shop "Muslim"

It was founded in 2016 on the initiative of a private entrepreneur K. Mambetkunov. The main activity is the production of confectionery products with a modern technology that corresponds to the HALAL standards. The project budget is 3 mln KGS of private investments. The objective is to produce confectionery products without chemical additives and distribute the products throughout the country, as well as to export them to the neighboring countries.

TAX AND OTHER PREFERENCES

According to Resolution of the Government of the Kyrgyz Republic No. 193 of April 24, 2019, entities that have passed the state registration after January 1, 2019 shall be subject to preferential taxation.

LIST of Preferential Types of Industrial Activities Entitled for preferential Taxation

| # | Code of CCEA (*) | Activities |
|---|------------------|---|
| 1 | | All types of industrial production based on innovative technologies |
| 2 | | Light and food industry |
| | 13 | Textile production |
| | 14 | Clothes production |
| | 15 | Production of leather, articles of leather, footwear |
| | 10 | Food production (excluding tobacco products) |
| 3 | | Electric energy sector |
| | 35.11 | Generation of electricity |
| | 35.12 | Transmission of electricity |
| | 35.13 | Distribution of electricity |
| | 35.14 | Sale of electricity |
| 4 | | Agricultural products processing |
| | 10.11 | Production (processing and preservation) of meat, except poultry |
| | 10.12 | Production (processing and preservation) of poultry |
| | 10.20 | Processing and preserving of fish, shellfish and molluscs |
| | 10.3 | Processing and preserving of fruits and vegetables |
| | 10.31 | Processing and preserving of potatoes |
| | 10.39 | Other methods of processing and preserving fruits and vegetables |
| | 10.51 | Milk processing and cheese production (cheese making) |
| 5 | | Assembling Sector |
| | 26 | Manufacture of computers, electronic and optical equipment |
| | 27 | Manufacture of electrical equipment |
| | 28 | Manufacture of machinery and equipment not elsewhere specified |
| | 29 | Car manufacturing |
| | 30 | Manufacturing of other vehicles |
| | 31 | Furniture manufacturing |
| | 32 | Manufacturing of other products |
| 6 | | Any export-oriented production |

Note: *CCEA is the State Common Classifier of Economic Activities.

More details and supplementary information about preferences, tax regimes and other non-tax contributions is available at the [website of Balykchy City: www.balykchy.kg](http://www.balykchy.kg)

This information can also be provided by the *Economic Development and External Relations Unit of the Mayor's Office of Balykchy City*

Address: Balykchy City, 258 Abdrakhmanov St.
Phone: +996 3944 3-00-28
Email: economics@balykchy.kg

You can also address to the *State Service Division of Balykchy City*
Address: Balykchy City, 252 Abdrakhmanov St.
Phone: +996 3944 3-26-21

SERVICES FOR INVESTORS PROVIDED BY THE MAYOR'S OFFICE

The procedure for obtaining municipal land for lease is carried out according to the Model Provision "On the Procedure and Conditions for the Reimbursable Granting of Ownership Rights or Leases to Land Plots Owned by Municipal Property", approved by the Decree of the Government of the Kyrgyz Republic dated September 23, 2011 No. 571

- 1) Individuals and legal entities willing to obtain rights to land plots at the auctions apply to the authorized body with an application.

The application shall indicate:

- Information about the applicant (information required for his unambiguous identification, legal entities should additionally indicate whether it is foreign).
- Type of requested right to land plots (right of ownership or right of temporary use).
- Description of investment and construction intentions, the area of the plot; in case the information about a particular land plot is missing, the applicant indicates the acceptable location, according to which the land plot will be selected and formed.

- 2) The authorized body shall issue a confirmation about the acceptance of the application to the applicant.

- 3) The authorized body on its own initiative or within 3 days from the date of receipt of the application forwards the appropriate instruction to form the land plot to the territorial authority of architecture and construction.
The instruction of the authorized body provides description of investment and construction intentions, approximate area of the plot and its location.
- 4) In the cases provided for by subparagraph a) of paragraph 11 of this Regulation, and if the land plot to which the right is granted was formed before, the reformation of the land plot is not required.
- 5) The territorial authority of architecture and construction within 5 working days reviews the declared construction intentions on the requested land plot for compliance with the town-planning documentation and the rules for land use and development.

More information about the regulation can be found at the link:

<http://cbd.minjust.gov.kg/act/view/ru-ru/95276>

**Department of Municipal Property
of the City of Balykchy**

Address: 258 Abdrakhmanov St. Balykchy city
Phone: +996 3944 3-00-20

DETAILED INFORMATION ON REGISTRATION OF LEGAL ENTITIES

List of necessary documents for state registration of commercial organizations (in the form of LLC, ALC, OJSC, CJSC, etc.)

- Registration application pursuant to the form approved by the Resolution of the Government of the Kyrgyz Republic dated January 28, 2011, # 31.
- Original decision approving, inter alia, state registration.
- Copy of passport of a founder (individual).
- Copy of certificate of state (re)registration of a founder (legal entity) – if the founder is a local legal entity.
- Legalized extract from the state register or other document confirming that the founder (legal entity) validly exists pursuant to its laws of incorporation – if the founder is a foreign legal entity.
- Copy of passport of a manager of a legal entity to be established.
- Original power of attorney if a person acts through a proxy.

State registration of a legal entity is carried out on the following timeframes from the moment of filing the completed documentation:

- Commercial entities – 3 business days.
- Finance and credit organizations (bank, micro-finance company, micro-credit company, micro-credit agency, etc.), non-commercial organizations – 10 calendar days.

Registration of branch and representative offices is carried out by the Ministry of Justice of the Kyrgyz Republic and subdivisions thereof.

More detailed information can be found at the following link:

minjust.gov.kg/ru/content/1079

Justice Department of Issyk-Kul region

Address: 105 Abdrakhmanov St. Karakol City

Phone: +996 (3922) 5-06-64

+996 (3922) 5-23-27

Detailed information on investment climate in the Kyrgyz Republic may be obtained from:

**Investment Promotion and Protection Agency
of the Kyrgyz Republic**

Address: 106 Chuy Ave. Bishkek city

Phone: +996 312 62-38-44

Email: mail@invest.gov.kg

www.invest.gov.kg

PERMIT DOCUMENTS FOR CONSTRUCTION

Construction permits are issued by the territorial authority of Urban Planning and Architecture of the Issyk-Kul Region

Permit documents for design and construction are issued in two stages based on the one-stop-shop principle.

- 1) The first stage – issuance of architecture and planning materials – takes 20 business days.

Architecture and planning materials for design of a facility contain:

- Major town planning, architecture, and planning requirements for the facility, including data about town planning regulations for use and building on the land plot, provided in the town planning documentation, Land Tenure and Building Rules.

- Sanitary, fire prevention, environmental requirements (depending on functional designation of the facility).
 - Requirements for improvement of the land plot, organizing parking, and access to the facility (depending on functional designation of the facility).
 - Technical requirements for engineering network connections.
- 2) The second stage – approval, expert examination of design documentation, and issuance of permit for construction – takes 40 business days.

Contact information:

Balykchy city department of urban planning and architecture.

Address: 25 Sultanov St. Balykchy city

Phone: +996 3944 3-26-89

More detailed information can be found at link: cbd.minjust.gov.kg/act/view/ru-ru/59299

The functions of control and supervision in the field of architectural and construction activities are carried out by the **Regional Department of the State Inspectorate for Environmental and Technical Safety under the Government of the Kyrgyz Republic.**

No inspections of newly established business entities are conducted during the first 3 years of operations. Therefore, it is recommended to obtain approval from the inspectorate at the construction stage to ensure compliance with all requirements.

Contact information:

Inter-Regional Department for Cholpon-Ata, Balykchy, Issyk-Kul and Ton districts.

Phone: +966 3944 3-93-59

+966 3944 3-93-00

Decision on allocation of municipal land plots is adopted by the **City Council (Kenesh).**

LIST OF KEY COMPANIES BY SECTORS

Logistics and storage

- **Logistics center “Oberon” LLC.** A fruit storage facility with controlled atmosphere and capacity of 2,400 tons enables to store fruits up to 270 days without loss of quality characteristics. Number of employees is up to 60 people, during sorting this number is more than 300 people.

Processing of agricultural products

- **“Issyk-Kul Shiresi” LLC.** Processing of agricultural products, output and production of products from vegetables and fruits – canned food and wines. Natural juices volume of output is 1 ton per hour. Number of employees is 10 people.
- **“Yntymak” JSC.** Processing of agricultural products, output and production of products from vegetables and fruits - canned food and juices. The volume of output is 3 mln cans of natural juices and jelly per year. Number of employees is 8 people, and in the season the number is up to 50 people.
- **“ABT-Agro” LLC.** Processing of vegetables and fruits. The company produces juices from

apples, pears, apricots, peaches and other fruits. All equipment and processes of the enterprise comply with the HACCP standard. The production capacity of the enterprise is 20 tons of juice per day. The number of employees is 20 people.

Production of building materials

- **“Kaukar-Tash” JSC.** Production of bridge and reinforced concrete products. Volume of output is 15,000 m³ of reinforced concrete products and road and bridge slabs per month. Number of employees is up to 50 people.

Food industry

- Individual entrepreneur **Mambetakunov, confectionery shop “Muslim”.** Production of crackers, cookies, flour confectionery products of long-term storage. The main confectionery shop is located in the city of Balykchy, it provides products to the Issyk-Kul region, and there are more than 30 points of sales. Number of employees is up to 30 people.

BANK AND NOTARY OFFICES

Banks branches:

| Name | Address | Phone |
|-------------------------------------|------------------------|-------------------|
| Demir Kyrgyz International Bank JSC | 11 Abdrakhmanov Street | +996 3944 7-01-27 |
| Bai-Tushum Bank CJSC | 47 Kulakunov St. | +996 3944 5-03-71 |
| Commercial Bank Kyrgyzstan JSC | 47 Toktosunov St. | +996 312 61-33-33 |
| Optima Bank JSC | 41 Toktosunov St. | |
| BTA Bank CJSC | 64/1 Toktosunov St. | +996 3944 5-09-61 |
| RSK Bank JSC | 86 Kulakunov St. | +996 3944 5-07-38 |
| Bank of Asia CJSC | 130 Komsomol St. | +996 3944 5-08-00 |
| Finca Bank CJSC | 140 Abdrakhmanov St. | +996 3944 5-10-39 |
| Bank Companion CJSC | 214 Amanbaev St. | +996 3944 4-03-62 |
| Dos-Credobank JSC | 41 Kurmashev St. | +996 3944 5-00-94 |

Notary offices:

| Name | Address | Phone |
|------------------------------|--------------------|-------------------|
| State notary office | 184a Kulakunov St. | +996 3944 3-25-70 |
| "Kokobaeva" Private notaries | 21/5 Karalaev St. | +996 707-52-52-32 |
| "Musakunov" Private notaries | 76 Toktosunov St. | +996 550-12-28-27 |

ELECTRONIC MUNICIPALITY PROJECT

As regards the development of information technologies in the city, a focus should be paid to the project of comprehensive automation of the Mayor's Office and municipal services through the formation and development of an "e-municipality" system, which includes as follows:

- Development of IT-based services to improve the quality of interaction between citizens and the Mayor's Office.
- Creation and development of electronic services in the provision of municipal services (transfer of municipal services into electronic format).
- Introduction of the electronic document management system at the Mayor's Office.
- Technical expansion of the official website of the city to improve its interactive functions.
- Creation of the Internet portal of the Municipal Property Division under Balykchy Mayor's Office.
- Creation of a multipurpose center for provision of municipal services.
- Introduction of the control system over the housing and utilities sectors with the use of IT technologies (energy accounting, such as water and electricity).

As part of these activities, an electronic register will be created; an electronic map of the city and an electronic platform on Municipal property will become functional.

Within the framework of the E-municipality Project, electronic registration system of complaints and business papers received by Balykchy Mayor's Office will be introduced.

STRATEGIC DOCUMENTS

The "Program for socio - economic development of the city of Balykchy for the period 2019-2022" developed in accordance with the National Development Strategy of the Kyrgyz Republic for 2018-2040.

The development program is based on the existing values of the population, economic and competitive opportunities of the city. It opens prospects to residents, businesses, public authorities, local governments and potential investors.

The City Development Program will be implemented by consistent and gradual improving of the situation in the economy and social sphere of the city based on rational use of available resources and taking into account the socio-economic potential of the city with

unconditional linking to the prospects of development of the industry, transport and other sectors of the economy in the Issyk-Kul region in the period under study.

The development program covers main spheres of life of the city of Balykchy such as:

- Improve living comfort in the city.
- Develop small and medium-sized businesses, create conditions for increasing the number of jobs in this sphere.
- Increase diversification level of the city economy by increasing production in the processing industries and development of the service, mostly in logistics.
- Improve investment climate and growth of investment volume in production and non-production facilities of the city.

QUALITY OF LIFE



1) Health care institutions on the city territory – 10

- City territorial hospital – 1
- Family-medicine center – 1
- State sanitary and epidemiological supervision – 1
- Balykchy City dental clinic – 1
- Family physicians groups – 2
- Medical and obstetric station – 4
- Number of doctors – 81



2) Cultural institutions on the city territory – 12

- Cultural center – 1
- Library – 5
- Museum – 2
- Cinema – 1
- Club – 1
- Groups of interests – 1
- Music school – 1



3) Sports infrastructure

- Sports grounds – 15
- Sports gyms – 8
- Sports clubs – 15



CONTACT INFORMATION FOR INVESTORS IN BALKYCHY CITY

For inquiries regarding investments in the city please contact:

Economic Development and External Relations

Unit of Mayor's Office of Balykchy city

Address: 258 Abdrakhmanov St. Balykchy city

Phone: +996 3944 3-00-28

Email: economics@balykchy.kg

www.balykchy.kg

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