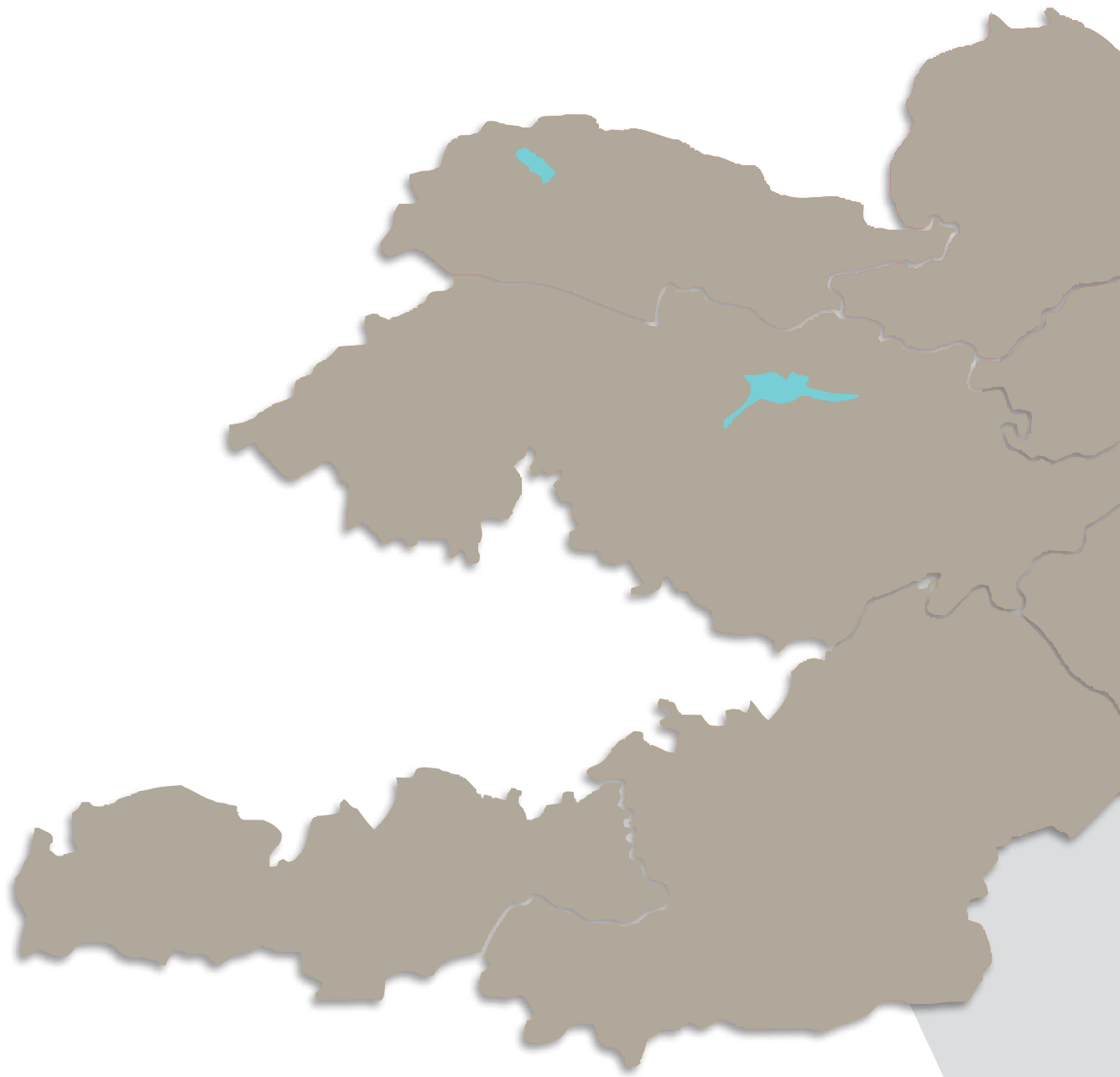




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# Investment Profile of **KARAKOL CITY**

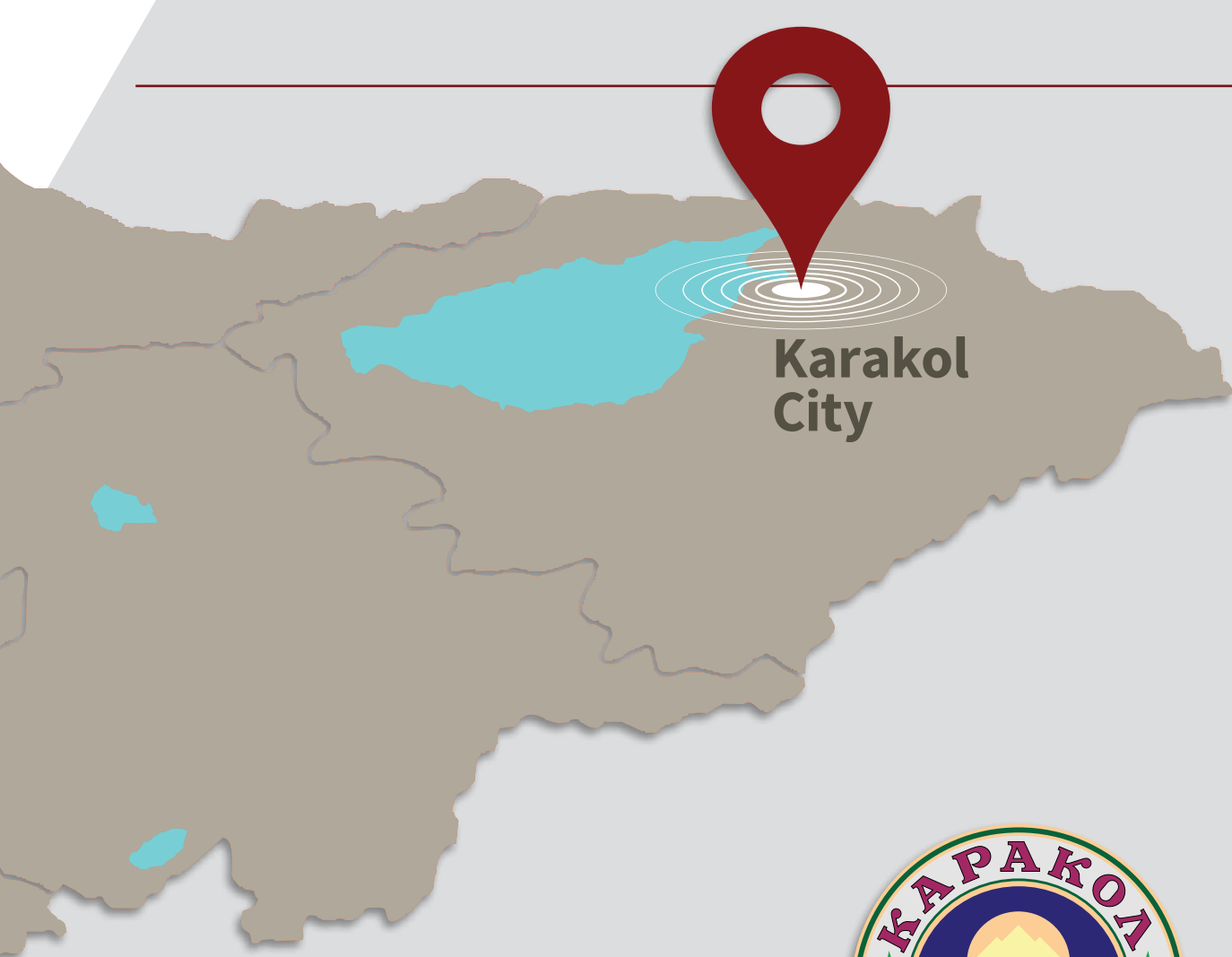


## Brief presentation of the city

Karakol is the fourth-largest city in Kyrgyzstan and is located near the eastern tip of Lake Issyk-Kul, about 150 km west of the Chinese border and 380 km east of the capital, Bishkek. It is the administrative capital of the Issyk-Kul Region in the country's far east.

Karakol's untapped potential offers investors a variety of investment opportunities at affordable costs, with municipally owned land available for greenfield investments. Thanks to a mild climate and beautiful scenery, the city is known world-wide for its abundant recreational opportunities: Lake Issyk-Kul, skiing, hot springs, and suitable conditions for extreme sports such as paragliding, mountain biking, and mountaineering. It attracts investors from all over the world thanks to rich investment potential in areas such as hotels and restaurants, mountain tourism, honey production, animal breeding, dairy production, and cultivation and processing of fruits and vegetables.





## General Information about Karakol City

- **Area:** 52,000 sq. m.
- **Population:** 75,100 as of January 1, 2018.
  - 39,900 people within an hour's drive eastward (Ak-Suu district)
  - 34,775 people within an hour's drive on the lake's north shore (Tyup district)
  - 69,589 people within an hour's drive on the lake's south shore (Jeti-Oguz district)
- **Location:** Karakol sits at the foot of the Teskei-Ala-Too mountain range, downstream of Karakol River, 12 km from the shore of Lake Issyk-Kul, and at 1690-1850 m above the sea level. The city borders on three districts of the Issyk-Kul Region: Jeti-Oguz to the west, Tyup to the north-east and Ak-Suu to the east).
- **Climate:** Moderately cold, with average annual temperature of 5.5°C. The lowest temperature of around -10.4°C is typically observed in January. Annual average precipitation is 413 mm.
- **Time zone:** UTC/GMT +6:00
- **Language:** Kyrgyz (state), Russian (official)
- **Currency:** Kyrgyz Som

# Geostrategic location and transport opportunities from Karakol City

- **Airports:** Issyk-Kul International Airport handles both passengers and cargo and is located 170 km to the west in Tamchy village.
- The airport provides services in summer (June-September) for local and international scheduled flights with four cities:
  - Osh (Osh region, Kyrgyzstan)
  - Almaty (Kazakhstan)
  - Tashkent (Uzbekistan)
  - Novosibirsk (Russia)

The airport also provides charter flights year-round.

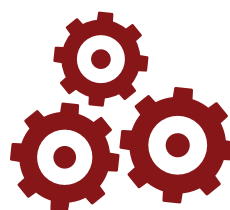
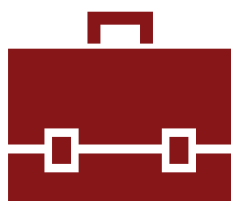
Website: [airport.kg/issykkul](http://airport.kg/issykkul)

- **International transport opportunities from Karakol:**

Direction	Distance	Travel time by car
<b>Bishkek – Almaty (Kazakhstan)</b>	<b>640 km</b>	8 hours
<b>Kegen – Almaty (Kazakhstan)</b>	<b>394 km</b>	5 hours
<b>Taraz – Shymkent (Kazakhstan)</b>	<b>894 km</b>	12 hours
<b>Torugart – Kashgar (China)</b>	<b>731 km</b>	10 hours
<b>Bishkek – Osh – Tashkent (Uzbekistan)</b>	<b>1490 km</b>	24 hours
<b>Bishkek – Taraz – Shymkent – Tashkent (Uzbekistan)</b>	<b>1078 km</b>	16 hours
<b>Karaganda – Novosibirsk (Russia)</b>	<b>2389 km</b>	33 hours

- **Railway:** The nearest railway is located in Balykchy City - 220 km by road and 184 km by water transport. Kyrgyz Temir Zholu State Company offers railroad transportation services on the Balykchy - Bishkek - Lugovaya route.
- **Border checkpoints:**
  - Kyrgyz border checkpoints** - Kyrgyzstan shares borders with four countries: Kazakhstan, China, Tajikistan, and 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.
  - Issyk-Kul region borders on Almaty region (Republic of Kazakhstan)** - Karkyra automobile transport checkpoint (Tyup-Kegen) is located in Tyup district. Its working hours are normal daytime hours until 6pm and it operates from May to September or October. No cargo transportation is allowed via this checkpoint.

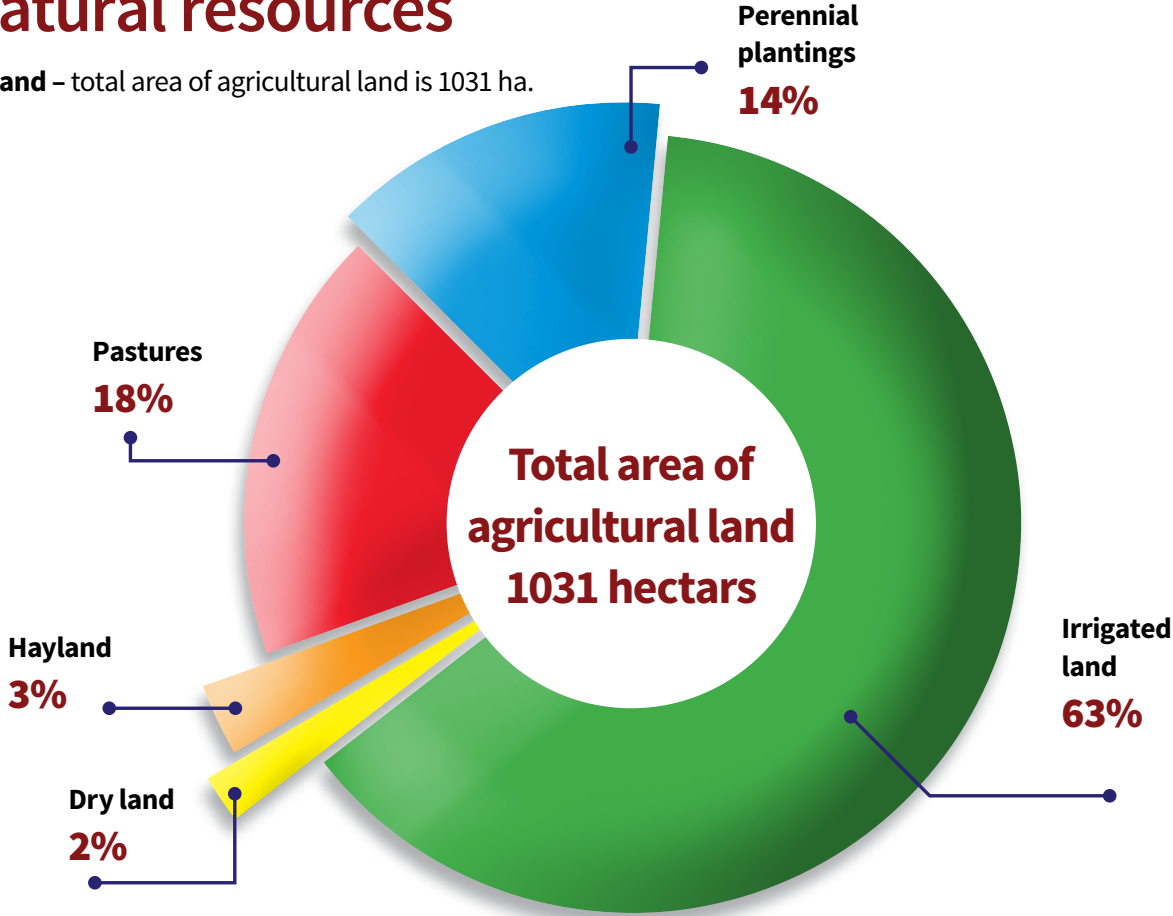
For detailed information about checkpoint operations see [www.advantour.com/rus/kyrgyzstan/border-crossing.htm](http://www.advantour.com/rus/kyrgyzstan/border-crossing.htm)





# Natural resources

- **Land** – total area of agricultural land is 1031 ha.



- **Water capacity:** Karakol River passes through Karakol City, flowing from the foot of Karakol glaucious mountain peak into the basin of Lake Issyk-Kul.



# Main features of the economy of Karakol City

## Economic indicators:

- Number of registered economic entities (as of October 1, 2018): 1,732
  - Of which: 1,479 are privately owned, 193 state-owned, and 60 municipal

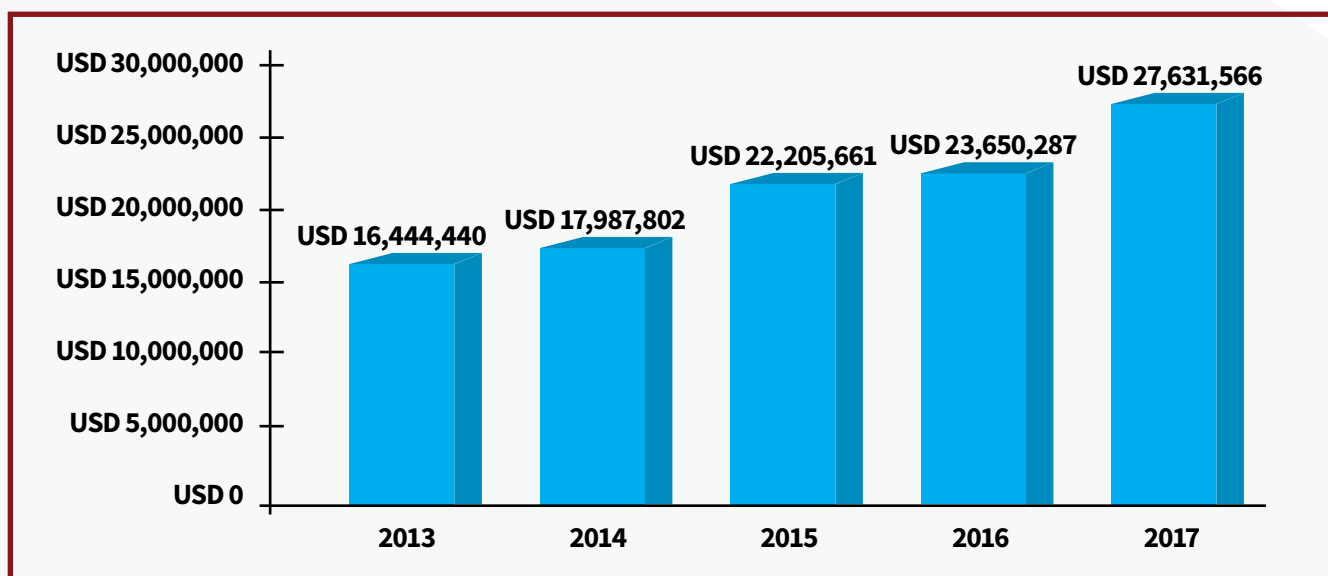
## Classification of private sector (1,479) by type of economic activity:

- Food production – 9
- Publishing – 2
- Heating energy and water generation and distribution – 2
- Construction materials production – 6
- Grain processing and bakery (windmills, peeling mills, and bakeries) – 20
- Wood processing (wood workshops and sawmills) – 11
- Apparel and textiles – 3
- Hotels and guesthouses – 102

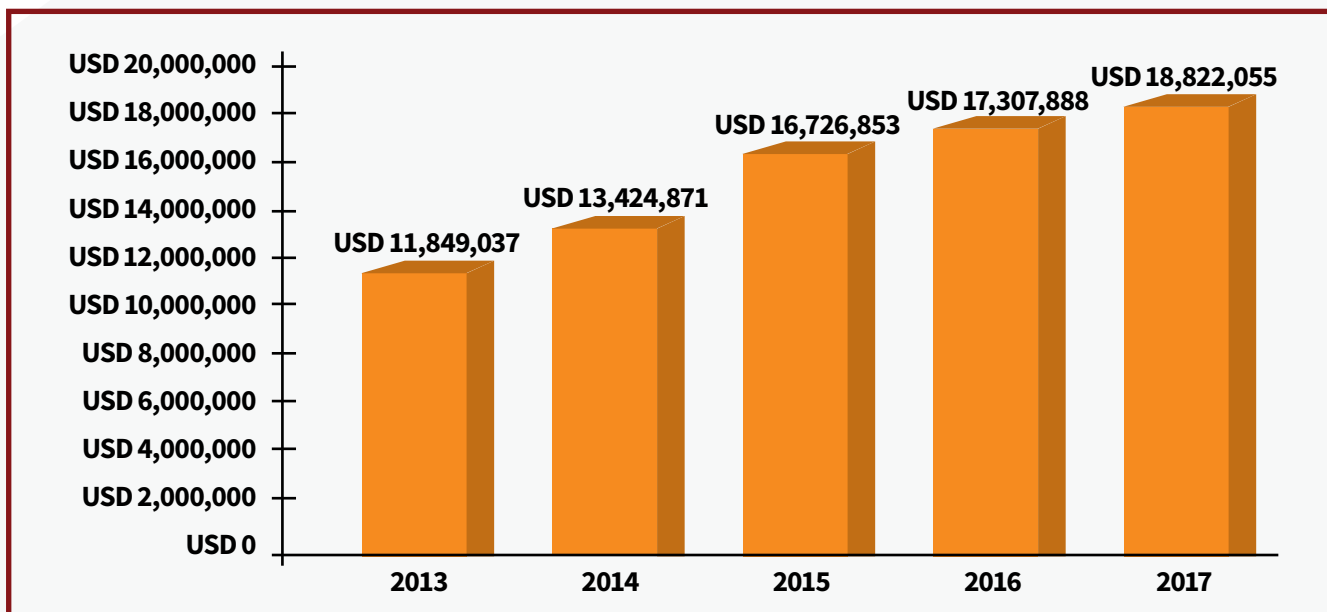
The remaining 1,324 private business entities were registered as individual entrepreneurs, in activities including:

- Sauna (excluding municipal baths)
- Billiard services
- Exchange office
- Disco and nightclub
- Parking services
- Pawnshop
- Hairdresser and beauty salon
- Private dentistry
- Billboard rental
- Vehicle cleaning
- Agricultural product export services

**Total industrial production in Karakol city increased by 68% in the four years to 2017.**



## Electricity consumption

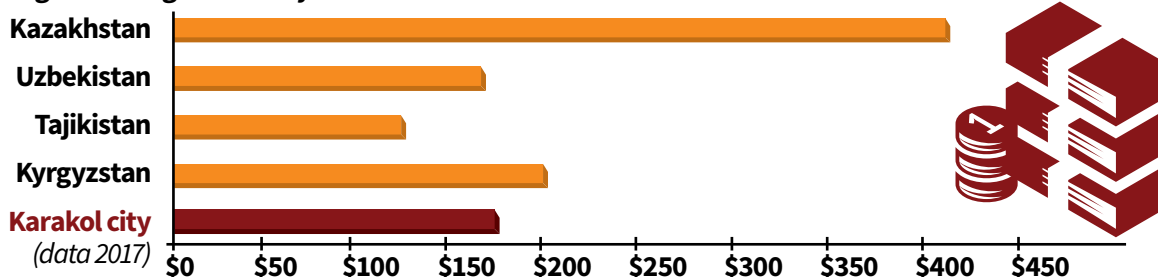


## Labor force

- Number of employed – **14,890**
- Number of unemployed – **4,931**  
(as of 2018)



## Average annual gross salary in 2017



## Educational institutions in Karakol City

- **Gymnasiums and lyceums** – 6; number of students – **14,934**
- **Vocational schools** – 5; number of students – **1,127**
- **Higher educational institutions** – 5; number of students – **7,669**

*Data for 2018 school year*

## Faculties

- **Department of Economics**
- **Faculty of Kyrgyz Philology, Pedagogy, and Art**
- **Faculty of Natural Sciences and Ecology and Physical Education**
- **Faculty of Russian Philology and Foreign Languages**
- **Faculty of History and Tourism**
- **Faculty of Mathematics and Information Technology**
- **Physics and Technology Faculty**





# Competitive sectors

## AGRICULTURE AND FOOD PROCESSING SECTOR

Karakol City offers investors excellent investment opportunities in agri-business, with significant untapped potential in the dairy sector, tourism, beekeeping, and food processing.

Karakol is located at the junction of three districts (Jeti-Oguz district, Tyup district and Ak-Suu) in which agriculture is well developed, especially in the cultivation of fruits and vegetables. Another developed segment is animal breeding that helps aggregate output from three districts and provides a wider base of raw material. The availability of raw materials allows the enterprises in Karakol to process and produce agricultural and dairy products in large volumes. Total industrial production in Karakol city increased by 68.3% in the four years to 2017.

### Dairy

#### There are 8 dairies in the Issyk-Kul region:

- Three large milk processors, Syut Bulak CJSC (Tyup district), Ak-Zhalga CJSC (Jeti-Oguz district) and Ak-Bulak CJSC (Karakol City).
- The remaining five processors are of small or medium size, Karakol-Syut, Nakta-Syut, Zhenishbek Sole Proprietor, Ala-Too Syut and Mai Bulak. They are located in Karakol City or neighbouring villages.

#### Milk farms are mainly developed in three districts:

- Ak-Suu – 22,292 cattle units
- Tyup – 21,113 cattle units
- Jeti-Oguz – 31,150 cattle units

*Data as of 2017*

**Karakol City plays a central role in the milk processing industry.** Milk production per cow is on average 7 liters per day, and the average annual milk price is KGS 15 per liter. The Issyk-Kul Region produces 400-450 tons of raw milk per day in summer and 150 tons per day in winter.

**Main dairy products:** butter, sour cream, cheese, curds, milk, cultured milk products

#### Investment opportunities

*The region's 115,105 cows (as of 2017) currently do not provide the volume of milk producers require, indicating a need to invest in stall fattening. There is also huge demand for healthy and pedigree cattle, indicating an investment opportunity in breeding. Realizing these opportunities will require investment in forage base for pedigree cows, which in turn will create investment opportunities in food supply.*

Prominent investment opportunities in the dairy sector include:

- Breeding farms dairy and meat breed
- Dairy farms utilizing stall-fed cows
- Fodder production, harvesting, storage, and sale



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## Bee-keeping

Bee-keeping, historically an important sector for Karakol City, has a strong tradition and excellent quality which can serve as a base for further developing the value chain using modern technology.

### **Issyk-Kul wins top places under “Best Honey” category at international fairs and exhibitions.**

Sainfoin white honey and alpine honey are in particularly high demand. There are about 1,000 beekeepers within the city’s three districts (Jeti-Oguz, Tyup, and Ak-Suu). Beekeepers from other regions also place their honey farms in the Issyk-Kul Region. Honey production volume in the Issyk-Kul region is about 500 tons per year.

**Distinguishing feature of Issyk-Kul honey is its unique composition:** over 300 honey plants grow in Issyk-Kul’s mountainous meadows, including majoram, hypericum, desert-candle, lavender, valerian, sweet clover, sage, carthamoid rhapontic, ginseng, thyme, and raspberry. Difficulty of access to the meadows contributes to ecological cleanness of the honey, which has a reputation for delicate taste and a rich aromatic smell.

### **Bee-keeping products and activities include:**

- Filling and packing of honey
- Comb honey
- Raw beeswax production
- Empty honeycombs and waste from beeswax processing
- Bee-bread and pollen processing
- Propolis
- Wax products (candles)
- Royal jelly, bracket fungi milk, other products

### **Investment opportunities**

- *Beekeeping is a highly profitable industry. Issyk-Kul’s unique mountainous conditions produce ecologically pure honey that is highly valued abroad. The region provides excellent conditions for development of beekeeping. Honey-product packaging could be potentially a good activity to invest in.*
- *Another investment opportunity worth considering is to establish a regional commercial brand that will group honey producers under a single brand to promote honey and beekeeping products on a large scale in global markets.*
- *Beekeeping has skyrocketed in popularity in recent years and continues to be profitable. The honey bee produces different high-demand products used in a range of industries from food processing to medicine, including honey, beeswax, propolis, pollen, royal jelly, honey-bee venom, and pollination services. Other investment projects that can be considered potentially fruitful include bee farms and construction of a honey bottling plant aligned with HACCP standards.*

Before the 1917 revolution, bee-keeping was quite developed in Karakol City, then known as Przhevalsk City. During those times, Przhevalsk was called “bee” county thanks to favorable natural conditions and active promotion of this type of economic activity by local authorities.

A voluntary association of beekeepers in the Issyk-Kul Region is operating in Karakol City. Its focus is to develop the market for bee-keeping and promote the health benefits of honey and bee-keeping products.

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# Agricultural Processing

## FRUIT AND BERRIES

Non-freezing lakes and high mountains provide unique horticultural conditions that have made the Issyk-Kul region historically a top source of value. Competitive advantages of fruit and berries from Issyk-Kul region are climate and taste.

- 63,592 farmers engage in fruit and berry production in the Issyk-Kul region.
- Total area of these gardens is 8,068 ha.
- Total average yield of fruit and berries is 48,316 tons.
- The average farmer in Issul-Kul has about 0.2 ha.
- Russia and Kazakhstan have long been the major export markets, buying 52% of the region's fruit and vegetables output.
- The main export products are fresh apples and apricots: during high season (August-December) 150-200 tons are exported daily, falling to 20-30 tons per day during low season (January-March). During high season for apricots (July-September), 100-150 tons are exported each day.
- Such exporting activities are performed by purchasers and carriers (often the same entity). There are over 100 customers, of whom 40-50 come from Karakol.

### **Investment opportunities:**

*There are many opportunities in processing operations, to make products with higher added value. At present processing accounts for just 2-3% of the total gross output. The bulk of the product goes fresh, indicating a lack of processing into products such as:*

- *Baby food from organic fruits and berries*
- *Jams and preserves*
- *Natural food products*
- *Shock freeze fruit*



# Agricultural products

Karakol is the center for economic activities of residents of three neighboring districts: Ak-Suu, Jeti-Oguz and Tyup. The city has two wholesale and retail markets and one livestock market. The population may use a wide range of services for processing and sale of agricultural goods grown by residents in the three districts:

No.	Product	Ak-Suu district	Jeti-Oguz district	Tyup district	Total (tons)
1.	Meat (tons)	9,815	12,903	8,205	<b>30,923</b>
2.	Milk (tons)	48,036	54,989	49,078	<b>152,103</b>
3.	Egg (thous.)	4,815	3,256	6,901	<b>14,972</b>
4.	Felt (tons)	339	518	306	<b>1,163</b>
5.	Wheat (thous. tons)	45	16	44	<b>105</b>
6.	Barley (thous. tons)	17	16	30	<b>63</b>
7.	Potato (thous. tons)	167	147	81	<b>395</b>
8.	Fruit and vegetables (thous. tons)	13	12	11	<b>36</b>

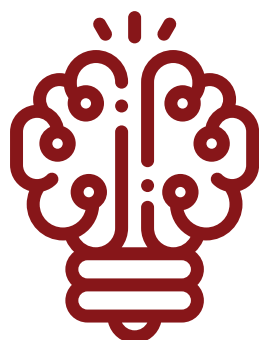
Source: City development program for the period 2018-2022

District	Number of animals				
	cattle	small cattle	horses	pigs	poultry
Ak-Suu district	46413	164329	17622	141	114052
Jeti-Oguz district	57693	229568	26554	1133	151885
Tyup district	39408	130725	17168	1085	138778

Source: City development program for the period 2018-2022

## Investment opportunities:

- Establish an agri-industrial company for production, processing, and marketing of agricultural products
- Establish a commercial structure for the provision of educational, consulting, and information services to agricultural producers
- Establish mini-factories for processing agricultural products to sell into domestic trading networks





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## TOURISM

Karakol City is the point of departure for alpinists and trackers, who come to visit natural resources of Tyan-Shan mountains and Lake Issyk-Kul. The gorgeous Tyan-Shan mountains and Issyk-Kul lake, the world's the largest mountain saline lake, make Karakol City and Issyk-Kul Region a vacation wonderland. High season for such "mountaineering" tourism lasts 7 months, from May to November. The winter season for Karakol City is associated with Kapriz ski resort, located in a forest area 7 km from Karakol City and 2300 meters above sea level. The ski resort has skiing runs ranging from 400 m to 3.5 km in length. The highest skiing point is 3,040 m, with a vertical drop of 800 m. More than 25,000 tourists visit the ski resort every year. The winter season lasts 2.5 months, from mid-December to the end of February.

**According to international rankings, Karakol ski resort is among the top five ski resorts in CIS countries.**

- During the winter tourist season, freeriding is becoming more and more popular as the country grows its reputation not only for its ski resorts but also its diverse back-country. The combination of high altitude, proximity to Lake Issyk-Kul, sufficiently high precipitation, and accessible logistics make ski tours and freeriding possible from November to March.
- Major business entities in the tourist sector are large markets, guesthouses and hotels, cafes and coffee shops, tourist agencies, and rental shops for ski equipment and gear. There are over 100 entities engaged in hotel and hospitality services in the city, totalling over 4,000 beds.

Activities aimed at developing tourism in Karakol City are mainly carried out by Karakol Destination, a not-for-profit organization that coordinates goals and plans for businesses offering tourism services. See link: [destinationkarakol.com](http://destinationkarakol.com)

### **Investment opportunities**

*The city also has much to offer guests and residents in the way of evening activities. Investment opportunities in this area include:*

- *Opening entertainment facilities such as bars, night clubs, and bowling*
- *Establishing tourist facilities such as hotels, guest houses, restaurants, sports equipment rental shops, shops, fitness centers, swimming pools, cinemas, and trade centers.*





## NATURAL ATTRACTIONS

**Lake Issyk-Kul** is the world's largest saline mountain lake as well as the seventh-deepest and tenth-largest by volume (though not in surface area). Issyk-Kul means "warm lake" in Kyrgyz: though surrounded by snow-capped peaks, it never freezes.

**Karakol gorge** is a high-mountain gorge located in the eastern part of the Teskei-Ala-Too near the city of Karakol. It is among the most visited tourist sites in the Issyk-Kul Region due to its unique natural characteristics, large extent, and relative accessibility. The gorge offers many mountain tourist and climbing routes along the Teskei-Ala-Too ridge. It also connects with roads to the beautiful mountain lake Ala-Kul as well as the gorges of Altyn-Arashan and Dzhety-Oguz.

**Ala-Kul** is a large alpine lake of glacial origin, located in the eastern part of the Teskei-Ala-Too ridge. Of all the highland lakes in Kyrgyzstan, Ala-Kul is perhaps the favorite among tourists due to its extraordinary beauty and large size.

**Jeti-Oguz gorge** is one of the most popular attractions in the Issyk-Kul region. It is located 30 km from the city of Karakol and attracts many tourists. Jeti-Oguz in Kyrgyz means "seven bulls" because of the rocky mass of red clay that is its hallmark. Jeti Oguz is also famous for its spa resorts, with radon and hydrogen sulfide springs.

**Altyn-Arashan** (meaning "golden source") is a high-mountain gorge in the eastern part of the Teskei-Ala-Too ridge. It is one of the most popular tourist places in Kyrgyzstan, thanks to its unique nature, hot springs, extensive spruce forests, and stunning views. This is one of the few places in Kyrgyzstan where a relict forest of Tian Shan spruce has been preserved in abundance.

## CULTURAL HERITAGE AND EVENTS

Of the city's 39 historical and cultural monuments, the most visited are the following.

**Svyato-Troitskaya (Holy Trinity) Orthodox Church** established in 1871, was the first Orthodox church in Kyrgyzstan. Its interior is strikingly simple and is open free-of-charge to visitors year-round.

**Dungan Mosque** - One of the most unique buildings in all of Kyrgyzstan. The Dungan Mosque was constructed entirely without the use of a single nail or metal dowel.

**The Russian or Merchants Quarter** was established in the mid-19th century by Russian merchants as they expanded to this frontier town on the edge of the Russian empire. The Quarter is home to many elaborate historical houses.

**Karakol History Museum** - Located in a house built in 1887 by a local merchant and livestock dealer named Mikhail Ilyin, this museum's exhibits feature archaeological finds from the Stone Age, Bronze Age weapons and tools, fragments of rock carvings, and artifacts from a sacrificial memorial complex.

**Monument to the 1916 "Urkun"** - This monument depicts a scene of local farmers and land-owners protesting against the unfair land distribution policies of Emperor Nicholas II of the Russian Empire.

**Victory Park** - Established in the 1950s, this park contains several important bronze busts dedicated to heroes of the Soviet Union.

**World Nomad Games** are the biggest international project held in the Kyrgyz Republic, initiated by the government in 2012 to revive and preserve the culture of nomadic civilization. Issyk-Kul region hosted all three events held so far, in 2014, 2016, and 2018. See link: [worldnomadgames.com/en](http://worldnomadgames.com/en)

# Investment locations

## (GREENFIELD INVESTMENT)

Karakol City offers potential investors four land plots for greenfield investments owned by the municipality with a total surface area of 62 ha.

No.	Surface area of land plot	Location of land plot in Karakol City	Existing infrastructure
1.	28 ha	Kuzbas Street in the city's south-west	Road (gravel), water (connection to clean drinking water network)
2.	15 ha	Industrial Zone	Road (asphalt), phone network, water (connection to clean drinking water network)
3.	14	Animal Farm in the city's north-east	Road (gravel), water (connection to clean drinking water network)
4.	5 ha	Voskhod micro-district	Road (asphalt), phone network, water (connection to clean drinking water network)

### Key features:

- The land plots are municipally owned under the authority of the Municipal Property Management Department (MPMD) of Karakol City. Use of the land plots does not require any change in their category.
- The power transmission network is 0.4 kV with a transformer substation capacity of 450 kW per hour. Distance to the nearest connection point to the infrastructure is 1-3 km.
- All the stated works in connection with the infrastructure will be performed by the utilities services of the city pursuant to the relevant services' approval of construction works, such as buildings and factories.

### Karakol City Development Program for 2018-2022

To develop a common state policy for social and economic development, the Government of the Kyrgyz Republic approved the Concept Paper for Regional Policy of the Kyrgyz Republic for 2018-2022 in Resolution #194, dated March 31, 2017. The paper outlines plan to establish regional environment development centers aimed at strengthening cities as the focal points of growth for the regions. The Mayor's Office of Karakol City developed and approved its program for city development in 2018-2022 under the National Development Strategy of the Kyrgyz Republic for 2018-2040.

One of the key tools to attract investment into the processing industries is through provision of greenfield investment lots. The central government's Agency for Attraction and Protection of Investments and its the Ministry of Economy are jointly engaged in developing a methodology for implementing investment lots. The Mayor's Office of Karakol is ready to open sale 62 ha of municipal lands.

- To further develop the processing industries, the Government of the Kyrgyz Republic has proposed to establish a free economic zone that will promote exports of industrial products and development of entrepreneurship.



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## Existing investment projects

A register of investment projects by existing companies is available on the website of Karakol City.  
[www.karakolcity.kg](http://www.karakolcity.kg)

This information may also be requested from the Economic Development, Housing and Utilities Services Unit of the Mayor's Office of Karakol City.

**Contact Info:**

Address: 21 Tynystanov Str., Karakol city

Phone: +996 (3922) 5-26-72.

Email: [meriakarakol@gmail.com](mailto:meriakarakol@gmail.com)

## Permit documents for construction

Preparation and issuance of construction permits falls under the regional Department 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.

- 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.
- The second stage – approval, expert examination of design documentation, and issuance of permit for construction – takes 40 business days.

**Contact Info:**

**Issyk-Kul Region Urban Planning and Architecture Department**

Address: 1a Koenkozov Str., Karakol city

Phone: +996 (3922) 5-10-61

Email: [arxitektura.oblastnaya@mail.ru](mailto:arxitektura.oblastnaya@mail.ru)

More detailed information can be found at: [cbd.minjust.gov.kg/act/view/ru-ru/59299](http://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 data:**

**Inter-Regional Department for Karakol City, Ak-Suu, Tyup and Jeti-Oguz districts**

Phone: +966 (3922) 4-37-11, 4-35-10

Decision on allocation of municipal land plots is adopted by the City Kenesh, except for construction of individual houses (subject to moratorium).

# Cost of utility services in Karakol City

## Costs of utilities for legal entities and commercial consumers

Utility	Cost	Supplier
Power supply	KGS 2.24 per kWh	<b>VostokElektro</b> address: 24 Masaliev Str. <a href="http://www.vostokelectro.kg">www.vostokelectro.kg</a> phone: +996 (3922) 4-08-79
Water supply	KGS 19.46 per 1 cub. m.	<b>Vodokanal Karakol</b> address: 3a Tyupskaya Str. phone: +996 (3922) 3-22-81
Sewage	KGS 15.86 per 1 cub. m.	<b>Vodokanal Karakol</b> address: 3a Tyupskaya Str. phone: +996 (3922) 3-22-81;
Telecommunication	KGS 1926 is the phone line connection fee KGS 120 per month is the subscription fee	<b>Kyrgyztelekom</b> <a href="http://www.kt.kg">www.kt.kg</a> address: 124 Gebze Str. phone: +996 (3922) 5-00-18
Internet	KGS 4000 (for equipment) is the Internet connection cost (fiber-optic line). The installation is free of charge + subscription fee pursuant to the selected tariff. Internet connection via phone line is free of charge + subscription fee pursuant to the selected tariff.	<b>Kyrgyztelekom</b> <a href="http://www.kt.kg">www.kt.kg</a> address: 124 Gebze Str. phone: +996 (3922) 5-00-18 <b>Extra line.</b> <a href="http://www.homeline.kg">www.homeline.kg</a> address: 247 Toktogul Str. phone: +996 (3922) 5-43-21 <b>Elkat</b> <a href="http://www.elcat.kg">www.elcat.kg</a> address: 155 Lenin Str. phone: +996 (222) 664400

### Key data on infrastructure in Karakol City:

Karakol city has well-developed infrastructure and utilities services:

- Power supply: number of transforming substations is 638.
- Water supply: length of water supply line is 212 km.
- Sewage system: length of sewage system is 110 km; there are also newly built sewage lines of 12 km and one water treatment facility for effluents with design capacity of 22,000 cub. m. per day.
- No gas supply.
- Telecommunications: landline, mobile network, internet.  
Number of phone lines used by the population is 13,424.  
Number of broadband internet users is 3,915.

### Services for investors provided by Karakol City

The Karakol City administration is continuously implementing activities to improve the business environment for new and existing investors.

### Activities to improve the business environment in Karakol City implemented by the administration:

- Providing support to existing investors through an “aftercare” program
- Organization of business events such as the Annual Business Forum “Karakol is comfortable for business and life”, regional annual activities, Issyk-Kul Economic Forum, and Issyk-Kul Investment Forum.

### Continued activities to improve infrastructure in Karakol City:

- From 2018 to 2022, capital repairs of roads are planned using funds pooled from the national and local budgets and the fund for Issyk-Kul regional development.
- Capital repairs of asphalt roads – 100 km
- New asphalt surface – 50 km
- Pavements and bike roads – 350 km





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# Tax and other preferences for investors

Information about preferences, tax regimes and other non-tax payments is available on the website of Karakol City. [www.karakolcity.kg](http://www.karakolcity.kg)

This information may also be obtained from the Economic Development, Housing and Utilities Services Unit of the Mayor's Office of Karakol City.

Address: 21 Tynystanov Str., Karakol city

Phone: +996 (3922) 5-26-72

Email: [meriakarakol@gmail.com](mailto:meriakarakol@gmail.com)

You may also contact the **Department of State Tax Service for Karakol City**

Address: 57b Torgoev Str., Karakol city

Phone: +996 (3922) 5-19-40

## Access to financial and other services

### Availability of general business services in Karakol City

#### Representative offices of seven banks operating in Karakol City:

- Bai-Tushum Bank CJSC Address: 126 Gebze Str. Phone: +996 (3922) 5-20-67, 6-01-57
- Aiyl Bank OJSC Address: 120a Moscovskaya Str. Phone: +996 (3922) 5-97-27; 5-19-47
- RSK Bank OJSC Address: 271 Toktogul Str. Phone: +996 (3922) 5-17-33
- BTA Bank CJSC Address: Toktogul Str., (Kumtor Trade Center) Phone: +996 (3922) 5-21-51
- ATF Bank – Kyrgyzstan OJSC Address: 154 Lenin Str. Phone: +996 (3922) 5-07-10
- FinanceCredit Bank OJSC Address: Orozov Str. without number, Phone: +996 (3922) 5-14-70
- KICB-Karakol CJSC Address: 123 Jusaev Str. Phone: +996 (3922) 5-21-11

#### • Notary officers:

- public – 2: [minjust.gov.kg/ru/content/963](http://minjust.gov.kg/ru/content/963)
- private - 4:
  - Argysheva A. T. 154 Jusaev Str.
  - Asanakunova C.O. 14/2 Orozov Str.
  - Abdykadyrova N.D. 12 Orozov Str.
  - Musakunov M.K., 62 Jakypov Str.

- **IT services:** Peak Soft LLC, 1225-b/1 Gebze Str.

#### Business associations and public organizations:

##### • Union of Entrepreneurs of Karakol Address:

Toktogul Str., (Kumtor Trade Center) Phone: +996 (3922) 5-09-46

##### • JIA Business Association Address:

95 Kurenkeev Str., Phone: +996 550 774 145, E-mail: [jia.ysykkol@gmail.com](mailto:jia.ysykkol@gmail.com), [www.jia.kg](http://www.jia.kg)

##### • Society of Bee-Keepers Union of Issyk-Kul Region

Phone: +996 550 077 026; Email: [sp.kg@mail.ru](mailto:sp.kg@mail.ru), [www.sp.kg](http://www.sp.kg)

##### • Karakol Destination PA

Address: 22 Gagarina Str., Phone: +996 558 508 808,

Email: [bookingdmo1@gmail.com](mailto:bookingdmo1@gmail.com), [www.destinationkarakol.com](http://www.destinationkarakol.com)

##### • Council for Business Development and Investments of the Issyk-Kul Region

Address: 105 Abdrakhmanov Str., 4th floor office #84, Phone: +996 555 984 608, Email: [iksovet@gmail.com](mailto:iksovet@gmail.com)

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# Detailed information on registration of legal entities and sole proprietors

## 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](http://minjust.gov.kg/ru/content/1079)

### Contact Info: Justice Department of Issyk-Kul region

Address: 105 Adbrakhmanov Str., Karakol City

Phone: +996 (3922) 5-06-64, 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](mailto:mail@invest.gov.kg)

[www.invest.gov.kg/en](http://www.invest.gov.kg/en)



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# List of key companies breakdown by sectors

List of key companies, breakdown by sectors:

## Milk processing

- **Ak-Bulak plus LLC** – milk processing; number of employees – 30-55; exports to Kazakhstan, Russia and China.

## Agricultural processing

- **Fair LLC** – agricultural products processing, seafood sale; number of employees – 60; sale of products in the territory of the Kyrgyz Republic.
- **One village - one product** – felt processing, production of goods made of felt, food products production; number of employees – 2,200 (covering all districts of the Issyk-Kul Region).

## Meat and meat products

- **Toshtuk – Karakol LLC** – production of good-quality, semi-finished meat products.
- **Gaifulin SP** – production of feed for cattle.

## Agriculture

- **Issyk-Kul Agro** – import of high-quality planting materials (potato, current, garlic).
- **AiR LLC** – production of organic growth regulator, Econat.

## Commerce and trade

- **Ak-Tilek market (old market)** – open space market, the main emporium for customers from the neighbouring villages.
- **Ak-Tilek market (new market)** – new market located next to old Ak-Tilek market; merchants engaged in sale of clothes and shoes operate in the market; part of the space is used as a produce market.
- **Makish Bazary** – a smaller market located in the downtown of the City.

## Tourism

- **Karagat hotel.** [www.karagat-hotel.com](http://www.karagat-hotel.com)
- **Green Yard hotel.** [www.greenyard.kg](http://www.greenyard.kg)
- **Eco-Trek tourist agency.** [www.ecotrek.kg](http://www.ecotrek.kg)
- **Visit Karakol tourist agency.** [www.visitkarakol.com](http://www.visitkarakol.com)
- **Karakol Destination public association.** [www.destinationkarakol.com](http://www.destinationkarakol.com)
- **Hospitality Kyrgyzstan.** [www.cbtkyrgyzstan.kg](http://www.cbtkyrgyzstan.kg)



## Success stories of current investors

- **One village - one product (OVOP)** is an association of local producers in the Issyk-Kul Region. Established on June 24, 2011 in Karakol, its goal is to promote the OVOP method.

The OVOP movement is a special approach to regional development invented in 1979 in the Oita prefecture in Japan. It is an integrated method of developing local communities to improve producer revenues and welfare in the Issyk-Kul region by adding value to local resources, developing human capacity, and marketing high-quality products to help them gain world-wide recognition. Today the association consists of 180 groups (over 2,200 people). Members specialize in production of various products, such as goods made of felt, souvenirs, honey, jam, and wild berry juices.

When developing and implementing new types of products, members of the Association use modern creative methods and technologies in compliance with the Issyk-Kul Brand trademark criteria, notably in use of local resources, unique design, and being environmentally friendly.

The volume of sales for 2016 amounted to KGS 16.8 million and KGS 54.3 million for the entire project period. As of today, the number of products offered has risen to 800.

Following the 2016 results, the OVOP Project implemented by the Ministry of Economy with JICA support has been recognized as JICA's most successful project currently promoted in various countries of the world.

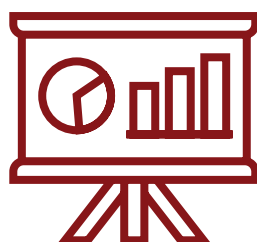
- **AIKO SEIKO LLC**

The company was established in January 1994 and focuses mainly on manufacturing special clothing. The founder is Sultanbaeva Nurbubu, having extensive experience in textile sector and skills, gained during the internship in Japan, established a textile company to manufacture high-quality universal and professional clothing for all areas of services. Since its establishment, the company has supplied on a continuous basis professional clothes (uniforms) for workers at 12 large companies, including Kumtor Operating Company CKSC, Gazprom-Kyrgyzstan, and BNK CJSC, etc.

In 2018, the company expanded its operations and opened Jalal-Abad Uniform LLC with charter capital of KGS 1,000,000 in Kanysh-Kiya village of Chatkal district in the Jalal-Abad region. In phase one, a workshop for 10 working places will be established to produce special uniforms for mining companies located in the southern region of the country, Jalal-Abad. Further plans include increasing the number of working places served to 50.

- **Toshtuk – Karakol LLC**

Established in 1999, today the company is a member of the OVOP Association and works in line with international standards. Company employees have been trained in new methods and techniques of raw material processing, and in basics of the production process. The company uses equipment made in Italy and produces quality semi-finished products. In the near future, the company plans to open another workshop to make products based on Khalal standard. The customers are mainly catering companies and a gold mining company. Previously, to open new workshops the company used to invite foreign technology experts, yet today the company has its own specialists.





# Quality of life in Karakol City

## Health care institutions in the territory of the City: 13.

- City polyclinics, Karakol City, 121 Adbrakhmanov Str., phone: +996 (3922) 5-13-23
- Issyk-Kul region consolidated hospital, 2 Orozov Str., phone: +996 (3922) 5-24-15

## Theater - 1.

- Issyk – Kul regional music and drama theater named after Dzhanochev K.  
Address: Tynystanov Str., 24, +996 (3922) 5-11-37

## Cultural events and activities:

- **Birthday of the City** – “The streets, squares, and guest yard were founded on July 1, 1869, as were the bottom groundsill of military barracks,” wrote A.V. Kaulbars in “Notes on organizing Karakol City.” This date is deemed to be birthday of the city, which was named after the Karakol river.
- **Ethnic festival** – organized annually upon approval of the Mayor’s Office of the City. Each year the ethnic festival is devoted to a specific topic reflecting traditions of the Kyrgyz people.
  - EXPO
  - Agri-exhibitions
  - Tourist festivals
  - Bike marathons

## Sports infrastructure:

Number of sports facilities: 40 of which:

- Stadium - 1
- Hyppodrome - 1
- Sports fields - 10
- Sports gym - 26
- Sports clubs - 12
- Sports trainers - 31

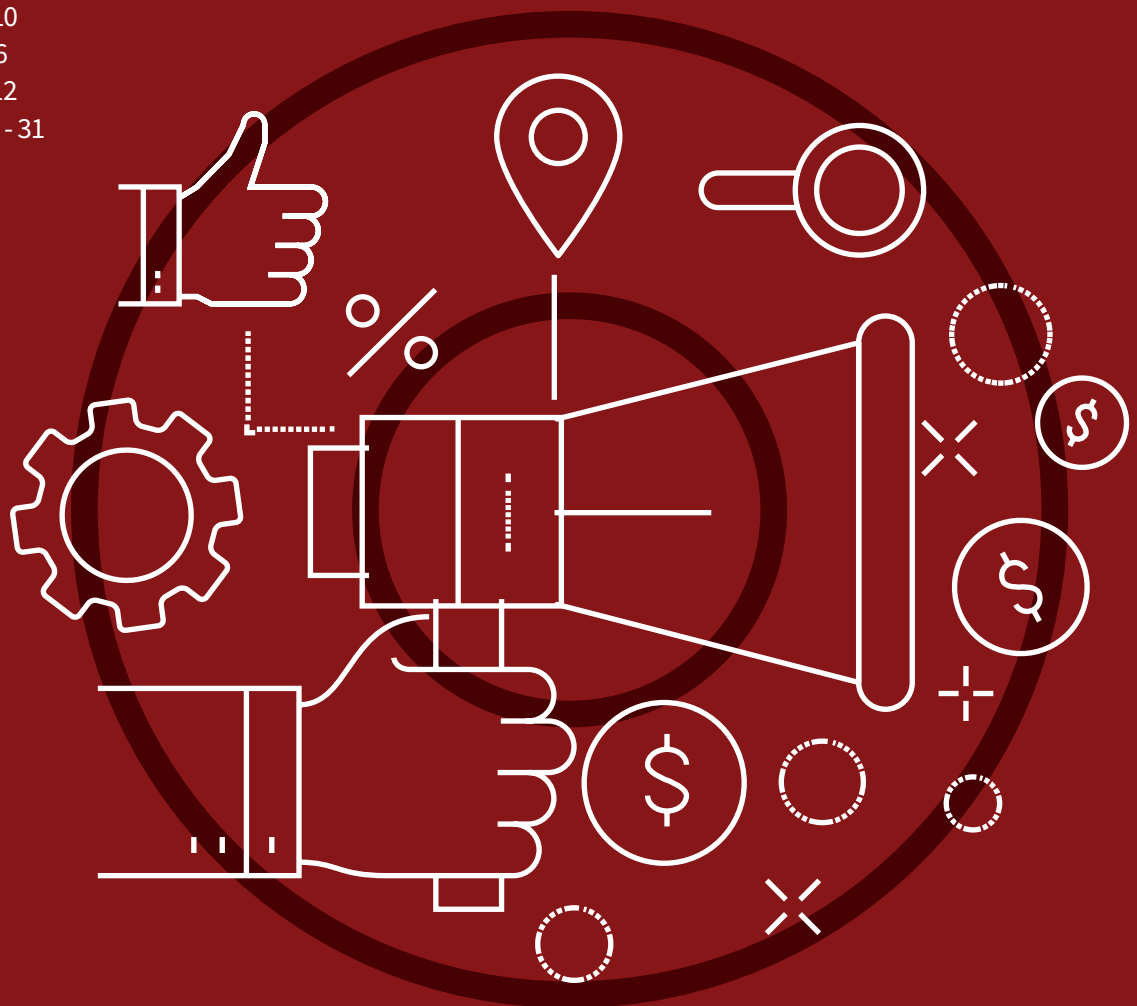






Photo by Roman Arnold









## Contact for investors in Karakol City

For inquiries regarding investments in the city please contact:

**Economic Development, Housing and Utilities Services  
Unit of Mayor's Office of Karakol City**

Address: 21 Tynystanov Str., Karakol City

Phone: +996 (3922) 5-26-72

Email: [meriakarakol@gmail.com](mailto:meriakarakol@gmail.com)

[www.karakolcity.kg](http://www.karakolcity.kg)



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