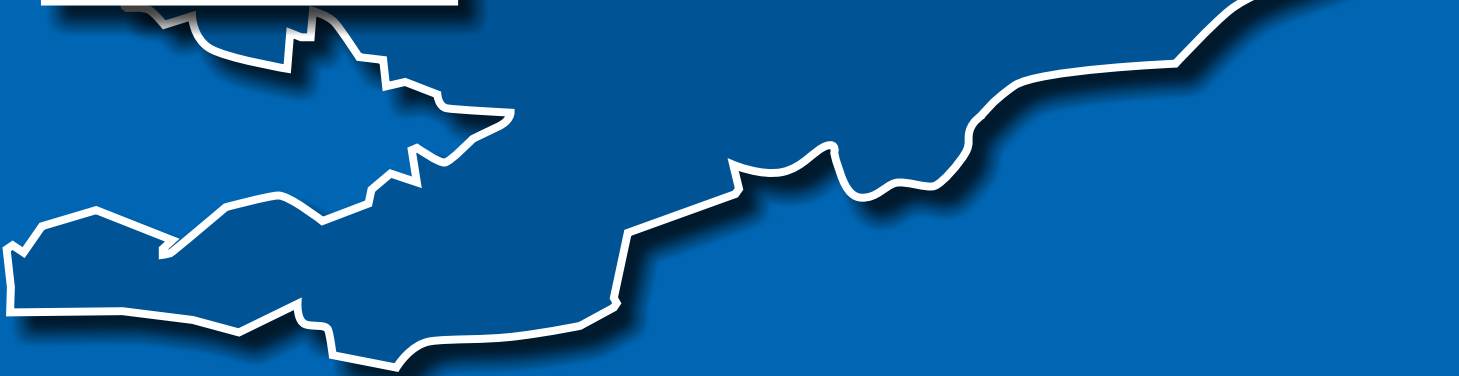




Road Transport in Kyrgyzstan - 2013





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Bishkek, 2013

Summary

The Kyrgyz Republic is situated in the northeast of Central Asia, occupying a part of Tien Shan Mountains and the north chains of the Pamirs-Altai Mountains. Borders mainly go through natural frontiers – crests of high mountain ridges and rivers, and only in some areas they descend to flat lands of Chui, Talas and Fergana Valleys. Kyrgyzstan borders: with Kazakhstan – in the north, with Uzbekistan - in the west and northwest, with Tajikistan - in the southwest, with China – in the south and southeast (border length - 1049 km). Total length of the Kyrgyzstan borders is 4503 km. Total area of the country - 198,5 km². 94% of the country is occupied by mountains. Average height is 2750 m above sea level.

Territory of the Kyrgyz Republic stretches for 900 km – from west to east, for 410 m – from north to south and is situated between about 39° and 43° of the northern latitude. The highest part of the country's territory is located at its eastern outskirts. The highest peaks of the whole Tien Shan mountain system – Pobeda Peak (7439 m) and Khan-Tengri (6995 m) rise in the mountain knot, which borders with China. From here mountains ridges fanlike branch off to the west and southwest, creating detached parallel chains, spreading, mainly, in latitudinal

direction for up to 300-400 km. The highest Chon-Alay (Zaalayskiy) mountain ridge, with its second highest peak of Kyrgyzstan – Lenin Peak (7134 m) is located at the end of the south borderline of the country with Tajikistan.

In high mountainous conditions and due to the lack of outlet/access to the sea and hard-to-reach regions of the country, land communication ways leave no alternative for domestic transportation of passengers and freights, as well as for transport and economic communication links of the Kyrgyz Republic with neighboring states. Besides, road transport accounts for 95% of total volume of freight and 97% of passenger transportations.

Moreover, the Kyrgyz Republic is the most important transit country in Central Asia region, as the main freight transportation routes are located along its territory – both towards north-east (from Kazakhstan to Russia towards Tajikistan and Afghanistan), as well as towards south-east (connection of Central Asia with China). As of today land transport of the Kyrgyz Republic plays growing role in development of effective Europe and Asia transport communication links.

Considering the above mentioned, development of transport system and its integration into the world transport services market is important area of social and economic and foreign policy strategy of the Kyrgyz Republic. Tasks in road complex are mainly being sorted out through cooperation with international institutes and programs. At the world level it is cooperation with leading international organizations – European Economic Commission

of the UN, UN ESCAP, OSCE, multilateral financing institutions – the World Bank, Asian Development Bank (ADB), Islamic Development Bank (IDB), European Bank for Reconstruction and Development and others, as well as cooperation with the European Union and regional organizations – CIS, ECO, SCO, European and Asian Economic Community, Inter-governmental commission – TRACECA, etc.

1. Economy of the Kyrgyz Republic, 2010-2013: Assessment and projections

After gaining independence in 1991, the Kyrgyz Republic started consecutive transition to democratic public management system and market economy. In May 1993 it introduced its own national currency – Som, equivalent to 100 tyiyn. Transition was difficult, and results varied. Three stages can be defined here:

From 1991 to 1995 – common for almost all new independent states of post-Soviet times – sharp reduction of production and revenues, sharp growth of people below poverty line (about 50 % of the population), growth of social inequality and hyperinflation, followed by initial macro-economic stabilization.

From 1996 to 1999 – economic stabilization, increase in limited sectors (agriculture, gold mining and energy). Nevertheless, high budget deficit and necessity to cover it made the economy extremely vulnerable. From 2000 to 2002 the following was noted: continuing growth, inflation slowdown, budget deficit reduction, stabilization of exchange rate, but the problem of foreign debt increased. Analysis, conducted by IMF, showed that for seven years since 1996, starting from the growth of GDP rate, the economy of the Kyrgyz Republic grew, in average, by 4.7 % per annum in real measurement.

Now for the purpose of moving the economy of the Kyrgyz Republic into new level, it is necessary to sort

out such tasks as – diversification of growth resources, investment increase, export enhancement, development of small and medium business and agriculture.

The main factors, which influenced improvement of the economic situation in the country, are as follows:

External:

- Sustainable economic growth in the main trade partner-countries of the Kyrgyz Republic (*Russia – 4,2 %; Kazakhstan – 7,5 %; China - 9,2 %*);
- Increase in prices for gold at the level of 1326,0 – 1760,0 USD per 1 ounce (January – December, 2011);
- Abolition of export duties for oil products, supplied to Kyrgyzstan from Russia, and moderate increase in world prices for oil;
- Moderate inflation rates (6–7,4 %) in the main trade partner-countries (Russia, Kazakhstan).

Internal:

- Stable price level for energy resources;
- Tax preferences for entrepreneurship entities, including relief and simplification of taxation for sewing and textile industries;
- Exemption from VAT: special goods for construction and reconstruction of glass-worked oven, deliveries and export of gold and silver alloy, refined gold and silver;

- Restructuring of accounts payable of enterprises (OJSC «Kasiet», OJSC «Ak-Tilek», factory «Dostuk»);
- Simplification of conditions for business operation by reducing number of inspections, licenses and other measures of government control in order to reduce corruption and shadow economy;
- Growth of loans into the economy – by 20,8 %;
- Increase in inflow of investments into processing and mining industry.

As a whole, established price level was formed under the impact of such main factors as:

- Slowdown in increase of prices for basic food commodities (fruits and vegetables, sugar, bakery and cereals) in the domestic market;
- Slowdown in increase of prices for nonfood goods and services in the domestic market;
- Reduction of prices in the world food markets;
- Moderate increase of prices for fuels and lubricants in the domestic market;
- Stable price level for utilities;
- Substantial increase of state budget expenses as one of the main sources for money supply growth.

In accordance with measures taken for prevention of further reduction in economic growth and for achievement of the expected economic growth indicators in 2012, and in view of prerequisites and tendencies of gradual

development of all the economy sectors in 2012, the main task for 2013 is to renew economic growth through:

- Achievement of the projected increase rate of Gross Domestic Product owing to gradual renewal of industrial production volumes and stable functioning of agriculture, construction and services sectors;
- Ensuring inflation rates moderation within the projected indicator;
- Preservation of volume of international reserves at the level of 3-4 months for import of goods and services, at least;
- Increase of efficiency of public management and anti-corruption measures;
- Creation of favorable investment climate for private investments' inflow;
- Fostering entrepreneurship development through increase of efficiency of regulatory policy measures;
- Reduction of burden of external debt;
- Reduction/legalization of "shadow" economy;
- Expansion of external economic relations and trade;
- Job creation;
- Full and timely provision of all the national social safeguards.

Projected economic growth for 2013 – 7.0 % will be achieved through contribution of all the economy sectors into GDP. Besides, the largest contribution will be from services sector (2.35 %) and industry (3.08 %), and construction contribution (0.59 %) and of agriculture (0.18 %) will be neutral.

2. Brief information about transport system of the Kyrgyz Republic and the role of road transport in it

The Kyrgyz Republic is the country, which takes advantageous transit position and owing to this it has all the chances to become the most important route for freight transportation using transport corridors of Central Asia. As of today, land transport of the Kyrgyz Republic, as well as fast developing railroad network and growing air traffic system play important role in establishing links between Europe, the CIS countries and Asia Region countries.

Total length of motor roads in the Kyrgyz Republic is about 34 thousand km. Length of public roads is about 8810 km, others – 15190 km – road in cities, villages, agricultural, industrial and other enterprises. Length of international roads is 4163,0 km, state roads – 5678 km, local roads – 8969,0 km.

In 1992 the Kyrgyz railway was established on the basis of Bishkek railway department, but in October 1994 areas of former Central Asian railway, located in Osh and Jalal-Abad oblasts, were handed under its administration. Currently total length of the main railways of the Kyrgyz Republic is 424.6 km. Railway net is fragmented, disconnected, and geographically divided into two parts – north (323.4 km) and south (101.2 km), which provide neighboring countries – Kazakhstan and Uzbekistan with access to railway net through Kyrgyzstan.

For further development of railway and for joint project implementation for construction of railroad “China-Kyrgyzstan-Uzbekistan”, on 17 April 2012 Memorandum of Cooperation was signed between Ministry of transport and communication of the KR and Corporation for Roads and Bridges Construction, China (CRBC). According to this memorandum, within one year the Corporation is obliged to develop complete technical and economic assessment (TEA) for the Kyrgyz part of railroad. It is supposed that construction of new mainline railroad will allow to avoid huge expenses for transit traffic using railroads of neighboring countries; as the route to the south of the country will be shortened, it will sort out the problem on delivery of fuels into the country and will create favorable conditions for development and management of territories in and around the railroad. This project is of high economic importance.

In 1920-s water transport was first used in Yssyk-Kyl Lake, Kyrgyzstan. In 1926 state-run enterprise “Yssyk-Kul steamship line” was founded in order to satisfy needs of the population in transportation of goods using water transport and cargo handling. This streamline line includes port “Rybachiy”, docks “Prjevalsk”, “Kurmenty” and “Pokrovka”. Shipping along the lake is all the year round. Total length of water way is 200 km.

In 1930 first civil aviation line, Bishkek – Tashkent – Hojent – Fergana – Andijan – Osh was opened. In 1933 air route – Bishkek-Karakol was used for transportation of mail and passengers, and then air route – Bishkek-Balyckchi-Naryn-Uzgen-Osh started functioning. As

for air communication, geographical location of the Kyrgyz Republic is unique. According to assessment results of some experts, aviation route from Europe to some Asian countries through Kyrgyzstan is shorter for 1,0 – 1,5 thousand km, and it reduces total route by 10-15 %. Currently civil aviation consists of 16 enterprises, including 14 air companies, state-run enterprise “Kyrgyz air navigation”, OJSC “International airport - Manas”, as well as Aviation College. Regularly operating airports are as follows: Osh, Jalal-Abad, Karakol, “Yssyk-Kul”, Naryn, Talas, Chatkal, Kyzyl-Kiya, Kazarman, Batken, etc. Among them international airports are as follows: “Manas”, “Osh” and “Yssyk-Kul”, which are modernized in accordance with international standards.

As Kyrgyzstan’s territory is mountainous, road transport plays essential role in freight and passenger transportation. First vehicle entered the country in 1912. Formation of automobile sector took place in the 1920-s.

Unlike road industry, which is considered to be as state sector, even in second half of the 90-s vehicle sector was fully privatized and functions of Ministry in it were limited to regulation through licensing and organization of passenger and international goods transportation, and supervision over adherence with transport legislation. International transportations using road transport of the country have started developing since 1993.

After gaining sovereignty by the Kyrgyz Republic, and transition to market economy, rendering of transport services in vehicle sector was privatized. Joint-stock

companies, LLC, PE, SE, etc. started being established and individual carriers started providing services for transportation of passengers and goods. Currently there are more than 350 legal entities in vehicle sector, which provide passenger transportation services (out of them 30 – legal entities for taxi), 50 legal entities for freighting, as well as more than 20 thousand individual persons, which provide freight services and 69 enterprises under units of Ministry of Transport and Communication of the Kyrgyz Republic, which ensure transport process (bus stations, bus terminal, cash desk). Number of vehicles, as well as volume of transportation of goods and passengers, using road transport, increases annually.

Effective functioning of road transport is being ensured by relevant infrastructure, to which, first of all, motor roads network relate. Motor roads in our mountainous country form a basis for the whole transport system of the country and it is quite obvious that road transportations prevail in all sectors of economy. International road corridors, as well as domestic motor road network provide almost the only way of getting access to regional markets of goods, services and play significant role in ensuring communication between the main economic centers inside the country. Preservation and improvement of regional road corridors is a natural priority of the country in road and transport sector and in structural economy of the country. Currently it is necessary to reform government regulation system in the field of vehicle and transport complex as prevailing sector of national economy.

3. Transportation of passengers and freights

Transport system of the Kyrgyz Republic ensures mobility and transportation of people; that is why there are high requirements to it in terms of safety, quality, regularity and reliability of transport communications in market economy conditions. Besides, there are also high requirements to freight transport services in terms of security and safety of goods delivered, as well as in terms of compliance with delivery timeframes. Considering this, condition of transport communications of the Kyrgyz Republic must comply with modern international requirements.

But in order to transform vehicle sector into transport and logistics system of the world level as soon as possible, it is necessary to implement complex modernization not only of infrastructure and vehicles, but also improve government regulation and management system in transport area. Provision of proper quality of passenger transportation services is top-priority task of each passenger transportation vehicle owner. According to State Registration Service under Government of the Kyrgyz Republic, stock of passenger vehicles of the country includes about 632,5 thousand vehicles, out of them more than 600,5 thousand passenger cars, and about 7 thousand – buses and 25,1 thousand – minibuses. Analysis of exploitation period of passenger vehicles of the country indicates at progressive ageing of vehicles, and most vehicles almost worked out in terms of recourses and require upgrading. Over last three years (2009-2012), share of passenger vehicles with service life

of more than 10 years increased from 30 % to 48%. Huge work was also fulfilled for upgrading of passenger vehicles of the country by searching for and attracting investors. Objectives for increase of volume of transportations increase of economic efficiency of the Kyrgyz passenger carriers are urgent today, as never before. It is not only for domestic lines. According to international experience, qualitative “leap” in transport area can be achieved only by using new technologies for transportation processes, which meet modern requirements and high international standards.

Considering the above stated, Ministry of transport and communication of the Kyrgyz Republic together with Kyrgyz transportation carriers conducted negotiations with Chinese, Russian, South Korean and Ukraine manufacturers on the issue of cooperation in upgrading of vehicles.

According to the mayor’s office, Bishkek city, within the period from 2008 to 2010 458 new Chinese buses, out of them in 2008 – 200, in 2009 – 153 and in 2010 – 105 were procured for Bishkek transport enterprise. Also about 542 minibuses were renewed.

As of the end of 2012, route network of the Kyrgyz Republic includes 949 bus routes (including urban bus and trolleybus routes in Bishkek and Osh), out of them 51 – international, 58 – interregional, 552 – intraregional, 288 – urban. Total length of bus routes is 82 444,2 km.

Currently passenger motor transportations, which are of social significance, and which ensure vital social and

economic links between regions, foster overcoming of the society delimitation and their closer relations, gain special importance.

Almost in all regions of the country there are population localities, which are not covered by routing bus services/transport. Out of 1807 population localities of the country, 1646 (91,1%) are covered by routing bus services, and other – 161 (8,9%) are without any routing services. Most of them are remote rural areas of high-mountainous districts, and the lack of which is explained by non-profitability of routes and non-compliance of roads and bridges condition with requirements for ensuring of safe transportation of passengers. Also one of the reasons of low profitability of hauliers is existing system of government regulation of fare rates for transportation of passengers for domestic routes. Lagging of revenues increase from prices increase for consumption of fuel, electric power, materials and technical facilities does not allow transporters to timely renew their vehicles and invest funds into development of their own production and technical resources, and training of drivers, etc.

Shortage and insufficient number of high-capacity buses in such large cities as Bishkek, Osh, Jalal-Abad resulted into sharp increase of low-capacity buses (minibuses), which replaced high-capacity buses for 95% on urban bus routes. Increase in the number of minibuses primarily pollutes the environment (results into increase of emission of greenhouse and other gases), as well as creates a threat to security of passenger transportation/ carriage and of road traffic. And it becomes a problem for other participants of road traffic.

In Kyrgyzstan within 16 years passenger turnover of all types of transport increased almost 2,5 times. So in 1996 volume of passenger turnover comprised 3 677 500 km, and in 2011 this indicator was 8 862 600 km.

In the next years there was stable growth of passenger turnover. Sharp growth was noted from 2010 to 2011. If in 2010 the volume was 8 122 400 km, in 2011 – it reached 8 862 600 km.

Lower indicators in increase were seen from 1998 to 1999 (+99 mln.km), from 2001 to 2002 (+1 mln 200 thousand km), from 2005 to 2006 (+197 mln.km).

As of 31 December 2011 number of freight vehicles of the Kyrgyz Republic was 103 163 vehicles, out of them 92 792 – trucks and 10 371 – special. Analysis of exploitation period of freight vehicles of the country, like of passenger transport, indicates at progressive ageing of vehicles, and most freight vehicles almost worked out in terms of recourses and require upgrading. Over last three years (2009-2012), share of freight vehicles with service life of more than 10 years increased from 28 % to 41%.

As for freight transportation, currently there are 35 legal entities and about 8 thousand freight vehicles, which provide freight services within the country. 18 transporters/carriers and more than 200 vehicles provide international freight services.

In September 2008 first working visit of Secretary General of International Road Transport Union – Martin Marmi to our country took place. According to results

of this visit, on 18 May 2009 Memorandum between Government of the Kyrgyz Republic and International Road Transport Union was signed in Bishkek for development of freight transportations between Asia and Europe and between the main markets through the Kyrgyz Republic. And it created new cooperation opportunities between Kyrgyzstan and IRU, laid down the foundation for multipronged cooperation, aimed at development and strengthening of international road transport industry.

Together with Project “Development of centers for certification of equipment for transportation of perishable goods in Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan and Turkmenistan”, and under agreement about international transportation of perishable goods and about special vehicles for such transportations, which the Kyrgyz Republic joined, on 15 September 2009 Ministry of transport and communication of the Kyrgyz Republic made a presentation of vehicles certification laboratory, equipment for which, 25 000 euro worth, was provided free of charge under International program TRACECA.

Currently there are about 1000 vehicles-refrigerators in the Kyrgyz Republic. Earlier Kyrgyz transporters undertook certification of equipment in vehicles in other countries, and it entailed additional expenses and made this process difficult. Opening of this laboratory in Bishkek will enable our transporters to undergo certification in Bishkek. It will significantly simplify their tasks and will save funds for certification of equipment for transportation of perishable goods.

4. Perspectives for development of international transport/road corridors

Total length of transport corridors of the Kyrgyz Republic is 2242 km, which have 8 routes: Bishkek-Osh (672 km), Bishkek-Georgievka (16 km), Bishkek-Chaldovar (zone – Kara-Balta-Chaldovar – 31 km), Bishkek-Naryn-Torugart (539 km), Taraz-Talas-Suusamyр (199 km), Osh-Sarytash-Irkeshtam (258 km), Osh-Isfana (385 km), and Sarytash-Karamyк (142 km).

According to results of recent studies, out of 2242 km of roads, 502 km are in good condition, 133 km – in satisfactory, 250 km – in unsatisfactory and 1357 km are in poor and very poor condition. Now only 717 km of road out of 2231 km are under rehabilitation.

According to experts, currently about 80 % of all Chinese export freights by cost and 60 % by weight refer to category of containers. All these freights are ideal to be transported using road transport. Also road transport will enable to develop alternative routes for delivery of goods from China to Europe, to substantially reduce goods' delivery time, as well as introduce effective logistics schemes for “door-to-door” delivery.

Roads – Osh-SaryTash-Irkeshtam and Bishkek-Naryn-Torugart ensure transit traffic through territory of the Kyrgyz Republic, and are potentially crucial international transport corridors and which form the main volume of budget receipts in the form of customs duties, collected for transportation of freights and entry of freight transit transport.

Currently rehabilitation of the whole road – Osh-SaryTash-Irkeshtam has been started with the support of international financing institutions. Project is scheduled to be completed in 2013. As for road – Bishkek-Naryn-Torugart, rehabilitation works of road section from 400 to 539 km have been started. Rehabilitation of these road corridors will have positive impact over economic situation in the Kyrgyz Republic and People’s Republic of China through improvement of transportation conditions and facilitation of flow of traffic, goods and passengers, increase of trade volume between Kyrgyzstan and China.

International road – Bishkek-Naryn-Torugart was assigned with the following corridor code under CAREC: CAREC 1 – Europe – East Asia.

This road goes through Chui, Yssyk-Kul and Naryn regions and ensures links with neighboring countries – Kazakhstan, China and along Karakorum highway with Pakistan and India with outlet/access to Indian ports. Total length is 539 km. As of today, rehabilitation of 168 km of the road completed. In 2013 120 km of the road will be rehabilitated. And in 2014 – 209 km. Rehabilitation works are fulfilled using proceeds, allocated by relevant international donors.

Measures taken for improvement of this road shall be considered as one of the priority ones under development perspectives of regional cooperation in the Central Asian region.

Taking into consideration future construction of railway route through Kyrgyzstan, which will unite China and Uzbekistan, improvement of Bishkek-Naryn-Torugart road will be an integral part for development of the region road infrastructure and will play important role in road transportations.

Rehabilitation of part of road “Osh-Sarytash-Irkeshtam” is in process, and it will ensure reliable traffic communication between China, Kyrgyzstan and Tajikistan and provide with access to Afghanistan and Pakistan, as well as will promote more sustainable social and economic development through increase of transit freight and passenger transportations.

Total length of Osh-Sarytash-Irkeshtam road is 258 km. As of now 189 km of the road are rehabilitated. Project completion is scheduled for early 2013, when 69 km of the road will be rehabilitated.

Road corridor – China-Kyrgyzstan-Tajikistan, length of which is about 550 km, is the main traffic artery for two countries, which do not have outlet/access to the sea – the Kyrgyz Republic and Republic of Tajikistan for trade purposes with China. It also forms an integral/essential part of regional road network in Central Asia, which connects the Kyrgyz Republic, China, Tajikistan, Afghanistan, Uzbekistan and Turkmenistan. In a broad sense it is considered to be as part of Asian road network, which through Afghanistan connects ocean ports of Iran and Pakistan with Kazakhstan and the Russian Federation.

Total length of Taraz-Talas-Suusamr road is 199 km, out of them 75 km is rehabilitated and other 124 km are scheduled to be rehabilitated in 2013-2015. Now for its complete rehabilitation negotiations with international donors are ongoing. This road has access to central highway, which connects north and south of the country, as well as leads to Kazakhstan and unites agricultural districts of Talas oblast with Bishkek city and with industrialized regions - Chui, Jalal-Abad and Osh. In view of intensive development of international trade, which is considered to be as one of the main indicators for economic growth of the Kyrgyz Republic, rehabilitation/reconstruction of this road is one of the most important components for development of this region. Also this road is the only independent road corridor for population of Talas oblast of the Kyrgyz Republic.

Road – Osh-Batken-Isfana is under active rehabilitation. Total road length is 360 km. Attraction of investment resources for rehabilitation and reconstruction of parts/zones of road – Osh-Batken-Isfana, including parts bypassing enclaves and territories of neighboring countries is made on the basis of KR Law “About priority of road rehabilitation project – Osh-Batken-Isfana in the Kyrgyz Republic”. First of all, implementation of this project is aimed at sorting out of issues regarding crossing of territories and enclaves of neighboring countries, and will ensure transport independence of the Kyrgyz Republic, continuous and permanent links with regions, and will foster poverty reduction. Considering the urgency of the project for rehabilitation of road – Osh-Batken-Isfana for social and economical development of the Kyrgyz

Republic's region, negotiations with different international donors were conducted. As of today 28 km of the road is rehabilitated, and in 2012-2013 125 km of the road is scheduled to be rehabilitated.

Comprehensive benefits from rehabilitation of roads include, first of all: enhancement of road traffic safety owing to improvement of road surface, installation of road signs and facilities, and, as a result, reduction of human deaths in accidents; reduction in transportation costs; reduction of journey time; reduction of vehicle maintenance expenses, including expenses for fuel and spare parts, and – reduction of prices for transported goods.

Considering state budget opportunities, Ministry of transport and communication of the Kyrgyz Republic proposes such a level of financing for rehabilitation and maintenance of roads, which will help to get complete liquidation of roads accumulated deterioration by 2018, and starting from 2019 road sector will ensure stable development of roads.

On 21 January 2013 President of the Kyrgyz Republic – Almazbek Atambaev signed Decree “About National strategy for sustainable development of the Kyrgyz Republic for the period 2013-2017”.

Strategy for sustainable development of the Kyrgyz Republic, 2013-2017 (further – Strategy) envisages that the country as a whole can focus on the implementation of key reforms and development of strategic directions. Support

of own possibilities will be considered as framework for ensuring of long-term dynamic development. The main outputs of implementation of economic development road map of the Kyrgyz Republic shall be: move of economy to stable and sustainable development, job creation and enhancement of living standards of the Kyrgyz population, and accordingly, strengthening the Kyrgyz state system and national security of the country. Other most important priorities for 2013-2017 are as follows: provision of reliable protection of fundamentals of economy and private ownership, substantial reduction of corruption level and enhancement of the population trust in the government.

According to strategy, for achievement of objectives defined, it is necessary to sort out the following main tasks:

- 1) Rehabilitation of five road routes, which are considered to be as international road corridors;
- 2) Preservation and improvement of domestic roads using hard surface; (3) provision of transport independence of the country;
- 3) Development of technical and economic assessment/feasibility analysis and commencement of construction of China-Kyrgyzstan-Uzbekistan railway and branch railway, which will connect north and south of the country;
- 4) Creation of air transport hub.

Considering that the main type of transport, used in the Kyrgyz Republic, is motor transport, the main priority in medium-term perspective is to satisfy requirements of the population in passenger and freight transportations services, renewal and replenishment/enlargement of vehicles park/stock, as well as preservation and development of road network.

As a whole, policy measures for development of transportation services will be aimed at introduction of public-private partnership mechanisms in road traffic complex. It will be needed to establish maximum favorable conditions for attraction of private investments, including direct investments into this sector of economy, as well as promote further engagement/participation of all the users in development of infrastructure projects.

Implementation of the above described tasks of the Strategy, in conditions of moderate increase of entrepreneurial activity of transporters/hauliers of the Kyrgyz Republic, is considered to be as reliable prerequisite for further strengthening of the role of motor/vehicle transport in development of national economy.

*Единство действий во
имя лучшего будущего*



с 1948 г.

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