

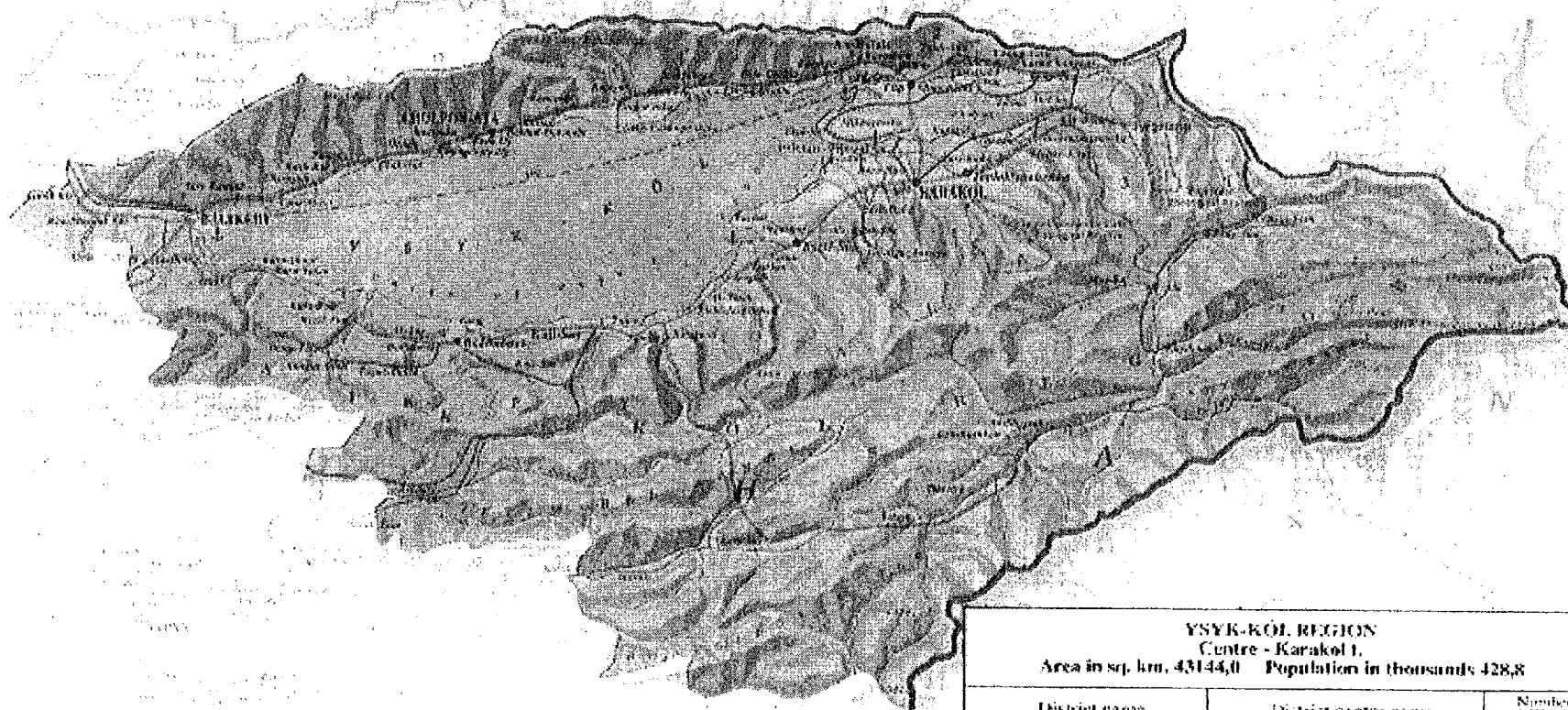
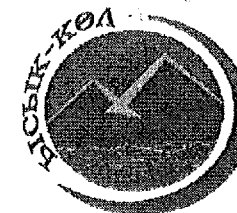


KYRGHYZ REPUBLIC

ISYK-KUL REGION

KARAKOL

2002



YSYK-KOL REGION Centre - Karakol I. Area in sq. km, 43144,0 Population in thousands 428,8		
District name	District centre name	Number of District on the map
Ak-Suu	Tepluklyuchenka v.	3
Isty-Ogliz	Kysyl-Suu v.	5
Tong	Bokonbay v.	4
Tup	Tup v.	2
Ysyk-Kol	Cholpon-Ata t.	1

Towns of region subordinate: Balykchy, Karakol
 Cholpon-Ata is town of district subordinate

The names of urban type settlements Jyrgalang, Prstan'-Priyval'sk, subordinating Karakol authority, Onto-Tokoy to Balykchy authority are printed in red colour

CONTENTS

- 1. GOEGRAPHICAL SITUATION AND RELIEF**
- 2. CLIMATE**
- 3. NATURAL RESOURCES**
- 4. ENVIRONMENT PROTECTION**
- 5. ECONOMY**
- 6. INDUSTRY**
- 7. AGRICULTURE**
- 8. TRANSPORT**
- 9. EDUCATION**
- 10. CULTURE**
- 11. PUBLIC HEALTH**
- 12. PERSPECTIVE DIRECTION FOR INVESTMENT**

1. GEOGRAPHICAL SITUATION AND RELIEF

Isyk-Kul region is located in the Central and North-East part of the Kyrgyz Republic, where in the North-West and North borders on Naryn and Chuy regions of the Republic, in the North and North-East on Republic of Kazakhstan, in the East, South-East on People's Republic of China.

Main characteristic of the Isyk-Kul region is the rotation of the mountain ranges and hollows. 4/5 of its territory occupy the mountains. Hypsometry of the region is characterized by the high absolute marks and gradually going down in the West. Extent of these absolute marks fluctuates between 900 to 7439 m. The surface of the Isyk-Kul region lies 262 km in latitudinal extend and 588 km in longitudinal extend. Absolute height of the mountain ranges is 6000-7000 m. above sea level (peak Pobeda 7439). The territory is divided into two major parts: Isyk-Kul hollow and syrty (flat high spaces).

Isyk-Kul hollow is one of the largest (second after the Fergana compared to its volume) mountainous area of Tyan-Shan- in the wide direction it stretches to 240 km. In the North the hollow is lined the Kyungey-Ala-Too, in the South the Teskey-Ala-Too. Kyungey Ala-Too stretches in latitudinal extend 285 km, in the West coming lower it crosses to the West shore of the Chuy river, in the East it comes down to the Kegen-Karkarian intermountainous valley. Teskey-Ala-Too widens in latitudinal extend 375 km. In the East it's ***** approaches to the West slopes of Kyungey-Ala-Too mountains and here the narrow mountain pass San-Tash joins the Isyk-Kul hollow with a Kegen-Karkurian trough.

In the West the hollow finishes with a West end of Kyrgyz mountain and with a mountain massive of Kyzyl-Ompol. In this area there are two passes: - Boom and Orto-Tokoy, which form the nature pass from the hollow to the high flat places of the Republic-Chuy and Kochkor valley. In the hollow of the Kyungey-Ala-Too mountain ranges, which is covered with everlasting green attire of Tyan-Shan fir-trees, lies Isyk-Kul lake, the pearl of Tyan-Shan mountains.

2. CLIMATE

Location of the Isyk-Kul region in a zone of desert and the isolation of the hollow with high mountain ranges from penetration of cold air mass from the North and hot air mass from the Central Asian deserts determines the character of climate. There are two types of climate: Isyk-Kul hollow and West high mountainous climates.

In general, the climate of Isyk-Kul hollow is warm and genial in which the elements of maritime, mountain, plain climates are combined. Such combination, according to specialists, is very rare. However specific circulation air mass in the hollow makes original regime on temperature and moisturizing of its West and East part.

Isyk-Kul lake has the most influence on forming the littoral flat's climate. Opened water surface of the lake makes the climate genial and warm than in another intermountainous trough of Tyan-Shan, located at the same altitude. In general the littoral climate differs being genial in winter and moderate warm in summer. Atmospheric rainfall in the Isyk-Kul hollow increases from 100-120 mm. a year in the West, to 400-600 mm. in the East and up to 850 at the San-Tash pass.

Climate of West high mountain area is continental, hard and close to the arctic climate. The temperature of the warmest month-June fluctuates from +4 to +11°C. Annual rainfall in high mountainous zone comparatively is not high 200-300 mm. in valleys and 400-600 mm. at the altitude of 4-5 km. In cold weather rain falls 10-20% of annual rainfall sum.

3. NATURAL RESOURCES

1. WATER RESOURCES

Enormous supply of water is concentrated in Isyk-Kul region, accumulated as glaciers and everlasting snow. The biggest ice-houses are the areas of mountain massive of Khan-Tenir, Ak-Shiyarak, Sary-Djaz.

Geographical building, climatic conditions and freezing have great impact on the formation of the river system and the river flow of this region. The highest Eastern part of the territory is occupied by the basin of Sary-Djaz river, all the flow of which goes to China, to the system of Tarim river. According to the research, 55% of annual, the flow modules of a year flow can change from 5.3 l/s km.sq. In the basin of right tributary of Ak-Shiyarak to 16.5 l/s km.sq. in the frozen basin of the Enilchek flow. From the West, the Upper Naryn adjoins to this basin. The headers of its 2 main components-Chon Naryn and Kichi Naryn ; also melted cluster water play great part in supply. In this region these rivers have the modulus of annual flow about 8-10 l/s km. sq. Forming average consumption 45.6 m. cb/s. which all the flows of Sary-Djaz, Chon Naryn, Kichi Naryn rivers are out of use, though they are very perspective for the development of hydroenergetic system and tourism. Because of remote location and difficult access this area has not been researched well. A special role in the life of this area belongs to the rivers of Isyk-Kul basin which are the source of irrigation, water supply.

The Isyk-Kul region is a unique part of the world. About 40-50 % of general quantity of Kyrgyzstan's glaciers are concentrated in this area and the significant object of world nature is a big massif of freezing at the Upper Sary-Djaz in the region of peak Pobeda and Khan-Tenir.

2. SOIL

This particular area has the horizontal and vertical zoning of the soil. The first of them is represented on the flat part of the basin, second is characteristic of the surrounding mountain slopes. Peculiarity of this region is in presence of

gray-brown desert stony soils which are not possible to meet anywhere except this place and in eastern part of Kochkor hollow in the Central Tyan-Shan. Alongside with such soils, light-brown soils are found. On the slopes of mountain we can meet chestnut-colored, subalpine, alpine and steppe soils.

3. VEGETATION

A great vertical dismemberment, complexity of the relief and the high hypsometric position of Isyk-Kul region, a considerable oscillation of hydro-thermic indexes and other ecological factors have stimulated the formation of various vegetation and flora. Different vegetable associations of different type-structures-wormwood and solyankared deserts, surfed steppes, alpine meadows with high grass, fir-woods, and deciduous forests, shrubs are located on the same territory. The basin is divided into height belts: deserts, semideserts, steppes, meadow-steppes, forest-meadow steppes, subalpine, alpine and glacio-naval. The wide flora is represented by about 1500 species of vascular plants, combined more than 50 vegetation associations.

The woods are chiefly spread on the North and on the nearest mountain slopes surrounding Isyk-Kul. On the Northern slopes of so called Teskey-Ala-Too small massifs of the fir-woods begin from the lowest approximately at the Bokombayevo village and then stretches till Tup river valley on the East. More thick massifs of the fir-woods are situated in the valley of rivers Juuku, Chon Kyzyl-Su, Djety-Oguz, Yrdyk, Karakol, Ak-Suu, Boz-Uchuk, Turgen, Ark-Soo and Djergalan.

4. THE ANIMAL WORLD

The animal world includes 50 species of mammals, 285-birds, 11-reptiles, 4-amphibians, 31-fish, more than 30 species of invertebrates and about 10-invertebrates-endemic and subendemics. Most of aboriginal species of fish belong to the endemic of the Isyk-Kul. Fauna on the whole is heterogeneous, comparatively young. Isyk-Kul lake basin forms Isyk-Kul zoogeographical district, which consists of lake-lots, foothills, middle hills. The lake lot embraces lake side and water associations. About 100 species of waterfowls and birds living near water are found there. Some of them build their nests. They are black cropped loon, sheldrakes, top, bittern, black stork, wild duck, red billed pochard; land rail, crane-beauty, small and sea plovers, lapwing, boat-bird, snipe, common gull.

The number of reptiles and amphibians dramatically reduced during the last decades from the direct destruction by inhabitants and guests.

Among mammals one can see talai, gray marmot, jarboa-juper, silver field-vole, wolf, bear, ermine, weasel, snow leopard, mountain goat, Tyan-Shan sheep. Alpine district occupies the large part of the Central and Inner Tyan-Shan zoogeographical region and they are homogenous.

4. ENVIRONMENT PROTECTION

Environment protection is realized by the regulation of using environment on the base the legislation. There are many main protection territories. They are National park-Isyk-Kul, Tup, Djety-Oguz, botanic parks (Barskoon waterfall), also hunting parks (Tokoy, Semenovka).

In the region successfully have been taking many measures for sanitation of the air basin. In many enterprises are being installed filters for purification of chemical gases. Major activities of local government in the field of protection is to keep further animal constructions from sanitation zones, to decrease the using chemical artificial materials in agriculture, to transmit high technologies and installation modern purificatory constructions.

5. ECONOMY

Natural conditions and resources of Isyk-Kul region account for the economy, mountainous space is favorable for the development of many branches of economy. The main delights of the region are: the non-freezing lake Isyk-Kul, deposits of mineral waters, large deposits of healing mud, climate favorable for treatment and rest, long natural sandy beaches, arable land (pastures, lands under cultivation), beautiful mountains, the landscape, reserves of gold, tin and other non-ferrous metals, different building materials, water resources are inimitable.

The regions economy specializes in the production of non-ferrous metals (tin, gold, silver etc.), Electro-technical articles, wool, meat, milk, potato, ship-building, ship-repairing, development fine fleeced and semi-fine-fleeced sheep-breeding, meat, milk cattle-breeding. The health resort economy is of world significance. Further complex development and accommodation of productive forces, direction of branch's specialization will be connected with the main needs of health-resort sanatorium institutions and scale of their growth. Specific gravity of the region is in the industrial production of the republic forms 4.5 % of output value. Relatively low level of development of health industry potential is connected with the development of health resort zone where building of enterprises of heavy industry , not connected directly with the needs and satisfaction of health resort sanatorium enterprises, is prohibited.

6. INDUSTRY

There are more than 50 industrial enterprises on the territory of the region. Food industry takes the leading part (52.8 %), then comes mechanical engineering and metal working industry (28.5 %), light industry (11.0 %), building material industry (4.9 %), fuel industry (2.2 %) and others.

A. Fuel-power complex includes coal and brown coal output and the production of electroenergy. Jyrgalan's coal deposit is situated 70 km to the North-East from the city Karakol. It was found in 1950. The coal is mined. The pit " Sentralnaya" is situated in the city type settlement Kaji-Say. Brown coal is mined.

- B. Electro-power branch** is presented by Isyk-Kul enterprise of network, it includes Karakol's power knot from central heating-and-power plant, Djete-Oguz, Tonsk, Cholpon-Ata, Tup district mines, Kaji-Say central heating-and-power plant, which capacity of 4125 kw and Karakol central heating-and-power plant, that works on the basis of coal deposits in Segettu and Djergalan. Consumers of the region receive the main part of the electroenergy from the power grids of Northern Kyrgyzstan and Southern Kazakhstan through power transmission line-110 kw. The line of electrotransmission 110 kw Balykchy-Kaji-Say, 112 long was constructed in 1970, high voltage lines are installed in the village Ak-Shiyarak and settlement Enilchek, situated on syrt.
- C. Mining Complex is being formed and it has great perspectives.** One of the strategical directions is exploitation of tin, copper, lead, complex ore wolfram, tantalum, niobium, molybdenum, gold, silver and other metals are found in the Sary-Djaz river basin. The building of the tin mineconcentrating group of enterprises is carried on the basis of Sary-Djaz tin deposits. 8 mln. tons of graphite raw materials for manufacturing of imitation diamonds are found in Koylu(Sary-Djaz), in Enilchek's tin zone marble gravel and limestone were found.
- D. Mechanical engineering and metal working industry.** First of all, development of the branch is connected with more productive utilization of manpower. That is why labor-consuming mechanical engineering is prevailing. There are electrotechnical plants in Karakol and in the city type settlement Kaji-Say where different power transformers, semiconductor instruments, domestic electric ranges, transformers, electric laboratory and others are produced. Its products are exported to foreign countries. Balykchy ship-building and ship-repairing is only one in the Republic that carries out repairs of crafts and building of not self-propelled barges, intended for the transportation of building materials, grain, cattle and etc.
- E. Timber and wood working industry** is presented by Balykchy wood processing plant. Forestry satisfies region's necessities in timber only as much as 3-4 %. Timber is processed at the wood-processing plant where building details of all types for the uindustrial needs, agricultural and health- resort construction needs are produced.
- F. Building material industry.** Among available enterprises we should single out the largest: Kurmenti cement plant, Balykchy plant of Ferro-concrete items, ceramist-gravel plants: Ferro-concrete item plants, brick-yard, gravel-sorting yards in Karakol, Kyzyl-Suu and Tup brick-yards. Their production is used for the economic necessities of the region. There are deposits decorative stones (granite in Kashka-Suu, syenite in Ak-Olon, plastic clay in Tup, basalt in Tory-Aygyr).
- G. Light industry** is represented by shoe and cloth factories. Light industry is developing, but it has great perspectives due to tourism.

Small enterprises manufacture souvenir shirdaks (hand made rugs), clothes, articles and etc.

7. AGRICULTURE

The region is favorable for fine-fleeced and semifine-fleeced sheep-breeding and meat-milk cattle breeding. Substantial amount of grain (mainly wheat) is produced here; potato, gardening, vegetable-growing, poultry-farming and bee-keeping are developed here too. Region is one of the main agricultural zones of the Republic: 14% of agricultural land fall to its share, 12% of arable land, 14% of grass output of the Republican agriculture, 21% of grain, 6% of vegetable, 53% of ration potato, 20% of fruits, 19.5% of sheep-breeding, 16% of cattle-breeding and 11% of swine-breeding output , 28% of honey of the total volume of output. Specialization of farms of Western districts of the region, where arable land has a very nourishing character and is directed at the fine-fleeced sheep-breeding and gardening, in the Eastern part with highly developed agriculture specialized on sheep-breeding, milk, meat, gardening, grain, and etc.

A. LIFE-STOCK FARMING. Region is the largest cattle-breeding district in the Republic. Natural meadow lands, field-fodder industry and mixed feed production are the sources of fodder's entry. Field-fodder industry makes more than 50% in fodder balance. Market has changed the aspect of cattle-breeding radically, reoriented it on green and grass fodder, changed the structure of life-stock in favor of private subsidiary farms.

B. GARDENING. Coastal and foot-hill zones of the region have favorable conditions for gardening due to the influence of the non-freezing lake Isyk-Kul. Due to cool summers, fruits are ripening later, have the highest preservation qualities, are transportable and have perfect qualities. There are three zones of fruit-growing the hollow Western, Central, Eastern. The most favorable conditions for growing of the valuable winter sorts of seed and stone-fruits are in the Central part. The Eastern part is less favorable for gardening, because of cold late frosts and early autumn frosts. The Western part with weak stone soil is more profitable for gardening than for growing other agricultural crops. It is especially favorable for apricot.

8. TRANSPORT

The motor transport, railway, water and air transport. The relief peculiarity imposed a stamp on the character and development of some kind of transport. The valley parts are developed for transport, where the main industrial complexes of the region are concentrated. The main kind of transport is autotransport, both outside and inside. The length of the macadam roads is 6796 km including the ones of interstate significance 1645 km, republican significance – 2514 km, regional and local significance is 2637 km. There are 73.3 km of the roads for 1000 km of the territory. Hard-covered roads make 84.5% from the total length. The main highway (450 km) stretches around the

lake Isyk_Kul : Isyk_Kul motor ring is the largest highway of the Republic (1650-1880m above the sea level). That makes an exit for the railway line Balykchy-Bishkek-Tashkent-Moscow etc. and for motor road Bishkek-Torugart and along the road to the Chuy valley, Almaty, Tashkent, Djalal-Abad, Osh, also to Naryn region and to China. At the present time autoroad from Karakol city to Xinjiang (China) is building.

RAILWAY TRANSPORT. Railway line to the lake Isyk-Kul was constructed in 1948. The line lies through the mountainous districts having up to 20% of rise; it is exposed to drifts, stonefalls, and is hindered on one side by the mountains, by motor road and river on the other side. Railway connects the region with industrial centers of the Republics of Central Asia, Siberia and European states of CIS countries. The equipment for the industrial enterprises, raw materials, cars, fuel, fertilizers, grain, sugars, timber are coming and agricultural raw materials, production of different branches are exported by this road.

WATER TRANSPORT. Water transport began to function for the first time in Kyrgyzstan in 1920. Isyk-Kul steam navigation was created in 1926. It transports load and passengers on the lake under the sea-like condition. The total length of the way is about 200 km. It mostly operates in the Isyk-Kul region and plays adjoining to the lake.

AIR TRANSPORT. Air-lines connect almost inaccessible industrial centers of CIS and foreign countries. Passenger transportation makes about 90% of the transportation.

9. EDUCATION

There are created law foundations reforming the system of education in Kyrgyz Republic, worked out the major reference points of teaching and education ideology of studying youth admitted such documents as: law (Order) "About Education", National educational programs: "Bilim", "Cadres of the 21 century", "Access to education (Jetkinchek)" since 1991.

The 1996 year by the decree of the President A.Akaev was declared "The year of education" and the 2000 - "The year of youth and education".

Major achievements of this period in this region are: Pedagogical groups of the schools accomplished a definite work on keeping and development the networks of education establishments, providing the educational access for all categories of pupils.

So, as in 1991 in the region were functioning 184 schools, then in 2002 their network raised to 192 and consequently the groups of pupils are raised from 88048 to 98665.

Within the limits of National education programs "Bilim", "Cadres of 21 century" carried out the work on renovation of the teaching-educational process, introduction to modern technologies of teaching methods, move the great masses of teachers to the way of creative searching. There were opened 12 schools-lycees, 8 grammar schools, 3 author's schools, functioning 5 private

educational establishments, 144 schools are moved to work in the regime of experimental pedagogical platform since 1991.

Due to the admitted measures, pupils of this region each year during eight-year period take 1-st places among other regions of Republic in the republican competitions on general subjects. In 2000-2001 129 final-year pupils became "excellent", 182- continue their education in the higher educational establishments of the Republic and in foreign countries.

In the goals of creating modern systems in organization of educational activity with pupils in all schools of the region are working the organs of pupils self government, since 1993 there are acting Issyk-Kul regional children - adult organization "Manas", which is integrated more than 60 thousands of pupils of all schools in the region.

There is the improvement the qualitative structure of pedagogical cadres. In August 2002 there were 7599 pedagogical cadres, 6111 of them with higher education, 267- unfinished higher education, 1143 – secondary special education.

There were directed more than 1300 young specialists to the schools since 1991, which in each three year teachers are passing the increase qualification courses. In this period of time by the decree of the President A.Akaev 15 teachers were awarded a Honorary title "Emeritous Teacher" and "Merted worker of Kyrghyz Education". Since 1991 850 teachers were rewarded by the mark of "Excellent teacher of Kyrghyz Educaion".

10. CULTURE

Following to the state program of development and art of Kyrghyz Republic "Madaniyat" by establishments of culture and art of the region worked out definite work on strengthening financial-technical foundation, development of art amateur performances, rebirth of national traditions and keeping historico-cultural legacy.

There are conducting the review competitions in the aims of amateur performance annually: on different genres among region and towns, management, organizations and educational establishments "The days of culture", "Yr-Kese".

In connection with necessity of development vocational artists, folklore, puppet art for *** of the oblast population's demands Issyk-Kyl regional theatre after the name of K. Djantoshev was reformed to Issyk-Kyl regional musical theatre.

11. PUBLIC HEALTH

There was created Issyk-Kyl regional united hospital by the joining of 11 medical – preventive establishments. Economical efficiency from reforming of the regional public health consists of 3091.1 thousands soms, this money is reinvested to the public health of region. With the aim of effective use tangible resources, there are united Balykchy's, 3 town and children hospitals. Whole

hospitals and town hospital of Balykchy are working in the system of Medical Insurance, what it's let to improve social protection of the population.

Medical service of the population realizes by the Issyk-Kyl regional united hospital of common profile and by 5 central region's hospitals, by one hospital in Ananyevo, by the 70 groups of family's doctors and 126 paramedic-obstetrician stations.

At the 1st half of 2001 there was continued the work for consolidation of first medical public health. There are created the Centers of family's medicine (CFM) on the basis of polyclinics.

PERSPECTIVE DIRECTIONS FOR INVESTMENTS

Isyk-Kul region is located in the East part of the Kyrgyz Republic. The area of the region is 43.500 km sq, of which 67% occupy the mountains, 10%-flats, 23% Isyk-Kul lake. There are three town in the region Balykchy, Karakol, Cholpon-Ata, five rural districts Ak-Suu, Djети-Oguz, Isyk-Kul, Ton, Tup; five small villages of urban type Djergalan, Pristan-Prjevalsk, Kadji-Say, Ak-Bulak, Orto-Tokoy and 183 rural populated points. Population of the region is 417.800. Regional center is Karakol. with the population more than 70.000. West part of the region Ak-Suu, Tup, Djети-Oguz is life-stock farming and plant-growing farming with developed wheat, potato farming and gardening. West part, Isyk-Kul district is health recreation zone, Ton district-cattle-braeding, Balykchy city-industrial.

Isyk-Kul lake is one of the main sights of the region. More than 120 health-recreation resorts houses, resting complexes, sanatoriums and child health centers are situated on the shore of Isyk-Kul. And have the perfect sand beaches. Many of them use the thermal sources, mineral water and healing mood far treatment-recovery of resting tourists.

Due to its natural-climate, historical, cultural potential of the region, also having health recreation infrastructure, tourism is one of the perspective industry of the region. Main aims of this sector is to create the infrastructure by which will be the development of tourism as the source of the income and employment of the people. Adventure and ecological tourism is developing. Peaks Pobeda, Khan-Tengry and some other snow tops are becoming the attractive objects for climbers. Attraction of investments to the tourist industry, try to its infrastructure appears to be more profitable and perspective deal. Realm of present day dictate us to provide favorable conditions for investment attract to the refinery industry far agricultural production likewise, as prior directions of the region for investment attraction are: a) industry, this is the formal strategic branches of the industry which were executing the orders of defend complex by the provision of raw materials and other potentials from other parts of USSR. It includes some machinery electrotechnical plants, also that parts of the industry which were directed to produce the products for regional, nearlying markets and for the markets of other countries. In this, we think that economical recovery of the industrial sector will be long process and will depend on creation of entrepreneurs' group, who will have abilities to use the opportunities, in existed

new competing markets based on demand. b) water resources. Thermal and mineral water are met in the whole region. There are many sources for production of spring water some of them are highly mineralized and used for treatment. c) underground resources. In the process of geological research in the territory of the region was found wide specter of mineral resources. Within the limit of Ak-Shyrak, Sary-Djaz mining basin. There are explored tin deposits of complex are wolfram "Trudovoye" (149.000 tons of tin, 95.000 tons trioxide of wolfram) and tin deposits Uch-Koshkon (60.700 tons of tin). Explored deposits Ken-Suu (29.500 tons of wolfram) and Sary-Bulak (10.000 tons of tin). In djergalan river's hollow was explored deposit of lead. "Echki-Chat" (98.800 tons of lead). At this deposit may be mined 55.500 tons of silver. Main raw materials of superthick mineral are the basalt of Tory-Aygyr deposits (3 millions m cb). For production of graphite is the Koolu deposit (117.800 tons graphite). All these deposits have significant industrial value and on their basis may be organized rentable mining enterprises. d)pharmacies branch has the big opportunities in production of drug articles on the basis of local herbs and other treating resources. e) Material and furniture production Total volume of industrial wood is estimated 1.0 mln, or 40 % of all wood reserves of Kyrgyzstan.

In the goals of execution of Government's order of Kyrgyz Republic and activation of the work on investment attraction, provision favor investment climate in Isyk-Kul region, a working group was created by the Isyk-Kul regional state administration and was affirmed working plan on increasing the flow of direct foreign investments to economy of the region.

By the working group jointly with financial-credit structures are being taken all the efforts on searching more effective methods to simplify the system of giving loan and credits to business structures.

Carried out analysis of investment attraction to the region showed, that taking efforts on these directions have positive impact for development of region's economy.

In perspective, trade growth and services will be increased, which will provide great opportunities for development of small and medium enterprises.

So, from January to October according to the data of regional committee on statistics by the small enterprises of the region (including FEZ Karakol) was manufactured production for the sum of 50.9 mln soms, which is 8.2% of total volume of industrial production, not including the production, manufactured by Joint-Venture company "Kumtor" and growth rate was 117%.

For period , by private sector of the region was manufactured products for the sum of 50.9 mln soms and was 24.7%. Growth rate was 118.9%.

By the medium enterprises was manufactured products for 129.4 mln soms, which makes 20.9% of total volume of industrial productions with the growth rate of 101.9%.

By the joint-venture companies was manufactured production for 41.2 mln soms, which made 6.6% of total volume of industrial production. Growth rate was 100%.

In total by the enterprises of the small and medium business structures was manufactured production for 374.8 mln soms or 60.5% of regional volume. Growth rate was 109.4%.

One of the main directions for investment attraction is the development of refining industry for agricultural productions.

Geoeconomic situation of the region is the determined by prevailing of agricultural reproduction . Actuality of the issue of production refining industry of agriculture for the region at the present time is very sharp, so as the rural population , manufacturing agricultural productions is obliged to sell to commercial structures by the prices , which are not profitable and less than their costs for their production. All these factors tell us that it is necessary to develop the production of refining agricultural productions.

In Isyk-Kul region following types of agricultural products are grown, which have the prior directions for investment attractions:

Types of products	Name of products	Volume	Prior directions for investment attraction for manufacturing products
Grain	Wheat, barley	187037 ha	Flour, bran
	Oats		Diet productas, pastry
Vegetable	Potato,sugar	Potential for growing up to 40.000 tons a year	Starch, chips
	sugar beet		sugar
	garlic,carrot, onion, pea, bean, different types of cabbages, pumpkin		Canning, children food
Fruits	Apple, pear, apricot, plum, cherry	6612 ha, potential for growing up to 33.000 tons	Canning, juice, jams and etc.
Berries	Currant, raspberry,	460 ha	

Life-stock breeding	Milked stock	60800 heads	Chease, curds, butter, youghurt, ice-cream, fresh cream, meat, leather, skins for currying
	Horses	56400 heads	Canned meat, kumyz, skins
	Sheep, goats	634800 heads	Canned meat, skins, milk, wool
	Porks	13300 heads	Canned meat, sausage
Poultry- farming	Hans	298300 heads	Eggs, meat, fuzz
	Dugs		Canned meat
	Gooses		
	Turkeys		

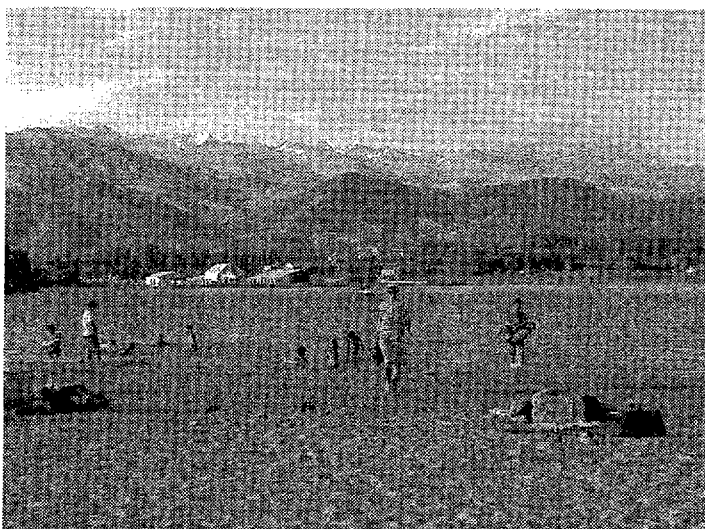
There are adequate areas for gardening (apples, pear, apricot,). At the present time refining of agricultural products, production of milk products, canning vegetables and fruits, production of wine-fruit articles. The region is the exporter of the agricultural products to other regions of Republic, at the same time to Kazakhstan, regions of Russian Federation-Siberia, Altay, Far East.

It is already started breeding different kind of fishes in natural water houses of Teshik-Kol, Saz-Kol, Temir Kanat, Kosh Karakol, Sary- Talaa. In the goals of further investment attraction were developed business projects and were directed to Donor organizations on installation of equipments for product refining.

In Karakol city functions Free economic zone "Karakol". It includes 92 enterprises, which of 85 enterprises are working with employment of 539 people.

3. Tourism in Kyrgyzstan (法律、傾向、展望)

Professional Manager Consulting



Tourism in Kyrgyzstan: State Regulations, Tendencies and Prospects

Bishkek 2002

Tourism in Kyrgyzstan: State Regulation, Tendencies and Prospects. – Bishkek, 2002. – 56 p.

This report was prepared by "Professional Manager Consulting" company of Kyrgyzstan by the order of Japan International Cooperation Agency (JICA).

Authors:

V. Nishanov

T. Baicherikov

Editor:

G. Vakulina



Content:

1. State Management of Tourism in Kyrgyzstan.
 - 1.1. *Structure of the State Committee on Tourism, Sports and Youth Policy*
 - 1.2. *Involvement of Non-Government Associations in the Structure of Tourism Management.*
2. Professional Staff in Tourism Administration.
3. Tourism as a State Policy Component
4. Tourism Sector as Part of National Industry
5. Private Tourism Sector
6. Tourism Infrastructure
 - 6.1. *Health Resort Facilities*
 - 6.2. *Roads*
 - 6.3. *Airports*
 - 6.4. *Restaurants*
 - 6.5. *Telecommunication*
7. Tourists Registration
8. The Issyk-Kul Region: Environment, Social Sphere and Ecology.
 - 8.1. *Social and economic aspects.*
 - 8.1.1. *Industry*
 - 8.1.1.1. *Mining Industry*
 - 8.1.1.2. *Machine Building, Metal Working and Electrical Engineering.*
 - 8.1.1.3. *Manufacture of Construction Materials*
 - 8.1.2. *Energy supply*
 - 8.1.2.1. *Heating Supply*
 - 8.1.2.2. *Electric Power Supply*
 - 8.1.3. *Agriculture*
 - 8.1.3.1. *Plant Growing*
 - 8.1.3.2. *Livestock Farming*
 - 8.2. *Pollution in the Issyk-Kul Region*
 - 8.2.1. *Pollution Dynamics*
 - 8.2.2. *Major Sources of Pollution*
 - 8.2.3. *Radiation Background.*
 - 8.3. *Ecological Situation in the city of Cholpon-Ata*
9. Tourism Business: Tendencies
 - 9.1. *Tourism Business: Tendencies.*
10. Living Conditions of the Issyk-Kul Region Residents
11. Population Employed in Tourism Business
12. Proposals on Potential Tourism Projects in Kyrgyzstan



Appendix 1

Organizational Chart of the State Committee of the Kyrgyz Republic for Tourism, Sport, and Youth Policy

Appendix 2

Organisation Chart Of tourism management in Issyk-Kul Regional Administration

Appendix 3

General Information about Kyrgyzstan

Appendix 4

Interviews with Managers of Tourism Companies

Appendix 5

Timetable of International Flights from Bishkek, Almaty, and Tashkent

Flights from Bishkek:

Flights from Almaty:

Flights from Tashkent:

Appendix 6

Information on the Osh-Bishkek Road Reconstruction

Appendix 7

List of Countries The citizens whereof may enter Kyrgyzstan visa-free

Appendix 8

On “Issyk-Kul” Biosphere Reserve

Appendix 9

Organisation Chart of Tourism Management in Issyk-Kul Regional Administration

Appendix 10

Organisational Structure of Biosphere Territory “Issyk-Kul” General Directorate

Appendix 11

Technical Assistance Projects aimed at tourism development

Appendix 12

Travel, Business, Culture: Useful WWW Links

1. State Management of Tourism in Kyrgyzstan.

Until 1991 there were three structures engaged in tourism business: "Intourist", the Agency for International Youth Tourism "Sputnik" and the Republican Council for Tourism and Excursions under the USSR Central Trade Unions Council.

Upon gaining independence there was established a national tourism administration – Ministry for Tourism – whose major responsibility was to coordinate and supervise tourism business. Since its inception the Ministry for Tourism has changed its title and status to be known as:

1. **State Committee for Tourism** (Dec 1993 – Mar 1994)
2. **State Committee for Tourism and Sport** (Mar 1994 – May 1996)
3. **Ministry for Tourism and Sport** (May 1996 – Dec 1996)
4. **State Agency for Tourism and Sport under the Government of the Kyrgyz Republic** (Dec 1996 – Dec 2000)
5. **Kyrgyz Republic State Committee for Tourism, Sport and Youth Policy** (Dec 2000 to present)

The Kyrgyz Republic State Committee for Tourism, Sport and Youth Policy (SCTSYP) is a central state authority whose major objective is to pursue a common state policy in the sphere of international and domestic tourism, physical culture and sports and to develop tourism infrastructure in the Kyrgyz Republic. The Committee has executive, administrative and control (supervision) powers and is engaged in tourism coordination and development of in line with the state policy. Also it partakes in considering strategic issues of tourism development.

The State regulates the tourism business through:

- Drafting of regulations and norms aimed at facilitation and putting the tourism industry in a good order;
- Promotion of the tourism product in the domestic and international tourism markets;
- Protection of tourists' rights and interests, provision of their security;
- Creation of favourable conditions for investments, improved taxations and customs regulations;
- Facilitation of staff training, promotion of tourism studies and research works;

The **basic functions** of the Committee are as follows:

- Formulation of proposals concerned with the government policy and the field of tourism and various forms of corporate management of tourism enterprises and objects of tourism industry;
- In coordination with other state agencies maintain a unified state policy of tourism development regarding privatisation of tourism infrastructure, health resort (spa) facilities, hotels and restaurants;
- Assisting in state marketing strategy for promoting prospective kinds of tourism products in international tourism markets;
- Drafting of regulations concerning tourism, physical culture and sports, and further improvement of the tourism legislation of the Kyrgyz Republic;



- Develop, in the established manner, international contacts. Ensure, as decreed by the Government, preparation and implementation of international agreements in the sphere of tourism.

Objectives of the State Committee in the Sphere of Tourism:

- studying, synthesizing and analysing status of tourism, also identifying main strategic ways of tourism development in Kyrgyzstan;
- in cooperation with interested ministries, state committees and administrations drafting proposals aimed at attraction of foreign capital into tourism industry;
- together with interested ministries, state committees, administrations and agencies, and in cooperation with international organizations and their representative offices, ensure relevant staff training, re-training and skills upgrading for tourism industry.

Section IV of Articles of the State Committee for Tourism, Sport and Youth Policy describes the rights and powers of the said Committee as follows:

- Submission to the Government of the Kyrgyz Republic recommendations on joining international conventions, ratification of international agreements concerning tourism, physical culture and sports;
- Requesting, in the established manner, information on tourism from central and local authorities;
- Making decisions on the issues within its competence, requiring legal regulations, and which are mandatory for all the legal entities and private entrepreneurs, and, within its competence, carry out controlling functions;
- Establishing in the assigned manner, and not contradicting to the current legislature of the Kyrgyz Republic, organization departments in the SCTSYF structure, provided they operate on self-financing basis, and if are attracted funds available.

1.1. Structure of the State Committee on Tourism, Sports and Youth Policy

The State Committee on Tourism, Sports and Youth Policy is headed by a Chairman appointed by the President of the Kyrgyz Republic. The Chairman is assisted by two deputies, the First Deputy is supervising tourism and youth policy, the second is responsible for sports.

The management structure of the Committee consists of the Head of SCTSYF Administration whose major competence is general and economic issues, and the Chairman's Assistant whose main responsibility is scheduling of the Chairman's working day and other matters. Altogether the Committee is staffed with 44 people. Under the State Committee there is a 9-man Consultative Board. The scheme is presented in Schedule 1. Tourism is the competence of the two departments:

- The Department for Tourism, International Relations and Marketing;
- The Department for Tourism Infrastructure Development and Skilled Staff Training in Tourism Sector.

The Department for Tourism, International Relations and Marketing is engaged in establishing contacts with foreign states, national tourism administrations and international donors and creditors whose assistance is required for the facilitation of tourism infrastructure development and business advertising. Besides, the Department is involved in tourism marketing and accumulation statistical data in tourism sector.



The Department for Tourism Infrastructure Development and Skilled Staff Training in Tourism Sector analyses tourism infrastructure in Kyrgyzstan and trains instructors for the State Committee and tourism enterprises.

Each Department employs six specialists including heads of departments; department manager, 4 senior experts and 1 leading expert. It is expected that by the end of the year 2002 the existing personnel arrangements will change and instead of four senior specialists there will be only two. Added to the staff will be a leading specialist and one specialist of the First Category. Responsibilities and powers of specialists are provided in the Department Articles.

Until recently **the Prime Minister's Administration** has had two departments supervising the State Committee for Tourism, Sport and Youth Policy:

- Department for Social and Cultural Development (Sector for Social Security, Science, Education, Culture and Sports), and
- Department for Tourism and Entrepreneurship.

At the end of September 2002 the Department for Tourism and Entrepreneurship transferred its competence of tourism management to the Department for Social and Cultural Development retaining entrepreneurship supervision. Thus, the Department for Social and Cultural Development is the only authority within the Prime Minister's Administration, which supervises the State Committee.

It should be noted that in 2001 there was established an Interdepartmental Coordination Council for Tourism under the Prime Minister's Administration which involved heads of ministries and departments which are directly or indirectly concerned with tourism or otherwise promoting tourism business¹. Both Houses of the Jogorku Kenesh (Parliament) also have two subdivisions supervising the State Committee for Tourism, Sport and Youth Policy:

- In the Legislative Assembly - Committee for Tourism and Sports chaired by A.T. Kerimkulov;
- In the People's Assembly - Committee for Youth Affairs, Tourism and Contacts with Public Associations and Mass Media, chaired by B.E. Sherniyazov.

1.2. Involvement of Non-Government Associations in the Structure of Tourism Management.

Strictly speaking non-government associations (NGOs) are not committed to perform managing or regulating functions. However, there is a tendency in Kyrgyzstan for some of NGOs' functions in the sphere of tourism to coincide with the state functions. Moreover, some of the tour operators are actually capable of influencing the state system of tourism control.

Currently there are at least 5 NGOs engaged in tourism business:

- **Association of Tour Operators of Kyrgyzstan.** Established in 1996 as tourism companies union engaged in hospitality tourism. In 1999 the Association was re-registered; the new Charter was adopted. It includes 25 members.
- **Association of Tour Operators "Silk Road"** was established in 1998 as a group of tourism companies preparing "package tours" along the Great Silk Road. In reality, this is an affiliate organ of Association of Tour Operators of Central Asia.
- **Association of Tour Operators of Central Asia** was established in 1997 as a "closed tourism companies club", from 1998 it has become open and available to the others. Main

¹ On September, 27, 2002 a new Working Group was established by the Order of the PM's Administration. Now includes Helvetas, TICA and JICA.

objectives of this organisation is a) tourism development along the Great Silk Road, and b) presentation and protection of interests of tour operators.

- **Association of Tour Operators "Women-Leaders"** established in February and incorporated in July 2001, currently consists of 8 member companies. Its main objective is to promote tourism development in Kyrgyzstan.
- **Karakol Association of Tourism** was established in 1995, it unites tourism companies in Issyk-Kul Region. Objective – tourism development in Issyk-Kul Region and coordination of tourism companies' activity in the Region.
- **National Fund for Tourism Development** was established in 2001. One of the co-founders the Fund is the SCTSYP. Main objective of the Fund is overall tourism infrastructure development in the Kyrgyz Republic.

According to D. Kazakov, head of the Kyrgyz Association of Tour operators, one of the most effective ways of influencing the system of tourism state management is his personal participation in the work of the Interdepartmental Coordination Council for Tourism Development under the Prime Minister's Administration.

The Council being supervised by the Prime Minister, the Association for Tour Operators managed to recall some of vexatious administrative obstacles for foreign tourists, namely,

- a) there was opened "A Green Corridor" at the Manas Airport;
- b) there was increased the number of passport control officers which essentially reduces the transit queues;
- c) cancellation of completing customs declarations without good reasons
- d) cancellation of registration with the visa insurance office (OVIR) for tourists arriving from as many as 38 states.

Mr. N. Shchetnikov, President of the Silk Road Tour Operators Association and Head of the Tour company "Dostuck-Trekking Ltd", reckons that his Association in cooperation with tourism firms of Kazakhstan, Uzbekistan, Tajikistan and Kyrgyzstan may create a common tourism stratum for which purpose tourism regulations shall be drafted and submitted for perusal to the State Committee for Tourism, Sport and Youth Policy and Interdepartmental Coordination Council under the Prime Minister's Administration.

Very similar objectives are posed by the Women's Association of Tour Operators (headed by Mrs. A. Khassanova), which involves tour companies headed by business- women and intends to exert their influence upon the Interdepartmental Council under the SCTSYP.

It should be noted that the National Fund for Tourism Development headed by M. Dushebayev who also acts as the Deputy Chairman of the SCTSYP pursues objectives identical to the same as with State Committee and a number of other state authorities. This NGO identifies as its prime objective not only to unite all the existing tourism-related associations and private tourism businesses in order to protect their corporate interests, but also anticipates to undertake the tourism services licensing nationwide including the existing hotels and hospitality services, and to probably practice of penalties of those hotels and companies missing to ensure the required standard of services. It is also proposed that the said hospitality service standards will be also developed by the National Fund.

The purpose of these non-government organizations is to unite not only all operating tourism organizations in this country but to license tourism companies and hotels and punish those of them which do not comply with international tourism standards. The National Fund is expected to shape its own service standards.



2. Professional Staff in Tourism Administration.

The Chairman of the State Committee for Tourism, Sport and Youth Policy is experienced in both tourism business and entrepreneurship. In Soviet times he headed the Republican Bureau for Youth Tourism "Sputnik". After disintegration of the USSR he became the head of the Kyrgyz-Russian Tour Company "GlavTour".

Prior to his employment with the State Committee the First Deputy Chairman handled entrepreneurship issues in the capacity of a referent in the Department for Tourism and Entrepreneurship under the Prime Minister's Administration.

The Chairman's Assistant is currently heads the National Fund for Tourism Development.

One of the managers has substantial experience and received special training in tourism business, he also lecturing at the Academy of Tourism.

Out of all the Tourism Department specialists only two are certified tourism instructors since they are tourism faculty graduates, the rest of the staff having neither tourism, nor marketing or management skills.

Out of the twelve staff people only three were employed with the State Committee for one year, and one employee has a five-year record of employment in tourism business.

Consequently, it is worth noting that the SCTSYP lacks in professionally trained personnel for the sector development.

It is not that tourism business has no qualified instructors; it is rather the remuneration rates and inadequate staffing policy that makes the system look like this. That is why the available qualified individuals prefer to work in private companies.

In 2000-2001 all regional administrations established departments for tourism, sports and youth policy staffed with 2-3 officers. However, these departments are not in the SCTSYP structure and, therefore, are not reporting to it; as a rule, mentioned above staff at the regional level has never dealt with tourism before.

Thus, the SCTSYP has no vertical administrative power that impairs effective regional tourism development policy. By the same reason, any strategic decisions drawn by the SCTSYP may not only be ignored by representatives of local administrations responsible for tourism promotion, but even contradict to the above based on their own tourism business development assumptions.

It is not accidental that both national and foreign tourism experts voice their censure towards inadequacy in the system of tourism management of Kyrgyzstan.

Mr. E. Umetaliyev, head of the Kyrgyz-Concept Tour Company reckons:

- *Currently there is no a competent state authority capable of managing tourism business policy in Kyrgyzstan. Whatever the actions on behalf of the authorities thus far, I would appraise as "better if they do not interfere".*
- *All the tourism departments under the state administrations formed up under state administrations last year, are good for nothing. Such a small country with rather limited tourism market does not need this high number of officials responsible for tourism.²*

Mr. D. Kazakov, head of Tour Operators Associations was quoted as saying regarding the role of state management in tourism in Kyrgyzstan:

- *The Republic does not have a clear-cut tourism programme and policy;*

² Interview with Mr. Umetaliyev see: Appendix 4

- *The state authorities “neither hamper, nor help”;*
- *Uncoordinated activities of governmental authorities and functions duplications.*³

The Former Advisor on Tourism to the President of the Kyrgyz Republic Mr. Maxs Habershtro had noted in his article in AKI Press:

- *Those employed in tourism sector, and on the eve of the new tourism season, are still facing unresolved issues and worsened administrative problems, and literally a yelling for a good broom to sweep the outdated administrative lumber out. A truly energetic and clever management – that is the will of the present.* 4.

3. Tourism as a State Policy Component

Tourism in Kyrgyzstan is pacing slowly. Up until 1999 the state system of tourism management had no tourism-related legislation; its work was based on tourism development programme up to 1995, then up to 2000. In the end of the 90th the government has declared tourism sector as one of the priorities in Kyrgyzstan's economy in anticipation to substantially hike the hard currency yields.

Kyrgyzstan, as the retainer of unique natural beauties, rich cultural and historical heritage could have promoted tourism as the most promising budget-forming industry sector altogether, yet without any tangible restrains to the other economy sectors. However, the absence of consolidated tourism development, and in combination with numerous administrative and bureaucratic barriers, plus political instability is resulting in chronic infrastructure problems hampering nationwide tourism advancement.

In September 2000 the President of the Kyrgyz Republic issued a Decree “On the Concept of Tourism Development in the Kyrgyz Republic until 2010”, which is purposed to:

- improve the performance of tourism-related authorities;
- create more favourable investment conditions;
- simplify the procedures for foreign tourists arrival;
- privatisation of tourism and recreation infrastructure;
- involvement of local tourism administrations;
- introduction of professional tourism staff training according to international tourism standards
- improved marketing and advertising;
- promotion of ESD;
- create favourable conditions for regional cooperation;

By emphasising the importance of tourism in the country's economy the year 2001 was declared as the Year for Tourism Development in Kyrgyzstan, and its continuation was noted in the year 2002. On the initiative of the President Akayev, and supported by the United Nations Organisation, the year 2002 was declared as International Year of Mountains; it was expected the year had to become the time when the attention of the world community, including the tourists, would have been arrested by the world-known mountain regions of the world, including Kyrgyzstan.

The present political situation in the country, publications in western mass media and through the efforts some CIS competitors, fear in the face of terrorists have reduced the tourists flow from the USA and Europe in 2002 by 40%. Yet, the problem of this year are not something entirely new for the tourism sector of Kyrgyzstan since during the recent years the following events have already affected the image of the country as the country of tourist attractions:

³ Interview with Mr. D. Kazakov see: Appendix 4

⁴ Ma_ Habershtro. Fettered Tourism. – AKI press, 2002 (www.akipress.org.)



- catastrophic 1998 year for tourism industry – cyanide spillage into Barsko'on river. Almost all resorts were vacant that year;
- in 1999 the IMU guerrillas took hostages 4 Japanese geologists with their interpreter, and a Kyrgyz General;
- 2000: the IMU guerrillas again took hostages 4 American mountain-climber;

One of the key issues for tourism development is its financial provision; it is impossible to see tourism as the "hard currency sector" without additional financing. Besides, being a member of the World Tourism Organization since 1994 Kyrgyzstan has a \$140 thousand membership fee overdue.

In 2002 the State Committee for Tourism and Sport was allocated as many as 64 million KGS whereof 5 mln KGS were assigned for tourism ("other expenses" in the balance of accounts). This amount does not include wages, utilities cost and deduction to social fund. Actual expenses for tourism in the third quarter of the year 2002 is 1041,4 thousand KGS were spent including:

- 342,4 thousand KGS (employees' salaries)
- 71,2 thousand KGS (Social Security Fund)
- 394,5 thousand KGS (foreign business trips)
- 18,3 thousand KGS (in-country trips)
- 286,2 thousand KGS (other expenses)

4. Tourism Sector as Part of National Industry

As of 1 July 2002 there were registered **22,7** thousand enterprises engaged in tourism business (tour operators, hotels, spa resorts, tourist centres and bases, etc.).

The share of tourism in the GDP has reached **3.9%** in 2001, at that the amount is 1.3% bigger against the last year. Sufficient increase was noted from the "incoming" tourists, the tourism share dynamics is shown in the Table 1 below:

Table 1. Contribution of tourism sector into the GDP⁵

	1996	1997	1998	1999	2000	2001
Share of tourism in the GDP	1.9%	2.0%	2.1%	2.5%	2.9%	3.9%

⁵ Tourism in Kyrgyzstan; Statistic Bulletin. – Bishkek: NSC KR, 2001.- p. 9; Tourism in Kyrgyzstan.

Naturally, the "incoming" tourism is the main source of hard currency receipts. Besides, all the tourism servicing offices and companies can also benefit in this connection from the potential increase of their staff through new employment opportunities. According to the NSC data the recent years witness sharp increase in foreign tourists visiting the country and consequently, the revenues from this type of tourism.

Table 2. Dynamics of visiting foreigners and their expenditures for tourism services (1996-2001)⁶

	1996	1997	1998	1999	2000	2001
Foreign visitors recorded in Kyrgyzstan, total:						
Total	48601	87386	59363	48272	58756	98558
<i>including tourists</i>	19734	41288	8225	20624	31306	63317
Export of tourism services (\$ mln)	4.2	7.1	8.4	14.1	15.3	24.4
Including by countries:						
<i>CIS countries</i>	2.6	4.5	2.4	6.0	8.8	14.5
<i>Outside CIS</i>	1.6	2.6	6.0	8.1	6.5	9.9

Altogether in 2001, 98.5 thou. of foreign tourists visited Kyrgyzstan whereof 68.3 thou. were the CIS citizens, and 30.3 thou. from the outside CIS countries.

The scheduled influx of tourists for the year 2002 is 114 thou., i.e. 15 –18% more than was actually received last year.

According to the Aga Khan Development Network estimates, the Kyrgyzstan's tourism market is primarily focused on domestic and the NIS tourists - Kazakhstan, Uzbekistan and Russia, the latter being a major provider of tourists from the CIS countries. This market, first of all, is accessible for the middle-class people. This market niche capacity Kyrgyzstan is estimated at 200,000-300,000 tourists per year, with an average 12 days stay at tourist centres and average daily expense cost of \$20 borne by a tourist.⁷

It is easy to note that even under the most pessimistic scenario, i.e. 200,000 tourists a year, Kyrgyzstani gross revenue from the "visiting" tourism should constitute at least \$ 48 mia.

5. Private Tourism Sector

As is known there was no private tourism business in Kyrgyzstan until 1991, and development of private tourism nowadays is rather a wildcat-like.

According to the SCTSYF data as of 1 July 2002 there were 245 tourist firms registered with the Ministry of Justice of the Kyrgyz Republic, including 115 tour operators and 130 tourist agent firms (see Table 3). Dynamics analysis does picture anything of their sharp growth, yet they changed their focus:

⁶ Kyrgyzstan in Figures; Statistics Bulletin. – Bishkek: NSC KR, 2001. – p. 313; Tourism in Kyrgyzstan. The same, NSC KR, 2002.- p. 9, 16.

⁷ Kyrgyzstan Tourism Development Framework. The Aga Khan Development Network, 2001. - Volume 1, p. 57

Table 3. Dynamics of tour companies in Kyrgyzstan⁸

	1995	1996	1997	1998	1999	2000	2001	2002
Total number of tourism companies	215	121	207	199	212	174	250	245
<i>Including</i>								
Tour operators	21	30	39	57	42	54	60	115
Tour agents	194	182	168	142	70	110	190	130

While in 1995 out of 215 tour companies only 21 were oriented to tourists receiving, in 2002 the number of tour operators increased more than 5 times, with the number of tour agents decreasing accordingly. And there is no wonder for this fact – the so-called “shop-tours” were very popular by then.

As a rule, the tour companies have their own communication facilities (phones, faxes, e-mails, special gear and equipment for tourism and alpine programmes, and few vehicle units). Normally, the share of owned transport units comprises just 10-20% against their real transport needs, while the remaining share is assigned to hired transport.

Up to 70% of tourism companies have their registered offices. Permanent staff would normally be with the range of 5-15, advertising and marketing capacities of such companies are rather limited. This is primarily explained by the lack of turnover funds and low qualification of management / marketing personnel in strategic development issues, inadequate taxation policy and hard-pursued policy of local fiscal organs. Nearly all tour companies have their own programme catalogues, booklets; some enjoy their own websites in the Internet.

The companies are unable to develop own base at the expense of generated revenues since their profit is low due to high charges for contracting out activities (hotels, transport vehicles, etc.). The absence of balanced taxation practice aggravates the situation for the market “new comers”. Another instance is practical inability to obtain a loan in local banks since the interest rates, on the background of the length of the season, are indeed high: usually 26% per annum. Such interests are rather acceptable for buying-selling, though.

It is unlikely to expect any serious development of their material basis without a special governmental strategy, which would envisage improved taxation and availability to attract domestic and foreign investors. Again, the absence of clear and consistent policy for tourism development as serious budget-forming sector of the economy results in functions duplication and overlapping in governmental structures, favours corruption and as a result, loss of the entire market.

The basic instrument for tourism business advocacy and promotion for any country are the tourism fairs and exchanges. Such participation of tourist firms in international tourism fairs and exhibitions provides for wider advertising opportunities and popularisation of tourism opportunities in Kyrgyzstan and to attract serious foreign tourism companies.

Since 1995 the representatives of Kyrgyzstan tourism companies have been participating in annual international tourism fairs (ITB) in Berlin, since 1997 in Holland and Spain. From 1998 Kyrgyzstan has been participating in the London Tourism Fair. However, due to lack of funds only a few Kyrgyz tour-operating companies are taking part in the USA, Britain, Spain and Italy tourism fairs.

⁸ The SCTSYF data, September 2002.



From the Year of Tourism, i.e. in 2001, in order to stimulate the tourism business and, as an overall objective to ensure increase of visiting tourists, the licensing of tour operating and tour agents' activities were temporarily suspended.

Meanwhile, discussions on expediency of tourism sector licensing are still on. Some of the state officers and private sector representatives believe that the absence of licensing would undoubtedly downgrade the quality of clients' servicing and loss of clients. The others reckon that only a true competitive tourism would bring to high quality of services and sensible pricing.

Mr. Emil Umetaliyev, Head of the Kyrgyz-Concept Tour Company: "...quality is a phenomenon of free market environment. This is a misleading way to believe that the governmental authorities can issue certificates to improve quality. This, in the long run, will rather maintain such criminal activities as corruption, top-to-down pressure and obstruction to business development"⁹

During 2001 there were recorded a number of tourism services-related crimes committed by tourist companies in Kyrgyzstan. Traditionally, these are fraudulent activities. There is a tendency for cheating crimes to grow. For example, for the past 7 months of 2002 the number of swindling-and-fraud crime cases doubled if compared to the same period of 2001.

6. Tourism Infrastructure

Tourism experts contend that this is not only the political situation, but also the undeveloped tourism infrastructure impacts the decreasing number of tourists. The interviewed tour operators are noting the serious difficulties they face due to inadequacy of hotels, restaurants, telephone communication, access to e-mail and the internet¹⁰.

6.1. Health Resort Facilities¹¹

According to the SCTSYF data there are 228 designed as health resort facilities in the Republic catering for health resort treatment, recreation and tourism services with the capacity of 53.000 men/beds, whereof:

- 55% are boarding (holiday) houses, children's and sport camps;
- 10% are health rehabilitation sanatoria (spa resorts);
- 7% are tourist bases;
- 1% are alpinist camps;
- 27% are hotel facilities.

Only in the Issyk-Kul resort zone there are 128 sanatoria and health rehabilitation facilities alone¹², with the capacity of 28.000 men/beds; only 5 of them operate throughout the year including:

- 61,7% (16,593 men/beds) belonging to various administration departments and organizations;
- 6,5% (3,745 men/beds) are owned by trade unions;
- 24,2% (5,541 men/beds) are private hotel facilities;
- 7,7% (2,455 men/beds) are owned by CIS countries.

⁹ E. Umetaliyev. "Need an Idea". – AKI Press, 2002. (www.akipress.org)

¹⁰ For details see Appendix 4. Interviews with Managers of Tourism Companies.

¹¹ In this report we do not touch upon hotel standards.

¹² The NSC provides another data: as of January 1, 2002 there are 1492 registered hotel and tourism facilities, and 72 health and spa resorts, which is 1564 in total. The Issyk-Kul region share is only 196 hotels and 21 health and spa resorts, i.e. circa 217 facilities. (Tourism in Kyrgyzstan. Statistical Bulletin – Bishkek, NSC, 2002 – p. 11).



As the SCTSYF reckons some 80% of health and spa resort facilities need in refurbishment and modernisation. Their territories and beaches are in a neglected condition, their furniture and physical structures are shabby, and their staff is not trained.

The same is true of departmental health facilities. As a rule, only 25-30% of holidaymakers is accommodated from and thorough the trade union channels while the majority (70-75%) being accommodated otherwise.

Of all departmental health resorts the "Aurora" hotel is most popular with rich tourists both from the CIS and outside CIS countries. The "Aurora" (or "Issyk-Kul") hotel belongs to the President Administrative Department. In Soviet times it serviced the elite of the USSR Central Committee of the Communist Party. For the time being the "Aurora" has the highest annual rating of visitors (<43%)¹³.

Of all health and spa resorts of the country the following 10 are in a special market niche, they belong to the Federation of Trade Unions (FTU) of the Kyrgyz Republic, and are supervised by "Kyrgyz Soviet Kurort". Again, during the Soviet period a part of them was reputed quite high enjoying the status of the "All-Union importance". Up until today some maintain their high demand among the Kyrgyzstanis, Russians, Kazakhs and Uzbeks: these are "Blue Issyk-Kul" (Goluboi Issyk-Kul), "Dzhety-Oguz" located in Issyk-Kul Region; "Dzhalal-Abad" is in the Southern Kyrgyzstan, and "Issyk-Ata" and "Kyrgyzstan" located 70 and 25 km within Bishkek premises at the foot of picturesque gorges of the Kyrgyz Range. Others are "Cholpon-Ata" and "Ala-Too" spa hotels located again in Issyk-Kul Region. Altogether all of the belonging to the FTU health resorts may accommodate up to 3.000 visitors at a time. Until recently they annually received up to 50.000 guests.

More than a half of holiday makers and tourists in the FTU hotels are those lucky ones managed to obtain a preference (discounted) trade union voucher, at that some get them for free; the FTU covers the accommodation / treatment cost from its own funds. Each of such health resorts is empowered to, on its own discretion, dispose of its accommodation and service facilities to raise petty funds for repairs and refurbishment purposes.

The carried out by the Report Teams random holidaymakers express poll showed that the majority of interviewed are not satisfied with food, accommodation and servicing standards. For instance, in "Cholpon-Ata" hotel beginning early in the morning and up until late at night the loudspeakers operate at full volume sounding radio broadcasts. These are challenged by the same of small cafes owners located in the territory of the hotel and around. Those clients arrived to the hotel with the FTU vouchers have to queue anticipating accommodation 2 to 5 hours; their places may well be occupied by "commercial" holidaymakers who booked vouchers from the health resort management. Hence, the FTU voucher holders may be offered a "shared" accommodation, i.e. 2 families in one room.

One gets an impression that the market environment passed the FTU resorts by. For example, some green territory of Dzhety-Oguz resort turned in a pasture where locals freely graze their cattle and live in its premises.

Today's personnel of the FTU resorts is not familiar with elementary basics of servicing. Apparently, the FTU resorts management presumes that the discounted voucher holders (be that for rest or health treatment) shall already be happy with the mere fact of their existence. Indeed, the cost of a discounted voucher to Cholpon-Ata resort is just 500 Soms for 12 days stay; one should have patience!.

Thus, the FTU resorts require serious modernisation and sufficient changes in the servicing philosophy.

It is worth noting the superior material and technical facilitation, level of comfort and services provided by private hotels and resorts. Their number is growing, their architectural findings and design have

¹³ According to Mr. Pecheniuk, Deputy Director.



significantly improved both the aesthetic look of the resort zone and residential areas. Moreover, in competing with the already known resorts these new hotels are paying their special attention to good service, quality food and reasonable price-to-quality.

Mrs. M. Smanaliyeva, Director of hotel complex "Talisman" in Bozteri village, "Last season we reckoned the "Aurora" hotel as our major competitor, but by the end of the holiday season we realized that in some aspects "Talisman" overplays "Aurora".

Very competitive are becoming private hotels and apartments for hire offered of local residents. For example, in July 2002 a private accommodation in Cholpon-Ata city could be rented for 70-100 Soms per night per person. Such accommodation included hot running water, a clean toilet room, possibility of a shower or even Russian banya (baths in Russian style).

6.2. Roads

Roads are an integral part of tourism. They shall provide quick and safe reach for places of interest. They are also viewed as an instrument for motor- and motor- and bicycle tourism.

The total length of public roads in Kyrgyzstan is 34,000 km. Yet, their quality is low and they are not safe. The main motor road connecting Bishkek to Issyk-Kul not only lacks road marking, but also needs in serious rehabilitation. The so-called "pot-hole" repairs that is regularly done in the beginning of each season is rather of cosmetic character and does not serve for improvement.

The Bishkek - Cholpon-Ata stretch (263 km) takes from 3.5 to 4 hours to cover. In holiday seasons the traffic becomes heavier, the speed sufficiently drops down in creasing the time in transit.

At present the Bishkek - Osh road (620 km) linking the North and the South of Kyrgyzstan is being reconstructed. Passing through four of the seven regions of the Republic and crossing few mountain ranges and alpine valleys, the road may play a significant factor for expanding the tourism potential of the Republic¹⁴.

According to the Aga Khan Development Network the "inadequate road quality does not comply with potential tourism requirements from the standpoint of comfortable communication, landscape scenery and time-in-transit / comfort ratio and safety"¹⁵.

The recently constructed road linking Issyk-Kul region and Kazakhstan failed any expectations as not fit for regular motor transport use; it is exciting for the off-road vehicle owners to challenge it under favourable weather conditions, though. Besides, the road runs to Kyrgyzstan from the closed reserve area (zapovednik) on the other side of the mountain range. Therefore, construction of such a road may serve as an articulate example for poorly thought ideas generated by local authorities. This season (2002) the owners of private hotels rebelled against the local administrations claiming for more money to continue construction.

6.3. Airports

There are only two international airports in Kyrgyzstan: "Manas" of Bishkek and Osh Airport.

In Soviet times some 20 smaller airports were constructed many of which are currently not operational. Of these three are in the Issyk-Kul region: Cholpon-Ata, Karakol and Tamga. The Cholpon-Ata airport operates occasionally during the season, the others are scarcely used. The airports' facilitation and equipment can hardly be regarded as satisfactory¹⁶.

¹⁴ Information on the Osh-Bishkek road is provided in Appendix 6.

¹⁵ Kyrgyzstan Tourism Development Framework. The Aga Khan Development network, 2001. – Volume 2, p. 44.

¹⁶ Kyrgyzstan Tourism Development Framework. The Aga Khan Development network, 2001. – Volume 2, p. 46-47.



The tour operators have noted in their interviews that the high cost for international air transfer and lack of regular flights are serious barrier for tourism development. International flights from the airports Manas (Bishkek), Tashkent and Almaty are in the Appendix 5.

6.4. Restaurants

In the past 3-4 years the number of cafes and restaurants increased. And on the background of almost similar menu the food quality varies substantially. Finding a place to have meals is not so much a problem as the quality of served food; the biggest dilemma is to locate a place with stable quality.

In the conditions of a severe competition the owners of cafes and restaurants go out of the way to attract customers; the FTU-based resorts provide for the successful search since they can offer only medium-to-low quality of meals.

As regards the prices in Cholpon-Ata restaurants they are more moderate if compared to their Bishkek counterparts; a two-course dinner may cost about 100 Soms (about \$2).

Nevertheless, even locals are paying serious efforts in search for healthy and safe food. Especially when travelling to Karakol or around the Issyk-Kul coastline.

6.5. Telecommunication

Most of the problems with telephone communication for tourists coming to the northern coast of the lake are resolved owing to digital ATXs introduction, people can now make international. Introduction of card payphones ensures the round-the-clock communication available at some resorts and hotels. .

However the situation in the southern coast has not changed. A call from Bishkek to Dzhety-Oguz may take a few hours to wait. Besides, the cell phone network does not cover most of the area. .

The tourists may face serious problems in the www access or e-mail. The internet is only accessible in some small towns of the northern coast and Karakol. And the Karakol-based internet-provider has a limited access that makes communication unstable. Easy-to-access internet-providers are available in Bishkek, and this is not a big problem to get hold of them, yet the user has to pay extra co cover the long distance call charges. It is not incidentally that popular in Bishkek and Osh internet-cafes still cannot developed in the Issyk-Kul health resort zone.

There is no question of prospering tourism business (marketing, business tourism, conference-tourism, etc.) without an access to telecommunication network¹⁷.

7. Tourists Registration

Recently there is some progress in the system of border-crossing customs control. For example, with the assistance of the International Organisation on Migration (IOM) an automated system for primary and secondary control introduced to Manas airport. A similar system operates at the "Torugart" border checkpoint to be switched to the unified data network.

The procedures to obtain entry permits to visit border zones with limited access have been simplified. The procedures of customs control in the Manas also became easier after the so-called "green corridor" system was established. The State Customs Inspection hosted a number of seminars and meetings for tour operators regarding the customs procedures, the staffing policy favouring foreign language speaking candidates is underway. Blank forms of unified Customs Declaration in Russian and English were prepared. All the passenger transport terminals have stands and samples of customs declaration procedures in Russian, English and Kyrgyz.

¹⁷ Kyrgyzstan Tourism Development Framework. The Aga Khan Development network, 2001. – Volume 2, p. 52.

The cost of entry visa in 2001 (the Year of Tourism) was \$50. Beginning 2002 it went up to \$60. A transit visa is also charged \$60.

The tourist visa is valid for one month only and is not liable for extension; only business-visa can be extended, and upon a guarantee letter from the local business partner.

For arrivals from visa-free countries a registration with interior affairs authorities is mandatory.

Starting from March 2002 (MIA Order, #99 as of March 7, 2002) the visitors from 28 states are exempted from registration with interior authorities. However, this Order is of temporary validity, it is expected to be in force until the adoption of a new law "On External Migration". In the beginning of October 2002 this Order was cancelled.

For tourists coming from Japan for a period of no longer than 1 month visas are not required, but registration with internal authorities being obligatory.

The list of countries allowing visa-free entrance to Kyrgyzstan is in the Appendix 7.

At present, there are only a few tourist companies and hotels who are authorised to register their tourists. Tourists from the so-called "risk states" – China, Pakistan, Iran and the South-East Asia region – are not eligible for registration by tourist firms.

A Kyrgyz-Concept Tourist Company officer responsible for visa support notes that sometimes this registration creates additional problems, especially in the remote areas such as Naryn. They quote a case when a tourist had to visit the local interior authority 5 times, for delayed registration being fined 500 to 2000 Soms.

Frequent problems are seen by the tourists taking part in mountain tours from Kazakhstan to the Issyk-Kul Lake – they have to violate the registration rule since they cannot find neither an officer nor their office there to obtain the temporary registration record.

Medical services to foreign tourists are rendered in accordance with the Decree of the Kyrgyz Republic Government #346 "On Medical Servicing of Foreign Citizens" and Order #83 as of 20 March 2001 issued by the Ministry of Health which provide for certain standard procedures. Foreign tourists are expected to arrive with their own health insurance certificates (international) and are serviced in accordance based on agreements concluded between counterpart insurance companies.

Things are different with the CIS tourists. Since they arrive without health insurance certificates the medical services are rendered as per contracts made between the dispatching and receiving tourist companies; they include the medical insurance in the cost of tour. At present there are a several insurance companies operating in the Kyrgyz Republic. The first emergency aid is provided free of charge, further treatment and hospitalisation, if required, being charged according to the existing rates.

In the territory of Kyrgyzstan there operate nine mobile rescue teams. They are assigned to the Ministry of Environment and Emergency Situations.

8. The Issyk-Kul Region: Environment, Social Sphere and Ecology.

From 1998 the Issyk-Kul region has been awarded a status of Biosphere Territory recognised by the UNESCO. What is important about this bioreserve is that it coincides with administrative borders of the Issyk-Kul Region that had to be definitive regarding its status and the manner of management. At that, the two-kilometre coastline now belongs to the Specially Protected area. The Biosphere Reserve "Issyk-Kul" State Directorate seats in the city of Balykchy.¹⁸

¹⁸ See: Appendix 8.

The Issyk-Kul region has a great potential of thermal and mineral waters, which are formed in a rather diverse geological, hydrogeological, geochemical and geothermal conditions. Throughout the region there are various deposits of gold, tin, tungsten, lead, rare earth metals, bituminous and brown coal, gypsum, facing and building stones, loam, clay, sand gravel etc., together fresh and thermo-mineral water reserves.

The climate of Issyk-Kul region is largely determined by its geographical position in moderate latitudes, away from large water bodies and deserts' neighbourhood. All these facilitates continental properties such as aridity and distinct seasons of the year.

The Issyk-Kul lake is of tectonic origin and occupies the hollow between the mountain ridges of Kungei Ala-Too and Teskei Ala-Too. The lake does not freeze in winter.

It is known as the pearl of the Tian-Shan. The Lake's dark-blue sapphire surface could rival the blue of Lake Geneva but its breadth gives it majesty that the latter does not possess.

In addition to the unique landscape, sandy beaches and curative mineral springs the Issyk-Kul region homes a "few thousand of historical and cultural monuments, of those 320 are protected by the State. These are the heritage cultural heritage of the Stone, Bronze and Iron Ages, stone sculptures, characters of ancient Turks, sites of ancient settlements, rock, paintings and petroglyphs."¹⁹

8.1. Social and economic aspects.

The Region's area is 43.1 thousand sq. km or 22% of Kyrgyzstan's total area. The region borders with Kazakhstan and the People's Republic of China. External ties with the region are maintained in the southern direction by motor road to Naryn Region, and to the west by motor and rail roads to Bishkek through the Bo'om pass. Most of the region is a mountain country, the majority of population resides along the Issyk-Kul lake coastline. The Issyk-Kul region consists of 3 towns and 5 rayons with the town of Karakol being its regional centre.

8.1.1. Industry

Industry of the region is characterised by its low development – its share in the gross production volume of the Republican industry in the year 1996 was only 1.8%, since this territory was first of all, the place of recreational "All-Union" importance; construction of new and expansion of the old industrial facilities was under a strict limitation.

At present there are more than 200 enterprises, mainly of food and flour-and-cereals industry (60.7%).

Main sectors of industry are represented by agricultural food processing, mining, machine building and construction materials. Industrial enterprises are clustered in Karakol and Balykchy. Balykchy is an important transport hub, marshalling and distribution centre catering for Issyk-Kul, Naryn and Chui Valleys.

8.1.1.1. Mining Industry

The Issyk-Kul region has rich deposits of minerals including gold, tin, tungsten, graphite and coal. The Kumtor gold mine (Dzhety-Oguz rayon) is being developed by Kumtor Operating Company using an open-cast mining method; the mine is rated as one of the ten world-largest and is very important for the national economy.

Mining of tin, tungsten and graphite used to be done at Sary-Dzhaz Ore Dressing Integrated Works, which has been operating since the 70th. However the drop of prices for these minerals on the world markets indicate the short- and mid-term perspectives for the further development are obscure and not feasible.

¹⁹ Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999. – p. 79.

Coal mining used be of great importance for the regional economy, its major collieries being "Tsentralnaya" in the Tonsky rayon and "Dzhergalan" in the Ak-Suu rayon. The existing coal mining technologies are capital-intensive.

8.1.1.2. Machine Building, Metal Working and Electrical Engineering.

Prior to the disintegration of the USSR Kyrgyzstan's electrical engineering, machine building and metal working enterprises were primarily functioning owing to the contracts for defence industry. Regretfully, today the erstwhile biggest enterprises, the Kaji-Sai Electrical Engineering Plant is now viewed as no longer viable due to the loss of its traditional market of diode and other electronic products.

The Karakol Machine Building Works, however, managed to retain some clients in the shranked defence market in Russia. All the same, its long-term prospects remain uncertain. The Karakol Electrotechnical Plant had switched to produce electric stoves which are a high demand in the domestic market.

8.1.1.3. Manufacture of Construction Materials

This sector is represented by the cement plant, several plants to manufacture precast ferro-concrete works and a number of smaller plants scattered all over the region. The Kurmenty Cement Works (Tyup rayon) is a comparatively small works with a 20 mln stock of lime stone.

8.1.2. Energy supply

This sector is represented by the systems of heat and electric power supply.

8.1.2.1. Heating Supply

The heating supply in the towns of Karakol, Cholpon-Ata and some other local centres is effected centrally, for the others the small-size boilers operating on coal (more than 80), also by electric boilers and individual stoves. As regards to the private sector along with the bituminous coal, electricity and fuel oil firewood is used. Where there is a coal deficit the dried animal manure (tezek) is an alternative²⁰.

However, most of the boilers are not operational now. Even in the centre of the resort zone - Cholpon-Ata city - the central heating is supplied only to residential premises (blocks of flats) located close to the health resort Goluboi Issyk-Kul. For many people living in apartment buildings the winter season is an ordeal. Of late, the local population is practising mass trees and orchards cut down to ensure minimal thermal comfort and food cooking mean.

8.1.2.2. Electric Power Supply

The Issyk-Kul region is supplied with power centrally via a well-developed electric power distribution network from the substation "Issyk-Kul" in Balykchy, the latter is receiving power from Kemin substation (Bystrovka), supplied, in turn, by the two feeding power lines.

From the Issyk-Kul substation the power lines circling the lake along the northern and southern coast ending up in the Przhivalsk substation (Karakol). The existing closed network could have easily meet the power needs of the Issyk-Kul region (750 mln kwt/hr) if it were not for outdated power facilities, overdue power payments and power theft. Hence the regular electricity cut-offs and disconnection that may at times last for 10 -12 hours a day.²¹

²⁰. Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999. – p. 51.

²¹. Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999 – p. 52.

8.1.3. Agriculture

Agricultural lands in the Issyk-Kul region cover an area of 16,418 thousand ha including 188,1 thousand ha of arable land. 12.6 % of all agrilands are cultivated whereof 1,578 thousand are irrigated.

Besides traditional agri-industries there is a large potential for bee-keeping (apiculture) and fruits and vegetables growing (horticulture).

8.1.3.1. Plant Growing

Cereals (wheat, barley), potatoes and other vegetables, as well as maize, fodder beans and fodder crops are grown on irrigated lands.

Table 4. Dynamics of agricrops yields in the Issyk-Kul region (thousand tons)²²

Title of crops	1990	1995	1996	1997	1998	1999
Cereals	191.4	140.3	193.6	277.7	198.5	302.3
Sugar beet	-	0.3	0.06	-	-	0.4
Tobacco	-	0.03	0.02	0.03	0.07	-
Oil bearing crops	-	0.5	0.6	0.3	0.4	1.2
Potatoes	157.6	150.1	212.4	248.4	271.0	369.1
Vegetables	32.9	15.0	19.5	27.6	32.0	38.0

8.1.3.2. Livestock Farming

The structure of agrilands has determined specialization of livestock farming as sheep and cattle breeding. Early in the 90th some 1,804 thou heads of sheep, 152,6 thou of cattle and 48,1 thou heads of horses grazed in these lands with 17,5 thou pigs and 796,3 of poultry fed on the farms.²³

In connection to the reforms of agriculture and the ensuing economic crisis gross livestock number sharply decreased.

Table 5. Dynamics of livestock and poultry variation in the Issyk-Kul region (thousand heads)²⁴

	1985	1990	1995	1997	1998	1999
Cattle	147.8	167.9	110.6	106.5	110.8	117.9
Sheep and goats	1865.8	1881.7	794.1	624.3	625.4	634.8
Pigs	25.1	25.6	8.9	11.2	12.8	13.3
Horses	45.1	48.4	47.6	48.9	50.8	56.4
Poultry	1796.1	1257.7	227.1	233.2	265.5	298.3

Livestock farming adversely tells on the ecology of the environment since "the sewage of mange treatment products, hexachloran and creolin, kill all the living things around sewage collectors, the

²² Environment in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2001. – p. 60-61.

²³ Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999. – p. 59.

²⁴ Environment of Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2001. – p. 62-63.

harmful substances infiltrate into subsoil waters through unprotected bottom and sides of the cesspools and collector pits".²⁵

8.2. Pollution in the Issyk-Kul Region

8.2.1. Pollution Dynamics

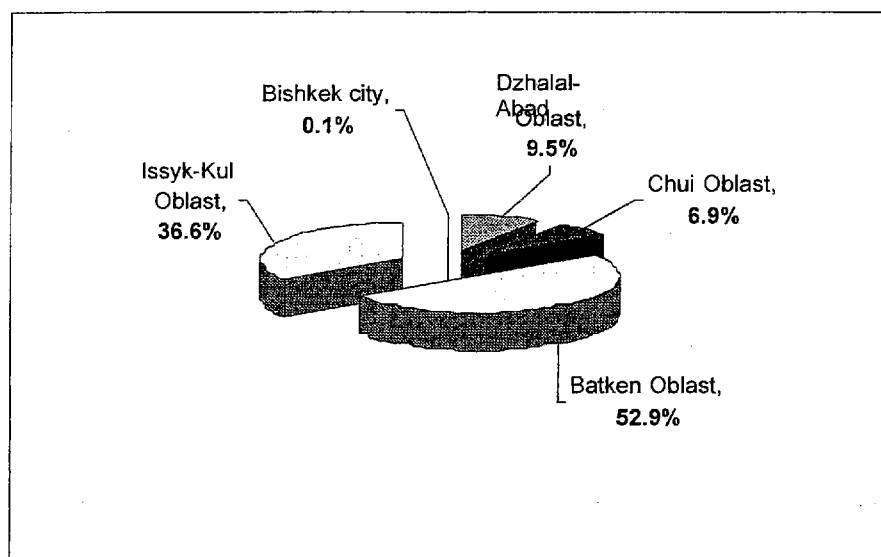
In spite of the decline of industrial and agricultural production in the Issyk-Kul region its pollution with toxic wastes together with air pollution remains high if compared to less frequently visited by tourists regions (See Tables 6, 7 and Graph 1.).

One of the major contributors to the environment pollution is Kumtor Operating Company developing Kumtor gold mine. The neglect of official authorities from by local administrations and the State Directorate of Issyk-Kul Biosphere Reserve add up to the deterioration of the environment.

Table 6. Toxic Wastes in the Territory of Kyrgyzstan (Thousand tons)²⁶

	1995	1996	1997	1998	1999
Kyrgyzstan in Total	30479.4	31106.5	37376.6	41809.9	47879.8
Batken Oblast	24043.4	24406.3	24785.5	25080.1	25328.4
Dzhalal-Abad Oblast	3120.8	3385.0	3775.9	4137.7	4578.3
Issyk-Kul Oblast	-	-	5500.0	9277.0	14658.2
Chui Oblast	3314.8	3314.8	3314.9	3314.7	3314.8
Bishkek	0.4	0.4	0.3	0.4	0.1

Graph 1. Toxic Wastes in the Territory of Kyrgyzstan in 1999²⁷



²⁵ Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999 – p. 69.

²⁶ Environment in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2001. – p. 69.

²⁷ Environment in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2001. – p. 69.

Table 7. Location and total area of toxic wastes stocking in the Issyk-Kul Oblast²⁸

	1997	1998	1999
Number of Stocks	4	4	4
Total Area, ha	0.4	42.6	42.5

8.2.2. Major Sources of Pollution

According to studies carried out by the Institute for Equal Rights and Opportunities²⁹ the major environment pollutants in the territory of the Issyk-Kul region are the following:

Atmosphere:

- Kurmenty Cement Plant;
- Heating boilers of Karakol, Cholpon-Ata and Balykchy;
- Gasoline filling stations - 12 in the region;
- The "Munai" Petroleum Storage Depot located in the zone of strict sanitary regime since 1995 (close to the coastline).

Water: Pollution sources of Issyk-Kul waters:

- Organic and microbiological components of sewage of Karakol, Balykchy, Cholpon-Ata, health and spa resort and sanatoria complexes) originating from 73 sewage treatment facilities. Direct wastewater discharge into the lake – 2 facilities, the other discharge the water into the filtration fields and for irrigation. Efficiency of the Karakol wastewater treatment facility is only 30- 37% per annum.
- Toxic wastes tailing ponds of mining industry in Kaji-Sai – radioactive pollution.
- Oil products and their spills infiltrate soil, pollute underground and waters of Issyk-Kul lake;
- Waste products of animal treatment with hexachloran, creolin and other hazardous materials infiltrate through the walls of sewage collectors.³⁰

Soil. Pollution Sources:

- Chemical pollution (motor vehicles exhaust gases);
- Land logging and salination due to irrigation technologies ignorance;
- Waste products of animal treatment with hexachloran, creolin and other hazardous materials infiltrate through the walls of sewage collectors.³¹

8.2.3. Radiation Background.

According to the 1997 studies jointly conducted by German and Kyrgyz experts in the territory of Issyk-Kul region "the average volume of total surface and cosmic gamma-radiation is about 0.197 mSv/h or 1.726 mSv per year. Therefore, when compared to the maximum affordable value of 5 mSv/a bears no ground for apprehension.

²⁸ Environment in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2001. – p. 70.

²⁹ _ Karasaeva, Ye. Rodina. Proposals for Issyk-Kul Region Development. Work documents- Bishkek: Institute for Equal Rights and Opportunities, 2002.

³⁰ Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999. – p. 69.

³¹ See: Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999 – p. 69.

Only in the operating area of the former Tsentralnaya coal mine (Kaji-Sai town), where uranium was produced as the by-product, a slightly higher surface gamma-radiation background was noted.³²

8.3. Ecological Situation in the city of Cholpon-Ata

Such ecological data is quite difficult to obtain as regards the city of Cholpon-Ata and the health resort zone of Issyk-Kul area. The data available at the National Statistics Committee (NSC) is incomplete and does not reflect the real situation.

The area of the Issyk-Kul lake is protected area (zapovednik), besides, there is a special organ of the State Directorate of the Issyk-Kul Biosphere Territory, the Directorate supervises special environment protection service with its regional offices.³³ The Directorate is funded from the General Budget, attracts grants and besides 45% of all environmental collects, such the Territory entrance fees, are assigned to the Directorate. As the Directorate employees were quoted as saying, these funds are credited to the special account of Directorate, yet the details or the status of the account are not brought to their knowledge.

Meanwhile, the real ecological situation in the majority of settlements and the Issyk-Kul health resort zone, including Cholpon-Ata city aggravates year to year.

So, in the past two years (2001-2002) the residents of Cholpon-Ata suffer for the City Administration fails to timely collect household and domestic wastes. This is the matter of concern and inconvenience both for the residents and tourists. In the middle of July 2002 the municipal communal service attempted to get rid of the rubbish piles, but could not for the shortage of garbage containers. These attempts were irregular and as the result the locals continued to worsen the sanitary and epidemiological situation in the city. By the end of the day such "treated" wastes were burned down, often in the backyard of the Mayor's Office.

Often one can see shepherds pasturing their cattle in the territory of the city beach, a favourite place of holidaymakers. The animal manure is washed off in the lake by waves and rain.

The personnel of the boat station and the Azam Café have found a very "original" way of wastes disposal: they simply "bury" glass and plastic bottles and remains of meals in sand.

Recently a new entertainment emerged became a fashion with off-road car enthusiasts, i.e. off-road racing alongside the sandy beaches in close proximity of water. This year has seen the further deterioration of sanitary and epidemiological situation.

In previous years it was a rare occurrence for cars to stop in the 200-meter sanitary protected zone, each car liable to fine by the Traffic Inspectorate officers and Ecological Militia. Clusters of sporadic car parks by the water marked the year 2002.

With the expansion of a network of snack bars and restaurants and inadequate control on the part of sanitary and epidemiological service the situation radically changed to the worse; food wastes are being disposed of in the City Park area, this accompanied by appropriate air odour.

In the past 3-4 years for Cholpon-Ata and many other settlements cannot boast any longer of as many trees as before. The thing is that in cold season locals down them for firewood, especially the "no-one's" trees that grow along the roads (poplar, black tree etc); for one thing, the interrupted electric power supply in winter and high prices for natural gas and coal for another.

All this makes an impression that this problem is not visible by the State Directorate (they did not even mentioned it as noteworthy), so as by the local authorities.

³² Environment -oriented farming in Issyk-Kul Biosphere Reserve. – Bishkek: GTZ, 1999 – p. 69.

³³ See: Appendix 8.

Mr. Akmatov, Head of the Issyk-Kul Rayon Administration, when asked of whose competence is to care for beach clean up, wastes removal from residential areas, transport cruising along the shore etc., had stated that this is the responsibility of the State Directorate.

Curiously that, Mr. Zhumashukurov, Mayor of Cholpon-Ata city, parried to the same question another, saying "the city budget is scarce of funds to maintain due order, so there are only 4 inspectors supervising ecological issues, yet they cannot follow every problem".

This argument appears rather arbitrary since there are only 2 places open for general holidaymakers public in Cholpon-Ata – a city beach and a beach of Goluboi Issyk-Kul resort 2,5 km in length. So, the answer implies the Mayor has to attend to more important business other than to keep the city and beaches clean.

9. Tourism Business: Tendencies

At present tourism is the most dynamically developing sector of economy; the average monthly salary of tourism service catering business, according to the NCS data, is about 2,000 Soms per month, which is twice as much as an average salary nation-wide (See Table 8).

Table 8. Dynamics of Average Monthly Salary of Employees Engaged in Tourism Business³⁴

	1996	1997	1998	1999	2000	2001
Average monthly salary in tourism business (in Soms)						
Hotel employees	588.6	824.0	1370.3	1794.6	4931.3	4777.0
Health resorts and hotels	524.2	616.7	708.9	808.4	1280.3	1480.7
Tourism agencies	628.1	1046.9	1231.6	1885.0	1856.1	1843.1

According to Aga Khan Development Network, to date, the aggregate tourism market in Kyrgyzstan makes up 210,000 to 320,000 visits. The "already existing tourist market is capable of generating a total expenditure volume in the range of USD\$52 - \$78 mia per year".³⁵

However, the same experts estimate the potentially continued market growth at 5% annual rate up until the year 2010, the aggregate tourism market increasing up to 360,000-540,000 visits where tourists may spend some USD \$125 - 186 mia.³⁶

9.1. Tourism Business: Tendencies.

The Aga Khan Development Network experts distinguished the following 8 key prospective development trends in tourism having positive potential to annual growth at 5-15% (See Table 9).

Table 9. Comparison of key tourist markets to Kyrgyzstan, by activity³⁷

Type of Tourism	Today's scoring	Growth potential	CIS and domestic	International tourism	Expected expenditures	Length of stay (days)
-----------------	-----------------	------------------	------------------	-----------------------	-----------------------	-----------------------

³⁴ Tourism in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2001.- p. 10. Tourism in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2002.- p. 10.

³⁵ Kyrgyzstan Tourism Development Framework. The Aga Khan Development Network, 2001. - Volume 1, p. 54.

³⁶ Kyrgyzstan Tourism Development Framework. The Aga Khan Development Network, 2001. - Volume 1, p. 64.

³⁷ Kyrgyzstan Tourism Development Framework. The Aga Khan Development Network, 2001. - Volume 1, Table 3-5, p. 49

			tourism		, \$	
"Sun and Beach"	✓✓✓	↑	✓	-	20	12
Trekking	✓✓	↑↑	-	✓	30	12
Mountain Ascents	✓	↑	✓	✓	150	12
Specialized Adventure Tourism	✓	↑	-	✓	150	12
Medical treatment	✓✓	↑	✓	✓	60	5
Acquaintance with the Culture of Nomadic Tribes	✓✓	↑↑↑	-	✓	50	4
Silk Road Tours	✓✓	↑↑↑	-	✓	50	4
Conference tourism	✓	↑↑	✓	✓	120	3
Growth potential						
5%=↑; 10%=↑↑; 15%=↑↑↑						

The interviewed by our team directors of tourism companies outlined tourism development tendencies as follows³⁸:

- Big potential to further promote the "Silk Road" tours, and Kyrgyzstan in particular, as part of regional route;
- Substantial potential retained by European, Japanese and South Korean tourists visiting Northern China (Kashgar). It would be reasonable to offer them the route extension from Kashgar to Kyrgyzstan.
- In the future we may expect the influx of tourists from the Asia-Pacific region: China (particularly from the South), South Korea and Japan;
- Active tourism including extreme tourism, mountaineering and motor tourism are also very prospective;
- Still unclaimed are eco- and ethnographic tours, jailo'o and the so-called rural or community based tourism;³⁹
- The revival of interest to Kyrgyzstan as an object of tourism is seen from the increasing flow of tourists from our neighbours: Uzbekistan, Kazakhstan and Russia who can't help appreciating the uniqueness of the Lake of Issyk-Kul.

According to **Mr. Katsuhiko Takehara, a JICA expert to the METI**, it is necessary to pay special attention to the creative side when developing diversified tourism programs: "true, you have fascinating landscapes, mountains and lakes. But it will not be enough even if highly developed infrastructure is applied. You would not have a prospering tourism business unless your cultural programs offer national (ethnic) originality. By investing in tourism business the investors expect it to be attractive, educative and unique. You do have things to display other than the yurts against the background of Tien Shan fir trees."⁴⁰

³⁸ Appendix 4.

³⁹ A significant contribution to rural tourism development (community-based tourism) is done by Helvetas programme (Switzerland). For details see www.helvetas.kg ; www.novinomad.com

⁴⁰ Interview with Mr. Katsuhiko Takehara. - «Slovo Kyrgyzstana», September 26, 2002.

10. Living Conditions of the Issyk-Kul Region Residents

Excepting a smaller part of residents of the towns of Karakol, Balykchy and Cholpon-Ata who lead a nearly-urban style of live, the majority of the Issyk-Kul population can be referred to a rural category. On the whole their living standards are very low. As low are the incomes. The unemployment rate is high and the infrastructure is either deteriorating or ruined. Comparatively highly developed agriculture bounces against the problem of ecologically clean agriproducts marketing (fruits, vegetables, berries, honey).

Medical services as well as heating, electricity supply, transport and telecommunication are the most burning issues. It should be noted that there is all the difference between the living standards in the Northern the Southern coasts, southerners are being the most poverty-stricken category. The high unemployment rate is a major reason for skilled locals to leave their traditional places.

Table 10 Social Indicators of the population in Issyk-Kul Region⁴¹

	Life expectancy in males (years)	Life expectancy in females, (years)	Share of the poor population(including the poorest categories) %	Share of the poor population(includi ng the poorest categories) %	Share of the poor population in the household sector %	The share of the poorest population, %
1996	60,5	70	47,3	53,7	20,2	24
1997	61,2	69,9	51,8	57,5	20,4	23,8
1998	62,5	70,5	49,5	58,1	11,8	16,5
1999	62,6	70,5	33,3	43,5	10,6	14,6

The whole of the Issyk-Kul Lake zone is under severe pressure of electric power irregularity or mere absence, especially in winter. The situation is comparatively better for the recreation zone in summer when the holiday season starts, however, the rolling blackouts persist in the periphery. The heating and hot water boilers providing residential and resort facilities with required thermal comfort are, as a rule, privatised, they operate on coal and black oil. The end users have to pay 3,000 - 3,500 Sons for low standard services during the heating period of 2 to 3 months for the boiler owners keep the water pressure and its temperature at the lowest possible level due to economy reasons (i.e. in Cholpon-Ata, PMK, Bozteri). Yet the people are forced to settle their winter problems in another way (see below).

The city of Balykchy and a number of settlements to the east around the Lake are in acute deficit of clean drinking water. The natural gas (propane) for cooking is a costly item for many, while as an alternative people, for the past several years, choose to cut down trees, orchards and woodland belts, which are becoming scarce.

Once in high demand the residential apartments in Balykchy can be bought for nothing, a somewhat \$50 - 150 USD per apartment in a block of flats. At the same time, in the health resort zone a privately owned real estate (household), say in Kara-Oi (former Dolinka) or Bozteri, is traded at \$10,000-25,000; this is on the background of chronic unemployment!. Similarly, the prices for consumer goods and services in Cholpon-Ata and the resort zone are at times higher than in Bishkek.

An extreme disparity of local population for not having parity access to tourism and recreational resources potential, infringement of their interests and slim chances for seasonal employment in service and tourism catering business stipulate for a sharp social contrast leading, at times, to conflicts with "rich aliens". Provided the present trend of the recreation zone development continues without proper social adjustments the opposition of locals against elite hotels and rich tourists may only aggravate.

⁴¹ Poverty Profile Formulation Report, Bishkek: JICA-Kyrgyzstan, 2001. - Attachments.

In 2002 on the south coast of the Issyk-Kul Lake in the Kyzyl-Suu (former Pokrovka) village a South Korean company decided to use a thermal spring, traditionally open for general public access, to heat its living and office premises by means of the spring fencing and blocking access. The locals retaliated with damaging of the fencing and the conduit.⁴²

New private hotels with limited to general public access (fencing, guards), are a source of super-profit for their non-resident owners. As an illustration to that, a single private hotel in Bozteri, at the construction cost of \$250,000 yields in \$200,000 during one tourist season. A monthly rental fee of a small snack bar or a restaurant in the territory of a prospering health resort varies from \$10,000 to \$20,000, and that of a hairdressing salon - 3,000 to 5,000 Soms. The cost of an old or refurbishment-pending shabby hotel accommodation requires some \$50,000 - \$200,000; whereas, under any circumstances local population is more as an outsider to watch the benefits go by.

Local administrations are not always in the position to back their population due to their apparent insolvency, preferring to deal with the outside investors. There is nothing strange about the locals having their inferiority complex expressed in criminal varieties; they stick to drugs production and consumption, prostitution and petty theft, the latter received a regular occurrence in health resort areas.

11. Population Employed in Tourism Business

An annual average figure for people employed in tourism is some 6,793 nation wide⁴³; this displays the number of employees in officially registered companies.

According to the official statistics data 3,500 to 8,000 people are engaged in private tourism services. But taking into account the an average population of Kara-Oi (Dolinka), Cholpon-Ata and Bozteri alone is about 30,000, where most of the population makes its living on renting their apartments out and servicing, then the above cited maximum figure of 8,000 turns as understatement.

As a rule, residents of the recreational zone offer the following services for tourists:

- renting of accommodation in private owned premises including private hotels and motels;
- cafes and restaurants;
- transportation;
- recreation and leisure services (horse-riding, sea-doing, motor boats, boats and yachts renting out, etc.);
- foodstuffs sales;
- fishing as per orders of cafes and restaurants;
- fish sundrying and smoking;
- handicrafts and souvenirs making and trading;

One may state that currently in the Issyk-Kul health resort zone there started the formation of a spontaneous tourism servicing industry. For example, to attract more tourists, the owners of restaurants undertake to serve guaranteed dinners by fixed time; they are placing then orders with local fishermen to supply the required by the order quantity and type of fish. The fishermen, in turn, do their best not to fail the order otherwise they may lose clients.

Some entrepreneurs servicing tourists operate on a patent (special permit) basis, yet, the majority prefer to avoid legalisation evading the hard-pressing taxation regime.

The thing is that the accommodation lessor shall pay the following charges:⁴⁴

⁴² The data obtained during individual random interviews with local residents.

⁴³ Tourism in Kyrgyzstan. Statistical Bulletin – Bishkek: NSC, 2002.- p. 13.

⁴⁴ Yu. Alexandrov. Lights and Shadows of Issyk-Kul // Vecherny Bishkek, September 27, 2002.

- patent collects per each client;
- water use charges (3 Soms per client) to municipal water supply service;
- per-person-charge for garbage collect/removal, which is practically not removed;
- 10 Soms per day per person for staying in the health resort zone (resort area tax).

Experience of the Helvetas programme is worth considering since it is designed to involve local residents in community-based tourism practices.⁴⁵ Pursuant to this programme a network of guesthouses was set up around Issyk-Kul lake and elsewhere in Kyrgyzstan, where tourists are offered standard "recognisable" services.

As Mr. Egemberdy Sadabayev, press-secretary for the Governor of the Issyk-Kul Administration, "...this summer the private sector was on the rise. While the sanatoria and other hotels in the centre of the health resort zone accommodated only 30.000 of holidaymakers, the private sector hosted four times as many due to the lower prices and rentals".⁴⁶

If whatever the press-secretary says is trustworthy, then the past season must have received some 120,000 tourists that altogether with sanatoria and hotels makes up around 150,000 visitors.

According to the SCTSYP data "in the first half of the year 2002 about 53.9 thou of foreign citizens have visited Kyrgyzstan, which is 11,4 thou more than during the last year, with revenues of tourism amounting to \$10.5 mia (a 66.8% increment)".⁴⁷

For a tourism market capacity of 210,000 - 320,000 visits per year (Aga Khan Foundation experts' estimates) such a result is not at all bad.

12. Proposals on Potential Tourism Projects in Kyrgyzstan

Based on studies and expert reports on tourism in Kyrgyzstan one may conclude that:

- To-date there is no unified governmental strategy for tourism development. Calls for tourism development by state authorities in the Year of Tourism have not been strategically materialized.
 - Decisions and resolutions are not clear targeted.
 - Priority targets have not been defined.
- Inadequate concerted action of state structures.
 - The State Committee for Tourism, Sports and Youth Policy does not have visible top-to-down management system, which essentially hampers effective tourism policy on the regional level. For this reason it is more than often when the Committee's decisions and instructions are ignored by local administrations.
- Underestimation of the ecological potential for successful development of tourism and of the Kyoto Protocol application.
 - Underestimation by the state authorities of the Issyk-Kul biosphere territory as a significant source of revenues for the state budget and other benefits.
 - Inadequate control of the ecological situation in territories adjacent to the Lake of Issyk-Kyl.
- Underdeveloped tourism infrastructure which shall not rely only on private tourism sector.

Proposed Projects:

- **Development of a state tourism strategy as a budget-oriented industry sector.** To materialise this project two experts will be needed to work at the SCTSYP and the Issyk-Kul

⁴⁵ www.novinomad.com; www.helvetas.kg

⁴⁶ NNA KABAR, Bishkek, September 27, 2002

⁴⁷ NNA KABAR, Bishkek. July 26, 2002



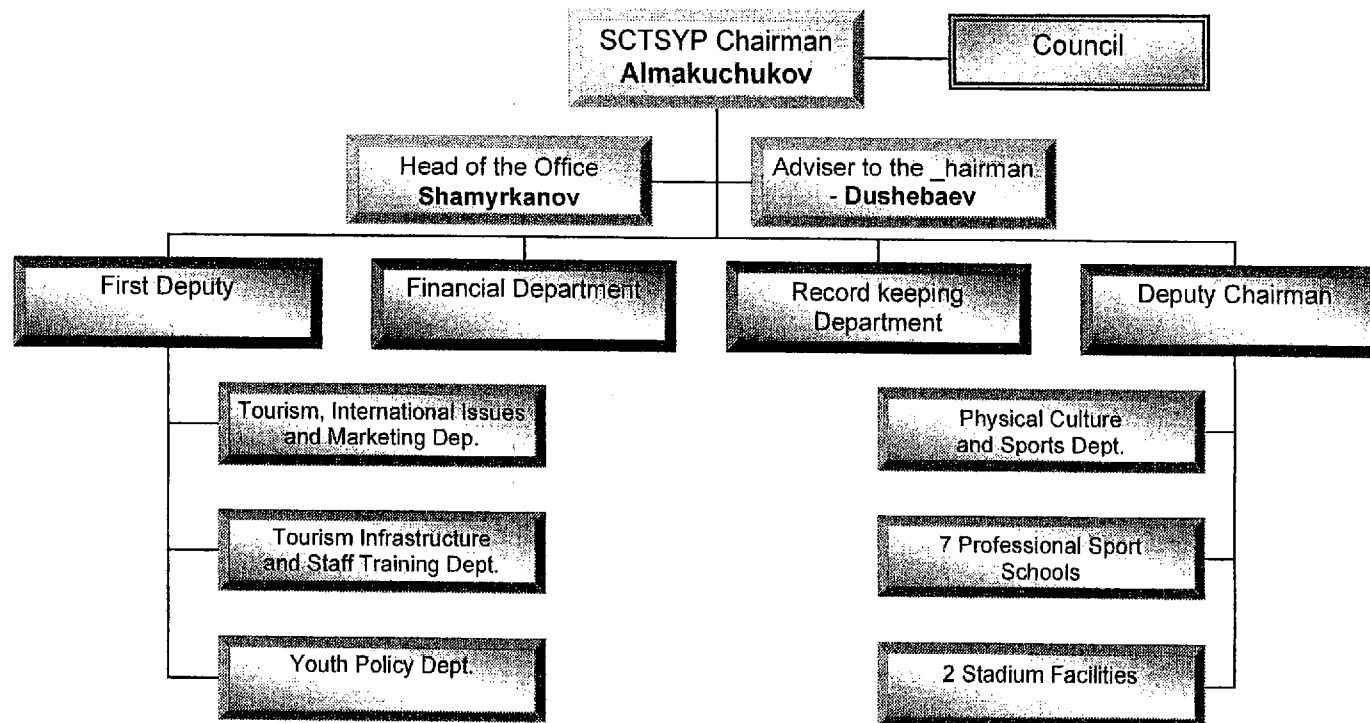
Oblast Administration, their mission being involvement of a top-to-down tourism administration system setting up providing for ecological protection and tourist's security.

Other aspects to be given due attention: creating favourable conditions for locals to have revenues and jobs in tourism business.

- **Rendering assistance in framing of the general construction plan and Issyk-Kul health resort zone maintenance.** Unavailability of such a plan does not allow for a well-thought decision making regarding the construction of new hotels and other facilities, including residential area build-up.
- **Electricity, heating supply to residential households and recreational facilities / hotels, and wastes utilisation for the same located in the Issyk-Kul Oblast.** The Oblast may well be all-sufficient energy-wise provided its power potential is realised via *non-traditional* sources of energy employment; for which purpose a map of electric power and heating supply for residential households and the health resort zone of Issyk-Kul Lake shall be drawn up. This plan materialised, the people may stop deserting the area by seasonal migration in winter and trees chopping.
- **Development of a database for assessing investments attraction of separate territories and particular objects.** Being represented on a Website it could be sort of an Investment Guide. The incorporation in the database of information dealing with particular cases of investors' positive or negative decisions would provide an objective state of the art in the Republic as a whole and its different regions.

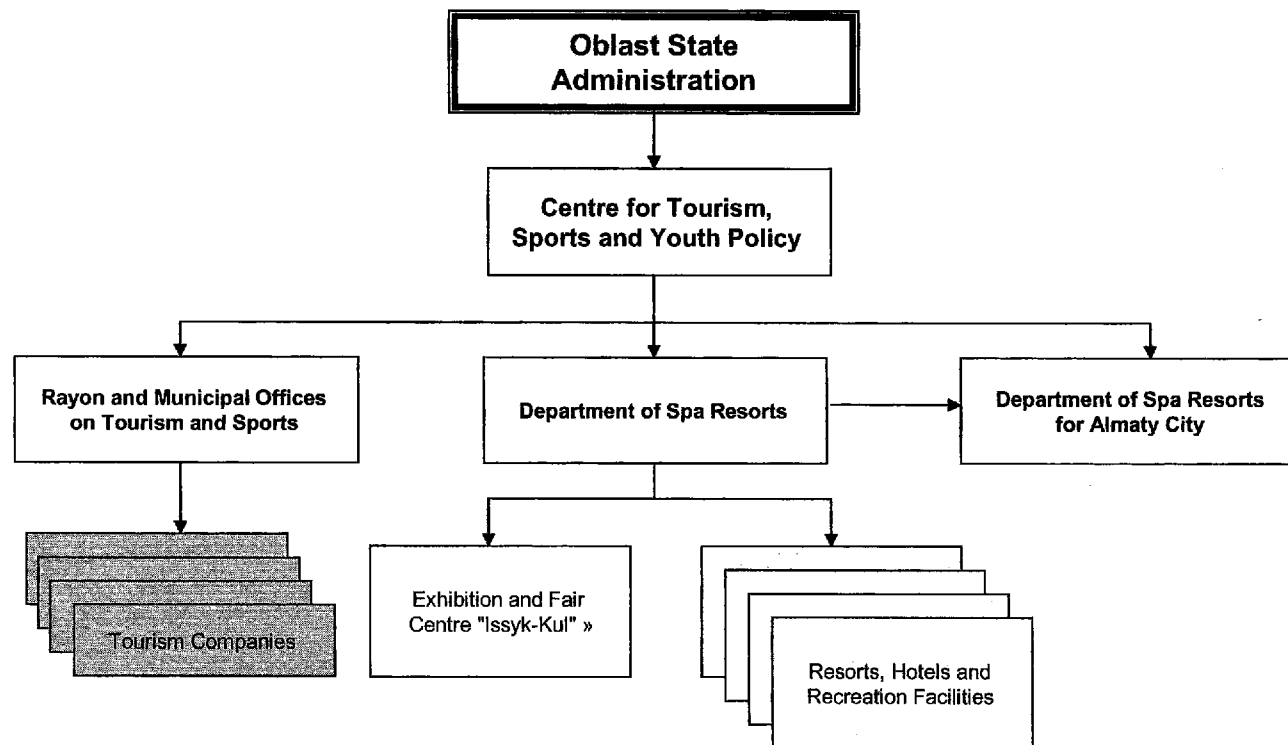
Appendix 1

**Organizational Chart
of the State Committee of the Kyrgyz Republic for Tourism, Sport, and Youth Policy**



Appendix 2

Organisation Chart Of tourism management in Issyk-Kul Regional Administration



Appendix 3

General Information about Kyrgyzstan

CAPITAL	Bishkek (formerly Frunze), 700.000 inhabitants.
LOCATION	Bordering on Uzbekistan, Kazakhstan, Tadjikistan and China.
TIME	4 hours ahead of UTC (GMT).
SURFACE	198.500 sqkm (Switzerland 41.293 sqkm); mountains 94%, plains 6%, high mountains 70%, other 23%
CLIMATE	Average: January - 4° to - 14°C; July 12° to 30°C; continental
INHABITANTS	5 Mio (1996; Switzerland 6,8 Mio).
TOWNS	Bishkek (700,000), Osh (215,000), Tokmak (71,000), Karakol (formerly Przhevalsk 64,000). Cholpon-Ata (10.000)
LANGUAGES	Kyrgyz (state), Russian (official).
NATIONALITIES	Kyrgyz (60 %), Russians (16 %), Uzbeks (14 %), Ukrainians (2 %), Dungans, Kazakhs (1 %), Tajiks (1 %), Tatars (1 %), Germans (0,5%), Uighurs, Koreans, Chinese.
RELIGIONS	Islam, Christianity
BEST TRAVEL TIME	May through September (winter tours and sports will be possible in future).
CURRENCY	1 Som = 100 Tyn. 1 US-\$ = ca. 48 Som (03/02). 1 Euro = 42 Som (03/02).
AIRPORTS	Manas, 20 km from Bishkek city, Almaty, 250 km from Bishkek.
DIRECT FLIGHTS TO KYRGYZSTAN⁴⁸	
Direct to Bishkek from Germany, Turkey, Britain	Kyrgyz Airlines Germany, Tel. +49-69-4960224; Turkish Airlines, via Istanbul, Tel. +49-69-273007-20/21/22/23; British Airways, via London, Tel. +49-69-69815-0. There are also direct flights from Moscow and St. Petersburg (Russia) and from Tashkent (Uzbekistan).
TRAIN AND BUS CONNECTIONS	From Tashkent (Uzbekistan) via Chimkent (Kazakhstan) to Bishkek; From Urumchi (China) to Almaty (Kazakhstan) and Bishkek; From Irkutsk (Russia) to Bishkek; From Pavlodar to Bishkek (seasonal extension to Balykchy); BUS: (public) Almaty-Bishkek; (special seasonal) Almaty – Cholpon-Ata (special seasonal) Tashkent – Cholpon-Ata;

Geography

Area: 198.5 thousandsand sq. km, mountains 94% (high mountains 70%), valleys 6%.

The highest peaks: Peak Pobeda (Victory) (7439 m), Peak Lenin (7134 m), Peak Khan-Tengry (7010 m).

Valleys: Chuy valley, Talas valley, Fergana valley.

The biggest lakes: Issyk-Kul (6236 sq. km), Son-Kul (278 sq. km), Chatyr-Kul (170.6 sq. km).

⁴⁸ Appendix 5.

Climate

Continental - the temperature in January varies between -4° to -14° C; in July varies between +12° to +40° C.

The average temperature:

Place	The average temperature	
	in January	in July
Bishkek	-4,6°C	24,5°C
Osh	-3,5°C	24,7°C
Dzhalal-Abad	-4,1°C	25,3°C
Karakol	-6°C	20°C
Naryn	-17°C	17°C
Talass	-6,6°C	20°C
Balykchy	-3,9 – -5,8°C	17,5 – 18°C
Suusamyr	-20 – -21°C	13-14°C
Song-Kul	-20°C	11°C

The average water temperature:

Lake	The average water temperature	
	in January	in July
Issyk-Kul	-4,2 – 5°C	20 – 24°C
Song-Kul	3°C	11 – 12°C

Appendix 4

Interviews with Managers of Tourism Companies

To obtain more reliable information regarding the situation in Kyrgyzstan's tourism we interviewed directors of a few tourism companies, both small and large.

Each interviewee was asked the following three questions:

- a) *What are the major problems of tourism business in Kyrgyzstan:*
- b) *What are tourism tendencies and prospects for its development;*
- c) *What is the mission of the state tourism authorities.*

Mr. Emil Umetaliev, Manager General of the Kyrgyz-Concept Company

1. Problems in Tourism business

- Deficit of information on Kyrgyzstan. Even the "Silk Road Route" tourists are least informed on Kyrgyzstan;
- Crossing the borders of states neighbouring Kyrgyzstan (Kazakhstan and Uzbekistan) are time-consuming procedures and inadequate, unfriendly customs servicing, very costly visa services which take a lot of time. Issuance of visas at Embassies is inconvenient for tourists. Touring neighbouring states takes much money and time;
- Inadequate infrastructures. Hotels do not comply with modern international standards, roads are bad even those which lead to such places of interest as Tash-Rabat, Saimaluu-Tash and others;
- Interference of state authorities in tourism entrepreneurship (regulations, certificates, licenses etc.)

2. Tendencies and Prospects

- Large potential of the "Silk Road Route" for Kyrgyzstan;
- The potential tourism market involving European and Japanese tourists visiting Northern China, namely Kashgar. It would be reasonable to invite them to visit Kyrgyzstan as part of their route. It would be a very interesting experience for them. Unfortunately Kyrgyzstan remains for them a "terra incognita".
- South China tourists;
- Further development of active tourism including extreme tourism and mountaineering;
- Eco- ethnographic, jailoo and rural tourism communities and acquaintance with their way of life and culture;
- The revival of interest to Kyrgyzstan is expected from Uzbekistan, Kazakhstan and Russia. Of late more and more visitors from these states prefer Kyrgyzstan to Turkey (Antalia), the Issyk-Kul lake being their major attraction. It's true that our hotels in the Issyk-Kul health resort zone are not up to the mark and charge high prices for low standard services, reasonable "quality-price" ratio being offered by private hotels. With further development of the private sector the influx of tourists from neighbouring states will increase.

3. Tourism Management by the State Authorities



- Touroperators often complain that the Karakol-based authorities demand that tourism companies have supplementary certificates and licenses, which seriously hampers the development of tourism entrepreneurship.
- To-date there is hardly a single state authority competent to design and frame the tourism policy in Kyrgyzstan. We would thank them not to interfere in our business.
- Departments for tourism formed under the State Administration are good for nothing. Such a small republic as Kyrgyzstan with a small capacity tourism market does not need so many functionaries.
- More competent assistance to the Issyk-Kul zone would be a valuable contribution to tourism business in this area.

Mr. Mukhamedziyev, Manager of the Muza Tours and Travel

1. Problems in Tourism business

- Deficit of funding individual companies and tourism industry as a whole;
- Unavailability of a system of easy crediting of tourism business;
- Inadequate tourism infrastructure (motor vehicles, hotels, airlines, etc.) Investors do not risk investing into tourism business (inadequate taxation system, frequently changing legislation, non-compliance with laws in force, etc.);
- Inadequate tourism advertising.

2. Tendencies and Prospects

- The neighbourhood of states with quickly developing economics stimulates the development of tourism in Kyrgyzstan as its major branch of economy;
- For more distant states Kyrgyzstan shall be an object of interest as a transit state between China and Central-Asia states. Whether Kyrgyzstan likes it or not it shall develop tourism business. The private sector cannot cope with this problem. Therefore the national tourism development strategy is needed.

3. Tourism Management by the State Authorities

- The State major strategy for tourism development shall be aimed at promoting normal market relations in the country as a whole and private tourist business in particular.

Mrs. Yelena Kalashnikova, Director of the "Ak-Sai Travel"

1. Problems in Tourism business

- Underdeveloped tourism infrastructure;
- Bad roads;
- Inadequate hotels and restaurants particularly in Naryn, Karakol and Talass;
- Visa-customs procedures between Kyrgyzstan, Kazakhstan and Uzbekistan (sometimes aggressive and unfriendly attitude to tourists);
- Lack of comfortable mini-buses.

2. Tendencies and Prospects

- Kyrgyzstan as part of the Silk Road Route may attract more tourists in the future;
- Very promising are extreme tours, alpinism and motor- and bicycle tourism;
- The development of the economy of the Issyk-Kul region may essentially contribute to and promote tourism business in the Issyk-Kul region.



3. Tourism Management by the State Authorities

- Meetings between the State Committee for Tourism, Sport and Youth Policy and members of the Association of Touroperators (Coordination Committee under the State Committee) organized to discuss day-to-day issues and presentation of the adopted decisions to the Tourism Coordination Committee for Tourism Development under the Administration of the Prime Minister.

Mr. A. Tian, Director of “Top Asia” Company

1. Problems in Tourism business

- Bad condition of historical monuments;
- Deficit of investors to invest in this business;
- Low service standards;
- Unfriendly attitude, high criminal rates, absence of safety (security) for tourists;
- High prices for food products (inadequacy of prices and quality)
- Lack of purposeful training of skilled tourism personnel;
- High prices for air tickets;

2. Tendencies and Prospects

- Major economic sector;
- A great potential for tourism development.

3. Tourism Management by the State Authorities

- State authorities hamper the development of tourism business (illegal posts and money collection);
- State authorities bear no responsibility for territories delegated to them;
- Financial reports do not correspond to the way things are with the result that the distorted information is published by the mass media;
- The State authorities do not care to cooperate with Government mass media;
- The State authorities do not cooperate with touroperators;
- State authorities are unable to promote quick customs formalities.

Mr. D. Kazakov, Director of “C.A.T. Travels”

1. Problems in Tourism business

- Unavailability of required number of air companies operating on the Kyrgyzstan's tours;
- Very expensive tickets;
- Very costly entry visa;
- Under-standard infrastructure;
- Lack of Fund raising;
- Lack of personnel qualified in tourism.

2. Tendencies and Prospects

- Absence of a clear-cut tourism program;
- Lack of coordination between state authorities involved in tourism administration and parallel functions;



- Deficit of funding;
- Lack of easy crediting;

Mr. Samuel Maret, Manager of “Green Tour”

1. Problems in Tourism business

- Very costly tickets, lack of air flights in the tourist season;
- Visa problems;
- Seasonal operation of firms;
- Discrimination of individual tourist firms;
- Inadequacy of domestic tourism standards and those in Europe.

3. Tourism Management by the State Authorities

- Absence of assistance on the part of the state in attraction of tourists;
- Complicated procedures to obtain visas.



Appendix 5

Timetable of International Flights from Bishkek, Almaty, and Tashkent⁴⁹

Please note that the given itinerary and fares are as of today and subject to change

Flights from Bishkek:**I) British Airways to London:****1) Flight to London:**

Flight	Days	Destination	ETD	ETA
BA6726	2,7	Bishkek-London (LHR)	0615	1130
BA6726	5	Bishkek-London (LHR)	0645	1200
BA6725	4	(LHR) London-Bishkek	1405	0410+1
BA6725	1,6	(LHR) London-Bishkek	1405	0410+1

Fare:

Round trip: from USD 850+taxes 3-months fare

One-way: USD from 559+taxes

II) Turkish Airlines Istanbul:

Flight	Days	Destination	ETD	ETA
TK1349	3,6	Bishkek-Istanbul	0825	1120
TK1348	2,5	Istanbul-Bishkek	2215	0625+1

Fare:

Round trip: from USD 450+taxes (approx. USD 36)

One-way: from USD 350+taxes (approx. 16)

III) Flight on Aeroflot:

Flight	Days	Destination	ETD	ETA
SU 180	Daily but 2,4	Bishkek-Moscow	0440	0710
SU 179	Daily but 1,3	Moscow-Bishkek	2025	0245+1

Fare:

From USD 349+taxes –1-month fare

From USD 195+taxes (should be bought at least 7 days before departure)

VI) Flight on Uzbekistan Airways to Tashkent:

Flight	Days	Destination	ETD	ETA
HY 776	1	Bishkek-Tashkent	1715	1735
HY 786	2	Bishkek-Tashkent	1200	1305
HY 780	3	Bishkek-Tashkent	0700	0805
HY 782	4	Bishkek-Tashkent	0915	0935
HY 784	7	Bishkek-Tashkent	1115	1220
HY 775	1	Tashkent-Bishkek	1330	1545
HY 785	1	Tashkent-Bishkek	2330	0215+1
HY 779	2	Tashkent-Bishkek	1700	1945
HY 781	4	Tashkent-Bishkek	0600	0815
HY 783	7	Tashkent-Bishkek	0730	1015

⁴⁹ Courtesy of the "Kyrgyz-Concept Tour Agency"



Fare:

Round trip: from USD 160+taxes (approx. USD 16)

One-way: from USD 89+taxes

V) Flight on Kyrgyzstan Airlines to Delhi:

Flight	Days	Destination	ETD	ETA
R8 545	5	Bishkek-Delhi	1045	1330
R8 548	5	Delhi-Bishkek	1830	2220

Fare:

Round trip: from USD 458+taxes

One-way: from USD 239+taxes

VI) Flight on Kyrgyz Airlines to Dushanbe:

Flight	Days	Destination	ETD	ETA
R8 635	6	Bishkek-Dushanbe	1000	1105
R8 636	6	Dushanbe-Bishkek	1205	1510

Fare:

Round trip: from USD 250+taxes

One-way: from USD 135+taxes

V) Flight on Tajikistan Airlines to Dushanbe:

Flight	Days	Destination	ETD	ETA
7J4850	3	Bishkek-Dushanbe	1330	1430
7J4849	3	Dushanbe-Bishkek	0900	1200

Fare:

One-way: from USD 118+taxes (for CIS citizens) USD 170+taxes (for foreigners)

VI) Flight on Kyrgyzstan Airlines to Urumqi:

Flight	Days	Destination	ETD	ETA
R8 517	2	Bishkek-Urumqi	1100	1500
R8 518	2	Urumqi-Bishkek	1630	1635

Fare:

Round trip: from 310+taxes

One-way: from 190+taxes

VII) Flight on China Xinjiang Airlines: to Urumqi:

Flight	Days	Destination	ETD	ETA
XO 718	5	Bishkek-Urumqi	1020	1420
XO 717	5	Urumqi-Bishkek	0905	0920

Fare:

Round trip: from USD 313

One-way: from USD 190+taxes

VIII) Flight on Kyrgyz Airlines to Frankfurt:

Flight	Days	Destination	ETD	ETA
R8 571	5	Bishkek-Frankfurt	1400	1645
R8 572	5	Frankfurt-Bishkek	1840	0445+1

Fare:

Round trip: from USD 490+taxes

One-way: from USD 340+taxes (should be bought 7 days before departure)



XI) Flight on Kyrgyz Airlines to Hanover:

Flight	Days	Destination	ETD	ETA
R8 511	6	Bishkek-Hanover	1330	1600
R8 512	6	Hanover-Bishkek	1800	0355+1

Fare:

Round trip: from USD 490+taxes

One-way: from USD 340+taxes (should be bought 7 days before departure)

X) Flight on Kyrgyzstan Airlines to Sharjah:

Flight	Days	Destination	ETD	ETA
R8 525	1	Bishkek-Sharjah	1800	2020
R8 526	2	Sharjah-Bishkek	0020	0450+1

Fare:

Round trip: from USD 440+taxes

One-way: from USD 250+taxes

XI) Flight on Kyrgyzstan Airlines to Moscow:

Flight	Days	Destination	ETD	ETA
R8 607	4,6	Bishkek-Moscow	0800	1015
R8 609	1	Bishkek-Moscow	1825	2040
R8 608	4,6	Moscow-Bishkek	1215	1810
R8 610	1	Moscow-Bishkek	2240	0435

Fare:

Round trip: from USD 234 and high

One-way: from USD 195+taxes (should be bought at least 7 days before departure)

XII) Flight on Itek Air to Moscow:

Flight	Days	Destination	ETD	ETA
GI 631	5,7	Bishkek-Moscow	0900	1140
GI 632	5,7	Moscow-Bishkek	1300	1910

Fare:

Round trip: from USD 234 and high

One-way: from USD 195+taxes (should be bought at least 7 days before departure)

XIII) Flight on Altyn Air from Bishkek to Moscow:

Flight	Days	Destination	ETD	ETA
AU 403	2	Bishkek-Moscow	0900	1140
AU 404	2	Moscow-Bishkek	1300	1855

Fare:

Round trip: from USD 234 and high

One-way: from USD 195+taxes (should be bought at least 7 days before departure)

XIV) Flight on Altyn Air to Tehran:

Flight	Days	Destination	ETD	ETA
LYN 4350	3	Bishkek-Tehran	1000	1130
LYN 4354	3	Tehran-Bishkek	1330	1830

Fare:

Round trip: USD 240+taxes

One-way: from USD 330+taxes

XV) Flight on Itek Air to Istanbul:

Flight	Days	Destination	ETD	ETA
GI 507	1,4	Bishkek-Istanbul	0900	1130
GI 508	1,4	Istanbul-Bishkek	1430	2225

Fare:

Round trip: from USD 420+taxes

One-way: from USD 280+taxes

Flights from Almaty:

I) Flight on KLM to Amsterdam:

Flight	Days	Destination	ETD	ETA
KL 410	Daily but 3,6	Almaty-Amsterdam	0400	0630
KL 409	Daily but 2,5	Amsterdam-Almaty	1405	0150+1

Fare:

Round trip: from USD 899+taxes

One-way: from USD 540+taxes

II) Flight on Lufthansa to Frankfurt:

Flight	Days	Destination	ETD	ETA
LH 647	1,2,4,5,6	Almaty-Frankfurt	0420	0620
LH 648	1,3,4,5,7	Frankfurt-Almaty	1115	2250

Fare:

Round trip: from USD 749+taxes

One-way: from USD 487+taxes

III) Flight on Turkish Airlines to Istanbul:

Flight	Days	Destination	ETD	ETA
TK1351	1,3,4,5,6	Almaty-Istanbul	0500	0655
TK1350	2,3,4,5,7	Istanbul-Almaty	1745	0300+1

Fare:

Round trip: from USD 450+taxes (approx. USD 42)

One-way: from USD 400+taxes (approx. USD 25)

IV) Flight on British Airways to London:

Flight	Days	Destination	ETD	ETA
BA6728	1,6	Almaty-London	0655	1130
BA6728	3	Almaty-London	0725	1200

Fare:

Round trip: from USD 850+taxes

One-way: from USD 600+taxes

V) Flight on Iran Air to Tehran:

Flight	Days	Destination	ETD	ETA
IR 505	5	Almaty-Tehran	1800	1945
IR 504	5	Tehran-Almaty	0815	1700

Fare:

Round trip: from USD 330+taxes (approx. USD 29)

One-way: from USD 215+taxes (approx. USD 18)



VI) Flight on Transaero to Moscow:

Flight	Days	Destination	ETD	ETA
UN 206	Daily but 7	Almaty-Moscow	0730	0915
UN 256	2	Almaty-Moscow	0630	0815
UN 256	7	Almaty-Moscow	0930	1115
UN 205	Daily but 6	Moscow-Almaty	2300	0615+1
UN 255	1,3	Moscow-Almaty	2200	0520+1

Fare:

Round trip: from USD 370+taxes

One-way: from USD 265+taxes

VII) Flight on Air Kazakstan to Moscow:

Flight	Days	Destination	ETD	ETA
9Y 503	Daily but 4	Almaty-Moscow	0830	1035
9Y 504	Daily but 4	Moscow-Almaty	2240	0630+1

Fare: round trip: from USD 350+taxes

One-way: from USD 190+taxes

VIII) Flight on Turkmenistan Airlines to Ashgabat:

Flight	Days	Destination	ETD	ETA
T5 712	7	Almaty-Ashgabat	1620	1710
T5 711	7	Ashgabat-Almaty	0650	1135

Fare:

Round trip: from 250+taxes (approx. USD 50 or 60)

One-way: from USD 150+taxes (approx. USD 29)

XI) Flight on Uzbekistan Airways to Tashkent:

Flight	Days	Destination	ETD	ETA
HY 766	4,7	Almaty-Tashkent	1155	1145
HY 768	2		1240	1230
HY 764	3,6		1340	1330
HY 762	1,5		2050	2040
HY 765	4,7	Tashkent-Almaty	0715	1055
HY 767	2		0800	1140
HY 763	3,6		0900	1240
HY 761	1,5		1610	1950

Fare:

Round trip: from USD 180+taxes (approx. USD 36)

One-way: from USD 95+taxes (approx. USD 25)

Flight on Air Kazakstan from Almaty to Seoul:

Flight	Days	Destination	ETD	ETA
9Y 305	5	Almaty-Seoul	0640	1405
9Y 305	1	Almaty-Seoul	2300	0625+1
9Y 306	5	Seoul-Almaty	1630	2050
9Y 306	2	Seoul-Almaty	1955	0015+1

Fare: round trip: from USD 610+taxes

One-way: from USD 500+taxes

Flight on Air Kazakstan from Almaty to Delhi:

Flight	Days	Destination	ETD	ETA
9Y 219	6	Almaty-Delhi	1915	2130
9Y 220	6	Delhi-Almaty	2330	0500+1

Fare:

One-way: from USD 250+taxes

Round trip: from USD 355+taxes

Flight on Air Kazakstan from Almaty to Istanbul:

Flight	Days	Destination	ETD	ETA
9Y 213	1,4	Almaty-Istanbul	0810	0950
9Y 214	1,4	Istanbul-Almaty	1150	2055

Fare:

One-way: from USD 310+taxes

Round trip: from USD 370+taxes

Flight on Air Kazakstan from Almaty to Frankfurt:

Flight	Days	Destination	ETD	ETA
9Y 111	3	Almaty-Frankfurt	0140	0530
9Y 111	7	Almaty-Frankfurt	0215	0605
9Y 112	7	Frankfurt-Almaty	0725	1840
9Y 112	3	Frankfurt-Almaty	0645	2010

Fare:

One-way: from USD 370+taxes

Round trip: from USD 520+taxes

Flight on Air Kazakstan from Almaty to Hanover:

Flight	Days	Destination	ETD	ETA
9Y 119	5	Almaty-Hanover	0705	1145
9Y 120	5	Hanover-Almaty	1315	0240+1

Fare:

One-way: from USD 370+taxes

Round trip: from USD 520+taxes

There was a flight on Air Kazakstan from Almaty to Bangkok once a week, but it was cancelled. We will provide you with the information about this flight as soon as we get it.

Flights from Tashkent:

1) Flight on Uzbekistan Airways to Paris:

Flight	Days	Destination	ETD	ETA
HY 251	2,5	Tashkent-Paris (CDG)	1605	2020
HY 252	2,5	(CDG) Paris-Tashkent	2200	0730+1

Fare:

Round trip: from USD 790+taxes (with strong restriction, ticket should be bought in advance)

One-way: from USD 750+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 520+taxes (with strong restriction, ticket should be bought in advance)

One-way: from USD 415+taxes



II) Flight on Uzbekistan Airways to Frankfurt:

Flight	Days	Destination	ETD	ETA
HY 231	6	Tashkent-Frankfurt	0645	1020
HY 231	1,4		0650	1025
HY 233	2		1530	1905
HY 232	6	Frankfurt-Tashkent	1140	2040
HY 232	1,4		1140	2040
HY 234	2		2005	0505+1

Fare:

Round trip: from USD 790+taxes (with strong restriction, ticket should be bought in advance)

One-way: from USD 750+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 520+taxes (with strong restriction, ticket should be bought in advance)

One-way: from USD 400+taxes

III) Flight on Uzbekistan Airways to London:

Flight	Days	Destination	ETD	ETA
HY 203	6	Tashkent-London	1035	1400
HY 201	2		1635	2000
HY 201	5,7		1635	2000
HY 202	5,7	London-Tashkent	2115	0750+1
HY 202	2		2115	0750+1
HY 204	6		1530	0445+1

Round trip: from USD 790+taxes (with strong restriction, ticket should be bought in advance)

One-way: from USD 750+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 520+taxes (with strong restriction, ticket should be bought in advance)

One-way: from USD 480+taxes

VI) Flight on Uzbekistan Airways to New York:

Flight	Days	Destination	ETD	ETA
HY 101	5,7	Tashkent-New York	0735	1530
HY 102	5,7	New York-Tashkent	1800	1805+1

Fare:

Round trip: from USD 1120+taxes (should be bought in advance)

One-way: from USD 1000+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 784+taxes (with restrictions)

One-way: from USD 700+taxes

V) Flight on Uzbekistan Airways to Istanbul:

Flight	Days	Destination	ETD	ETA
HY 271	4	Tashkent-Istanbul	0855	1205
HY 271	1		0855	1205
HY 272	4	Istanbul-Tashkent	1335	1955
HY 272	1		1335	1955

Fare:

Round trip: from USD 620+taxes (with restrictions)

One-way: from USD 620+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 552+taxes (with restrictions)

One-way: from USD 415+taxes

VI) Flight on Uzbekistan Airways to Bangkok:

Flight	Days	Destination	ETD	ETA
HY 533	3	Tashkent-Bangkok	1040	1840
HY 531	1,4		2220	0620+1
HY 532	2,5	Bangkok-Tashkent	0740	1200
HY 534	3		2000	0020+1

Fare:

Round trip: from USD 720+taxes (with restrictions)

One-way: from USD 700+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 560+taxes (approx. USD 7)

One-way: from USD 520+taxes

V) Flight on Uzbekistan Airways to Kuala Lumpur:

Flight	Days	Destination	ETD	ETA
HY 553	3	Tashkent-Kuala Lumpur	1030	2035
HY 551	1		2200	0805+1
HY 552	2	Kuala Lumpur-Tashkent	0915	1330
HY 554	3		2205	0220+1

Fare:

Round trip: from USD 720+taxes (with restrictions)

One-way: from USD 700+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 560+taxes (approx. USD 18)

One-way: from USD 520+taxes

VI) Flight on Uzbekistan Airways to Rome:

Flight	Days	Destination	ETD	ETA
HY 257	4	Tashkent-Rome	0530	0930
HY 257	1		0530	0930
HY 258	1	Rome-Tashkent	1030	1940
HY 258	4		1030	1940

Fare:

Round trip: from USD 790+taxes (with restrictions)

One-way: from USD 750+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from USD 552+taxes

One-way: from USD 415+taxes

VII) Flight on Turkish Airlines to Istanbul:

Flight	Days	Destination	ETD	ETA
TK1371	1	Tashkent-Istanbul	0330	0645
TK1371	3,6		0330	0645
TK1370	2,5,7	Istanbul-Tashkent	1900	0130+1

Fare:

Round trip: from USD 620+taxes (with strong restrictions)

One-way: from USD 620+taxes

VIII) Flight on Uzbekistan Airways to Moscow:

Flight	Days	Destination	ETD	ETA
HY 601	Daily	Tashkent-Moscow	1900	2220
HY 613	1		1005	1325
HY 602	Daily	Moscow-Tashkent	2350	0445+1
HY 614	1		1450	1945
HY 604	4		1215	1710

Fare:

Round trip: from USD 295+taxes

One-way: from USD 170+taxes

If to fly from Bishkek and return to Bishkek:

Round trip: from 320+taxes

One-way: from USD 168+taxes (should be bought in advance)

Flight on Uzbekistan Airways from Tashkent to Seoul:

Flight	Days	Destination	ETD	ETA
HY 513	3	Tashkent-Seoul	1035	2100
HY 511	1	Tashkent-Seoul	2240	0905+1
HY 512	2	Seoul-Tashkent	1015	1340
HY 514	3	Seoul-Tashkent	2215	0140+1

Fare:

One-way: from USD 705+taxes

Round trip: from USD 860+taxes 1-month fare with restrictions

If to fly from Bishkek and return to Bishkek it would be cost:

One-way:

For citizens of Korea: USD 450+taxes (approx. USD 4)

For others: USD 500+taxes (approx. USD 4)

Round trip: from USD 592+taxes (approx. USD 20)

Flight on Uzbekistan Airways from Tashkent to Osaka:

Flight	Days	Destination	ETD	ETA
HY 527	4	Tashkent-Osaka	2140	0855+1
HY 525	1	Tashkent-Osaka	2140	0855+1
HY 526	2	Osaka-Tashkent	1005	1425
HY 528	5	Osaka-Tashkent	1050	1510

Fare:

One-way: from USD 1337+taxes

Round trip: from USD 2120+taxes

If to fly from Bishkek and return to Bishkek it would be cost:

One-way: from USD 700+taxes

Round trip: from USD 840+taxes

Flight on Uzbekistan Airways from Tashkent to Tel Aviv:

Flight	Days	Destination	ETD	ETA
HY 301	1,4	Tashkent-Tel Aviv	0610	0930



HY 303	2	Tashkent-Tel Aviv	1755	2115
HY 302	1,4	Tel Aviv-Tashkent	1100	1735
HY 304	2	Tel Aviv-Tashkent	2245	0520+1

Fare:

One-way: from: USD 550+taxes

Round trip: from USD 700+taxes (with restrictions)

If to fly from Bishkek and return to Bishkek it would be cost:

One-way: USD 415+taxes

Round trip: from USD 552+taxes 1-month fare

Flight on Uzbekistan Airways from Tashkent to Delhi:

Flight	Days	Destination	ETD	ETA
HY 423	3,6	Tashkent-Delhi	0930	1300
HY 421	1,4	Tashkent-Delhi	2230	0200+1
HY 424	4,7	Delhi-Tashkent	0110	0340
HY 422	2,5	Delhi-Tashkent	1130	1400

Fare:

One-way: from USD 450+taxes

Round trip: from USD 450+taxes (with strong restrictions)

If to fly from Bishkek and return to Bishkek it would be cost:

One-way: from USD 400+taxes

Round trip: from USD 424+taxes



Appendix 6

Information on the Osh-Bishkek Road Reconstruction

The Bishkek-Osh road is of strategic importance since it links the industrial North and the agricultural South of the Kyrgyz Republic thus providing a single ground safe route between the biggest populated centers, Bishkek and Osh.

The road runs through four of the seven regions crossing a few mountain ridges and high-altitude valleys. The major purpose of this project is a reliable maintenance of this road in any season of the year.

The project started in 1997 and is supported by the Asian Bank of Development (ABD), the Islamic Bank of Development (IBD) and the Japanese Fund for Foreign Economic Cooperation (JBIC).

The project has been divided to involve four phases. The longest sections of the road are restructured and rehabilitated with the involvement of the Asian Bank of Development and the Japanese Bank for International Cooperation.

The first stage (1996-1998) included two packages: a 412-426 km section between Kara-Kul and Tash-Kumyr, a 161-248 km section along the Suu-Samyr valley and a 325-362 km section along the south coast of the Toktogul reservoir. The total cost of the first phase was estimated at \$92.98 mln each of the following banks contributing as follows:

- The Asian Bank of Development: \$50 mln;
- The OECF: \$27.98 mln;
- The Republican Budget of the Kyrgyz Republic: \$15 mln.

The second stage covers a section of 205 km:

- 81-161 km from Sosnovka to Tuya-Ashu(with a tunnel);
- 248-325 km and 262-412 km sections

Total cost: \$90 mln whereof \$40 mln shall be covered by the Asia Bank of Development.

Stage III whose feasibility was completed early in the year 2001 shall include road sections as follows:

- 9 km (Bishkek) - 81km (Sosnovka);
- 426-462 km, 503-575 km (Jalal-Abad) and the Uzgen-Osh section.

Besides, within Stage III a few local adjacent roads shall be rehabilitated. To detour the Uzbekistan territory Madaniyat – Jalal-Abad – Uzgen sections will be rehabilitated with the assistance of the IBD. Thus, the total length of the Bishkek-Osh road has been increased due to the detouring of the Uzbek territory. Unfortunately, for the time being this is the only alternative for us. The total length of this road section of 264 km is worth \$62 mln.

The works have not yet started. The Bishkek-Osh rehabilitation project is assigned to category “B” since it will not affect the environment.

Contractors:

1. Iran firm “Keison”, President M. Reza Arsani (stage 1b, package 2)
2. Turkish firm “Enters”, stage 2, package 2
3. Korean Firm “Samsung”, stage 2, package 1
4. Company “Karl Bro International”, consultant: C. Michael
5. Kyrgyzdortransproekt.

Appendix 7

List of Countries

The citizens whereof may enter Kyrgyzstan visa-free

1. Republic of Azerbaijan
2. Albania
3. Republic of Armenia
4. Republic of Belarus
5. Bulgaria
6. Bosnia and Herzegovina
7. Georgia
8. Republic of Kazakhstan
9. Korean People's Democratic Republic (DRPK)
10. Republic of Cuba
11. Macedonia
12. Malaysia (up to 3 months)
13. Republic of Moldova
14. Mongolia (up to 3 months)
15. Poland
16. Russian Federation
17. Romania
18. Slovakia
19. Slovenia
20. Viet-Nam
21. Republic of Tajikistan
22. Turkish Republic (up to 1 month)
23. Ukraine
24. Croatia
25. The Check Republic
26. Yugoslavia
27. Japan

II. The list of countries the holders of diplomatic passports whereof are not subject to obtain the entrance visa to Kyrgyzstan:

1. Hungarian Republic
2. People's Republic of China (also for the SERVICE passport holders)
3. Turkmenistan
4. Republic of Uzbekistan

III. The list of countries the holders of diplomatic passports whereof Are not subject to obtain the entrance visa to Kyrgyzstan

1. Austrian Republic
2. Kingdom of Belgium
3. United Kingdom and the Northern Ireland
4. Greek Republic
5. Denmark



6. Island
7. Spain
8. Islamic Republic of Iran (up to 1 month)
9. Italy
10. Canada
11. Luxemburg
12. the Netherlands
13. Norway
14. Portugal Republic
15. The United States of America
16. Federative Republic of Germany
17. Finland
18. French Republic
19. Swiss Confederation
20. Kingdom of Sweden



Appendix 8

On “Issyk-Kul” Biosphere Reserve

The Biosphere Reserve Issyk-Kul is a specially protected natural territory established in accordance with the Enactment of the Government of Kyrgyzstan __ 623 “On Issyk-Kul Biosphere Territory”, on September 25, 1998 in order to:

- protect, rehabilitate and use of natural territories famous for rich natural and cultural heritage;
- ensure a long-term ecological control, monitoring and ecological studies, and also ecological education and upbringing.

The Enactment was approved by the Decree of Government of Kyrgyzstan _ 40 on January 24, 2000.

In accordance with the Law of the Kyrgyz Republic “On Biosphere Territories of the Kyrgyz Republic” and international standards in the framework of the UNESCO Programme “Man and Biosphere” (MAB) the biosphere territory Issyk-Kul should serve for the following:

- protection of natural landscapes, ecosystems, types and genetic varieties,
- assisting in economic and cultural regional development ensuring good communication between environment and safe and sustainable human development;
- to carry out long-term research works and studies to explore and monitor status of environment and to assist the region in ecological education and information, skills upgrading of the managers on the use of natural resources, and to serve as a base for new technologies appraisal, standardisation and transfer for the benefits of the region.

The Directorate of the Issyk-Kul Biosphere Reserve is the managing and co-ordinating organ for any plans and programmes. The Directorate is legally established state authority financed from the state budget and other sources, and is functioning in compliance with the relevant Provisions and by-laws.

Special ecological checkpoints facilitated at the Territory’s entrance points to collect motor transport entrance charges. The revenues generated from such payment collects are the legal funds of the Directorate and to be spent to environment-protection exercises in the region.

Following the Edict of the President of the Kyrgyz Republic _3 as of January 4, 2002 a structure of the central administration for the State Forestry Service of the Kyrgyz Republic was established, which is the superior organ for the Directorate since then.

Currently the Directorate employs 40 personnel, the Ecological Checkpoint, as a separate subdivision, consists of 37 staff.

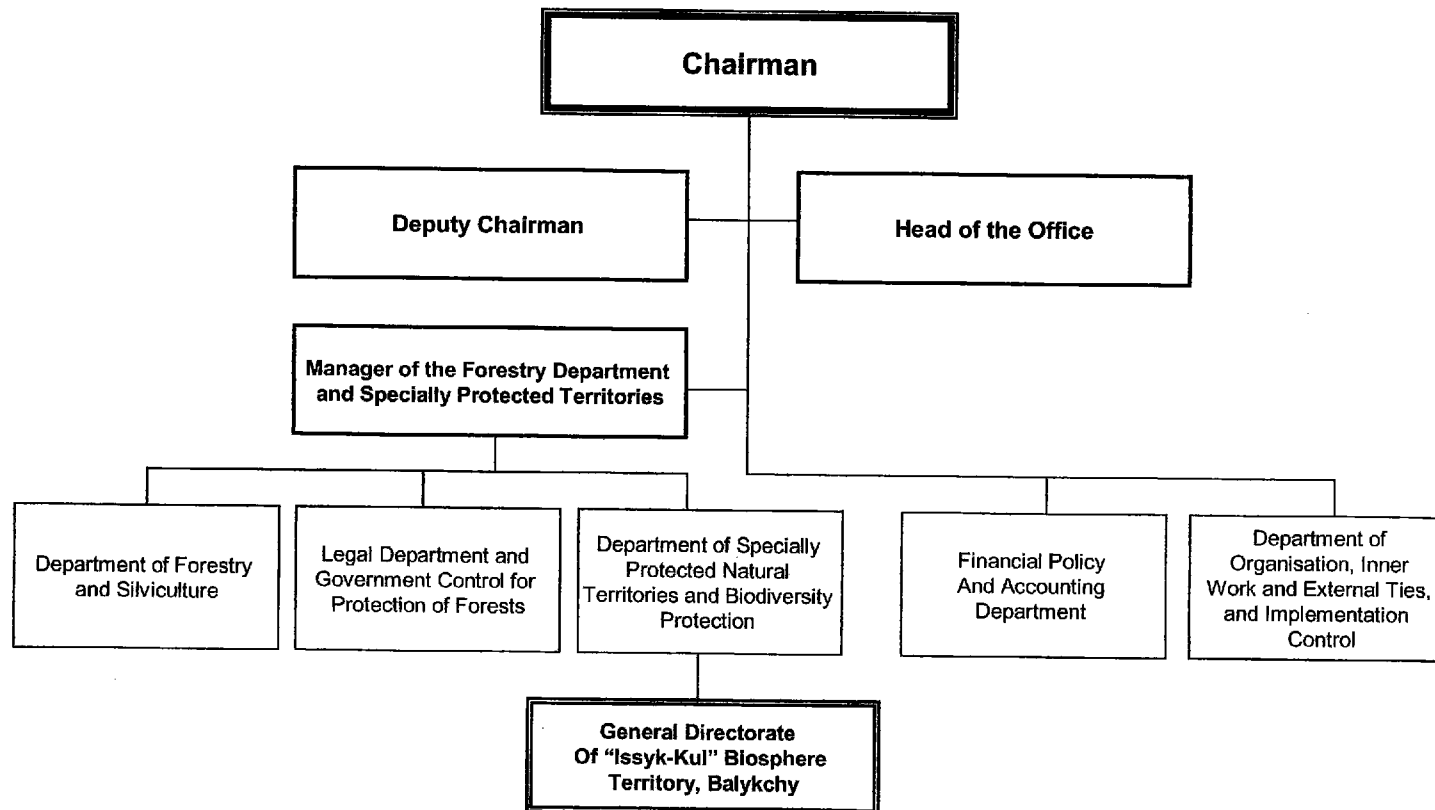
Technical assistance to establish the biosphere reservat is made through the support of the relevant agency of the German Government (GTZ) “Biosphere Reserve Issyk-Kul” and consists of 3 phases:

- | | |
|-------------|--|
| 1995 - 1997 | Pre-phase |
| 1997 - 2001 | Phase 1 and 2: assistance in legal framework and institutional base development for the territory establishment. |
| 2001 - 2004 | Phase 3: support in practical implementation of the biosphere territory establishment with the following main objectives: <ul style="list-style-type: none">• establishment of the General Directorate of the Biosphere Reserve Issyk-Kul• assistance in public relations actions• development of environment-friendly farming |

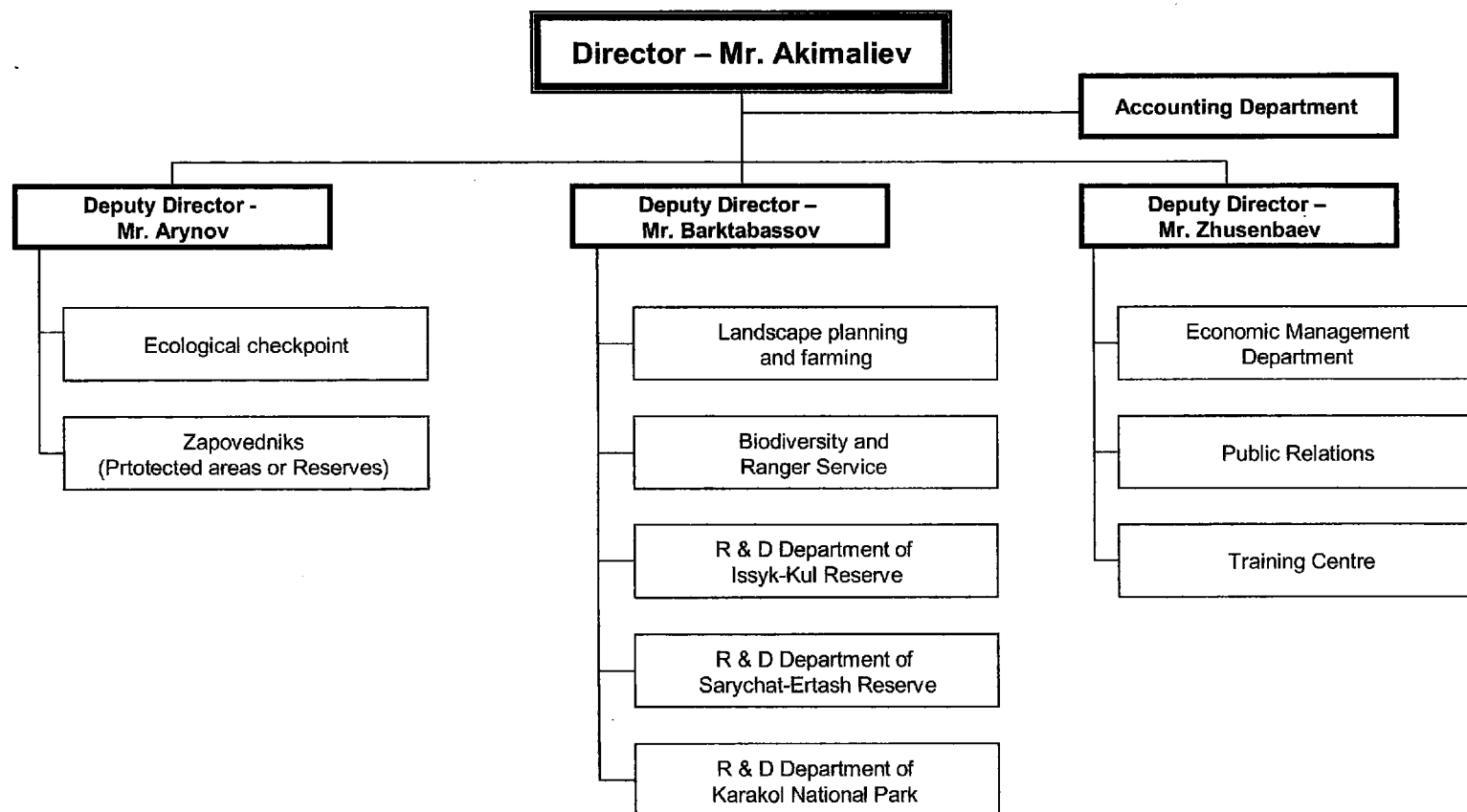
It is essential to note, that Ministry of Environmental Protection of Kyrgyz Republic developed a Concept of Ecological Safety in Kyrgyzstan, which was approved by Security Council on 29 July 1997.

This concept identifies main principles of ensuring ecological safety, processes and objects hazardous for republic as a whole and some regions specifically, as well as short-, mid-, and long-term measures for eliminating these hazards. Chairman of Security Council, the President of Kyrgyz Republic, declared ecological safety a priority issue in the system of national security.

**Organisation Chart
of Tourism Management in Issyk-Kul Regional Administration**



**Organisational Structure
of Biosphere Territory “Issyk-Kul” General Directorate**



Appendix 11

**Technical Assistance Projects
aimed at tourism development⁵⁰**

Donor	Project name	Budget, \$	Date approved	Status	Beneficiary	Project description
The World Bank	Tourism Development Plan	190,000	1995	3	Agency for Tourism and Sports	Designed to assess the sector's potential capacity in the country
European Bank for Reconstruction and Development	Tourism Development	414,500	1993	3	Agency for Tourism and Sports	Designed to attend the following issues: (1) various forms of tourism potential assessment, (2) conduct international seminar on tourism in Kyrgyzstan (Bishkek, 27.09 – 1.10.1995)
UNDP	Tourism and the "Manas -1000" Programme	134,890	1994	3	National Organisational Committee "Manas – 1000"	Training provided by international consultants. Some telecommunication and office equipment was provided for.
		739,390				

In the framework of GTZ technical assistance project «Creation of Biosphere Territory Issyk-Kul», there in the years 2000-2001 a survey was carried out in order to develop ecological tourism in Issyk-Kul Region. Later a report "Tourism Industry Investment Manual" was issued.

German Bank KfW gave Kyrgyzstan long term credit 4.5 MIO EURO for reconstruction hotel "Ala-Too" (1995-1996).

⁵⁰ The data obtained from the MOF of the Kyrgyz Republic. October, 2002.

Appendix 12

Travel, Business, Culture: Useful WWW Links

www.ecotours.de (Jens-Uwe Seidel).
wostok.de (WOSTOK).
www.silk-road.com (Silk Road Foundation).
rambling.online.kg (Bruno de Cordier, Torsten Swoboda, residents in Kyrgyzstan)
www.tourism.elcat.kg (Sheperds' Life, Helvetas Project)
www.wandern-in-kirgisien.de (Bruno de Cordier, Torsten Swoboda, residents in Kyrgyzstan)
www.helvetas.kg (Helvetas in Kyrgyzstan)
www.h-k-kuehn.de (Klaus Kühn)
travelshop.de (Reiseboutique).
www.Kyrgyzstan.f2s.com (Unknown Land Kyrgyzstan)
www.Cherusker.de (Roland Poellnitz, a Kyrgyzstan traveller)
hainzl.from.at/peter/kg97/ (Peter Hainzl, Kyrgyzstan)
www.motoji.net (Thomas Bryson, an adventure traveller)

Tour Operators

www.akc.com.kg (AKC Kyrgyz Concept)
www.artrek.elcat.kg (AR-Track)
www.bishkek.su/IMCPAMIR (IMC Pamir)
www.bishkek.su/TopAsia (Top Asia)
cat.com.kg (Central Asian Tourism Corporation)
www.celestial.com.kg (Celestial Mountains)
www.horizon.elcat.kg (Horizon Travel)
www.kyrgyztrek.com (Shepherd's Way Trekking)
<http://www.novinomad.com> (NoviNomad)
www.tianshan.com (Tien Shan Travel)
www.realadventures.com/mv/showlisting.mv?1021156+2 (Edelweiss Travel)
www.asiamountains.co.uk (Mountains of Asia; alpine climbing, speleology, mountain skiing etc)
www.asiarando.com (Asiarando; horse riding tours, horse sleigh/skiing)
www.dostuck.com.kg (Dostuck-Trekking Ltd; professional mountain climbing)

