Dear Mr. Masatsugu Asakawa, President of the ADB
Dear Chairman of the Board Governors in the ADB,
Dear participants and guests,

Let me welcome you to ADB’s Annual Meeting.

First of all, let me thank the ADB for its assistance and support for the ongoing socio-economic reforms, for being a reliable partner, especially in these difficult times. ADB is one of the key partners providing significant support to the Kyrgyz Republic in priority sectors of the economy, and especially in the fight against the consequences of COVID-19.

The COVID-19 outbreak has already had a substantial impact on the budget. Border restrictions and the decline in economic activity have led to greater losses in the collection of customs and tax payments.

The closure of the border with the largest trading partner and more recent border restrictions with neighboring have a significant bearing on industrial production, agriculture, construction, tourism, services and other types of activity.

The outbreak of the COVID-19 pandemic has highlighted the most serious health sector challenges, socio-economic problems and their consequences that our country has ever faced. And we hope that ADB will help us overcome them, as it did in 2010 and 2020.

The Government has allocated additional health expenditure during June-July of 2020 associated with the COVID-19 prevention measures.

From March to August last year expenditures aimed at strengthening the health care system and supporting the country's economy and especially small and medium-sized businesses increased significantly.

Contrary to our hopes COVID-19 is still with us in 2021.

At the same time, we are optimistic about the future and believe that the reforms planned in the Kyrgyz Republic will allow us to reach great heights.
Ladies and gentlemen,

Let me introduce you to the main strategic directions of activity. In 2021, the main task for the transition period is to determine the main directions for change and start laying the foundation for the development of the Kyrgyz Republic in the conditions of today's realities.

The country is undergoing a reform of the management system. It is based on the principle of a clear distribution of powers and responsibilities, thanks to which the government will become stable, powers will cease to be diluted and there will be one center for decision-making. In addition, the reform presupposes the reduction and optimization of management structures, the elimination of duplicate functions, and the numerical reduction of officials.

The structure of the government will become compact and will be able to promptly respond to any challenges. Optimization of the management structure implies cost reduction. The remuneration system will be reformed with a focus on actual results.

Digitalization in the public administration system will receive a new acceleration. Within five years, all state services for the issuance of certification and reference documents will be transferred to electronic format.

The new national program "Foreign Economic Freedoms" will promote the freedom of movement of goods, capital, technology and people. Within the framework of the program, economic cooperation will be intensified at various integration sites.

Considering the small potential of the domestic market, exports should become the main reference point. To implement an export strategy based on public-private partnerships, the government will deal with promoting Kyrgyz goods on world markets, marketing in accordance with world standards, providing consulting services on standardization and technical regulations, risk management (insurance), preferential lending and subsidizing export operations.

A favorable regime will be created for the import of agricultural technologies and innovations, mechanized means of production and agricultural machinery.

Comprehensive economic reforms are based on the following objectives: macroeconomic stability, integration into the global economy, productivity enhancement and labor market development.

Macroeconomic stability is one of the basic conditions for economic growth. The government, together with the national bank, intends to pursue a policy of stimulating economic growth. Today the main problem is the budget deficit and external debt. To solve it, it is necessary to ensure the collection of customs and tax payments. At the same time, it is necessary to prevent forceful pressure on business.
The internal structure of government spending will also be revised in order to increase the share of funds that will be directed to long-term development goals, and not to current consumption.

Ladies and gentlemen!

We believe it is fundamentally important to familiarize you with the implementation of national reforms. Thus, the Government will develop national projects in four directions.

• Strategy for maximum integration into international economic processes at all levels:

Further integration through the EAEU is a priority. In addition, it is necessary to take into account the proximity of Kyrgyz Republic\(^a\) with the People’s Republic of China\(^a\), which in the near future will become the center of world development processes.

In the next five years, the construction of the People’s Republic of China\(^a\)--Kyrgyz Republic\(^a\)--Uzbekistan railway will begin.

• New energy strategy:
Initiates the national program "Energy of the country - Reset" and announces the forthcoming five-year period as a five-year development of the country's energy sector.

In addition to tough anti-corruption and disciplinary measures within the system, renewal of the management staff, the program “Energy of the country - Reset”, involves the implementation of the Small and Medium Hydropower Project and a pilot project to transfer to a bona fide operator for temporary management one of the distribution campaigns on tough investment and tariff conditions.

• New financial strategy of the country:

The new strategy will form the basis of the national program "Kyrgyz Republic\(^a\) - a regional oasis for business", within the framework of which an attractive investment climate will be created in the country. In the medium term, it is planned to increase the volume of investments to 15% of GDP.

To implement the program, a package of bills will be initiated aimed at protecting investments, freedom of movement of capital, a ban on forceful settlement of economic disputes, and simplification of registration and licensing procedures.

• Strategy for technological modernization of the country:

\(^a\) Changed by Meeting Secretariat.
The Technological Revolution program will be initiated. Kyrgyz Republic must become fully open to attract technology and innovation from outside.

In conclusion, I take this opportunity to convey my gratitude to the ADB for the support of reforms, which is manifested in improving the livelihoods of citizens of the Kyrgyz Republic and let me also express hope for further fruitful cooperation to achieve great success on the above programs.

Thank you very much for your attention!