

KYRGYZ REPUBLIC

Ruslan Tatikov, Temporary Alternate Governor

**Members of the Board,
President Asakawa,
Ladies and gentlemen,**

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.

Contrary to our hopes COVID-19 is still with us in 2022.

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 2022, 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.

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.

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,

Today we are witnessing that military conflicts, a humanitarian crisis and the consequences of an epidemiological disease seriously impede the even development of countries and peoples, negatively affect global financial processes and lead to political and economic sanctions. All these problems seriously affect the vital interests of the entire population of the planet and require a consistent solution, which is possible only through joint efforts. Under these conditions, in our opinion, we must actively interact with each other in order to maintain the sustainability of the development of our national economies, the stability of the banking and financial sector of our countries, and also adequately respond in case of crisis situations.

In this regard, the Kyrgyz Republic calls on the members of the Asian Development Bank and partners to develop a systematic approach to solving current problems and stand for joint actions in this direction.

An equally urgent issue in the modern world is the problem of climate change, environmental protection and food security.

For its part, at the Glasgow Summit, the Kyrgyz Republic pledged to significantly reduce its industrial and hydrocarbon emissions into the atmosphere. To fulfill our international obligations, we intend to gradually develop a green economy and renewable energy sources. In this context, our country, having significant hydropower resources, intends to implement a number of large-scale water and energy projects for the construction of hydroelectric power stations. In parallel, we are preparing for the implementation of projects on the use of solar energy for the production of electricity and heat. We hope that during the implementation of these tasks we will be receiving comprehensive assistance and support from our partners.

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 Eurasian Economic Union (EAEU) is a priority. In addition, it is necessary to take into account the proximity of the Kyrgyz Republic* with the People's Republic of China (PRC),* which in the near future will become the center of world development processes. In the next five years, the construction of the PRC-Kyrgyz Republic-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 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 gross domestic product.

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:

The Technological Revolution program will be initiated. The 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!

* Changed by Meeting Secretariat.