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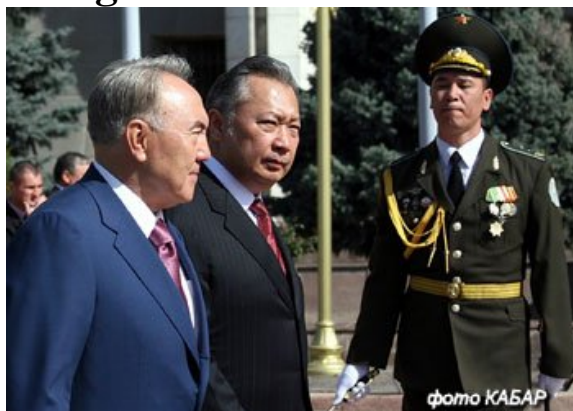


Photo by Kabar

Presidents Nursultan Nazarbayev (L) and Kurmanbek Bakiyev (R) review troops during Nazarbayev's visit to Bishkek.

in the Kyrgyz economy. In order to attract investment, there should be calm, peace and laws which guarantee the protection of investors' interests. The major point of cooperation can be Kazakhstan's participation in constructing the Kambaratinsky hydro electric power station in Kyrgyzstan."

President Nazarbayev said Kazakhstan, already the largest foreign investor in Kyrgyzstan, can provide a 100 million dollar low interest loan to the country and the two governments are currently discussing the best way to use these monies. There are more than 400 Kazakh-Kyrgyz joint ventures in existence today in areas such as banking, energy, gas and production of construction materials. In May, Bishkek will host a bilateral business forum.

"We sincerely feel for the people of Kyrgyzstan and wish your country stability and calm so that it can develop further," President Nazarbayev stressed. Since the 2005 Tulip Revolution, Kyrgyzstan has faced many challenges, and these days different political forces in the country are engaged in vigorous discussions about its future.

For his part, President Bakiyev said he fully supported President Nazarbayev's call for creation of a Central Asian Union.

Among agreements signed during the visit were a framework agreement between the two governments on establishing two international centers of trans-border cooperation, and an agreement on mutual recognition of tourist visas in

President Nursultan Nazarbayev visited Bishkek, capital of neighboring Kyrgyzstan, on April 26 for talks with its leaders on strengthening stability there and ensuring economic development.

Following his meeting with Kyrgyzstan's President Kurmanbek Bakiyev, they issued a joint statement creating an interstate council and pledging greater economic and political cooperation on issues of mutual interest.

During a joint press conference, President Nazarbayev said, "We are ready to invest directly

adjoining regions of Kazakhstan and Kyrgyzstan issued to nationals of third party countries. This means an American with a tourist visa to Kazakhstan will be able to cross the border and visit Lake Issyk Kul in Kyrgyzstan famous for its beautiful vistas and recreational activities.

President Nazarbayev arrived in Bishkek from Moscow where he attended the funeral of Russia's first President Boris Yeltsin, whom he knew well through joint work in the 1990s.

Chevrolet Rolls Out in Kazakhstan, Competition Intensifies

General Motors sees Kazakhstan as an emerging market with lots of potential and is taking steps to take advantage of this new opportunity.

Chevy makes its maiden appearance this week at the Astana Motor Show, rolling out its Captiva SUV, Epica sedan and Lacetti compact models. The vehicles will be assembled in Ust Kamenogorsk in eastern Kazakhstan from kits supplied by General Motors' South Korean manufacturing facility and distributed in Kazakhstan by Azia Avto, GM's local partner.

Chevrolet said it will assemble 1,500 units this year, with double that number expected in 2008. Annual vehicle sales in Kazakhstan exceeded 60,000 for the first time in 2006 and this number is expected to increase to 250,000 within five years.

"Kazakhstan has a prosperous future," explained Chris Lacey, Executive Director of GM Central and Eastern Europe. "There is plenty of opportunity to extend General Motors' activities and model offer in Kazakhstan."

As in the entire world, GM will have to compete head to head with Toyota for hearts and minds of Kazakhs who have come to appreciate the durability and fuel efficiency of the Toyota models such as Camry and Land Cruiser. Anecdotal evidence suggests Kazakhs are willing to pay extra and wait extra time for 2007 Camry models: there is at least a six months wait for those wanting to buy a new Camry from an Astana dealership.

Kazakhstan's GDP Grows 10.3 Percent in First Quarter, 8.6 Percent Projected for 2007

Kazakhstan's gross domestic product grew 10.3 percent year on year in the first quarter of 2007, Prime Minister Karim Massimov told an April 24 Cabinet meeting.

Kazakhstan projects its GDP growth at 8.6 percent in 2007, following a growth of 10.6 percent last year.

Masimov said industrial output grew by 9.6 percent, and the gross product of agriculture increased by 3.7 percent while fixed capital investment expanded 7.1 percent in the first quarter. At the same time, the country's foreign trade grew more than 50 percent in the first two months of the year alone to \$10.5 billion.

At the same Cabinet meeting, Vice Minister of Economy and Budget Planning Viktor Suprun said the unemployment rate dropped from 8.2 percent to 7.7 percent in the first quarter, with the number of registered unemployed falling to 624,000 people of working age. Kazakhstan's population is 15.4 million.

Suprun said real incomes increased 17.6 percent, and real wages grew 16.5 percent in the first two months of 2007, with the average wage totaling 45,700 tenges (\$380). At the same time, wages grew faster than labor productivity which grew by 7.3 percent in the first quarter.

Kazakhstan's international reserves increased 12.7 percent in the first quarter of 2007 to \$37.4 billion, Suprun said. This includes \$16 billion accumulated in the National Fund.

Finance Minister Natalya Korzhova said Kazakhstan's government debt, excluding mutual claims, stood at 1.45 trillion tenges (\$12 billion) on April 1, 2007. Domestic liabilities dominated the government debt portfolio while foreign debt accounted for 34.6 percent of the national figure.

Young Kazakh Artists Win Trip to DC Festival

Bogdan Zagribelnyi and Masha Avramenko, talented 10 year old artists from Taraz in south Kazakhstan won the Kazakh part of the Global Arts Olympiad gaining the right to represent their country at the World Children's Festival in Washington, DC, this June.

Bogdan comes from a family with long traditions in arts and education. His father, Alexander, is a journalist and an interpreter who has traveled to the United States and once worked for The Times Picayune newspaper in New Orleans. His mother, Nadezhda Zagribelnaya, is an educator and has won the all-Kazakhstan contest for improving humanitarian education there. She has written manuals for junior art classes for the reformed 12-year curriculum in Kazakhstan, and while in Washington, will conduct a master class of her methods of art education during the Festival. As it turns out, her techniques are well known in Fresno, California, the sister city of Taraz, where she had an opportunity to teach before.

Alexander Zagribelnyi said, "Bogdan can't wait to come to DC. I hope to resolve all difficulties with arranging such a trip, including steep summer airline tickets, to make his dream come true." Masha Avramenko and her family, and the children's teacher are facing similar problems.

The Festival will take place June 22-26 on the National Mall. It is the final event of the Global Arts Olympiad, in which more than three million children in the United States and nearly 100 other countries competed to win the honor of representing their U.S. state or nation at the Festival. The children produced paintings and digital art on the theme "My Favorite Sport" to celebrate the artist-athlete ideal of a creative mind in a healthy body.

The Washington-based International Child Art Foundation (ICAF) hosts the Arts Olympiad. Announcing the quadrennial event for 2007, ICAF said, "The fusion of art, sport and technology with dance and musical performances, co-creation of works by child artists and famous artists, and workshops on peace education and creative leadership, will make the Festival a complete esthetic experience – a total work of art that will transform the Mall."

The Festival has the support of the United States Olympic Committee to use the mark "Arts Olympiad," of the Congressional Arts Caucus to present the Arts Olympiad winners with Certificates of Special Congressional Recognition, and of Pentagon families who traditionally host international delegates at their homes for the Festival.

Things to Watch:

- Russia's President Vladimir Putin is expected to visit Astana in mid May. Cooperation in space exploration and uranium enrichment are among the subjects on the table for discussions.
- The World Children's Festival on the National Mall in Washington, DC, June 22-26.

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