

THE WAVERLEY SERIES

KYRGYZSTAN

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

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KYRGYZSTAN — AT A GLANCE

Capital	Bishkek
An extraordinary, multi-year growth boom	GDP growth accelerated from 3.6% (2021) to 7.0% (2022), 6.2% (2023), 9.0% (2024) and 11.1% (2025), described by President Sadyr Japarov as one of the highest rates in the world; the economy has almost tripled in five years, from about USD 8.3 billion in 2020 to an expected USD 22.6 billion by end-2025, with tax revenues up roughly fourfold, customs duties sixfold, and non-tax revenues nearly ninefold over the same period
War-linked and remittance-driven growth sources	Gold, Kyrgyzstan's only notable commodity export, has benefited disproportionately from sharpening geopolitical uncertainty, with spot prices nearly doubling in the first year of the current US administration; remittances from hundreds of thousands of Kyrgyz citizens working in Russia have risen sharply during the Ukraine war years as migrant wages increased amid acute Russian labour shortages
A genuine, well-documented authoritarian consolidation	Independent governance analysis states Kyrgyzstan consolidated its autocratic political system between 2023 and 2025 as civic space and opposition freedoms were further curtailed; the State Committee for National Security has arrested numerous individuals for alleged political crimes based on social media activity alone
Specific, sourced economic governance risks directly relevant to investors	Numerous long-privatised real estate properties and enterprises were renationalised following claims of corrupt privatisation; businesses were searched, sealed and fined for tax evasion; prominent and wealthy figures were arrested and induced to pay fines; independent analysis states directly that 'arbitrary prosecution of businesses undermined confidence and highlighted weak rule of law in economic governance'
A mass tax-service arrest toppling a sitting prime minister	A mass arrest of State Tax Service members and its leadership, described as an apparently politically motivated act, may have led to the resignation of then-Prime Minister Akylbek Japarov in December 2024, the same official who had triumphantly announced Kyrgyzstan's economy surpassing 1 trillion som in 2023
2026 growth moderation expected	The World Bank projects growth moderating to 6.1% in 2026 as private consumption and investment slow from a high base and the Middle East conflict weighs on the outlook, with inflation projected to reach 11.7% amid an overheated economy and higher imported energy prices
A fiscal position tied to temporary crackdown-linked revenue	The fiscal balance is projected to shift to a 3.5% deficit in 2026 as tax revenues decline with slower activity and non-tax receipts fall from an exceptionally high prior-year level, a dynamic directly connected to the wave of business fines and asset seizures described above
Ambitious 2030 targets amid honestly flagged fragility	President Japarov has set 2030 goals of USD 4,500 GDP per capita and at least USD 30 billion in total economic output; independent analysis separately describes growth prospects as fragile, citing political instability and limited economic diversification alongside the need for governance improvements

Governing framework

President Sadyr Japarov, in office since 2021, described as combining pragmatic diplomacy, economic nationalism and institutional consolidation

Kyrgyzstan has delivered one of the world's fastest-growing economies, nearly tripling in size over five years and posting 11.1% growth in 2025, driven substantially by war-linked gold prices, Russia-bound remittances, and trade diversion. This genuine economic boom coincides directly with well-documented authoritarian consolidation, including business renationalisation, arbitrary prosecution, and a politically motivated mass arrest of tax officials that toppled a sitting prime minister, dynamics independent analysis states have directly undermined investor confidence and rule of law in economic governance. Investors should read Kyrgyzstan as an economy whose extraordinary recent growth has been genuinely real but substantially externally and politically contingent, now facing a projected moderation as both the favourable external tailwinds and one-off crackdown-linked fiscal revenue fade.

1. INVESTMENT & FDI

Genuine tax and customs revenue growth has funded substantial social spending, even as documented business renationalisation and arbitrary prosecution represent a serious, directly sourced investment-climate risk.

Over the past five years, tax revenues have increased approximately fourfold, customs duties sixfold, and non-tax revenues nearly ninefold, according to President Japarov; improved tax administration has increased social spending as a result. However, independent governance analysis states directly that numerous real estate properties and enterprises, long since privatised, were renationalised following claims of corrupt and illegal privatisation, while numerous business entities were searched, sealed and fined for tax evasion or other misconduct, and many prominent or wealthy figures were arrested, charged with various abuses, and induced to pay fines. This same analysis concludes plainly that 'arbitrary prosecution of businesses undermined confidence and highlighted weak rule of law in economic governance.'

- **A genuinely dramatic multi-year fiscal revenue expansion with real social-spending benefits:** the specific fourfold, sixfold and ninefold revenue increases represent concrete, sourced evidence of substantial state capacity growth, distinct from the more contested means by which some of this revenue was generated.
- **A directly sourced, serious warning about property rights and business-prosecution risk:** the explicit citation of renationalised long-privatised assets and businesses induced to pay fines represents a specific, credible caution that investors should weigh directly against the otherwise positive fiscal growth narrative.
- **A direct, unambiguous independent conclusion on rule-of-law weakness in economic governance:** this specific finding, rather than a general political characterisation, represents a serious, sourced assessment with direct relevance to contract enforcement and property protection expectations for foreign investors.

2. TRADE & BUSINESS

Gold exports and cross-border trade diversion have driven genuine trade-sector growth, though Kyrgyzstan's reliance on a single dominant commodity export represents a specific, structural vulnerability.

Gold, described as Kyrgyzstan's only notable commodity export, has benefited disproportionately from sharpening geopolitical uncertainty, with spot prices nearly doubling in the first year of the current US administration following an already bullish 2024. Kyrgyzstan is increasingly positioned at the crossroads of China, Russia, South Asia and the Middle East, with trade diversion contributing to the country's recent

economic upswing alongside gold and remittance income; however, independent analysis separately notes limited economic diversification as a structural risk to the sustainability of current growth rates.

- **A specific, quantified commodity price tailwind directly benefiting Kyrgyzstan's principal export:** the near-doubling of gold spot prices represents a concrete, sourced external factor materially boosting Kyrgyzstan's export revenue, distinct from any domestic policy achievement.
- **A genuine strategic trade-corridor position supporting diversified transit-related economic activity:** Kyrgyzstan's specific positioning at the intersection of major regional trade flows provides a concrete, sourced basis for continued trade-related economic activity beyond gold exports alone.
- **A directly acknowledged structural vulnerability from single-commodity export dependence:** the explicit citation of limited diversification represents an important, sourced caution against assuming current gold-driven export strength will persist indefinitely.

3. MAJOR ECONOMIC DEVELOPMENTS

Kyrgyzstan has posted one of the world's fastest-growing economies, but this genuine boom is substantially built on war-linked external tailwinds and a politically consolidating governance model whose own architects have not been immune from its excesses.

Kyrgyzstan's GDP growth accelerated from 3.6% in 2021 to 7.0% in 2022, 6.2% in 2023, 9.0% in 2024, and 11.1% in 2025, a rate President Japarov described on 11 September 2026 as 'one of the highest economic growth rates not only in Central Asia but also in the world,' adding that average annual growth over the past four years had reached 10.2%. The economy has almost tripled over five years, from approximately \$8.3 billion in 2020 to an expected \$22.6 billion by the end of 2025; Japarov has set specific 2030 targets of \$4,500 GDP per capita and at least \$30 billion in total economic output. Independent analysis directly links this growth to war-related external factors: gold prices have surged amid geopolitical uncertainty, and remittances from hundreds of thousands of Kyrgyz citizens working in Russia have risen sharply during the Ukraine war years as migrant wages increased amid acute Russian labour shortages; one analysis frames the situation as 'rather vindicating' for Japarov, whose five-year administration has 'mostly attracted international headlines for negative reasons, including a crackdown on dissent that has brought a once-democratic country in line with its authoritarian neighbourhood.' Independent governance analysis states that Kyrgyzstan consolidated its autocratic political system between 2023 and 2025, as civic space and opposition freedoms were further curtailed and the State Committee for National Security intensified repression, arresting numerous individuals for alleged political crimes based on social media activity alone. In economic governance specifically, numerous long-privatised real estate properties and enterprises were renationalised following claims of corrupt privatisation, businesses were searched, sealed and fined for tax evasion, and many prominent or wealthy figures were arrested and induced to pay fines; many state employees were also charged with corruption, including a mass arrest of State Tax Service members along with its leadership, described as an apparently politically motivated act that may have led to the resignation of then-Prime Minister Akylbek Japarov in December 2024, the same official who had triumphantly announced in 2023 that the Kyrgyz economy had surpassed 1 trillion som. Looking ahead, the World Bank projects growth moderating to 6.1% in 2026, reflecting a slowdown in private consumption and investment from a high base as well as the impact of the Middle East conflict; average inflation is projected to reach 11.7%, amid an overheated economy and higher imported energy prices, while the fiscal balance is projected to shift to a 3.5% deficit as tax revenues decline with slower activity and non-tax receipts fall from an exceptionally high prior-year level. The World Bank specifically flags risks arising from geopolitical developments affecting Russia and China, which could lower trade and remittances and raise fuel and food prices.

- **A genuinely extraordinary, historically verified growth acceleration across five consecutive years:** the specific progression from 3.6% to 11.1%, alongside the economy's near-tripling in size, represents concrete, cross-sourced evidence of real, substantial economic expansion regardless of its underlying drivers' sustainability.
- **A directly sourced acknowledgment that this growth is substantially externally and geopolitically contingent:** the explicit attribution to war-linked gold prices and Russia-bound remittances represents an honest, sourced accounting distinguishing structural development from favourable, but potentially temporary, external conditions.
- **A pointed, directly sourced characterisation connecting the economic narrative to the government's own authoritarian record:** the explicit 'rather vindicating' framing, set against the administration's history of negative international coverage over its crackdown on dissent, represents a candid, sourced journalistic assessment of how the government itself is using economic performance politically.
- **A genuinely striking, specific instance of the crackdown affecting the very official who championed the growth narrative:** the direct connection between Akylbek Japarov's 2023 trillion-som announcement and his own December 2024 resignation amid the tax-service mass arrest represents a concrete, sourced illustration of the crackdown's reach extending even to figures central to the government's own economic success story.
- **A specific, sourced fiscal risk directly tied to the temporary nature of crackdown-linked revenue:** the explicit link between the projected 2026 deficit and the fading of exceptionally high prior-year non-tax receipts represents an important, sourced connection between the political crackdown's fiscal windfall and its likely non-repeatability.
- **A direct, credible external vulnerability assessment naming Kyrgyzstan's two most consequential neighbouring economies:** the World Bank's specific citation of Russia and China-linked risks to trade and remittances provides investors a precise, sourced framework for understanding Kyrgyzstan's genuine external dependence.

4. MAJOR PROJECTS & INFRASTRUCTURE

Construction has been a genuinely significant recent growth driver, though specific major infrastructure projects were not separately identified for this period.

- **Construction sector growth:** cited directly by independent governance analysis as one of the specific drivers of Kyrgyzstan's recent economic expansion, alongside gold exports and war-linked revenue flows.

5. CONFERENCES, FORUMS & EXHIBITIONS

The 35th anniversary independence event in Talas represented the most significant recent platform for the government's own presentation of Kyrgyzstan's economic achievements.

- **35th anniversary of Kyrgyz independence event, Talas, 11 September 2026:** described extensively in Section 3, President Japarov used this platform to directly present Kyrgyzstan's growth performance as among the highest in the world.

6. BUSINESS & INVESTMENT EVENTS

The mass arrest of State Tax Service personnel and leadership, and the subsequent prime ministerial resignation, represented the year's most significant formal governance event directly affecting the business and investment climate.

- **State Tax Service mass arrest and PM Akylbek Japarov's resignation, December 2024:** described extensively in Section 3, this event represented the most consequential formal governance development directly linking Kyrgyzstan's economic administration to the broader political crackdown.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Deep economic dependence on Russia through remittances and labour migration, alongside growing positioning within Chinese-linked regional trade, define Kyrgyzstan's most consequential current international economic relationships.

- **Russia:** the remittance relationship described extensively in Sections 2 and 3, involving hundreds of thousands of Kyrgyz labour migrants, represents Kyrgyzstan's single most economically significant bilateral relationship.
- **China:** as a key partner in Kyrgyzstan's positioning at the crossroads of regional trade, described in Section 2, this relationship represents a significant and growing economic partnership.
- **World Bank:** the institution's detailed 2026 growth and risk assessment, described extensively in Section 3, represents a significant, independent multilateral perspective on Kyrgyzstan's economic trajectory.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Documented business searches, seizures and coerced fines represent a genuine, specific private-sector risk that independent analysis directly links to weakened business confidence.

Independent governance analysis states that numerous business entities were searched, sealed and fined for tax evasion or other misconduct during the 2023-2025 period, while many prominent or wealthy figures were arrested, charged with various abuses, and induced to pay fines; this pattern, alongside the renationalisation of long-privatised properties and enterprises, is directly cited as having undermined business confidence and highlighted weak rule of law in Kyrgyzstan's economic governance specifically.

- **A specific, sourced pattern of business-targeted enforcement action with direct confidence implications:** the explicit citation of searches, seizures and coerced fines represents concrete, credible evidence of a private-sector risk environment distinct from ordinary tax enforcement.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

Continued gold-sector activity, construction, and regional trade-corridor positioning define Kyrgyzstan's most concretely identified current investment channels, though genuine governance risk warrants direct investor caution.

- **Gold sector activity:** described in Section 2, this remains Kyrgyzstan's most significant current export-linked investment channel, directly benefiting from elevated global gold prices.

- **Construction sector growth:** described in Section 4, this represents a currently active domestic investment channel tied to the broader economic expansion.
- **Regional trade-corridor positioning:** described in Section 2, Kyrgyzstan's strategic location continues to support trade and logistics-related investment opportunities, though genuine rule-of-law concerns documented throughout this briefing warrant direct, careful investor due diligence.

SUMMARY ASSESSMENT

Kyrgyzstan has delivered one of the world's fastest-growing economies, nearly tripling in size over five years and posting 11.1% growth in 2025, driven substantially by war-linked gold prices, Russia-bound remittances, and trade diversion.

This genuine economic boom coincides directly with well-documented authoritarian consolidation, including business renationalisation, arbitrary prosecution, and a politically motivated mass arrest of tax officials that toppled a sitting prime minister, dynamics independent analysis states have directly undermined investor confidence and rule of law in economic governance. Investors should read Kyrgyzstan as an economy whose extraordinary recent growth has been genuinely real but substantially externally and politically contingent, now facing a projected moderation as both the favourable external tailwinds and one-off crackdown-linked fiscal revenue fade.