

WAVERLEY GATEWAY GUIDE

Connecting International Capital with Emerging & Frontier Markets

KYRGYZSTAN

Eurasia

Dialogue | Trust | Partnership

office@lordwaverley.com

www.lordwaverley.com

WHERE AND HOW TO ENTER

KEY INVESTMENT LOCATIONS

Location / Region	Strategic Importance	Priority Sectors
Bishkek	Capital and dominant commercial, financial, and administrative hub	Financial services, IT, retail, light manufacturing
Osh (south)	Second city and historic trade hub near the Uzbek and Tajik borders; regional bazaar economy	Trade, agro-processing, light manufacturing
Issyk-Kul region	Established mountain-lake tourism destination, Kyrgyzstan's leading leisure and resort economy	Tourism, hospitality, real estate
Kumtor (Issyk-Kul, high-altitude)	Kyrgyzstan's flagship gold mine, nationalized by the state in 2021 and now operated via Kyrgyzaltyn	Gold mining (state-controlled; limited scope for new foreign participation)
Naryn / CASA-1000 corridor	Hydropower-rich region central to the CASA-1000 regional electricity transmission project linking Central and South Asia	Hydropower, energy transmission infrastructure
Free Economic Zones (Bishkek, Naryn, Karakol, Maimak)	Established zones offering tax and customs incentives for qualifying manufacturing and export ventures	Manufacturing, assembly, re-export
Jalal-Abad (south, near Uzbekistan)	Agricultural and resource-rich region with cross-border trade ties	Agriculture, agro-processing, mining

INVESTOR ENTRY ROUTES

- Investment Promotion Agency under the Cabinet of Ministers provides centralized facilitation and incentive guidance for foreign investors
- Free Economic Zones offering corporate tax exemptions and simplified customs procedures for qualifying export-oriented manufacturing
- Eurasian Economic Union (EAEU) membership giving tariff-free access to Russia, Kazakhstan, Belarus, and Armenia for goods produced in Kyrgyzstan
- National Bank of the Kyrgyz Republic oversight of currency and capital-account activity; the som remains convertible with minimal repatriation restrictions
- Public-private partnership structures for infrastructure and energy projects, including those linked to the CASA-1000 regional power initiative
- Mining licenses issued by the State Committee for Industry, Energy and Subsoil Use, though the flagship Kumtor asset remains under state control following its 2021 nationalization

MARKET-ENTRY OBSERVATION

Kyrgyzstan in October 2026 is experiencing some of the strongest growth in Central Asia, with the Eurasian Fund for Stabilization and Development projecting 8.5% GDP growth for the year, driven primarily by domestic demand and a surge in investment activity, capital investment rose 69.7% year-on-year in the first four months of 2026 alone. This growth has occurred under a political system

that has consolidated steadily around President Sadyr Japarov since he came to power amid the 2020 unrest: a 2021 constitutional referendum extended presidential term limits to two five-year terms, November 2025 snap parliamentary elections under a redrawn single-mandate-district system returned a parliament effectively free of organized opposition, and Japarov confirmed in August 2026 that he will seek a second term in the presidential election now scheduled for January 27, 2027, after reportedly having originally considered standing aside in favor of Kamchybek Tashiyev, the influential head of Kyrgyzstan's security services.

Kyrgyzstan's economy remains structurally dependent on two volatile external flows that investors should weigh carefully: remittances from labor migrants, overwhelmingly in Russia, which fell roughly 9% year-on-year in February 2026 even as smaller but growing inflows from Kazakhstan and the United States partially offset the decline, and gold exports from the state-controlled Kumtor mine, which have shown significant month-to-month volatility, including a roughly fourfold year-on-year drop in January 2026 shipment volumes alongside a shift in export destination from the UK toward Switzerland. Neither trend has yet derailed the broader growth story, but both represent meaningful swing factors for Kyrgyzstan's external accounts that sit largely outside the government's direct control.

INVESTOR RISK & MARKET ACCESS

KEY ENTRY BARRIERS

Issue	Potential Impact	Possible Mitigation
Political consolidation and weakened institutional checks	Kyrgyzstan has undergone sustained democratic backsliding since 2020, with the 2025 parliamentary election returning a legislature with minimal organized opposition	Conduct standard governance due diligence appropriate to an increasingly centralized political system
State control of the flagship mining asset	The Kumtor gold mine, Kyrgyzstan's largest single economic asset, was nationalized in 2021 and remains under state control via Kyrgyzaltyn, limiting foreign participation in the sector's largest opportunity	Target smaller, newer mining licenses and joint-venture structures rather than assuming access to Kumtor-scale assets
Remittance dependency and Russia-labor-market exposure	A substantial share of household income depends on remittances from Russia, which have shown recent volatility and are exposed to Russian economic and migration-policy conditions	Factor remittance-driven consumer-demand volatility into retail and consumer-facing investment planning
Small market scale and landlocked geography	Kyrgyzstan's domestic market is limited (under 7 million people) and the country is landlocked and mountainous, raising logistics costs	Favor export-oriented, EAEU-market-facing, or tourism-focused investment models over purely domestic plays
Currency and capital-market shallowness	The som remains convertible but domestic capital markets are shallow relative to the size of the economy	Plan financing structures around international rather than local capital-market depth for larger projects
Succession and elite-politics uncertainty	Reports that Japarov considered standing aside for a security-services figure before reversing course point to opaque elite dynamics around succession	Monitor the January 2027 presidential election and broader elite politics as a source of medium-term political risk
Gold export and commodity-revenue volatility	Gold shipment volumes and destinations have shown significant month-to-month swings in 2026 with no clear public explanation	Treat gold-sector and related fiscal-revenue projections with caution given demonstrated short-term volatility

INVESTOR RISK NOTE

Kyrgyzstan presents a growth story that is currently outperforming much of the region on headline numbers, but which rests on a narrower and more centralized political and economic base than its growth rate alone would suggest. President Japarov has steadily consolidated power since 2020 through constitutional change, electoral-system redesign, and a parliament now largely free of organized opposition, and investors should treat Kyrgyzstan as operating with materially weaker institutional checks than at the start of this decade. The economy's two largest external vulnerabilities, remittance dependency on the Russian labor market and gold-export volatility from a state-controlled flagship mine, both sit substantially outside government control and outside most investors' ability to hedge directly. None of this currently threatens Kyrgyzstan's basic macroeconomic stability or its investment-friendly formal incentive framework, but investors should size political and external-shock risk appropriately rather than extrapolating the current strong growth trajectory indefinitely.

MARKET ACCESS

Kyrgyzstan's Eurasian Economic Union membership gives it tariff-free access to Russia, Kazakhstan, Belarus, and Armenia, historically Kyrgyzstan's most significant trade advantage given its re-export and labor-migration ties to the bloc. The country is a World Trade Organization member and has pursued trade diversification through the CASA-1000 regional electricity project, which

will eventually connect Kyrgyz and Tajik hydropower resources to energy-hungry Afghan and Pakistani markets, and through participation in China's Belt and Road-linked connectivity initiatives, including the long-discussed China-Kyrgyzstan-Uzbekistan railway. Kyrgyzstan's landlocked, mountainous geography constrains broader market access regardless of formal trade agreements, making the EAEU relationship and regional connectivity projects disproportionately important to the country's practical trade position.

WHO SHOULD THE INVESTOR MEET?

INSTITUTIONAL LANDSCAPE

Actor	Why It Matters	Waverley Engagement Angle
Office of the President (Sadyr Japarov)	Dominant decision-making authority over economic and political direction, increasingly centralized since 2020	Primary reference point for understanding Kyrgyzstan's strategic direction and political risk trajectory
Investment Promotion Agency	Principal government body for foreign investment facilitation and incentive administration	Standard first point of contact for market entry
National Bank of the Kyrgyz Republic	Monetary authority; oversees a convertible som with minimal capital-account restrictions	Relevant for currency and banking-sector matters, though not a major practical constraint
Kyrgyzaltyn (state gold company)	State-controlled operator of the Kumtor mine and dominant actor in the gold-mining sector	Key counterpart for understanding the limits of foreign participation in large-scale mining
State Committee for Industry, Energy and Subsoil Use	Issues mining and subsoil-use licenses outside the state-controlled flagship assets	Relevant for smaller-scale mining and resource-sector investment
GKNB (State Committee for National Security) under Kamchybek Tashiyev	Influential security apparatus whose chief is reportedly a significant figure in Kyrgyzstan's elite succession politics	Relevant to understanding broader political-risk dynamics rather than a direct commercial counterpart
EBRD, World Bank, and Asian Development Bank country offices	Active co-financing and technical-assistance partners for infrastructure, energy, and private-sector development	Useful partners for larger infrastructure and development-linked investment

CURRENT INTERNATIONAL BUSINESS CHANNELS

The American Chamber of Commerce in the Kyrgyz Republic and the EU-Kyrgyzstan business dialogue mechanisms are the leading Western-oriented business associations, alongside the Kyrgyz Union of Industrialists and Entrepreneurs for domestic business liaison. Given Kyrgyzstan's EAEU membership and labor-migration ties, Russia-oriented business networks and diaspora-linked trade channels remain practically significant despite the broader regional diversification trend. The World Bank, EBRD, and Asian Development Bank maintain active country programs, and their project pipelines are a useful indicator of where development-finance-backed opportunity is concentrated, particularly in energy and infrastructure.

INVESTOR PROFILE BEST SUITED

Kyrgyzstan currently suits investors comfortable with a small, fast-growing, but politically centralized market: manufacturing and re-export investors can leverage EAEU tariff-free access to the much larger Russian and Kazakh markets, tourism investors can build on Issyk-Kul's established resort economy, and infrastructure investors with patience may find opportunity in the CASA-1000 regional energy corridor as it develops. Mining investors should target mid-sized licenses rather than assume access to Kumtor-scale assets, given the state's 2021 nationalization of the flagship mine. Investors requiring strong institutional checks and balances, or significant insulation from remittance- and commodity-export volatility, should weight Kyrgyzstan's current political and economic structure accordingly.

FROM INTELLIGENCE TO ENGAGEMENT

STEP 1: Engage the Investment Promotion Agency and relevant Free Economic Zone authorities
Open direct dialogue to understand current incentive terms and sector priorities for foreign investors.

STEP 2: Leverage EAEU market access for manufacturing and re-export models
Structure manufacturing or assembly investment to take advantage of tariff-free access to Russia and Kazakhstan.

STEP 3: Target mid-sized mining licenses rather than flagship assets
For resource-sector investment, focus on licenses outside the state-controlled Kumtor mine and build realistic expectations around scale.

STEP 4: Monitor the January 2027 presidential election and elite politics
Track developments around Japarov's re-election bid and broader succession dynamics as indicators of medium-term political-risk trajectory.

STEP 5: Build remittance and commodity-export volatility into demand forecasting
For consumer-facing and fiscal-revenue-linked investment, incorporate realistic scenarios for Russia-remittance and gold-export swings.

WAVERLEY'S ROLE

- Independent due diligence and incentive structuring support through the Investment Promotion Agency and relevant Free Economic Zones
- Governance and political-risk assessment appropriate to Kyrgyzstan's increasingly centralized political system
- Mining-sector guidance distinguishing realistic mid-sized license opportunities from the state-controlled Kumtor asset
- Ongoing monitoring of the January 2027 presidential election and broader elite-politics developments

INVESTOR CALL TO ACTION

Engage Waverley for a tailored political-risk assessment ahead of the January 2027 presidential election before finalizing longer-horizon investment commitments.

Request a briefing on EAEU-market-access manufacturing opportunities or mid-sized mining-license structuring suited to your sector.

WAVERLEY INVESTOR INTELLIGENCE & OPPORTUNITY PIPELINE

Kyrgyzstan's clearest near-term opportunity lies in manufacturing and light industry within its Free Economic Zones, which benefit from both tax incentives and tariff-free EAEU market access to Russia and Kazakhstan. Tourism around Issyk-Kul offers an established and growing opportunity as regional and Russian-market visitor demand continues. Hydropower and energy-transmission infrastructure tied to the CASA-1000 corridor represents a longer-horizon but strategically significant opportunity as Central and South Asian energy connectivity develops. A fourth, smaller-scale opportunity exists in mid-sized gold and other mineral licenses outside the state-controlled Kumtor asset, for investors with appropriate resource-sector risk tolerance.

POSITIONING

Waverley views Kyrgyzstan as a country currently delivering genuinely strong headline growth, driven substantially by domestic investment activity, operating within an increasingly centralized political system whose institutional checks have weakened steadily since 2020.

For investors able to engage with EAEU-linked manufacturing, Issyk-Kul tourism, or mid-sized resource opportunities while maintaining realistic expectations about governance and external-shock volatility, Kyrgyzstan offers a genuinely productive growth market, structured with the political-risk-monitoring safeguards this briefing sets out.

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