

LOGISTICS OF EXPORTING TO EURASIA SERIES

## Transportation, Distribution and Warehousing Services in the Kyrgyz Republic

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Author: Artyom Zozulinsky, BISNIS Representative in the Kyrgyz Republic

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### 1. GENERAL MARKET OVERVIEW

#### 1.1 U.S.-Kyrgyzstan market Trade and statistics

The primary commodities exported from the U.S. to Kyrgyzstan include pharmaceutical products followed by mechanical equipment, food products (primarily frozen chicken legs), cars, electronic devices, and furniture.

Some of the trade statistics is depicted below:

U.S. Exports to	2002	2003	2004	2005	2005 thru Sept	2006 thru Sept
CIS	\$3,837,464,714	\$3,693,907,145	\$4,833,011,992	\$5,867,159,139	\$4,343,022,429	\$5,105,782,002
Kyrgyzstan	\$31,124,175	\$39,055,159	\$29,672,881	\$30,878,470	\$17,914,856	\$33,003,925
Share of Kyrgyzstan/CIS	0.81%	1.06%	0.61%	0.53%	0.41%	0.65%
U.S Imports from	2002	2003	2004	2005	2005 thru Sept	2006 thru Sept
CIS	\$7,955,524,824	\$9,810,163,328	\$13,969,944,961	\$18,640,112,484	\$13,987,139,887	\$18,918,141,120
Kyrgyzstan	\$4,825,595	\$10,984,587	\$10,803,923	\$4,618,689	\$3,701,740	\$3,733,833
Share of Kyrgyzstan/CIS	0.06%	0.11%	0.08%	0.02%	0.03%	0.02%

Source: <http://tse.export.gov>

**Table 1. Trade statistics between USA, CIS and Kyrgyzstan.**

#### 1.2 Transport Infrastructure

The transport infrastructure of the Kyrgyz Republic is not well-developed, though much effort is made to improve the situation. The primary mean of transportation remains road transport. Road transport represents about 94% of all the cargo turnover in the country. Main road transport corridors comprise 2,231 km. However, 68% of these roads are in need of repair.

The next popular transportation mode is railway due to low costs. However, it needs to be mentioned that railway infrastructure is poorly developed and Kyrgyzstan's rugged terrain makes it difficult to build additional railway capacity. Railways are primarily used for

passenger transportation to Kazakhstan and Russia and for fuel cargo from Russia and Kazakhstan.

Air cargo, being the most expensive way of transportation, is fairly well-developed. International Airport Manas has recently been modernized and now includes one terminal and provides a complete range of logistics services.

### **1.3 Market peculiarities**

The Kyrgyz Republic is a small country located in the heart of Central Asia. It has a favorable location to become an air transportation hub between Europe and East Asia. An Italian airfreight company Ocean Airlines already uses Manas International Airport as a 'pit stop' on its way to China. Manas International Airport meets all the requirements for processing international air cargo. Currently, the Kyrgyz government is working on modernizing the Airport in Tamchi in accordance with international standards. This airport will serve as a reserve hub.

### **1.4 Major Infrastructure Development Projects**

Most of the infrastructure development projects are focusing on road improvement and renovation. The Kyrgyz government works with different international donors to implement these projects. Among them are Islamic Development Bank, Asian Development Bank, World Bank and others. Up to date, \$246.5 million have been invested in road infrastructure improvement. Since 1994, 573 km of roads have been rehabilitated. Of the total amount, 82% of them are roads of national and international importance.

Another large-scale project in the works and will be financed by the Chinese Government is the construction of a railway connecting China and Kyrgyzstan. The planned investment into this project is estimated at \$1.2 billion. China has already allocated funds for this project.

## **2. PRIMARY TRANSPORTATION MODES**

### **2.1 Waterways and Ports**

Kyrgyzstan is a land-locked country and does not have access to waterways and ports. The only waterway that exists in the country is at the Issyk-kul Lake. Transportation there only includes commuting between local ports and is primarily focused on tourist passengers.

### **2.2 Rail**

Railway is not a very popular transport in the Kyrgyz Republic, since it is not very well developed. The primary cargo flows via the railways are exports from Russia, such as: various construction materials, including wood and metal; and fuel.

According to the Kyrgyz Ministry of Transport and Communications, the total length of the railroad system in the Kyrgyz Republic is 424 km. The Kyrgyz railway system consists of two unconnected lines; the Southern line - 323 km and the Northern line - 101 km, both of which are branches of the Trans-Asian railroad corridor. The route Osh – Jalal-Abad - Kok-Yangak and the route Balykchy - Bishkek - Lugovoe (Kazakhstan) connect with Russia through Uzbekistan and Kazakhstan, respectively. It is expected that they will be connected to the proposed Eurasian rail corridor joining Europe, Central Asia and China.

The Kyrgyz Republic's railway system has the following main lines:

- Balykchy – Bishkek – Lugovoe (further to Kazakhstan and Russia)
- Osh – Jalal-Abad
- Kok-Yangak – Kara-Suu
- Kyzyl-Kiya – Tash-Kumyr (to Uzbekistan, Turkmenistan and Persian Gulf countries)

### **2.3 Roads**

Over 90% of all consumer goods are transported via roads making it the main mode of international transportation infrastructure for the Kyrgyz Republic. Largest trade partners – China, Turkey, Iran, Russia and Europe – all use road transportation for bringing all kinds of consumer goods. The total length of roads in the Kyrgyz Republic is 34,000 km.

Roads in the Kyrgyz Republic can be divided into 2 groups – strategically important state and international roads, and in-country local commuting roads.

The total length of the first group of roads is 6,161 km. The first group includes 8 major highways that connect large cities of Kyrgyzstan and the neighboring states. The total length of these highways is estimated at 2,231 km. These highways are:

1. Bishkek(KG) – Osh(KG) 672 km
2. Bishkek(KG) – Almaty(KZ) 16 km
3. Bishkek(KG) – Chaldovar(KG) 31 km
4. Bishkek(KG) – Naryn(KG) – Torugart(China) 533 km
5. Taraz(KZ) – Talas(KG) – Suusamyr(KG) 199 km
6. Osh(KG) – Sarytash(KG) – Irkeshtam(KG) 253 km
7. Osh(KG) – Isfana(KG) 385 km
8. Sarytash(KG) – Karamyk(KG) 142 km
- 9.

According to Ministry of transportation and communication, 22.5% of these highways are in good condition, 6% are satisfactory, 11% are in unsatisfactory condition and 60% are in substandard condition.

The second group of roads is domestic local commuting roads comprising 16,659 km in total length. Asphalted and well-paved roads amount to 30%, graveled roads – 60% and without any pavement – 10%. The road transportation sector of the Kyrgyz Republic receives most of the international donors' financing as most of the roads are still not modernized. The ADB (Asian Development Bank) alone has provided financing for the road sector in the amount of around \$200 million. Annually, the Kyrgyz government spends \$5-6 million on road rehabilitation, which comprises only 20% of required amount necessary for complete road rehabilitation and maintenance.

### **2.4 Airways and Airports**

There are 12 airports in the Kyrgyz Republic. Three of them have international flight processing capacity. Manas International Airport in Bishkek is the largest and best equipped airport in the country and is equipped for heavy aircrafts landing. Manas Management Company handles all airfreight. It also manages modern warehouse space with temperature control and other features. Manas Management Company is also a catering company for airlines serviced at the airport.

Another airport in the South of Kyrgyzstan – Osh, has air routes to United Arab Emirates, Turkey and China. Though not as equipped as Manas International Airport, it is the second largest airport in the Kyrgyz Republic.

The third airport, which is currently in the phase of reconstruction and modernization, is the airport in Tamchi resort area of the Kyrgyz Republic. It is located on the northern side of lake Issyk-kul. Kyrgyz Government plans to make this airport a direct tourist receiving point and a reserve hub for emergency situations when Manas International airport is overloaded or unable to handle planes for whatever circumstances. This airport would become the second largest once it is finished.

### **3. TRANSPORTATION AND LOGISTICS SERVICES**

#### **3.1 Shipping and Freight forwarding**

There is a number of companies that offer various transportation services, including road, railway and airway transportation. There are representative offices of large international companies such as DHL, UPS, FedEx as well as others. Many companies provide customs clearance services for an additional fee. Very few offer warehousing services.

A short list of most reliable international and local companies is listed below:

#### **AIR CARGO**

##### **1. DHL**

107, Kievskaya st., Bishkek  
Tel. +996 312 61 11 11, +996 312 66 11 12  
Fax. +996 312 61 11 13  
Email. [office@dhl.kg](mailto:office@dhl.kg)  
Web. <http://www.dhl.kg>

##### **2. Globalink Logistics Group**

53, Aitmatova st. room 47, Bishkek  
Tel. +996 312 68 06 02, +996 312 90 84 55  
Fax. +996 312 68 00 74  
Email. [Bishkek@globalink.bz](mailto:Bishkek@globalink.bz)  
Web. <http://www.globalink.bz>

##### **3. FedEx (represented by RBS ltd.)**

Country Director: Sergei Slesarev  
217 Moskovskaya st., Bishkek  
720010 Kyrgyzstan  
Tel. +996 312 65 00 12, +996 312 24 42 90  
Fax. +996 312 65 01 28  
Email. [fedex@elcat.kg](mailto:fedex@elcat.kg)

##### **4. ARI Cargo – Bishkek, Kyrgyzstan**

35 Erkindik Avenue  
Bishkek, Kyrgyzstan, 720 000  
Phone: +996 312 66 00 77  
Fax: +996 312 66 13 11

E-Mail: [bishkek@aricargo.com](mailto:bishkek@aricargo.com)  
Web. <http://www.aricargo.com>

**5. ICS (Representative of UPS and Schenker)**

390, Frunze st., room 207  
720033, Bishkek, Kyrgyzstan  
Tel./Fax. +996 312 21 92 62,  
Fax. +996 312 61 17 04,  
[ics\\_kg@saimanet.kg](mailto:ics_kg@saimanet.kg)  
Web. <http://www.ups.com>

**RAIL CARGO**

**1. ARI Cargo – Bishkek, Kyrgyzstan**

35 Erkindik Avenue  
Bishkek, Kyrgyzstan, 720 000  
Phone: +996 312 66 00 77  
Fax: +996 312 66 13 11  
E-Mail: [bishkek@aricargo.com](mailto:bishkek@aricargo.com)  
Web. <http://www.aricargo.com>

**2. Globalink Logistics Group**

53, Aitmatova st. room 47, Bishkek  
Tel. +996 312 68 06 02, +996 312 90 84 55  
Fax. +996 312 68 00 74  
Email. [Bishkek@globalink.bz](mailto:Bishkek@globalink.bz)  
Web. <http://www.globalink.bz>

**3. Transatlantic Inc.**

166, Sovetskaya st., room 59  
Bishkek, 720040, Kyrgyzstan  
Tel. +996 312 66 38 17  
Fax. +996 312 9014 09  
Email. [info@transatlantic.kg](mailto:info@transatlantic.kg)  
Web. <http://www.trans-atlantic.ca>

**ROAD CARGO**

**1. ARI Cargo – Bishkek, Kyrgyzstan**

35 Erkindik Avenue  
Bishkek, Kyrgyzstan, 720 000  
Phone: +996 312 66 00 77  
Fax: +996 312 66 13 11  
E-Mail: [bishkek@aricargo.com](mailto:bishkek@aricargo.com)  
Web. <http://www.aricargo.com>

**2. Globalink Logistics Group**

53, Aitmatova st. room 47, Bishkek  
Tel. +996 312 68 06 02, +996 312 90 84 55

Fax. +996 312 68 00 74  
Email. [Bishkek@globalink.bz](mailto:Bishkek@globalink.bz)  
Web. <http://www.globalink.bz>

**3. Transatlantic Inc.**

166, Sovetskaya st., room 59  
Bishkek, 720040, Kyrgyzstan  
Tel. +996 312 66 38 17  
Fax. +996 312 9014 09  
Email. [info@transatlantic.kg](mailto:info@transatlantic.kg)  
Web. <http://www.trans-atlantic.ca>

**4. 4. MGATP 7**

76, Mesarosha st.,  
Bishkek, Kyrgyzstan, 720046  
Tel./Fax. +996 312 65 20 75  
Tel./Fax. +996 312 65 76 57  
Email. [Mgatp7@infotel.kg](mailto:Mgatp7@infotel.kg)  
Web. <http://www.mgatp7.kg>

**3.2 Distribution (wholesale/retail supply networks)**

The wholesale distribution network is mainly represented by Dordoi Bazaar (market) in the North of the Kyrgyz Republic and Karasuu Bazaar (market) in the South of the Kyrgyz Republic. Dordoi bazaar occupies a territory of 100 hectares (≈246 acres) and is the center where all consumer goods are brought first, and then are distributed all over the country and even beyond to Tajikistan, Uzbekistan and Kazakhstan. Most wholesale transactions take place in the latter part of the day.

Contact details of Dordoi market administration are:

Director: Japarkunov Samarbek Toktogulovich  
Tel. +996 312 28 19 20  
Fax. +996 312 69 00 44  
Email. [Samarbek69@mail.ru](mailto:Samarbek69@mail.ru)  
Web (Rus-lang). <http://www.dordoi.kg>

Retail supply networks are mainly represented by the chain of grocery stores “Narodny” (<http://www.market.kg> Rus-lang), “Stolichny” and “7 days”. Other retail supply networks are represented by single supermarkets, bazaars and small shops. Major supermarkets are Beta Stores, Ramstore and BishkekCity. Main bazaars (not including Dordoi) in Bishkek are Alamedin bazaar, Ortosay bazaar and Osh bazaar.

**3.3 Warehousing**

Warehousing services in Kyrgyzstan are at the infancy stage. Warehouses that exist are from the Soviet era and, in many cases, are not sufficiently equipped and are lacking moisture and/or temperature control, etc. Most of them are located in the Eastern Industrial part of Bishkek, others along Kulatova street, and some left in the Western industrial zone. Larger companies that have a vital need to have a warehouse usually build their own.

Still there is one very well equipped warehouse in Manas International Airport with temperature control and other services. But this warehouse is only available for short term use and is offered only for storage of cargo that have been brought to Kyrgyzstan by air.

Some companies that offer warehousing services in Bishkek:

**1. Globalink Logistics Group**

53, Aitmatova st. room 47, Bishkek  
Tel. +996 312 68 06 02, +996 312 90 84 55  
Fax. +996 312 68 00 74  
Email. [Bishkek@globalink.bz](mailto:Bishkek@globalink.bz)  
Web. <http://www.globalink.bz>

**2. Manas Management Company**

President: Akmatov Erik Bekbolotovich  
Manas International Airport  
Tel. +996 312 69 35 99  
Fax. +996 312 69 30 31  
Email. [akmatov@mmc.kg](mailto:akmatov@mmc.kg)  
Web. <http://www.mmc.kg>

**3.4 Other Services (Security, Insurance, Equipment and Vehicle Leasing)**

Insurance services are offered by the following companies:

**1. Globalink Logistics Group**

53, Aitmatova st. room 47, Bishkek  
Tel. +996 312 68 06 02, +996 312 90 84 55  
Fax. +996 312 68 00 74  
Email. [Bishkek@globalink.bz](mailto:Bishkek@globalink.bz)  
Web. <http://www.globalink.bz>

**2. ARI Cargo – Bishkek, Kyrgyzstan**

35 Erkindik Avenue  
Bishkek, Kyrgyzstan, 720 000  
Phone: +996 312 66 00 77  
Fax: +996 312 66 13 11  
E-Mail: [bishkek@aricargo.com](mailto:bishkek@aricargo.com)  
Web. <http://www.aricargo.com>

**3. Transatlantic Inc.**

166, Sovetskaya st., room 59  
Bishkek, 720040, Kyrgyzstan  
Tel. +996 312 66 38 17  
Fax. +996 312 9014 09  
Email. [info@transatlantic.kg](mailto:info@transatlantic.kg)  
Web. <http://www.trans-atlantic.ca>

Vehicle Leasing services are provided by the following companies:

## **1. EVI Autocenter**

19 Lev Tolsoty st., Bishkek  
Tel. +996 312 640 184  
Mob 1. +996 502 32 13 91  
Mob 2. +996 502 57 59 59  
Fax. +996 312 65 03 70  
Email. [office@evi.kg](mailto:office@evi.kg)  
Web. <http://www.evi.kg/en/>

## **2. Hertz**

93, Toktogula st., Bishkek  
720040, Kyrgyz Republic  
Tel. +996 312 66 61 02, +996 312 66 60 52  
Fax. +996 312 66 38 50

## **4. MARKET OPPORTUNITIES FOR U.S. COMPANIES**

Most of the market opportunities for US companies arise in conjunction with the major transport infrastructure development projects, which are usually announced by the Government of Kyrgyzstan or concerned multilateral organizations.

Procurement of equipment or services is usually announced through open tenders, which can be found on correspondent sites of international donors, the government official website (<http://www.gov.kg>) or through BISNIS tender leads posted on <http://bisnis.doc.gov/bisnis/tradeleads1.cfm>.

## **5. USEFUL RESOURCES**

### ***5.1 Government Organizations (i.e., Mintrans, RosAvtodor, etc.)***

#### **1. Ministry of Transport and Communications**

42, Isanova st., Bishkek,  
720017, Kyrgyz Republic  
Tel. +996 312 6104 72, +996 61 10 57  
Fax. +996 312 66 47 81  
Email. [mtk@mtk.gov.kg](mailto:mtk@mtk.gov.kg)  
Web (Rus-lang). <http://mtk.gov.kg>

#### **2. State Customs Inspectorate**

4a, Baytik Baatyra st.,  
Bishkek, Kyrgyzstan  
Tel. +996 312 51 06 51  
Fax. +996 312 51 24 63  
Email. [papers@customs.gov.kg](mailto:papers@customs.gov.kg)  
Web. <http://customs.gov.kg/content/start/Eng>

### ***5.2 Trade associations and information portals***

**1. Chamber of Commerce and Industry of the Kyrgyz Republic**

107, Kievskaya st.,  
Bishkek, Kyrgyzstan, 720001  
Tel. +996 312 21 05 77  
Fax. +996 312 21 05 75  
Email. [Cci-kr@totel.kg](mailto:Cci-kr@totel.kg)  
Web. <http://www.cci.org.kg/en>

**2. AmCham**

191 Sovetskaya, Office #123  
Bishkek, Kyrgyz Republic, 720011  
Phone +996 (312) 68 09 07  
Fax +996 (312) 68 11 72  
Email. [director@amcham.kg](mailto:director@amcham.kg)  
Web. <http://www.amcham.kg>

**3. IBC (International Business Council)**

191, Sovetskaya st., room 112  
Hyatt Regency Bishkek, Kyrgyz Republic  
Tel. +996 312 68 02 62  
Fax. +996 312 68 09 20  
Email. [ibc@ibc.kg](mailto:ibc@ibc.kg)  
Web. <http://www.ibc.kg>

**5.3 Trade consultants, lawyers, etc. (as relevant)**

**CUSTOMS BROKERAGE COMPANIES:**

**1. “SVTS – Broker” LLC**

4a, Baytik Baatyra st. (Customs Building), room 207  
Tel./Fax. +996 312 51 19 61  
Mob. +996 517 71 42 97  
Email. [svtsbroker@list.ru](mailto:svtsbroker@list.ru)  
Web. (Rus-lang) [http://www.atb.kg/svts\\_broker.htm](http://www.atb.kg/svts_broker.htm)

**2. “Nuris Tranzit Service” LLC**

10, Bokonbaeva st., room 2  
Bishkek, Kyrgyzstan, 720000  
Tel. +996 312 29 84 59  
Mob. +996 312 97 77 10  
Web. (Rus-lang) <http://www.atb.kg/nuris.htm>

**3. “Customs Cargo Service” LLC**

77, Toktogula st., room 104  
Bishkek, Kyrgyzstan, 720021  
Tel. +996 312 28 06 36, +996 312 66 58 72  
Email. [kdinna@yandex.ru](mailto:kdinna@yandex.ru)  
Web. (Rus –lang) [http://www.atb.kg/cutom\\_cargo.htm](http://www.atb.kg/cutom_cargo.htm)

**4. “B.D.A. Logistics” LLC**

Director: Koylubaev Mars Kubanychbekovich  
282a, Frunze, room 110  
Tel. +996 312 69 68 68  
Mob 1. +996 543 94 9999  
Mob 2. +996 312 97 37 50

**5. Globalink Logistics Group**

53, Aitmatova st. room 47, Bishkek  
Tel. +996 312 68 06 02, +996 312 90 84 55  
Fax. +996 312 68 00 74  
Email. [Bishkek@globalink.bz](mailto:Bishkek@globalink.bz)  
Web. <http://www.globalink.bz>

**6. “Muza” (DHL) LLC**

107, Kievskaya st.,  
Bishkek, Kyrgyzstan  
Tel. +996 312 61 11 16  
Fax. +996 312 21 07 44  
Email. [lh@muza.com.kg](mailto:lh@muza.com.kg)  
Web. <http://muza.com.kg/eng/news/>

For a full list of Customs Brokerage Companies, please visit:  
<http://customs.gov.kg/content/broker/eng>

**LAW FIRMS**

**1. Kalikova & Associates**

66, Kalyk Akiev st.,  
Bishkek, Kyrgyz Republic  
Tel. +996 (312) 650-129  
+996 (312) 650-256  
+996 (312) 650-536  
Fax: +996 (312) 650 980  
E-mail: [lawyer@k-a.kg](mailto:lawyer@k-a.kg)  
Web. <http://www.k-a.kg>

**2. Partner**

57, Kalyk Akiev st., room 21  
Bishkek, Kyrgyzstan, 720010  
Tel. +996 312 65 00 19  
Fax. +996 312 65 03 80  
Email. [bakyt@elcat.kg](mailto:bakyt@elcat.kg)

**3. Legal Trust**

170a, Sovetskaya st., room 22  
Bishkek, Kyrgyzstan, 720040  
Tel. + 996 517 71 93 58, +996 312 66 70 96

Fax. +996 66 71 36  
Email. [Legal\\_trust@mail.ru](mailto:Legal_trust@mail.ru)  
Web. <http://www.lt.info-bishkek.biz>

#### **5.4 USG Resources**

##### **1. US Embassy Bishkek**

171 Prospect Mira  
Bishkek, Kyrgyzstan  
Tel. +996 312 55 12 41  
Fax. +996 312 55 12 64  
<http://bishkek.usembassy.gov>

##### **2. BISNIS-Kyrgyzstan**

Mr. Artyom Zozulinsky  
171 Prospect Mira  
Bishkek, Kyrgyzstan  
Tel. +996 312 55 12 41 ext. 4403  
Fax. +996 312 55 12 64  
Email. [ZozulinskyA@state.gov](mailto:ZozulinskyA@state.gov)

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<http://bisnis.doc.gov/bisnis/country/kyrgyzstan.cfm>

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