

## ARMENIA'S PRESIDENT QUILTS SUDDENLY

Armen Sarkissyan quits as Armenian president as his links to a tax haven in the Caribbean are exposed - P.3

## GAS PLEA:

EU wants more gas from Azerbaijan - P.5

# Central Asia blackout cuts power to millions of people

>>Flights were diverted and hundreds of people had to be rescued from the Tashkent Metro

ALMATY -- Governments in Kazakhstan, Uzbekistan and Kyrgyzstan blamed each other for triggering a power surge across their shared Soviet-era network that cut electricity to millions of people for several hours (Jan. 25).

Kazakhstan said that it tapped into emergency power sources from Russia after the outage knocked out electricity across the south of the country. Kazakh officials blamed a short circuit at the Syrdarinskaya thermal power plant in south Uzbekistan for the blackout.

"The resulting power shortage in the Uzbek power system led to an unauthorised consumption of power from the Kazakh power system," the Kazakh state power distribution network, KEGOC, said.

Uzbek officials, though, said that an accident at one of Kazakhstan's power plants in the south of the country had caused the blackouts.

In Kazakhstan, the power blackouts affected the south of the country but in both Uzbekistan and



>> Screenshot of people walking to safety along a tunnel in the Tashkent Metro

(www)

Kyrgyzstan reports said that outages hit the whole country.

For several hours across Uzbekistan, Kyrgyzstan and southern Kazakhstan, hospitals were forced to switch to emergency generators to keep functioning, underground metro trains in Tashkent ground to a halt and traffic lights flicked off, turning the roads into chaos.

In Uzbekistan the blackout hit the production of liquefied petroleum

gas, forcing the government to impose curbs at petrol stations. Uzbekistan also supplies power to Afghanistan and reports said that this had had been cut too.

Patchy power production has been a major problem for governments in the region over the past few years with supply falling short of demand.

Kazakh government officials said that cryptocurrency factories were not to blame for this blackout.

## C.Banks up rates to beat inflation

ALMATY -- The Kazakh Central Bank and three other central banks in the region raised their key interest rates because they said that inflation was continuing to undermine economic growth (Jan. 24).

In a statement, the Kazakh Central Bank, which part-manages

the largest economy in Central Asia, said that it had increased its interest rate to 10.25%, the highest level for two years, from 9.75%.

"The decision was made taking into account the need to reduce inflation expectations and enter the inflation target corridor of 4-6% by

the end of 2022," it said. Annualised inflation in Kazakhstan measured 8.6% in December, a slight drop.

And it was a similar story across the rest of the region. Armenia raised its interest rate to 8% from 7.75%; Azerbaijan to 7.5% from 7.25%; Kyrgyzstan to 8.5% from 8%.

# FBI investigates Azerbaijan's lobbying

>> Azerbaijan would be taken more seriously if it was more transparent with its lobbying efforts, writes James Kilner

Azerbaijan, apparently, has a habit of paying politicians in the West to influence votes and policy in its favour, a system that has been dubbed "Caviar Diplomacy".

Last year, former Italian MEP Luca Volonte was jailed for taking bribes from Azerbaijani officials to influence debates in the European Parliament and Mark Hauptmann, a German MP for the Christian Democratic Union, resigned after the Der Spiegel newspaper published a report that alleged that Azerbaijani officials had made payments to a regional newspaper which he owned.

The suspicion is that this habit has now spread to the US where the FBI in January raided the Texas home of a Democratic Congressman linked to Azerbaijan.

Henry Cueller, the Congressman in question, has denied that he has taken any cash from Azerbaijani officials but the context around the investigation suggests, and you have to be careful with your wording here, that there are questions he needs to answer.

According to the subpoena quoted by ABC News, the main target of the FBI's investigation is a number of Texas-registered companies which are linked to his Cueller's wife, Imelda.

Cueller is well-known in Washington's political circles as a strong advocate for Azerbaijan.

He is the head of the Congressional Azerbaijan Caucus and has defended Azerbaijan and its president Ilham Aliyev and has been regarded as the general cheerleader-in-chief for Azerbaijan's positions on various issues – domestic and international.

And, of course, when Azerbaijan triggered a war with Armenia in 2020 over the disputed region of Nagorno-Karabakh, Cueller was there again to defend Aliyev and his government and to promote their cause.

Cueller also has a personal link to Kemel Oksuz, a Houston-based businessman who has been convicted of lying to Congress about how he funded US politicians' business trips to Azerbaijan. These were paid for, illegally, by the Azerbaijani state oil company. Oksuz also paid for Cueller to visit Azerbaijan and Cueller hired Oksuz's son in his company.

Of course, you should not prejudge these things, but it doesn't look good for Cueller or Azerbaijan's lobbying efforts in the US.

The Bulletin's brainteaser quiz is, possibly, the world's only quiz dedicate to Central Asia and the South Caucasus. If you send in three correct consecutive answers, we will send you, wherever you are, a highly-coveted Bulletin branded Parker jotter pen. Of course the editor has agency over who to give out the pens to and he may chuck in one or two for good sportsmanship and not just for getting the answers right.

Quiz no. 38 season 2

A) Which river runs through Pavlodar in north Kazakhstan, the home of an old statue of Lenin – as noted in the answers to last week's questions?

B) Where was the epicentre of the 1988 earthquake in Armenia that destroyed the city of Gyumri?



(Answers to editor@thebulletin.news)

The answers to last week's quiz were:

A) Pavlodar, in north Kazakhstan, harbours a statue of Lenin inscribed with Arabic script.

B) The photo showed the iron fountain built at Gyumri University in 1982. It was the only part of the university that survived the 1988 earthquake which destroyed the city.

The Central Asia & South Caucasus Bulletin. – Independence, integrity, brevity

Editor – James Kilner

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## CORONAVIRUS

**UZ: Lateral flow test requirement cancelled**

Uzbekistan cancelled a requirement to pass a lateral flow test after you cross into the country (Jan. 26). The lateral flow test requirement had been on top of needing a negative PCR test to cross into Uzbekistan. Uzbekistan had been trying to increase coronavirus regulations to keep out the omicron variant of the coronavirus. Most of Central Asia, other than Turkmenistan, which denies ever having a case of the coronavirus, and Tajikistan, which has declared the Pandemic over, is facing a surge in Covid infections.

**AM: Pashinyan tests positive for Covid**

Armenian PM Nikol Pashinyan tested positive for the coronavirus for the second time, in what appears to be another wave of Covid-19 infections based on the omicron variant (Jan. 26). Mr Pashinyan's office said that he was not showing any symptoms and that he would continue to work in isolation. Armenian coronavirus cases have jumped from around 300/day to 2,500/day. Since Jan. 22, Armenians have had to present their vaccine status via a QR code to enter shops and restaurants.

## CORRUPTION

**KZ: Nazarbayev and family owns assets of \$8b**

Former Kazakh president Nursultan Nazarbayev and his family have been linked to assets held by a company in Britain worth \$7.8b, a joint investigation by three media organisations reported (Jan. 21). The Britain-based company, Jusan Technologies Limited, is the owner of several other companies, banks and properties spread across the FSU and London. Mr Nazarbayev and his family have come under increased scrutiny since unrest rocked Kazakhstan this year.

>> See Kazakhstan Echo for more

# Armenia president quits suddenly



>> Armen Sarkissyan had been on a visit to the UAE when he quit as Armenia's president (AmPres)

## >> President quits after links to offshore tax haven are exposed

YEREVAN -- Armen Sarkissyan resigned as Armenia's president, a more or less honorific position, after transparency activists started investigating his links to offshore tax havens which may have made his presidency illegal (Jan. 23).

In his sudden resignation on a Sunday evening, Mr Sarkissyan, who has been Armenia's president since 2018, said that he was quitting because the position was effectively powerless.

"I have been thinking for a long time, I have decided to resign from the post of the President of the Republic after working actively for about four years," he said in a statement.

Transparency campaigners, though, said that Mr Sarkissyan's sudden departure suggested that an investigation by the Berlin-based Organised Crime and Corruption Reporting Project (OCCRP) into his links to the island of St Kitts and Nevis in the Caribbean may have triggered his resignation.

The OCCRP has previously reported that St Kitts and Nevis has

been used as an offshore tax haven by politicians to dodge tax.

Under Armenia's constitution, too, the president cannot hold dual citizenship. Before he was voted in as president in 2018, Mr Sarkissyan made no mention of his citizenship of St Kitts and Nevis.

This, according to Hetq, may have been an oversight. The news website said that Mr Sarkissyan had made investments in St Kitts and Nevis which may have triggered citizenship that hadn't been annulled.

Mr Sarkissyan earned public kudos in 2018 when, as president, he helped to negotiate a peaceful resolution to a revolution led by current PM Nikol Pashinyan which overthrew Serzh Sargsyan as Armenia's leader. Since then he has been sidelined by Mr Pashinyan and their relationship has been described as "strained".

Mr Sarkissyan was in the UAE when he resigned and has not returned to Armenia. If he did, he could be prosecuted. The Armenian presidential website said that he had stayed in the UAE for a medical examination.

INT. RELATIONS

### **UZ/KZ/KG/TJ/TM: China promises more grants**

At an online summit with the five Central Asian leaders to celebrate 30 years of bilateral relations, Chinese President Xi Jinping pledged \$500m in grants and 50m more doses of the China-made coronavirus vaccine (Jan. 25). The five Central Asian countries are major recipients of cheap Chinese grants and investments. All five Central Asian leaders are due to attend the opening ceremony of the Winter Olympic Games in China on Feb. 4.

### **AZ: Bridge deal with Iran**

Azerbaijan and Iran signed an agreement to build a bridge over a border river which both sides have talked up as a sign of improved ties (Jan. 26). Last summer Azerbaijan and Iran rowed over checkpoints that Azerbaijani forces had erected on a stretch of road which they had captured from Armenia. Iranian truckers had used the road to drive to Yerevan. Officials said that the Astarachay Bridge was an important step in strengthening the North-South trade corridor.

### **GE: Protest in support of Ukraine**

Around 100 protesters in Tbilisi gathered outside Ukraine's embassy to show their support for their FSU neighbour which is trying to shrug off the prospect of an invasion by Russia (Jan. 23). The Georgian breakaway regions of South Ossetia and Abkhazia are backed by Russia. Like Ukrainians, most Georgians also want to join NATO.

ECONOMY

### **GE: GDP soars in 2021**

Highlighting the economic forces that are pushing up inflation rates across the region, Georgia's statistics agency said that GDP growth in Georgia measured 10.6% last year (Jan. 31). Geostat, the statistics agency, also said that GDP

had declined by 6.8% in 2020 because of restrictions imposed to deal with the Pandemic. Compared to 2019, GDP in 2021 was 3% higher.

### **UZ: Remittances jump in 2021**

Underlining the improving health of the region's economies, Uzbekistan reported that remittances in 2021 totalled more than \$8b -- a rise of 34% from 2020 when the coronavirus Pandemic dented global trade and movement (Jan. 23). Most of Uzbekistan's remittances are sent from Russia. According to the World Bank, Uzbekistan's remittances in 2019, before the Pandemic, were \$8.6b.

POLITICS

### **KZ: Tokayev takes over Nur Otan chair**

Kazakh Pres. Kassym-Jomart Tokayev officially took over as chairman of the Nur Otan ruling party from his presidential predecessor, Nursultan Nazarbayev (Jan. 28). Mr Tokayev's takeover as the Nur Otan chairman empowers him again but was organised before unrest in early January that triggered a power struggle within the Kazakh elite. At the Nur Otan congress, Mr Nazarbayev's daughter, Dariga, was also kicked off its governing council.

### **KZ: Tokayev sacks Nazarbayev's CEC chief**

Continuing the apparent stripping of his predecessor's power, Kazakh Pres. Kassym-Jomart Tokayev sacked Berik Imashev as head of Kazakhstan's Central Election Committee (Jan. 25). Mr Imashev was considered an ally of Mr Nazarbayev. In his place, Mr Tokayev promoted one of his allies, Nurlan Abidirov, to head the CEC.

ECONOMY

### **KZ: HRW calls for investigation into force**

The New York-based Human Rights Watch called for an independent

investigation into what it said was the excessive and illegal use of force by Kazakh security services against anti-government protesters on Jan. 4 - 7 (Jan. 26). Kazakh security services have said that they only used proportional force. At least 225 people died in the unrest. >> See [Kazakhstan Echo](#) for more

### **UZ: Anti-government blogger jailed**

A court in Tashkent sentenced 41 year-old blogger Fozilxoja Orifxojaev to 7-1/2 years in prison for spreading "materials that posed a threat to public security" (Jan. 26). Human Rights Watch said that the real reason Orifxojaev was being imprisoned was that he posted anti-government posts on Facebook and that he had rowed with a pro-government blogger and a cleric. It also accused the Uzbek authorities of mistreating Orifxojaev during his pre-trial detention.

### **GE: Police filmed beating deaf teenager**

Georgians called for more oversight of their police force after an online video filmed in the Tbilisi metro showed two policemen beating a deaf and near-mute teenager (Jan. 25). The video triggered public outrage. Georgian Pres. Salome Zurbishvili posted a speech online in which she said that most Georgian policemen worked for the good of society.

SECURITY

### **TJ/KG: Border gunfight**

Soldiers from Kyrgyzstan and Tajikistan exchanged gunfire along their shared, and disputed, border (Jan. 27). Each side accused the other of starting the firefight. Media reported that the gunfight lasted around an hour and that there had been casualties, although this information was later retracted. Skirmishes around the Isfana-Batken area are an ongoing problem.

# BUSINESS NEWS

## RATING DOWNGRADE:

Moody's cuts Kyrgyzstan's credit rating - P7

## WINE EXPORTS:

Georgian wine exports surge in 2021 -P6

## MARKETS:

Anglo Asian Mining falls on Canadian deal -P8

# EU negotiates with Azerbaijan for extra gas

>> EU officials are looking to Azerbaijan to help make up a gas shortfall from Russia

BAKU -- Josep Borrell, the EU's foreign affairs commissioner, said that Europe was negotiating with Azerbaijan, as well as with Qatar and the US, to increase gas supplies to make up for a potential shortfall from Russia (Jan. 31).

Governments in Europe have accused Russia of withholding gas supplies, which has forced up gas prices for their consumers, in retaliation for sanctions linked to rows over Ukraine. The EU has now said it is concerned that more gas could be cut.

In a blog post, Mr Borrell said that the EU, which already imports gas from Azerbaijan through a network of pipes called the Southern Gas Corridor, was looking at how to increase gas supplies.

"We are prepared in case diplomacy fails and we are looking at all options," he wrote. "This includes improving our resilience, including by working with partners like the US, Qatar, and Azerbaijan,



>> A compressor station on the Southern Gas Corridor

(SGC)

on the issue of gas supply in case Russia decides to reduce or halt deliveries."

Azerbaijan already supplies gas to Europe, mainly pumped from the Caspian Sea, but this is a fraction of Russian supplies to Europe. Even so, its officials have said that supplies could be increased and the EU's energy commissioner, Kadri Simson, is due to meet with senior officials

from the Southern Gas Corridor on Feb. 4.

And Azerbaijan has shown it can boost gas exports quickly. In January it responded to a request from Turkey to increase gas supplies after Iran cut exports for between 10 days and two weeks because of what it said was a technical problem. Azerbaijan started supplying Turkey with an extra 4m cubic metres of gas per day.

# Azerbaijan deposits 1b euro with Turkey

BAKU -- Azerbaijan's state oil fund SOFAZ deposited 1b euros with Turkey's Central Bank for six months in a deal which it said would help shore up financial stability in its closest allies (Jan. 28).

Turkey has previously said that it had agreed a currency swap deal with

Azerbaijan but this has been denied by Azerbaijani officials who have instead said that the 1b euro deposit was a "settlement mechanism in national currency".

In a statement on the deposit, SOFAZ said: "This investment is in line with the SOFAZ investment strat-

egy and will have a positive impact on Turkey's financial stability."

Inflation in Turkey is soaring and the value of the lira currency has plummeted. In 2020, Turkey helped Azerbaijan defeat Armenia in a war for the disputed region of Nagorno-Karabakh.

FINANCE

### **KZ: CBank chief moved to Almaty mayor's office**

In the wake of unrest in January, Kazakh Pres. Kassym-Jomart Tokayev shifted Yerbolat Dosayev from the chairman of the Central Bank to become the mayor of Almaty (Jan. 31). Mr Dosayev has held several positions in the Kazakh government, including serving as a deputy PM and as economy minister. He is also a partner in the Lancaster Group, one of Kazakhstan's biggest conglomerates. >> See Kazakhstan Echo newspaper for more

MINING

### **GE/KZ: Kazakh coal exports increase to Georgia**

Georgia increased its coal imports from Kazakhstan in 2021 by more than 25%, the Geostat national statistics office said (Jan. 23). Kazakhstan has become an increasingly important regional coal exporter, sending deliveries to China in 2021 when Chinese coal production slumped. Coal is an important export for Kazakhstan.

### **AZ: Anglo-Asian completes Libero stake purchase**

Anglo Asian Mining, the Azerbaijan-focused gold miner, said that it had completed its purchase of a 19.8% stake in the Toronto-listed Libero Copper and Gold company for \$6.3m (Jan. 27). This move, the company said, was in line with its drive to expand beyond its core base. Regulators had to sign off on the second 10% stake in Libero that Anglo Asian wanted to buy.

### **GE: Mining accident kills one person**

At least one person was killed and eight people were injured in an explosion at a coal mine around Tkibuli, Georgia (Jan. 31). Coal mines are the backbone of the economy in western Georgia although they have a safety record

that activists have said is poor. In November, two miners died in an accident at a coal mine in Tkibuli despite a pledge by the government in 2020 to improve health and safety.

SERVICES

### **UZ: Service sector tax cut**

In what the Uzbek government has said is an effort to boost its service sector, President Shavkat Mirziyoyev ordered a cut in tax on profits to 1% from 10% for businesses from hotels and catering, to mechanics and vets (Jan. 31). Some analysts have said that the tax cut is an effort by the government to undermine inflation.

BUSINESS

### **KZ: Looting caused damage of \$227m**

Unrest and looting in Kazakhstan at the start of January caused damage to businesses of around \$227m, mostly in Almaty, Kazakh officials said (Jan. 22). The government, which blames terrorists for fighting in Kazakhstan, said that 45 government buildings and 306 commercial buildings were damaged. It has set up a fund to help business owners recover from the looting which mainly targeted banks, food shops and fashion outlets.

>> See Kazakhstan Echo for more on this story

OIL+GAS

### **AM: Deputy PM promises no gas price rises for "needy"**

Armenia's deputy PM, Mher Grigoryan, said in a briefing to reporters that the price of gas for "the neediest people" would not increase this year despite a general energy price rise (Jan. 28). Gas price rises are a particularly sensitive issue. In 2015, when the Armenian government tried to increase electricity prices, people poured onto the streets in protest. Gazprom Armenia, which owns the gas distribution network, has said that it wants to increase gas prices by 6%.

### **AZ: Tax lowered on gas imports**

Azerbaijan lowered taxes on imports of the cheaper grades of petrol, an effort, perhaps, to reduce inflation that is irritating drivers (Jan. 29). PM Adil Asadov ordered the tax cut on petrol with an octane rating of 95 or less, the most widely used grades of petrol. Petrol prices in Azerbaijan have been rising this year and reports of increasing levels of frustration have been rising. The tax discount will run until June 1.

WINE

### **GE: Wine exports rise in 2021**

Georgia's National Wine Agency said that wine exports increased by 13.8% in 2021 (Jan. 26). The value of these wine exports, an important product for Georgia, was \$239m -- a rise of nearly 6%. Around 55% of Georgia's wine sales go to Russia and the Georgian authorities, ever-nervous of their larger northern neighbour, have unveiled a plan to expand sales in Asia and Western Europe.

RAIL

### **KZ: Rail costs cut**

The Kazakh government ordered railway sidings across the country to lower their costs by up to 80%, giving industry and freight transport a boost after a tumultuous month of unrest (Jan. 21). It is not clear for how long the reduced tariffs will stay in effect. Rail is critical for Kazakhstan which acts as a major link between China and Europe on its Belt and Road Initiative Route.

AVIATION

### **AM: Fly Arna appoint CEO**

Air Arabia appointed Antony Price, a former manager at Air New Zealand and also its former regional manager for Britain, as the CEO of Fly Arna, its new joint venture with the Armenian government, (Jan. 27). Fly Arna is being pitched as the new national airline of Armenia and is due to start operations in May.

# Moody's cuts Kyrgyzstan credit rating on Kumtor

>> Expropriation of the Kumtor gold mine has damaged Kyrgyzstan's reputation - Moody's

BISHKEK -- Moody's the ratings agency cut Kyrgyzstan's credit rating to B3 from B2 because of the government's expropriation of the Kumtor gold mine last year (Jan. 25).

It said that the expropriation of Kumtor, the largest industrial asset in the country, from Canada's Centerra Gold had damaged the reputation of Kyrgyzstan as a place for foreign investors to do business and will also reduce government revenues.

"The repossession of the Kumtor mine by the government, partly reflect relatively weak institutions and governance and are likely to negatively affect long-term economic growth particularly through the deterrence of foreign investment," Moody's said in a statement.

A rating of B3 is not considered an investment grade rating by Moody's. As a comparison, Moody's has also given Tajikistan a rating of B3 but Uzbekistan a rating of B1.

The Kyrgyz government said that it had to take over the mine in May last year because of environmental damage caused by Centerra's



>> The Kumtor gold mine

(www)

operations although Western analysts have said that President Sadyr Japarov, an instinctive populist who came to power in a coup in 2020, has eyed up nationalising Kumtor for years.

Toronto-listed Centerra Gold had promised to take the Kyrgyz government to an international arbitration court but earlier this year said that the two parties were now in negotiations to agree on an out-of-court settlement for an undisclosed amount.

The Kyrgyz government has not commented on the Moody's downgrade but a business commentator in Bishkek, who did not want to be named, said that it wouldn't have much of an impact as the government wasn't considering issuing any debt and investors had "priced in the fallout from Kumtor".

"Kyrgyzstan is pretty much uninvestable at the moment anyway. When they make an agreement on Kumtor, though, it will bounce back," he said.

## Georgia's Adjara buys Setanta Ukraine

TBILISI -- Georgia's Adjara Media Group agreed to buy Setanta Sports Ukraine, a deal that will make it the largest broadcaster of sport in Eastern Europe (Jan. 24).

Commenting on the deal, Giorgi Pruidze, the CEO of Adjarasport, said that buying Setanta Sports Ukraine was an important part of the group's strategy.

"Taking into consideration that Setanta Ukraine was operating across the country since 2019, covering over 2m households, we envisioned Setanta Ukraine as the shortest path to accomplish our ambitious goals of being the go-to destination for all sports fans," he said in a statement.

Setanta Sports Ukraine adds to Setanta Sports Eurasia, which

Adjarasport bought in 2020. It broadcasts to Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan and Uzbekistan.

Sports coverage has grown in the South Caucasus, as has betting, although the Georgia government has banned gambling advertising.

# MARKETS

>> >> BRENT CRUDE BREAKS \$90/BARREL BARRIER FOR FIRST TIME SINCE 2014 >> >>

## CURRENCIES

Armenian dram	482.28/\$1	↓ 0.1%
Azerbaijani manat	1.6995/\$1	—
Georgian lari	3.0418/\$1	↑ 1%
Kazakh tenge	433.8/\$1	↑ 0.45%
Kyrgyz som	84.75/\$1	—
Tajik somoni	11.2995/\$1	—
Turkmen manat	3.36/\$1	—
Uzbek soum	10,799/\$1	↑ 0.1%

## STOCKS

Centerra Gold	C\$10.26	↑ 0.7%
Central Asia Metals	223.7p	↓ 1.6%
Anglo Asian Mining	110p	↓ 5.6%
Bank of Georgia	1,484p	↑ 0.8%
Georgia Capital	661p	↑ 0.6%
TBC Bank	1,439.8p	↓ 3.1%
Kaspi.kz (GDRs)	\$75.50	↑ 0.6%
Kazatomprom (GDRs)	\$28.00	↓ 1.5%

## COMMODITIES

Oil (Brent)	\$91.24/barrel	↑ 3.9%
Gold (spot)	\$1,808.2/oz	↓ 1.5%
Copper	\$4.3815/lb	↓ 3%
Cotton	\$128.89/lb	↑ 6.5%

Editor's note: These tables normally measure the weekly change in the price of stocks, commodities and currencies. In this instance, the data measures the change between Jan. 21 - Feb. 1.

## C.Banks increase interest rates to dampen inflationary pressures

The big currency story of the week was interest rate increases by four Central Banks. The Kazakh, Kyrgyz, Armenian and Azerbaijani Central Banks all increased their key interest rates because they said that inflation was still a major concern.

Inflation has been stalking the economies of the region for the past couple of years but has really pressured over the past 12 months. It is a global story with supply chain wobbles and a jump in the price of commodities linked to the

Pandemic. In a statement, the Kyrgyz Central Bank also said that the spread of the omicron variant of the coronavirus has slowed economic activity.

As for currency specific news, Georgia's lari currency was the biggest mover over the past week, pushing up by 1% to 3.0418/l. The Kazakh tenge also ticked up by 0.45% to 433.8/\$1, again defying analysts' predictions that unrest in the country throughout January would undermine it.

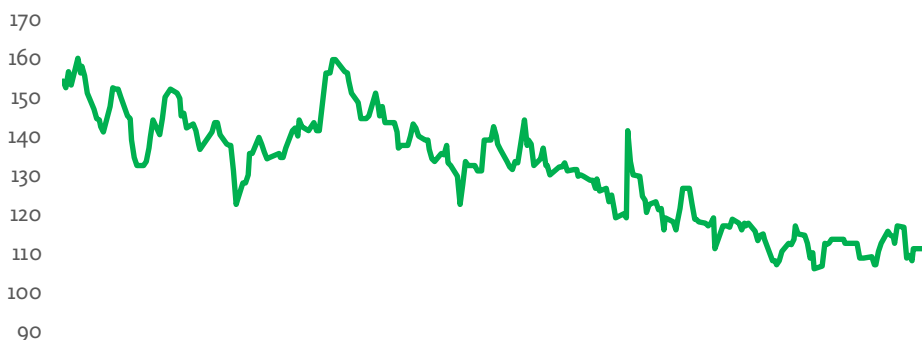
## Anglo Asian Mining reverses gains to fall

Anglo Asian Mining, the Azerbaijan-focused gold miner, saw its share price fall by more than 5% to 110p after it ploughed more money into a Canadian mining company. Gold also dipped slightly but it appears that the driver for the fall in the value of its shares was investor disappointment around the Canadian investment.

The drop in the value of Anglo Asian's shares is a reversal for the company that is reportedly close to Azerbaijan's Pres. Ilham Aliyev. Over

the past few years its share price has climbed alongside the rising value of gold and Azerbaijan's victory over Armenia for control of Nagorno-Karabakh.

The only two other significant movers were TBC Bank, the Georgian high street bank that is listed on the London Stock Exchange, and Central Asia Metals, also listed on the London Stock Exchange but focused on producing copper in Kazakhstan.



>> Anglo Asian Mining's share price over the past 12 months

(Bulletin data)