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Strategic Reforms in Kyrgyzstan's Mining Sector

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During the past five years, the Government of the Kyrgyz Republic led the intense work on optimization of the functioning of the mining industry. The mining sector was defined as the “strategically important” segment of the economy in the National Strategy for the Development of the Kyrgyz Republic 2013-2017. As the outcome, in 2014 Kyrgyzstan has adopted the Strategy for Development of the Mining Sector. The Strategy ensures continuous commitment towards liberalization and modernization of the sector for creation of the investor-friendly, stable environment.

Kyrgyzstan adopted the auctioning and tendering system, where the interests of the foreign investors are ensured and the government works with the local community before an auction/tender takes place. Due to active actions by the government, formerly critical issues of opaque licensing rules, resistance to mining from the local populations lost urgency and the opportunity for restoring the role of the mining industry in Kyrgyzstan's economy arrived.

As the result, within the past year, the State Agency for Geology and Mineral Resources of the Kyrgyz Republic was able to organize three successful tenders and eleven successful auctions. For the first time in the history of Kyrgyzstan, the revenues from tenders and auctions brought over 300 million US dollars to the country's budget.

Apart from greeting the new investors to the major mining objects of the Kyrgyz Republic, in 2015 the two gold mining companies in accordance with the plan have built ore processing plants. These and other events have demonstrated the capacity of the mining industry to increase economic prosperity of the country.

The State Agency for Geology and Mineral Resources under the Government of the Kyrgyz Republic is preparing the new set of amendments to the Law on Subsoil in order to further eliminate risks for the investors.

