



## SITUATION OF THE ECONOMIC POLICY AND TRANSPORTATION SYSTEM AT THE INITIAL PERIOD OF INDEPENDENCE (KYRGYZSTAN)

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**Abstract:** This article talks about the achievements of Kyrgyzstan, one of the countries located in Central Asia, in the stabilization and liberalization of the economy. In addition, the article provides specific information about the transport system in the country.

**Key words:** politics, GDP, power, currency, tunnel, flights;

In the years when the country gained independence, Kyrgyzstan's immediate transition to a "market economy" led to a decline in the national economy. This was announced at the opening ceremony of the book "Economic Policy of Kyrgyzstan in 1991-2010" held at Ala-Too University. The book evaluates and analyzes the economic policy of the government headed by the then president Askar Akayev in cooperation with the World Bank and international financial institutions.

In the 2000s, instead of restoring the economy, those in power resorted to borrowing from international financial institutions. By 2010, the external debt exceeded 2.6 billion dollars. Soon after, he was offered entry into the HIPC program, which focuses on the world's poorest countries. More than half of the population switched to trade in Chinese goods, and the re-export era flourished in the economy. Unemployment has increased, the flow of citizens to foreign countries has increased.

The country's economic policy is divided into 3 stages.

The first stage until 1998,

The next stage is from 1999 to 2005,

The third stage was from 2005 to 2010, when the country faced a tense political situation.

Nazira Esenaliyeva, Candidate of Economic Sciences, said that until 2010, the country's economy was dependent on one person. The current period has created good conditions for economic development.

According to the data of the National Statistics Committee, in January-March 2011, the consumption of food products in the country reached 46 billion sums. In 2011, excluding the Kumtyor enterprise, the gross domestic product grew by 1.8 percent. According to preliminary estimates, the gross domestic product volume in January-November 2015 was 373 billion. more than sums, the increase was 3.6%. The main branches of economic growth were ensured by industry, agriculture, construction and trade.

Over the past years, a fair balance between the branches of government has been established in the system of state power, and a stable foundation has been created for a competitive, multi-party and responsible government. Transparency and fairness of the election process at the local and national levels were ensured. In the 2016 constitutional reform, the separation of powers was strengthened, and the role and responsibility of the executive power was strengthened. The reform of the judicial system and law enforcement

agencies has begun. The reform of the defense and security sector has strengthened the level of training of the Armed Forces of the Kyrgyz Republic, its material and technical base, provision of housing for military personnel, and significantly strengthened the country's defense capabilities. The fight against corruption has affected all levels of government. The state is actively implementing progressive policy, which is based on the restoration of civil unity, morals and values, and the cultural and historical heritage of the Kyrgyz people. In foreign policy, Kyrgyzstan strengthened its relations with its closest strategic partners and systematically promoted its national interests in important international arenas.

By attracting domestic resources and prudent external borrowing in an economic environment, Kyrgyzstan is gradually expanding and modernizing the key infrastructure for growth - roads and airways, energy and communication networks. Accession to the OIE allowed the country to start using the potential of integration with key bilateral partners and brought the country's manufacturers to a market of 180 million. The Government of the Kyrgyz Republic has consistently optimized the regulatory and legal framework for the development of private initiative in important areas, and more enterprising medium and small business subs in the fields of agriculture, light industry and services. facilities were provided with low-cost financing. The agreed monetary and fiscal policy made it possible to maintain inflation indicators and support the stability of the exchange rate of the national currency of the Kyrgyz Republic. Extensive work was carried out on the improvement of the customs infrastructure, including the equipment of checkpoints, adjustment of information systems.

The current economic situation of Kyrgyzstan is based on the complex socio-political situation in the country during the last 5-10 years, as well as external factors, global and regional trends. However, despite all the difficulties, as well as limited natural resources, the Kyrgyz economy maintains stability and good dynamics.

At the current stage of development, the economy of Kyrgyzstan shows average growth rates and is characterized as a service country. The service sector has the largest share in the GDP of Kyrgyzstan. The share of services in the gross domestic product of 2017 was 48.0 percent, industry 18.2 percent, agriculture 12.3 percent, and construction 8.2 percent.

For the last five years, GDP has been growing by 4-5% annually, the average salary is growing according to the plan, in 2017 it was 15,391 sums. Despite small seasonal changes, the monetary and fiscal policy kept the exchange rate of the national currency of the Kyrgyz Republic at a stable level.

At the same time, significant weaknesses of the economy remain under the influence of internal and external factors. The main economic parameters of the country depend on the work of Kumtor. For example, in 2017, the share of "Kumtor" in the gross domestic product of the country was 9.7%, and it was 43.8% of the total volume of industrial production. Good GDP growth is often associated with increased consumption rather than capital formation and reproduction.

The length of railways in Kyrgyzstan was 470 km in 2006, and only 424 km in 2012. Railway transport accounts for about 3% of freight turnover. In the early 2000s, the rolling stock had a high level of wear and tear, with 2,500 freight cars, 450 passenger cars and 50 locomotives. Transportation is carried out by the state company "Kyrgyz Railway".

The railway network of the country consists of scattered deadlines. Separate lines connect the north of the country with Kazakhstan railways and the southern regions with the

railway network of Uzbekistan. Other railway lines pass through the southwestern regions of Kyrgyzstan, connecting the country's major industrial and population centers with Fergana region. Since 1996, the plan to build the China-Kyrgyzstan-Uzbekistan (CKU) railway was discussed.

Car transport. In Kyrgyzstan, road transport occupies the main place, accounting for 99.8% of passenger transport and 95% of cargo transport. In the early 2000s, the total length of roads was 40,000 kilometers, of which 17,000 kilometers were paved.

Osh and Bishkek (Fergana and Chui valleys) are connected by the 570 km long E010 highway passing through Tien Shan. On the way Teo-Ashuu pass (Kyrgyzstan) Rus. (3586 m, a 2.5 km long tunnel was built under the saddle of the pass at an altitude of 3200 m), Otmyok pass (3330 m), Ala-Bel pass (3391 m).

Air transport. There are 11 airports in the country, all of which are part of Manas International Airport OJSC. The airport network is controlled by the state, which owns about 77.5% of the joint-stock company. Manas International Airport is the largest in the country. Osh International Airport is the second largest airport, and Issyk-Kul International Airport is the third largest, but regular flights are made in summer, for 2-3 months. The resort near the airport is located in the Issyk-kol Mountain Lake area. The rest are domestic airports serving domestic air transport.

About 13 airlines are registered in the country, 6 of them are passenger, and the rest are cargo and aviation. Regular passenger transportation is carried out by 3 national (Avia Traffic Company, Air Manas and Tez Jet) and 13 foreign airlines (Aeroflot, Turkish Airlines, Ural, S7, Air Asians, China Southern, Uzbekistan Airways, etc.). Airlines connect the country with 30 cities in 11 countries (data for 2019). The main destinations are the Russian Federation, Turkey, United Arab Emirates, CIS countries, China. Kyrgyzstan does not have direct air connections with European cities, as EASA does not have the power to ensure the safety of flights of Kyrgyz airlines, and the Kyrgyz Aviation Administration is not responsible for ensuring proper control, recognizing that it is not capable, included all the airlines of Kyrgyzstan in the organization of this name.

In January 2019, the Kyrgyz President signed the Law on Amendments and Additions to the Air Code of the Kyrgyz Republic. This law allows foreign airlines to unilaterally grant the right to "5th level of freedom of air" (the right to carry out passenger and cargo transit flights through the country, from the territory of Kyrgyzstan to third countries).

Pipeline transport. Bukhara-Tashkent-Bishkek-Alma-Ota (Uzbek.) main gas pipelines passed through the territory of the republic. and Mailou-Suu-Jalalabad-Kara-SUV-Osh. Pipeline transport accounts for 1.5% of cargo turnover.

Due to the mountainous nature of the terrain, railway transport in Kyrgyzstan is not well developed. That is why road transport serves as the largest industry in the republic. It connects practically all regions with each other through mountain passes.

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