CENTRAL ASIA AND THE CAUCASUS Volume 13 Issue 2 2012

EXTERNAL DEBT POSITION OF THE CENTRAL ASIAN COUNTRIES: A RETROSPECTIVE AND COMPARATIVE ANALYSIS

Munim HASANOV

Ph.D. (Econ.), Assistant Professor at the Chair of Economics and Finance Management, Civil Servant Advanced Training Institute (Dushanbe, Tajikistan)

Introduction

The national economy of each of the Central Asian countries aims *to create conditions that ensure a satisfactory standard of living for its population, to the extent available resources allow, based on sustainable development. According to its landmark definition, sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs"* (italics mine.—*M.H.*).[1] In other words, future generations should not have to pay for the counterproductive economic and other activity of the present generation. Here it is worth noting that external debt burden is among the factors that have a detrimental impact on such vitally important state budget-financed spheres as public health, education, social security, etc.

A review and analysis of the sources shows that, in the past, researchers in the Central Asian countries essentially ignored the problem of external debt and did not offer methods to resolve it. There are very few analytical publications on this subject, while the media provides only sparse coverage of external debt. The reasons for this situation are as follows:

(1) this problem is relatively new; it did not emerge until the Central Asian countries declared their independence in 1991;

(2) before the beginning of the 2000s, it was very difficult or practically impossible to obtain reliable information on the external debt stock of the Central Asian countries, including from internal sources;

(3) analysts and researchers were loath to deal with this problem, since public discussion of it was not encouraged.

[1] *World Commission on Environment and Development. Our Common Future*, Oxford University Press, 1987.

1. External Debt Burden as a Reason for the Global Financial and Economic Crisis

A large number of researchers point to the following reasons for the world financial and economic crisis of 2008-2010[2]:

[2] See: M. Hasanov, "The World Financial and Economic and its Impact on Tajikistan," *Central Asia and the Caucasus*, Volume 11, Issue 2, 2010.

- *Massive provision of mortgage loans to subprime borrowers with low income or a blemished credit history in the U.S.*; the share of this country comprises approximately one quarter to one third of the gross world product, which explains its significant influence on the world-wide financial and economic processes;

- *Imbalances between the real and financial sectors of the economy, and also in the sources of profit acquired by corporations* (particularly American).[3] "For example, world GDP in 2006 was *$48.4 trillion*, while financial fixed assets (shares, bonds and commercial bank assets in the aggregate) were estimated at *$194.5 trillion*, i.e., an amount more than *4 times* larger than GDP. For comparison…: in 1980, the ratio of financial fixed assets to world GDP was *109%*. The excess of assets over real production is particularly large in developed countries: *4.3 times* in the U.S. and almost *5.5. times* in the EU, whereas in developing European countries … the ratio was *1 to 14*" (italics mine.—*M.H.*).[4] "According to estimates, *for every dollar* circulating in the real sector of the world economy there is an average of about *$50* in the financial sector (italics mine.—*M.H.*)."[5]

  In 50 years (from 1947 to 1997), *the share of profits earned by U.S. corporations from the largely speculative financial sector* increased *3.5 times*, while *the share of profits from the real sector of the national economy* (which is largely responsible for meeting effective demand and for the people's quality of life) decreased *1.5 times*;

- *Rising world hydrocarbon prices.* For example, whereas the price of *1,000 cu m* of natural gas imported into Tajikistan in *2007* amounted to *$100*, in *2008*, it was *$145,* and in *2009, $240,* that is, *in two years* (from 2007 to 2009), it increased *2.4 times.* As for rates for 1 kW/h of electricity, they increased as follows: in *2002*, its cost was equal to *$0.005, in 2009 to $0.016*, and in *2010 to $0.035.* Thus, compared to *2002*, in *2009*, rates increased *3.2-fold*, while in *2010—7-fold*.[6]

  It should be noted that an increase in the price of energy resources has become an extremely widespread phenomenon in the Central Asian countries. For example, in *2010*, this index amounted to *32%* in *Uzbekistan* (a country that produces around *60 bcm* of natural gas and *8 million tons* of gas condensate annually, which ranks it *8th* in the world),[7] to *16%* in *Tajikistan*, and to *15%* in *Kyrgyzstan*[8];

- *Rising world food prices.* This especially applies to the price of grain due to its wide use for the production of motor fuel in the U.S. and a number of other countries. For example, in *2010*, *416 million tons* of grain were gathered in the U.S., *119 million tons* (or *28.6%*) of which were used to produce bioethanol. This amount of grain would be enough to meet the annual needs of *350 million people*.[9] And here is another example: *one ton* of corn, which is needed to produce the fuel to fill the tank of a powerful sports car, would be enough to feed an aver-

[3] Here and below we use data and particular provisions from the following report: *Mirovoy finansovyy krizis i Tadzhikistan*, Workshop Materials, NDPT, Dushanbe, 2009, 117 pp.

[4] *Gosudarstvennaia sluzhba*, No. 3, 2009, p. 17.

[5] V.I. Kushlin, "Innovatsionnye faktory ekonomicheskogo razvitia v sovremennykh usloviakh," in: *Gosudarstvennoie regulirovanie ekonomiki i povyshenie effektivnosti deiatel'nosti subiektov khoziaistvovania*, Fifth International Workshop on State Regulation of the Economy and Improvements in Economic Efficiency, Collected Reports, Part I, Academy of Management under the President of the Republic of Belarus, Minsk, 2009, p. 379.

[6] See: Strategy of the Economic Development and Business Support Program for 2010-2011, Branch of the Open Society Institute-Assistance Fund in Tajikistan, Dushanbe, 2010.

[7] [http://www.profi-forex.org], 22 February, 2012.

[8] See: *Growth Returning to Emerging Europe and Central Asia*, Press Release, WB, Washington, 2011, 433/ECA.

[9] [http://embacuba. cubaminrex/.cu/Kazajstanrus], 3 February, 2011.

age African *for one year*.[10] So it comes as no surprise that world wheat prices *rose by 81% between July 2010 and February 2011*.[11]

By March 2010, the world food situation that had been developing over the past 20 years looked as follows:

(1) *the highest price index for food products was reached*;

(2) *the highest price for beef was established*;

(3) *the daily allowance had increased—by 50 billion kcal in Australia, Canada, and Russia, to 500 kcal in Brazil, Mexico, and the U.S., and to 1.5 trillion kcal in India and China*.[12]

In *2010,* the highest rise in food prices in Central Asia occurred in *Kyrgyzstan* (by *27%*), *Tajikistan* (by *13%*), and *Kazakhstan* (by *10%*); in *Uzbekistan*, they rose very slightly (by *2%*)[13];

- *Increase in public and private debt.* According to Nobel Prize-Winner in Economics Christopher A. Pissarides the 2008-2010 crisis "was *unusual because everything started with the financial sector and then spilled over into debt problems* (italics mine.—*M.H.*)."[14] Compared to *1982*, the total debt of the U.S. federal government, companies, and the population increased by *$2 trillion* (40%) in *1985*, *$9 trillion* (2.8 times) in *1991*, *$11 trillion* (3.2 times) in *1994*, *$14 trillion* (3.8 times) in *1997*, *$20 trillion* (5.0 times) in *2000*, *$26 trillion* (6.2 times) in *2003*, and *$36 trillion* (7.2 times) in *2006*. While U.S. public debt was $5.8 trillion (40.8% of GDP) in *2006*, it had reached almost *$14 trillion* by the end of *2010* and was equal to GDP.[15] The maximum (critical) value of the debt-to-GDP ratio, which characterizes a country's financial and economic security, is *50.0%*.[16] In the past *ten* years, U.S. external debt has increased *more than three-fold*.

"As of the *end of March 2010*, U.S. external debt to China amounted to *$895.2 billion*, having increased by *$17.7 billion compared to February*.

"…China is still the largest holder of American debts.

"…U.S. debt to Japan *compared to February* (2010—my clarification.—*M.H.*) increased to *$16.4 billion* in March, reaching *$784.9 billion*. America's debt to England increased by *$45.5 billion*, amounting to a total of *$279 billion*.

"The U.S. Department of the Treasury said that in *March 2010* promissory notes totaling *$157.7 billion* were sold abroad. Of this amount, nongovernmental structures acquired *$125 billion* in debts, and government bodies—*$32.7 billion* (italics mine.—*M.H.*)."[17]

Moreover, the U.S. and many EU member states do not adhere to the macroeconomic and financial limits they have posed on themselves. For example, for the member countries of the European Currency Union, the maximum allowable state debt and state budget deficit to GDP are *60% and 3%*, respectively. Of the *27* EU member states, only *2* (Luxemburg and Finland) have been able to adhere to the maximum allowable debt-to-GDP ratio. At the *beginning of 2011*, the actual value of this criterion for Greece, for example, reached *142.8%*.[18]

---

[10] [http://news.mail.ru/economics], 3 July, 2011.

[11] [www.kt.kz], 8 February, 2011.

[12] [http://news.mail.ru/economics], 3 July, 2011.

[13] See: *Growth Returning to Emerging Europe and Central Asia*.

[14] [http//www.rosbalt.ru/], 30 September, 2011.

[15] [http://top.rbc.ru/finances/], 3 June, 2010.

[16] See: M.M. Hasanov and H.D. Saidhojaev, *Vneshni dolg: mirovye tendentsii i ikh prilozhenie k ekonomike Tadzhikistana*, 3rd edition (revised and enlarged), NPITsentr, Dushanbe, 2004, 67 pp.

[17] [http://news.mail.ru/politics/3825277/].

[18] See: *Transition Report 2011. Crisis in Transition: The People's Perspective*, EBRR, 2011, 154 pp.

In the past period, the ratio of household debt to household income also increased. For example, in forty years (1959-1999) the ratio of private household debt to income increased *1.8 times*; in *2003*, more than *2.1 times*, and in *2007*, more than *2.5 times*.

2. The Need for Evaluating the External Debt Position of Countries; Existing Method, its Shortcomings, and Proposals to Improve It

What gets measured gets done.
Tom Peters

Although "it is very obvious that the danger of extreme borrowing cannot be measured with mathematical accuracy…,"[19] a system of criteria is nevertheless needed to evaluate the external debt position of countries.

The word "criterion," from the Greek *krites*, to judge, is usually understood as an index that reflects the degree to which the set goal can be achieved using the given means. Turning an index into criteria depends on the set goal, which could change at different times.

For example, in conditions of stable economic activity, the level of an enterprise's (company's) profitability is offered as a criterion, while in emergencies associated with eliminating the consequences of natural (for example, earthquakes) or man-made destructive phenomena (fires), a criterion might be the length of time it takes the enterprise to perform restoration work. So, "by weighing the goal against the means, and the results against the expenses, a criterion expresses the degree of expediency of achieving the goal using the available means and can be used to evaluate the performance of the system and its parts."[20]

A criterion must meet the following requirements:

(1) it must be measurable (quantitatively appraisable);

(2) it must reliably evaluate the phenomenon being examined and the feasibility of the set goal;

(3) its value must be determined using the available data and without significant material and time outlays;

(4) it must make economic (financial, physical, etc.) sense with respect to comparing the desirable and real state of the phenomenon being examined;

(5) it must take into account, to the extent possible, the interests of all the sides involved in the said phenomenon.

However, researchers often fail to observe the above-listed requirements. For example, in order to assess the efficiency and performance of the state power and local self-government systems, the following set of criteria is offered[21]:

---

[19] A.G. Sarkisiants, *Sistema mezhdunarodnykh dolgov,* OOO DeKA, Moscow, 1999, 720 pp.

[20] B.A. Binkin, V.I. Cherniak, *Effektivnost upravleniia: nauka i praktika*, Nauka Publishers, Moscow, 1982, 144 pp., illust.

[21] See: A. Khokhlov, "Ratsionalnost i effektivnost gosudarstvennogo upravleniia," in: *Sotsialnoe razvitie regiona: sostoianie, problemy, perspektivy*, Collection of papers from the International Conference of Young Scientists on the Latest Changes and Urgent Problems in the Territorial Development of Contemporary Russia and the CIS Countries, ORAGS, Orel, 2006, pp. 3-6.

(1) degree of goal orientation;

(2) amount of time spent on solving managerial issues and performing managerial activity;

(3) way in which the state management system operates;

(4) degree of organizational complexity of the state management entity, its sub-systems and components;

(5) total (aggregate) outlays on maintaining and ensuring the operation of the state management system.

However, a few flaws should also be noted:

- First, these criteria cannot be measured (apart from maybe No. 5).
- Second, there are no precisely formulated goals regarding the functional efficiency of two (not one, as is indicated) systems, i.e. state power and local self-government, and, consequently, the dependence between them and the offered criteria.
- Third, the criteria (particular Nos. 3 and 4) are not clearly defined.
- Fourth, the criteria take into account the interests of only one of the systems. The interests of society, for which these systems have been created, are totally ignored.

Sometimes as many as 100 criteria (!) are offered for assessing the efficiency of investment projects[22]; such absurdities are reminiscent of the actions of the swan, the pike, and the crab in the well-known fable by Ivan Krylov.

A criteria system should consist of the necessary minimum but sufficient number of items, otherwise their possible variance could reduce the system to chaos.

At present, the following system of criteria is used to evaluate and analyze the external debt position of countries[23]:

K_1 = Gross external debt (GED)/GDP with a maximum (threshold, critical) value of *50%*;

K_2 = GED/export earnings (EE) with a maximum value of *275%*;

K_3 = GED/EE service expenses with a maximum value of *30%*;

K_4 = GED/EE interest payment expenses with a maximum value of *20%*.

In terms of financial resource deficit, all countries can be divided into three groups:

(1) *countries with an extreme (high) debt* (when the values of three of the four criteria listed above exceed 100 percent or more of their maximum values);

(2) *countries with a moderate (average) debt* (when the values of three of the four criteria amount to 60-100% of their maximum values);

(3) *countries with a low (small) debt* (when the values of three of the four criteria do not exceed 60% of their maximum values).

Nevertheless, this system of criteria for evaluating and analyzing the external debt stock of countries has a serious drawback. Export earnings (EE) are taken into account in the denominator of three of the four criteria, and the higher this index, the lower the values of K_2, K_3, and K_4 will be; this gives countries a more favorable external debt position than is actually the case.

However, the export commodity structure must also be taken into account, which in Tajikistan, for example, continues to primarily comprise raw materials (cotton fiber and tobacco) with a preva-

[22] See: *Project Questionnaire. Project Risk. User Guide*, Pro-Invest Consulting, Moscow, 1995, 81 pp.
[23] See: A.G. Sarkisiants, op. cit.

lence of products with a low processing level (primary aluminum); for example, between 2003 and 2008, the average percentage of raw and other materials in the total volume of the countries' EE amounted to almost *85%*, whereby machinery and equipment accounted for less than *2%*.[24]

It should be noted that an imperfect export commodity structure is not only characteristic of Tajikistan, but also of almost all the Central Asian countries. For example, according to the year-end results of 2010, the EE of oil and metals from Kazakhstan amounted to *$70 billion*, which is equal to almost *47%* of the country's GDP ($150 billion).[25]

Table 1 shows that in *2009*, compared to *2007*, EE in Tajikistan decreased by *$457.9 million* (or by *31.2%*), and compared to *2008*, by *$396.0 million* (or *28.2%*). The reason for this in particular is the decrease in external demand and drop in world prices for primary aluminum; in *2005-2010*, its percentage in EE decreased from *75.0%* in *2006* to *58.3%* in *2009*.

At the same time, the share of hydroelectric power, in which Tajikistan is very rich and the export of which is extremely profitable in the spring and summer months, amounted to *6.3%* in EE in *2009* and to only *0.3%* in *2010*.

In *2009*, the production volume of primary aluminum in Tajikistan amounted to *360,000 tons*, which was almost *40,000 tons* (or 9%) less than in *2008*. Compared with *2008* (393,400 tons totaling $1 billion 13 million), in *2009*, its export volume (348,700 tons totaling $589.5 million) decreased by *44,700 tons*, or by *$423.5 million* (see Table 1).

Table 1

Export Commodity Structure and Average Prices for Tajikistan's Main Export Commodities in 2005-2010

Indices	Years					
	2005	2006	2007	2008	2009	2010
Export volume of primary aluminum, in tons	375,344	408,862	411,157	393,405	348,691	337,964
Export volume of cotton fiber, in tons	132,883	120,405	119,965	83,592	86,648	95,320
Total EE	908.717*	1,399.023	1,468.170	1,406.350	1,010.320	1,195.238
	100.0	100.0	100.0	100.0	100.0	100.0
EE from primary aluminum	563.016	1,049.510	1,082.983	1,012.992	589.463	736.560
	62.0	75.0	73.7	72.1	58.3	61.1
EE from cotton fiber	143.912	128.667	137.845	108.218	99.683	200.105
	15.8	9.2	9.4	7.7	9.9	16.7

[24] See: *Vneshneekonomicheskaia deiatelnost RT*, Statistics Collection, Goskomstat, Dushanbe, 2009.

[25] See: P. Svoik, "Dvadtsatiletie natsionalnogo sovereniteta dlia ekonomiki Kazakhstana: itogi i riski," *Tsentralnaia Azia v fokuse*, Information and Analytical Bulletin, No. 1, 2011, pp. 25-26.

Table 1 (continued)

Indices	Years					
	2005	2006	2007	2008	2009	2010
EE from hydroelectric power	52.555	49.015	59.619	59.748	63.475	3.442
	5.8	3.5	4.1	4.2	6.3	0.3
EE from other commodities	149.234	171.831	187.724	225.392	257.700	256.131
	16.4	12.3	12.8	16.0	25.5	21.4
Average export price of 1 ton of primary aluminum, $	1,500	2,567	2,634	2,575	1,691	2,179
Change rate (+ increase, –decrease) in average export price of 1 ton of primary aluminum, %	—	71.1	2.6	–2.2	–34.3	28.9
Average export price of 1 ton of cotton fiber, $	1,083	1,069	1,149	1,295	1,150	2,099
Change rate in average export price of 1 ton of primary aluminum, %	—	–1.3	7.5	12.7	–11.2	82.5

* EE is given in $m in the numerator, and the share in % in the denominator.

Source: The table was compiled based on data borrowed from the statistics collection *Vneshneekonomicheskaia deiatelnost RT,* State Statistics Board, Dushanbe, 2009.

So in *2009*, *96.9%* of primary aluminum was exported, while only *11,300 tons*, or *3.1%* of its total production volume, was used within the country. By way of reference, we will note that high value added products, which high-quality rolled stock, foil, and molded articles, etc. can be qualified as, are sold in the world market at prices 2-4 times higher than primary aluminum.[26]

"One ton of primary aluminum that is not exported but used for manufacturing rolled metal increases the value added by *$600* (italics mine.—*M.H.*).

[26] See: *Bank Statistics Bulletin*, No. 3 (188), 2011.

"Exporting finished aluminum products instead of primary metal increases foreign exchange receipts into the republic manifold; furthermore, additional jobs are created for the unemployed workforce. This alleviates the unemployment problems, which is extremely important for Tajikistan."[27]

"There is a *10-12-fold* price difference between cotton fiber and the cotton fabric made from it (based on 1 kg of fiber). If *40%* of the cotton fiber produced is processed into yarn and fabric, the gross earnings from selling cotton products will increase approximately *2.1-fold*… (italics mine.—*M.H.*)."[28]

Whereas the average price of one ton of primary aluminum in the world market amounted to *$2,575* in *2008*, in 2009 it was equal to *$1,691*, that is, *in one year*, this index had dropped by *$884*, or *34.3%*. The same essentially applies to cotton fiber, the average world price of which was *$1,150* per ton in *2009*, compared to *$1,295* in *2008*. So *in one year* the price of cotton fiber dropped by *$145*, or by almost *11.2%* (see Table 1).

When summing up the above, it should be noted that *in one year*, in terms of primary aluminum and cotton fiber alone, *EE* decreased by *$442 million*,[29] or by *38.5%*.

In the fall of 2009, the average world prices for these main export commodities of Tajikistan began to rise; compared with *the beginning of the year*, they increased from *7* to *12%*.[30] In the last *6 months of 2009 and the beginning of 2010*, the price of one ton of primary aluminum increased from *$1,600* to *$2,400*, and of cotton fiber—from *$800* to *$1,600*.[31] On the whole, the world price for cotton fiber *rose in 2010* compared to *2009* by *82.5%* and was equal to *$2,099* (on average) and for primary aluminum—by *28.9%*, amounting to *$2,179* (see Table 1).

It should be noted that Tajikistan's production capacities could process up to *64,000 tons* of raw cotton. But in *2010*, only *10.4%* of raw cotton (a little more than 30,000 tons) was sold in the internal market, whereby the total volume produced in the republic topped *300,000 tons*.[32]

Keeping in mind the imperfect export commodity structure in the Central Asian countries, it would not be expedient to strictly peg the system of criteria for evaluating and analyzing their external debt position to EE. Therefore, we are offering a system that supplements the present one and makes it possible to carry out a more reliable evaluation and analysis using the criteria below:

K_1 = GED/GDP, %;

K_2 = GED/EE, %;

K_3^1 = ED per capita/income per capita, %;

K_4^1 = amount of official international reserves/GED, %.

The need for K_3^1 is dictated by the fact that the external debt per capita index gives a better idea of the country's foreign economic dependence than its absolute value.[33] In order to adhere to the comparability stipulations for the countries being analyzed, the average per capita value of the external debt must be correlated with per capita income.

As for K_4^1, it should be noted that the ratio of official international reserves to the external debt is one of the criteria for evaluating and analyzing the external debt position of countries, for one of the functions of the former is servicing international payments and, primarily, the state external debt.

"The 1982 debt crisis, when many developing countries declared their inability to perform their external debt obligations (as a result of which the crisis, comparable in its severity to the Great De-

[27] *Biznes i politika,* No. 16 (484), 2002.
[28] *Biznes i politika,* Nos. 1, 2 (510, 511), 2002.
[29] See: *Vremia—dengi,* No. 24 (024), 2001.
[30] See: *Asia-Plus*, No. 1 (520), 2010.
[31] See: *Asia-Plus*, No. 4 (523), 2010.
[32] See: News Agency Asia Plus, 26 January, 2011.
[33] See: S. Fischer, R. Dornbusch, R. Schmalensee, *Economics*, Second edition, McGraw-Hill, Inc., New York, 1988.

pression of the 1930s, developed), made it necessary to correlate official reserves with the country's external debt. This function is less important for developed economies with a free capital market, but it plays a significant role for developing countries with a low credit rating, which limits such access and leads to value appreciation of borrowed funds."[34]

International reserves determine … whether a country can use its own reserves (or part of them) to settle its external debt.[35]

3. External Debt Position of the Central Asian Countries

If *the GED index for 1997*, calculated using the chaining method, is taken as *100.0%* (see Table 2), its value in the CA countries (with the exception of Turkmenistan) changed as follows:

Table 2

External Debt Position of the Central Asian Countries in 1997-2009

Year	Criteria and Indices									
	GED, $m	GED Index, %*	Rate of Change in GED Compared with Previous Years, %*	K_1, %	K_2, %	K_3, %	Share of Soft Loans in GED, %	Share of Multilateral Loans in GED, %	Unit Volume of ED Per Capita, $**	Unit Volume of ED Per Capita/GDP Per Capita, unit fraction**
1	2	3	4	5	6	7	8	9	10	11
Kazakhstan										
1997	4,078	100.0	—	19	52	6	4	20	263	0.24
1998	6,084	149.2	49.2	28	89	14	4	20	399	0.37
1999	6,122	150.1	0.6	38	87	19	6	24	409	0.37
2000	12,433	304.9	103.1	73	118	32	3	12	299	0.24
2001	14,887	365.1	19.7	71	142	32	3	10	300	0.21
2002	17,981	440.9	20.8	77	151	35	3	9	316	0.21
2003	22,767	558.3	26.6	78	149	35	3	8	394	0.24

[34] T. Zolotukhina, "K voprosu ob opredelenii urovnia dostatochnosti ofitsialnykh zolotovaliutnykh rezervov," *Voprosy ekonomiki,* No. 3, 2002.

[35] See: S. Fischer, R. Dornbusch, R. Schmalensee, op. cit.

Table 2 (continued)

1	2	3	4	5	6	7	8	9	10	11
2004	32,812	804.6	44.1	81	142	38	3	5	516	0.28
2005	43,354	1,063.1	32.1	84	139	42	2	2	427	0.22
2006	74,148	1,818.2	71.0	92	—	34	—	—	562	0.26
2007	96,133	2,357.4	29.7	92	—	50	—	—	551	0.24
2008	108,130	26,651.5	12.5	82	—	42	—	—	680	0.29
2009	113,229	2,776.6	4.7	95	—	80	—	—	882	0.37
Kyrgyzstan										
1997	1,341	100.0	—	79	196	11	35	29	288	1.11
1998	1,505	112.2	12.2	96	246	19	42	36	318	1.22
1999	1,736	129.5	15.3	148	322	20	46	38	361	1.35
2000	1,827	136.2	5.2	142	309	29	48	40	375	1.34
2001	1,717	128.0	–0.6	118	296	31	57	45	349	1.20
2002	1,851	138.0	7.8	120	274	19	63	48	373	1.29
2003	2,024	150.9	9.3	109	246	20	68	50	504	1.65
2004	2,107	157.1	4.1	99	186	14	74	54	415	1.28
2005	2,032	151.5	–3.5	86	160	10	81	54	396	1.23
2006	2,382	177.6	17.2	85	—	6	—	—	459	1.40
2007	2,401	179.0	0.8	64	—	7	—	—	458	1.30
2008	3,194	238.2	33.0	72	—	12	—	—	604	1.59
2009	4,002	298.4	25.3	63	—	14	—	—	748	1.94
Tajikistan										
1997	1,065	100.0	—	93	138	6	52	5	185	1.52
1998	1,243	116.7	16.7	98	193	14	50	8	212	1.67
1999	1,275	119.7	2.6	124	183	11	52	12	212	1.63
2000	1,034	97.1	–18.9	110	129	8	65	18	169	1.22
2001	1,058	99.3	2.3	103	151	12	71	25	169	1.11
2002	1,142	107.2	7.9	97	135	11	69	27	179	1.09
2003	1,152	108.2	0.9	79	101	7	75	34	177	0.99
2004	910	85.4	–21.0	46	62	7	79	55	137	0.70

Table 2 (continued)

1	2	3	4	5	6	7	8	9	10	11
2005	1,022	95.9	12.3	46	59	5	73	51	151	0.73
2006	1,154	108.4	12.9	41	—	5	—	—	167	,0.77
2007	1,120	105.2	–2.9	31	—	2	—	—	159	0.69
2008	1,371	128.7	22.4	27	—	7	—	—	190	0.78
2009	1,691	158.8	23.3	36	—	12	—	—	229	0.92
Uzbekistan										
1997	2,858	100.0	—	20	72	13	10	7	122	0.24
1998	3,315	115.9	16.0	22	97	10	14	8	139	0.26
1999	4,882	170.8	47.3	29	156	18	17	8	202	0.37
2000	4,634	162.1	–5.1	34	135	26	30	10	189	0.34
2001	4,877	170.6	5.2	44	150	27	30	11	197	0.34
2002	4,798	167.9	–1.6	50	157	25	33	12	401	0.32
2003	4,921	172.2	2.6	49	132	21	34	13	191	0.32
2004	4,833	169.1	–1.9	40	—	—	36	15	194	0.29
2005	4,226	147.9	–12.6	30	—	—	38	19	188	0.24
2006	3,892	136.2	–7.9	23	—	—	—	—	162	0.20
2007	3,871	135.4	–0.54	17	—	—	—	—	148	0.19
2008	3,983	139.4	2.9	13	—	—	—	—	147	0.18
2009	4,109	143.8	3.2	13	—	—		—	149	0.17

* Calculated by the author on the basis of the data in the second column of this table.
** Calculated by the author on the basis of reports on Tajikistan's external debt for 2008-2010 and the TransMONEE 2011 Data Base prepared by the regional UNICEF office for the Central Eastern Europe/CIS countries.

Source: Table compiled on the basis of reports on Tajikistan's external debt for 2008-2010 prepared by the Ministry of Finance of the Republic of Tajikistan.

- *1998*—from *112.2%* in *Kyrgyzstan* to *149.2%* in *Kazakhstan*, with intermediate values of *115.9%* in *Uzbekistan* and *116.7%* in *Tajikistan*;
- *1999*—from *119.7%* in *Tajikistan* to *170.8%* in *Uzbekistan*, with intermediate values of *129.5%* in Kyrgyzstan and *150.1%* in Kazakhstan;
- *2000*—from *97.1%* (i.e. that year GED decreased by *2.9%* compared to 1997) in *Tajikistan* to *304.9%* in *Kazakhstan*, with intermediate values of *136.2%* in *Kyrgyzstan* and *162.1%* in *Uzbekistan*;

- *2001*—from *99.3%* in *Tajikistan* to *365.1%* in *Kazakhstan*, with intermediate values of *128.0%* in *Kyrgyzstan* and *170.6%* in *Uzbekistan*;
- *2002*—from *107.2%* in *Tajikistan* to *440.9%* in *Kazakhstan*, with intermediate values of *138.0%* in *Kyrgyzstan* and *167.9%* in *Uzbekistan*;
- *2003*—from *108.2%* in *Tajikistan* to *558.3%* in *Kazakhstan*, with intermediate values of *150.9%* in *Kyrgyzstan* and *172.2%* in *Uzbekistan*;
- *2004*—from *85.4%* in *Tajikistan* to *804.6%* in *Kazakhstan*, with intermediate values of *157.1%* in *Kyrgyzstan* and *169.1%* in *Uzbekistan*.
- *2005*—from *95.9%* in *Tajikistan* to *1,063.1%* in *Kazakhstan*, with intermediate values of *147.9%* in *Uzbekistan* and *151.5%* in *Kyrgyzstan*;
- *2006*—from *108.4%* in *Tajikistan* to *1,818.2%* in *Kazakhstan* (i.e. compared to *1997*, the GED of this country increased almost *18.2-fold*), with intermediate values of *136.2%* in *Uzbekistan* and *177.6%* in Kyrgyzstan;
- *2007*—from *105.2%* in *Tajikistan* to *2,357.4%* in *Kazakhstan* (i.e. compared to *1997*, the GED of this country increased almost *23.4-fold*), with intermediate values of *135.4%* in *Uzbekistan* and *179%* in *Kyrgyzstan*;
- *2008*—from *128.7%* in *Tajikistan* to *2,651.5%* in *Kazakhstan* (i.e. compared to *1997*, the GED of this country increased almost *26.5-fold*), with intermediate values of *139.4%* in *Uzbekistan* and *238.2%* in *Kyrgyzstan*;
- *2009*—from *143.8%* in *Uzbekistan* to *2,776.6%* in *Kazakhstan* (i.e. compared to *1997*, the GED of this country increased almost *28.8-fold*), with intermediate values of *158.8%* in *Tajikistan* and *298.4%* in *Kyrgyzstan*.

So in the *13 years* between 1997 and 2009, in terms of GED index, Tajikistan occupied *a favorable position* among the Central Asian countries for *9 years* (1999—2007), while for *10 years* (1998, 2000—2009) *an unfavorable position* was observed in Kazakhstan.

In 1997-2009, the *GED rates* in the Central Asian countries had the following trends (see Table 2):

- in *1998* compared to *1997*, *the rates* increased from *12.2%* in *Kyrgyzstan* to *49.2%* in *Kazakhstan*, with intermediate values of *15.9%* in *Uzbekistan* and *16.7%* in *Tajikistan*;
- in *1999* compared to *1998*, there was *an increase* from *0.6%* in *Kazakhstan* to *47.3%* in *Uzbekistan*, with intermediate values of *2.6%* in *Tajikistan* and *15.3%* in *Kyrgyzstan*;
- in *2000* compared to *1999*, there was a decrease of *18.9%* in *Tajikistan* and *5.1%* in *Uzbekistan* to an increase of *103.1%* in *Kazakhstan*, with an intermediate value of *5.2%* in *Kyrgyzstan*;
- in *2001* compared to *2000*, there was *a decrease* of *0.6%* in *Kyrgyzstan* to *an increase* of *2.3%* in *Tajikistan* and *19.7%* in *Kazakhstan*, with an intermediate value of *5.2%* in *Uzbekistan*;
- in *2002* compared to *2001*, there was *a decrease* of *1.6%* in *Uzbekistan* to *an increase* of *7.8%* in *Kyrgyzstan* and *20.8%* in *Kazakhstan*, with an intermediate value of *7.9%* in *Tajikistan*;
- in *2003* compared to *2002*, there was *an increase* of *0.9%* in *Tajikistan* to *26.6%* in *Kazakhstan*, with an intermediate value of *2.6%* in *Uzbekistan* to *9.3%* in *Kyrgyzstan*;
- in *2004* compared to *2003*, there was *a decrease* of *21.0%* in *Tajikistan* and *1.9%* in *Uzbekistan* to *an increase* of *4.1%* in *Kyrgyzstan* and *44.1%* in *Kazakhstan*;
- in *2005* compared to *2004*, there was *a decrease* of *12.6%* in *Uzbekistan* and *3.5%* in *Kyrgyzstan* to *an increase* of *12.3%* in *Tajikistan* and *32.1%* in *Kazakhstan*;

- in *2006* compared to *2005*, there was *a decrease* of *7.9%* in *Uzbekistan* to *an increase* of *12.9%* in *Tajikistan* and *71.0%* in *Kazakhstan*, with an intermediate value of *17.2%* in *Kyrgyzstan*;
- in *2007* compared to *2006*, there was *a decrease* of *2.9%* in *Tajikistan* and *0.5%* in *Uzbekistan* to *an increase* of *0.8%* in *Kyrgyzstan* and *29.7%* in Kazakhstan;
- in *2008* compared to *2007*, there was *an increase* of *2.9%* in *Uzbekistan* to *33.0%* in *Kyrgyzstan*, with an intermediate value of *22.4%* in *Tajikistan*;
- in *2009* compared to *2008*, there was *an increase* of *3.2%* in *Uzbekistan* to *25.3%* in *Kyrgyzstan*, with an intermediate value of *4.7%* in *Kazakhstan* and *23.3%* in *Tajikistan*.

So in the *13 years* being analyzed, there was *a decrease in GED rates* in the Central Asian countries: for *6 years* (2000, 2002, 2004-2007) in *Uzbekistan*, with values from *12.6%* to *0.5%*; for *3 years* (2000, 2004, and 2007) in *Tajikistan*, changing from *21.0%* in *2004* to *2.9%* in *2007*; and for *2 years* in *Kyrgyzstan*, with intermediate values of *3.5%* in *2005* and *0.6%* in *2001*.

Unfortunately, *GED increased all these years in Kazakhstan*, changing from *0.6%* in *1999* to *103.1%* in *2000*, for *10 years* in *Kyrgyzstan*, with values ranging from *4.1%* in *2004* to *33.0%* in *2009*, for *9 years* in *Tajikistan*, changing from *0.9%* in *2003* to *23.3%* in *2009*, and for *6 years* in *Uzbekistan*, with intermediate values of *2.6%* in *2003* and *47.3%* in *1999*.

Table 2 shows that during the *13 years* being examined, K_1 exceeded its maximum value (50%) in the following countries:

- in all *13 years* in *Kyrgyzstan*, with values ranging from *63%* in *2009* to *148%* in *1999*;
- for *10 years* (2000-2009) in *Kazakhstan*, with intermediate values of *71%* in *2001* and *95%* in *2009*;
- for *7 years* (1997-2003) in *Tajikistan*, changing from *79%* in *2003* to *124%* in *1999*.

In *Uzbekistan*, K_1 was only equal to its maximum value in *2002*.

So in the period being analyzed, *Uzbekistan* had *the best position* in terms of K_1, and *Kyrgyzstan the worst*.

As Table 2 shows, K_2 exceeded its maximum value (275%) only in *Kyrgyzstan*: *309%* in *2000* and *322%* in *1999*. In terms of this criterion, the position of the Central Asian countries being examined can be evaluated as follows:

- *best in Kazakhstan and Uzbekistan*;
- *average in Tajikistan*;
- *unfavorable (worst) in Kyrgyzstan*.

Table 2 shows that K_3 exceeded its maximum value (30%) in the following countries:

- in *Kazakhstan* for *8* (2000-2007) of the *11 years* under review, with values ranging from *32%* in *2001* to *50%* in *2007*;
- in *Kyrgyzstan* only once—in *2001* and only by *1%*.

Uzbekistan and particularly *Tajikistan* held a *favorable* position.

I would like to clarify that *Tajikistan's* indices for K_2 and K_3 should not be considered *an achievement*, since, as noted above, this was associated with the imperfect method for calculating the values of these criteria.

In 1997-2005, *the share of soft loans in GED* (see Table 2) of the Central Asian countries changed as follows:

- from *2%* in *2005* to *6%* in *1999* in Kazakhstan;
- from *10%* in *1997* to *38%* in *2005* in *Uzbekistan*;

- from *35%* in *1997* to *81%* in *2005* in *Kyrgyzstan*;
- from *50%* in *1998* and *79%* in *2004* in *Tajikistan*.

It should be noted that there is no criterion for unequivocally evaluating the external debt position of countries in terms of share of soft loans in GED. Nevertheless, the above analysis makes it possible to draw the following conclusion (although it is open to dispute): *the better the country's systemic position (macroeconomic, financial, and social), the lower the share of soft loans in its GED, and vice versa*. The thing is that lenders (particularly multilateral) offer loans based to a certain extent on humane considerations.

So, *the low share of soft loans in the GED of Kazakhstan* and *Uzbekistan* indirectly shows the relatively *better systemic position of these countries*, while *the high share* in *Tajikistan* and *Kyrgyzstan* indicates *an unfavorable position*.

As is known, the external debt can be bilateral and multilateral. In the former case, the recipient country owes another country or its economic entity (bank, company, and so on), i.e., lenders, money. In the latter case, international (the World Bank, IMF) and regional (Asian and Islamic Development Banks, EBRD, European Investment Bank, and Eurasian Bank) financial and economic organizations act as lenders.

Debt is always considered a burden, but according to the principle of "choosing the lesser of two evils," *a multilateral debt is preferable to a bilateral debt*, since "the strategy of granting loans to a particular country both from governments and international organizations and from commercial structures has always been primarily determined first by political, then by economic, and only then by humane considerations… Confirmation of the political inclination of the IMF's actions, as of other institutions too, is the fact that after the collapse of the Soviet Union, the three Baltic states—Estonia, Latvia, and Lithuania—were the first (apart from Russia) to receive loans. For the first two years, their total amount was more than the aggregate of similar loans issued to Belarus, Moldova, Kazakhstan, and Kyrgyzstan, which in terms of most indices require external infusions more than others. Of course, we can say that the internal fiscal policy of the Baltic states was most conducive to the IMF demands. But there can be no doubt that the possibility of creating a buffer in the northeast of Russia was the main motive stimulating rapid organization of financial support from the IMF."[36]

"Informal groups of creditors, such as the Paris and London clubs, also have political overtones… There have been instances in the practice of these clubs when the insufficiency of critical macroeconomic criteria, which makes it impossible to directly reconsider external debt amounts, was covered by political decisions. This happened, for example, in May 1990 with Costa Rica, the successful completion of talks on reduction of the external debt with which was predetermined by the U.S.'s geopolitical interest. In 1994, a large part of Poland's debt was written off keeping in mind its important strategic position in Eastern Europe… Writing off Egypt's debt the same year was initiated by the peace with Israel."[37]

Well-known Russian economist A. Shokhin thinks that "…for us debts are a political problem and the conditions should be political."[38] And although this statement applies to Russia, it is nevertheless very apt for the Central Asian countries too.

Keeping in mind the above, we suggest accepting the following principle: *the higher the share of multilateral loans in the GED and, consequently, the lower the share of bilateral debts of the recipient country, the better, and vice versa*.

The share of multilateral loans in the GED of the Central Asian countries (see Table 2) for *1997-2005* was as follows:

[36] A.G. Sarkisiants, op. cit.
[37] Ibidem.
[38] Quoted from: V. Kudrov, "Rossiyskaia ekonomika na novykh putiakh," *Voprosy ekonomiki,* No. 2, 2002.

- an increase from *29%* in *1997* to *54%* in *2004-2005* in *Kyrgyzstan*;
- an increase from *5%* in *1997* to *55%* in *2004* in *Tajikistan*;
- an increase from *7%* in *1997* to *19%* in 2005 in *Uzbekistan*;
- a decrease from *24%* in *1999* to *2%* in *2005* in *Kazakhstan*.

Keeping in mind the above-mentioned principle, the conclusion can be drawn that *Kyrgyzstan*, and to a certain extent *Tajikistan*, is in *the best position* in terms of this index, Kazakhstan has *an average position*, and *Uzbekistan* is in *an unfavorable position*.

It should be noted that the indices of the share of external debt per capita we calculated on the basis of sources[39] and presented in Table 2 are ambiguous. According to other sources, their values for individual countries differ greatly from the first (see Table 3).

For example, according to *The Economist*, in 2007, *Kazakhstan's* external debt per capita amounted to almost *$551*, while according to our calculations made on the basis of the above sources, it amounted to *$6,244*. So there is an *11.3-fold* difference between the indices obtained from two different sources.

*Table 3**

Share of External Debt Per Capita of Kazakhstan and Uzbekistan according to *The Economist* in 2000-2011 ($)

Year	Kazakhstan	Uzbekistan
2000	299	122
2001	300	103
2002	316	148
2003	394	164
2004	516	159
2005	427	149
2006	562	138
2007	551	130
2008	680	103
2009	882	105
2010	1,189	110
2011	1,539	120

* Here the figures are rounded off.

[39] See: *Report on the External Debt of Tajikistan for 2007*, Ministry of Finance of the Republic of Tajikistan, Dushanbe, 2008, 26 pp.; *Report on the External Debt of Tajikistan for 2009*, Ministry of Finance of the Republic of Tajikistan, Dushanbe, 2010, 28 pp.; *Report on the External Debt of Tajikistan for 2010*, Ministry of Finance of the Republic of Tajikistan, Dushanbe, 2011, 26 pp.; TransMONEE Data Base, Regional UNICEF Office for Central and Southeast Europe/ CIS Countries, 2011.

This difference reached *10.2-fold* in 2008; *8.7-fold* in 2006; *8.1-fold* in 2009; *6.7-fold* in 2005; *4.3-fold* in 2004; *3.9-fold* in 2003; *3.8-fold* in 2002; *3.3-fold* in 2001; and almost *2.8-fold* in 2000.

The same also goes for *Uzbekistan*, although there are slight deviations in its indices. Our calculations for this country are higher than those presented by *The Economist*: *1.9-fold* in 2001; almost *1.6-fold* in 2000; and *1.4-fold* in 2008-2009 (separately).

Keeping in mind that, first, *The Economist* only presented data for two of the five Central Asian countries (Kazakhstan and Uzbekistan) and, second, the ratio of external debt to GDP per capita is analyzed (the latter is presented in the TransMONEE Data Base[40]), our comments will be based on the data of Table 2.

The share of external debt per capita is not a criterion. So we will examine K_3^1 as the next criterion (keeping in mind what was said above about the merits of the system of criteria for evaluating and analyzing the external debt position of countries), calculated as the ratio of external debt to per capita GDP.

Table 2 shows that K_3^1 had the following tendencies toward change:

- in *1997*, from *0.24* in *Kazakhstan* and *Uzbekistan* (separately) to *1.52* in *Tajikistan*. The external debt, which comprised from 13% of per capita GDP, was a very moderate burden for the State Banks of *Kazakhstan* and *Uzbekistan*. In turn, *Tajikistan's* index (up to *152%*) was an extremely heavy burden and could pose a significant threat to its financial and economic security. The same year, K_3^1 in *Kyrgyzstan* amounted to *1.11*;
- in 1998, from *0.26* in *Uzbekistan* to *1.67* in *Tajikistan*, with intermediate values of *0.37* in *Kazakhstan* and *1.22* in *Kyrgyzstan*;
- in *1999*, from *0.37* in *Kazakhstan* and *Uzbekistan* separately to *1.63* in *Tajikistan*, with an intermediate value of *1.35* in *Kyrgyzstan*;
- in *2000*, from *0.34* in *Uzbekistan* to *1.34* in *Kyrgyzstan*, with intermediate values of *0.68* in *Kazakhstan* and *1.22* in *Tajikistan*;
- in *2001*, from *0.34* in *Uzbekistan* to *1.20* in *Kyrgyzstan*, with intermediate values of *0.72* in *Kazakhstan* and *1.11* in *Tajikistan*;
- in *2002*, from *0.32* in *Uzbekistan* to *1.29* in *Kyrgyzstan*, with intermediate values of *0.79* in *Kazakhstan* and *1.09* in *Tajikistan*;
- in *2003*, from *0.32* in *Uzbekistan* to *1.65* in *Kyrgyzstan*, with intermediate values of *0.92* in *Kazakhstan* and *0.99* in *Tajikistan*;
- in *2004*, from *0.29* in *Uzbekistan* to *1.28* in *Kyrgyzstan*, with intermediate values of *0.70* in *Tajikistan* and *1.21* in *Kazakhstan*;
- in *2005*, from *0.24* in *Uzbekistan* to *1.45* in *Kazakhstan*, with intermediate values of *0.73* in *Tajikistan* and *1.23* in *Kyrgyzstan*;
- in *2006*, from *0.20* in *Uzbekistan* to *2.25* in *Kazakhstan*, with intermediate values of *0.77* in *Tajikistan* and *1.40* in *Kyrgyzstan*;
- in *2007*, from *0.19* in *Uzbekistan* to *2.68* in Kazakhstan, with intermediate values of *0.69* in *Tajikistan* and *1.30* in *Kyrgyzstan*;
- in *2008*, from *0.18* in *Uzbekistan* to *2.92* in *Kazakhstan*, with intermediate values of *0.78* in *Tajikistan* and *1.59* in *Kyrgyzstan*;
- in *2009*, from *0.17* in *Uzbekistan* to *3.02* in *Kazakhstan*, with intermediate values of *0.92* in *Tajikistan* and *1.94* in *Kyrgyzstan*.

[40] See: TransMONEE Data Base, Regional UNICEF Office for Central and Southeast Europe/CIS Countries, 2011.

So in the period being examined (13 years), *Uzbekistan* was in the most *favorable* position in terms of K_3^1 for *11 years*; *Kazakhstan* and *Kyrgyzstan* were in an *unfavorable* position for *5 years*, and *Tajikistan* for *3 years*.

Conclusion

According to the results of the evaluation of the external debt position of the Central Asian countries over a thirteen-year period (1997-2009), the following conclusions can be drawn:

(1) *the external debt burden* that arose as the result of counterproductive financial-economic and other activity *could infringe on the interests of future generations and cause a financial-economic crisis*;

(2) *the Central Asian countries paid very little attention in the past to the problem of the external debt and ways to resolve it*;

(3) *the existing system of criteria for evaluating the external debt position of countries is imperfect*; *EE* is taken into account in the denominator of three out of the four criteria, and the larger it is, the better the countries' position looks. In so doing, the commodity structure of *EE* is not taken into consideration, which for Tajikistan, for example, is primarily *raw materials* (cotton fiber) with a prevalence of products *with a low level of processing* (primary aluminum). So the author has offered an alternative system of criteria that allows for a reliable evaluation of the external debt position of the countries;

(4) during the 13 years under review, *Tajikistan* occupied a preferable position in terms of GED index for 10 years, while *Kazakhstan* was in an *unfavorable* position for 11 years;

(5) over the period under analysis, there was a decrease in GED rates in *Uzbekistan* for *6 years* compared to previous years, in *Tajikistan* for *3 years*, and in *Kyrgyzstan* for *2 years*. Unfortunately, there was an increase in GED in all *13 years* in *Kazakhstan*, for *10 years* in *Kyrgyzstan*, for *9 years* in *Tajikistan*, and for *6 years* in *Uzbekistan*;

(6) throughout *all 13 years*, K_1 exceeded its maximum value in *Kyrgyzstan*, for *10 years* in *Kazakhstan*, for *7 years* in *Tajikistan*, and only in *2002* in *Uzbekistan*. So in terms of this criterion, *Uzbekistan* occupied a *preferable* position, *Tajikistan* an *average* position, and Kyrgyzstan the *worst* position;

(7) *Kazakhstan*, *Uzbekistan*, and *Tajikistan* held an *average* position in terms of K_2. However, the *average* position of *Tajikistan* and most likely of the other countries examined should not be considered *encouraging*, since *the imperfect method for calculating the values of this criterion* should be kept in mind;

(8) for *10* of the *13* years under review, K_3 *exceeded its maximum value in Kazakhstan*, and only in *2001* in *Kyrgyzstan*;

(9) *the higher the share of multilateral loans in GED and, consequently, the lower the share of bilateral loans of the recipient country, the better, and vice versa.* According to this conclusion, *Kyrgyzstan* is in the *best* position, and *Tajikistan*, *Kazakhstan*, and *Uzbekistan* hold an *average* position;

(10) for *2* of the *13* years, *Uzbekistan* occupied a *preferable* position with respect to K_3^1, for *5* years, *Kazakhstan* and *Kyrgyzstan* were in an *unfavorable* position, and for *3* years, *Tajikistan* was also in an *unfavorable* position.

Keeping in mind the above conclusion, the comparative external debt position of the Central Asian countries is presented in Table 4.

Table 4

Comparative External Debt Position of the Central Asian Countries

Countries	Criteria and Indices						
	GED Index	GED Change Rate	K_1	K_2	K_3	Share of Multilateral and Bilateral Debts	K_3^1
Kazakhstan	Unfavorable	Unfavorable	Unfavorable	Average	Unfavorable	Average	Unfavorable
Kyrgyzstan	Average	Average	Unfavorable	Unfavorable	Lower than average	Preferable	Unfavorable
Tajikistan	Preferable	Higher than average	Lower than average	Average	Average	Average	Unfavorable
Uzbekistan	Average	Preferable	Higher than average	Average	Average	Average	Higher than average

So the Central Asian countries ranked as follows in terms of their comparative debt position during the period under review:

- *first*, *Uzbekistan*: in terms of *GED rate—preferable*; K_1 and K_3^1—*higher than average*; and in all the other indices—*average*;
- *second*, *Tajikistan*: in terms of *GED index—preferable*; *GED rate—higher than average*; K_2, K_3, and *share of multilateral and bilateral debts—average*; K_1—*lower than average*; and K_3^1—*unfavorable*;
- *third*, *Kyrgyzstan*: in terms of *share of multilateral and bilateral debts—preferable*; *GED index and rate—average*; K_3—*lower than average*; K_1, K_2, and K_3^1—*unfavorable*;
- *fourth*, *last*, *Kazakhstan*: in terms of K_2 and *share of multilateral and bilateral debts—average*; and in all the other indices—*unfavorable*.