

Kyrgyz Sales Shrink After Kazak Devaluation

Author: [IWPR](#)

The drastic devaluation of the tenge in Kazakhstan has had an immediate effect on Kyrgyzstan, where the national currency has lost value and exports to its larger neighbour have fallen.

Reporter Nurlan Abdaliev discovered that with the tenge worth less in US dollar terms, it is no longer worthwhile for Kazakhstan traders to cross into Kyrgyzstan to buy goods for resale at home.

Kazakhstan's central bank announced the devaluation last week, in what analysts said was a reaction on the one hand to depressed oil revenues due to world prices, and on the other to a desire to stop spending precious foreign-currency and gold reserves on supporting the tenge's exchange rate.

Kazak central bank chief Grigory Marchenko noted that while domestically-produced items should not undergo any price change, imports would become more costly. That is now plain to see at Kyrgyzstan's massive Dordoy market, generally a magnet for wholesale buyers from Kazakhstan looking for Chinese-made bargains. Now it is empty, and turnover has plummeted since the tenge lost value.

On the day of the devaluation, the loss in purchasing power was so abrupt that many Kazaks visiting the market turned round and went home without buying a thing.

Now, say traders at the market, the Kazak customers have stopped coming altogether. Many say they will stop trading themselves unless business picks up.

Location: [Kyrgyzstan](#)

Topic: [Kyrgyzstan](#)

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