

Kyrgyzstan: Chinese Merchants Consider Options

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So many traders lost goods to looting and arson in March that some are considering pulling out of the Kyrgyz market.

Businessmen from Kyrgyzstan's massive neighbour China remain sceptical about resuming work after their markets and shops were looted in March.

Kyrgyz politicians are attempting to restore confidence, but the businessmen remain wary of the situation, with some saying things will only be clear once the July presidential election is out of the way

On the night of March 24-25, after the opposition seized power from President Askar Akaev's administration, rioters took advantage of lax security to loot and burn shops in the capital Bishkek.

Chinese businesses suffered badly, although it was not clear how much they were singled out because of local resentment at the success of enterprising foreign traders. The Madina and GOIN shopping centres, both owned by Chinese nationals, were set on fire after being robbed.

Many were shocked to see their investment in an apparently stable country go up in smoke, and paused to consider their options.

According to Shu Yu, press secretary at the Chinese chamber of commerce, GOIN suffered the worst damage, valued at 4.7 million US dollars. Madina came second with three million dollars in losses, while other firms brought the total to over eight million dollars.

Hu Diqing, who sells socks at the large Dordoi market, did not suffer because the looters didn't reach it, but he says he is still "very afraid". But he does not plan to leave because after six years living almost continuously here, he has too much money invested.

However, Hu says some of his colleagues are planning to pull out, "Its fifty-fifty - some are winding up their business, others continuing. One of the former is a friend of mine who's got a restaurant in central Bishkek. He's afraid of more looting and he's a bit short of customers too."

Hu made the point that even if some people leave, others will come to take their place.

There are already reports that merchants working in southern Kyrgyzstan who left the country after March 24 are returning.

Many businessmen, including Hu, plan to sit tight until the presidential election scheduled for July to be sure that the country will remain stable.

Zhang Wengxiang, who has a restaurant called General, said, "I am waiting for the elections to make sure that the situation has finally stabilised. We Chinese greatly respect the Kyrgyz people.... Yet a great deal now depends not just on us, but on the country's government."

The new Kyrgyz politicians have been meeting Chinese business and diplomatic representatives to assure them that things are getting bad to normal. In talks with the Chinese ambassador Zhang Yannian on April 26, acting deputy prime minister Daniyar Usenov focused on the future and called for new investments in housing construction, agricultural processing and light industry.

Acting finance minister Akylbek Japarov met a group of Chinese businessmen three days later and made it clear that although the government could not afford to compensate them for the losses they had suffered – which they calculated at some 35 million dollars – it planned to grant them incentives such as a six-month deferral of customs and tax payments, and simplified visa regulations.

Interim foreign minister Roza Otunbaeva also focused on the issue, telling Russian journalists on April 10 that the new Kyrgyz leadership was paying “great attention to cooperation with China” and that it welcomed the growing trade between the two countries.

A week after the “tulip revolution”, on March 31, at least 80 Chinese people were flown out of Bishkek on a specially chartered plane.

Many of them were from the other big category of Chinese nationals in Kyrgyzstan: students attending courses, rather than businessmen.

One of the teaching staff at the Kyrgyz-Chinese faculty at the Humanities University, Chinara Mutabaeva, is sure the students will be back for the new academic year.

“The parents were very concerned about their children, so some of the students have now gone back to China. But in August they will all return,” she said.

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