



**Ministry of Finance**  
of the Republic of Uzbekistan

*July, 2021*

# NEWSLETTER № 23

Ministry of Finance of the Republic of Uzbekistan



## Macro and budget indicators:

- ✓ 1H2021 GDP growth: **6.2%** (1.1% as of 1H2020);
- ✓ 1H2021 Inflation: **10.9%** (14.2% as of 1H2020);
- ✓ 1H2021 Overall fiscal balance (preliminary figure): **-5.0% of GDP**;
- ✓ 1H2021 Current account deficit (preliminary figure): **U.S.\$ 2.9 bn**;
- ✓ 1H2021 Foreign trade turnover: **U.S.\$ 18 bn** (U.S.\$ 15.9 as of 1H2020).

## New legislative acts:

- ❖ The **Agency of Strategic Development** has been established.
- ❖ **The National Strategy** for increasing the popularity of **financial services** for 2021-2023 has been approved. (page 3)
- ❖ The Convention on the Rights of Persons with disabilities (New York, December 13, 2003) has been ratified.
- ❖ Holistic regulatory regime for **licensing, permit issuance and notification** procedures has been adopted. (page 4)
- ❖ New edition of **the Law "On Courts"** been adopted which provides for the main principles of the administration of justice, the rules for appointing and dismissing judges, the requirements to judicial candidates, the measures for financial and social support of judges.

## Transformation and privatization:

- ❖ **Coca-Cola İçecek A.Ş.** acquires 57.12% stake in **Coca-Cola Bottlers Uzbekistan Ltd.** for **U.S.\$ 252.3 mn** after winning an open bidding as part of the government's privatization plans.

## International Ratings and Indices:

- ❖ The Republic of Uzbekistan improved in the **World Tariff Profiles** which has positive impact to country's ranking in Heritage Foundation's Index of Economic Freedom.
- ❖ Moody's Investors Service confirmed the long-term credit rating of **Asia Alliance Bank JSCB** at **B2 with stable outlook**. S&P Global Ratings revised its outlook on **Hamkorbank JSCB** to positive from negative and affirmed its 'B+/B' long and short-term issuer credit ratings.
- ❖ Fitch Ratings: The Uzbek **insurance sector** is growing rapidly but sector challenges remain.
- ❖ Ministry of Finance in close cooperation with UNDP organized **two-day seminars** dedicated to **SDG bonds** for line ministries.

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## 2. Statistics at a glance



### Economic Statistics

- ❖ As of August 1, 2021, the inflation rate constituted **11.1%** (yoy) in comparison to 14.4% (yoy) of the same period last year;
- ❖ In January-June 2021, the GDP at current prices amounted to **UZS 318.5 tn** (~U.S.\$ 30.3 bn), and compared to January – June 2020, increased in real terms by **6.2%** (yoy);
- ❖ In January-June 2021, the volume of industrial products equaled **UZS 200.1 tn** (~U.S.\$ 19.0 bn)<sup>1</sup> with a real growth rate of 8.5%(yoy);
- ❖ In January-June 2021, the volume of provided services equaled **UZS 127.7 tn** (~U.S.\$ 12.1 bn)<sup>1</sup> with a real growth rate of 18.3%(yoy);
- ❖ In January-June 2021, the volume of construction amounted to **UZS 48.6 tn** (~U.S.\$ 4.6 bn)<sup>1</sup> with a real growth rate of 0.1%(yoy);
- ❖ In January-June 2021, the volume of products (services) in agriculture, forestry and fisheries amounted to **UZS 116.6 tn** (~U.S.\$ 11.1 bn)<sup>1</sup> with a real growth rate of 1.8%(yoy)
- ❖ As of July 1, 2021, official reserve assets of the country reached **U.S.\$ 34.1 bn**, an increase of U.S.\$ 1.8 bn compared to the same period in the previous year;
- ❖ In January-June 2021, the total foreign trade turnover amounted to **U.S.\$ 18.0 bn**, an increase of U.S.\$ 2.2 bn;
- ❖ Credit to the economy increased by **8.7%** in the first half of 2021 and by 23.4% compared to the same period last year.
- ❖ As of August 1, 2021 MoF had outstanding treasury bills and bonds equal to **UZS 3.4 tn** (~U.S.\$ 0.32 bn)<sup>2</sup>. In January-July 2021, 35 auctions were conducted and the total volume of issued T-bills and bonds reached **UZS 2.6 tn** (~U.S. 0.24\$ bn)<sup>3</sup>.

Note 1: Average official exchange rate for January – June 2021, USD/UZS = 10 524.5

Note 2: Official exchange rate for 1 August 2021, USD/UZS = 10 625.0

Note 3: Average official exchange rate for January – July 2021, USD/UZS = 10 538.8

Indicators	As of July 1, 2020	As of July 1, 2021
Inflation, % (yoy) <sup>1</sup>	14.4	11.1
Industry statistics, UZS tn	168.6	200.1
Service statistics, UZS tn	98.8	127.7
Construction works, UZS tn	43.0	48.6
Official Reserve Assets, U.S.\$ bn	32.3	34.1
Foreign trade turnover, U.S.\$ bn	15.9	18.0
State debt, U.S.\$ bn <sup>2</sup>	18.3	23.2

<sup>1</sup> As of August 1, 2020 and August 1, 2021

<sup>2</sup> As of April 1, 2020 and April 1, 2021

Sovereign Eurobonds	Currency	Price <sup>3</sup>	YTM <sup>3</sup>
UZBEK 4 ¾ 02 20 24	USD	105.7	2.4
UZBEK 5 ¾ 02 20 29	USD	110.7	3.7
UZBEK 3.7 11 25 30	USD	98.7	3.9
UZBEK 3.9 10 19 31	USD	99.7	3.9
UZBEK 14 ½ 11 25 23	UZS	102.0	13.4
UZBEK 14 07 19 24	UZS	100.0	14.0

<sup>3</sup> As of August 17, 2021

Source: Bloomberg BVAL pricing

### Exchange rates as of July 1, 2021

	<b>USD/UZS</b> = 10 591.00	<b>-14.30</b>	
	<b>RUB/UZS</b> = 144.78	<b>-1.61</b>	
	<b>EUR/UZS</b> = 12 595.88	<b>-33.97</b>	
	<b>GBP/UZS</b> = 14 675.95	<b>-16.63</b>	
	<b>CNY/UZS</b> = 1 639.98	<b>-2.16</b>	
	<b>CHF/UZS</b> = 11 482.00	<b>-40.49</b>	

Source: Central Bank of the Republic of Uzbekistan

## **The National Strategy for increasing the popularity of financial services for 2021-2023 has been approved**

*(16 June 2021)*

The main goal of the National Strategy is to create a dynamic, innovative and inclusive financial system with access to affordable and high quality financial products and services for all segments of the population and small business enterprises (SMEs). According to the National Strategy, until 2023, some services of commercial banks will be provided by a third party on the basis of an agency agreement. As a pilot project, JSCB Aloqabank plastic cards will be delivered to the customer, credit documents will be issued by the Postal Service of Uzbekistan. Also, it will enable the attractiveness of deposits, the widespread use of cashless payment forms, the development of the clearing system.

Main directions of the National Strategy:

- ✓ increasing the coverage of basic financial services;
- ✓ development of digital financial services;
- ✓ expansion of financing of SMEs;
- ✓ strengthening the protection of the rights of consumers of financial services;
- ✓ increasing the financial literacy of citizens and entrepreneurs.

Expected results:

- ✓ increasing the income of the population;
- ✓ reaching economic growth and poverty reduction;
- ✓ increasing customer's base and bank trust;
- ✓ increasing stability of the banking system.

Source: <https://www.cbu.uz>

## **Strategic Development Agency is established**

*(19 July 2021)*

- ❖ The Agency of Strategic Development is created in order to enhance the approach towards the implementation of the reforms in the country aimed at improving the investment climate, increasing their investment attractiveness and competitiveness. The Agency has been tasked to undertake the followings:
  - ✓ conduct studies of strategic issues associated with investment attraction and project implementation by sectors and regions;
  - ✓ establish sequenced work to improve investment climate and foreign trade in the country as well as increase competition across the sectors and closely cooperate with international institutions in order to develop the positive image of the country;
  - ✓ develop and maintaining the investment attractiveness ratings of industries and regions using international methods and conducting regular surveys, on this basis to analyze and evaluate the effectiveness of government agencies in improving the investment climate, solving problems in the development of regions and industries;
  - ✓ determination of strategies and policies to further increase the investment attractiveness and export potential of the regions and industries, development of proposals for the effective use of free economic zones;
  - ✓ establishment of expert platforms for effective cooperation of the government agencies, international organizations, foreign companies, businesses and other stakeholders, in order to develop measures addressing important systemic problems of economic sector reforms;
  - ✓ carry out targeted monitoring of the effectiveness of reforms in the development of regions and sectors of the economy;
  - ✓ develop recommendations for the protection of the interests of the Republic of Uzbekistan in trade and economic relations and investment cooperation with foreign partners.
- ❖ The Director of the Agency is appointed by the President and revenues of the Agency are not subject to taxation.

Source: <https://www.lex.uz>



### **New law on licensing and provision of permits**

*(14 July 2021)*

The Law "On Licensing, Permits Issuance, and Notification Procedures" has been adopted. It aims to set a holistic regulatory regime for the relevant procedures and, among other things:

- ✓ defines powers of the Cabinet of Ministers and the Agency for the Provision of State;
- ✓ Services in the relevant spheres;
- ✓ contains an exhaustive list of the activities for the engagement in which licenses, permits, or notification of a relevant regulator are required (202 in total);
- ✓ sets terms of validity for licenses and permits: generally, such a term is unlimited, except for a number of activities (medical services, pharmaceuticals, mobile services, the extraction, processing, and sale of oil, gas, and gas condensate, etc.);
- ✓ sets general procedural rules for the issuance, reissuance, and revocation of licenses and permits;
- ✓ sets the cases where a regulator may refuse in the provision of a license or a permit;
- ✓ establishes rules for the operation of the special online system "License";
- ✓ sets general requirements for sending notifications for the cases where an individual or a legal entity may engage into an activity upon notifying a regulator;
- ✓ establishes sanctions for violating the Law, including by setting the amount of relevant fines for legal entities in each industry.

Source: <https://www.lex.uz>



### **Senate of the Oliy majlis ratified the Convention on the rights of persons with disabilities**

*(28 May 2021)*

The ratification of the Convention will create additional guarantees in Uzbekistan for ensuring the protection of the rights of persons with disabilities, will serve as a guideline for further improving legislation, and will strengthen the responsibility of government agencies in terms of social protection of persons with disabilities and ensuring equal opportunities for them.

Adoption of the Convention permits:

- ✓ to unify the national system of social protection of persons with disabilities with the best international standards;
- ✓ to create opportunities in attracting international and foreign grant funds to strengthen social protection of persons with disabilities;
- ✓ to improve the international image of Uzbekistan in the area of social protection of the population.

The Convention consists of 50 articles aimed at protecting and promoting the rights of persons with disabilities, eliminating discrimination against them, ensuring their right to work, health care, education and full participation in society, access to justice, personal integrity, freedom from exploitation and abuse, freedom of movement, individual mobility and many others.

Source: <https://www.senate.uz>

### **Financial assistance will be provided for children from low-income and vulnerable families**

*(11 August 2021)*

- ❖ The main objective of the decree "On additional measures to support children from low-income and vulnerable families" which was adopted on 11 August 2021 is to continue the sequenced measures aimed at social protection of the population and providing children from families in need of financial assistance with providing clothing, school uniforms, and other supplies.
- ❖ In August 2021, the following layer of the population will receive one-time financial assistance in the amount of UZS 500 000:
  - ✓ children under the age of 18 from families receiving pensions or allowances;
  - ✓ disabled children under the age of 18.
- ❖ The sources of financing are defined as follows:
  - ✓ The State budget;
  - ✓ Extra-budgetary Pension fund and budget funds allocated to the ministries and departments.
- ❖ Government officials, Chairman of the Council of Ministries, khokims of the regions and Tashkent city, districts, heads of sectors and territorial divisions of Makhalla Ministry are responsible for ensuring the targeted delivery of the one-time assistance.

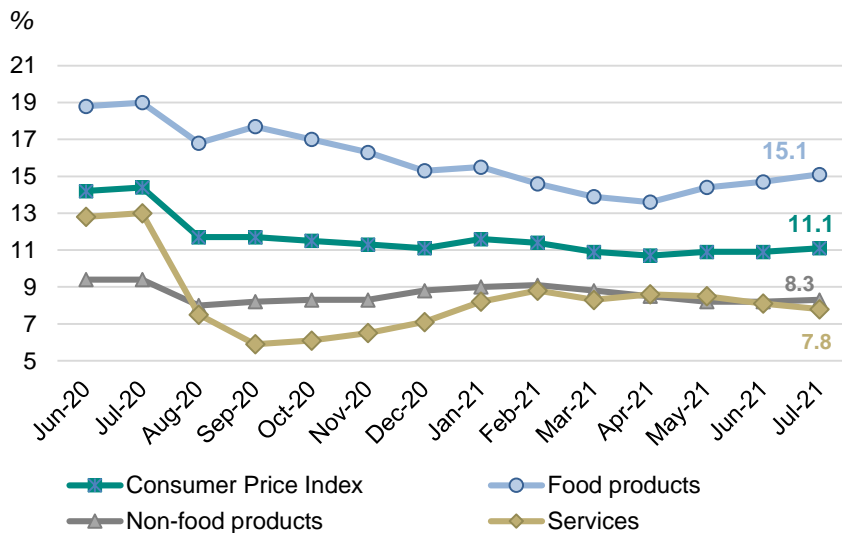
Source: <https://www.cbu.uz>

### Inflation rate

As of August 1, the CPI growth reached **11.1%**. Since the beginning of this year, the increase in prices in the consumer sector amounted to 4.2% with an average monthly value of 0.6%.

### Inflation rate

(as of August 1, 2021, yoy)



### Gross Domestic Product

In 1H2021, the gross domestic product at current prices amounted to **UZS 318.5 tn** (~U.S.\$ 30.3 bn) and compared to 1H2020 increased in real terms by **6.2%**.

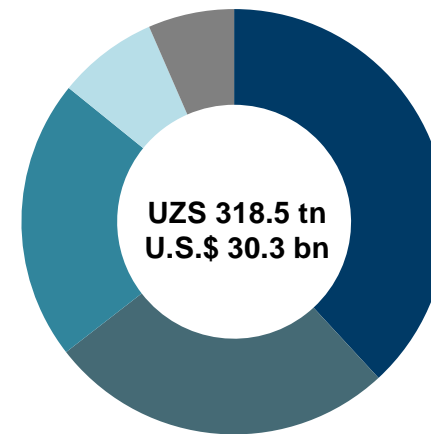
The GDP deflator index, in relation to the prices of 1H2021, amounted to 112.6% down from 113.7% in 2020 and 117.7% in 2018 when compared to the corresponding period.

GDP per capita of the country amounted to UZS 9.2 mn. (~U.S.\$ 871.8) and, compared to 1H2020, increased by 4.2%.

### Gross Domestic Product

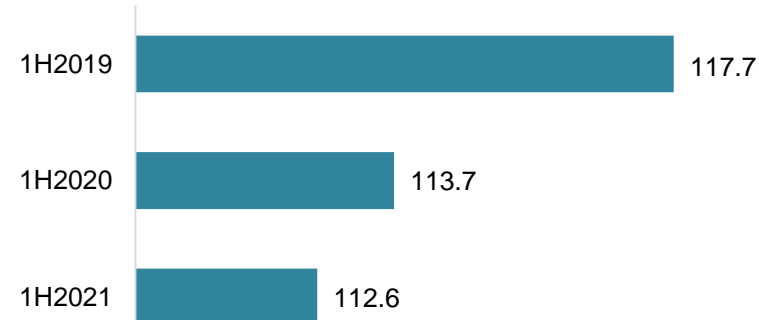
(January-June 2021, in %)

- Services, 38.1%
- Industry, 26.4%
- Agriculture, forestry and fisheries, 21.3%
- Net taxes on products, 7.6%
- Construction, 6.5%



### GDP deflator index

(January-June 2021, in %, yoy)



### GDP growth rate by type of economic activity

(in %)

	1H2019	1H2020	1H2021
<b>GDP</b>	<b>5.8</b>	<b>1.1</b>	<b>6.2</b>
<i>including:</i>			
Gross value added of the industries	5.9	1.2	6.1
Agriculture, forestry and fisheries	2.4	2.8	1.8
Industry	5.4	-0.3	8.5
Construction	23.7	7.1	0.1
Services	5.4	0.3	8.0
Trade, accommodation and catering services	7.1	0.5	9.4
Transportation and storage, information and communication	5.1	-3.7	14.9
Other service industries	5.0	1.5	5.8
Net taxes on products	4.8	0.0	7.1

According to the estimates of the Ministry of Economic development, 2021 GDP growth is anticipated at 5.5-6.5%.

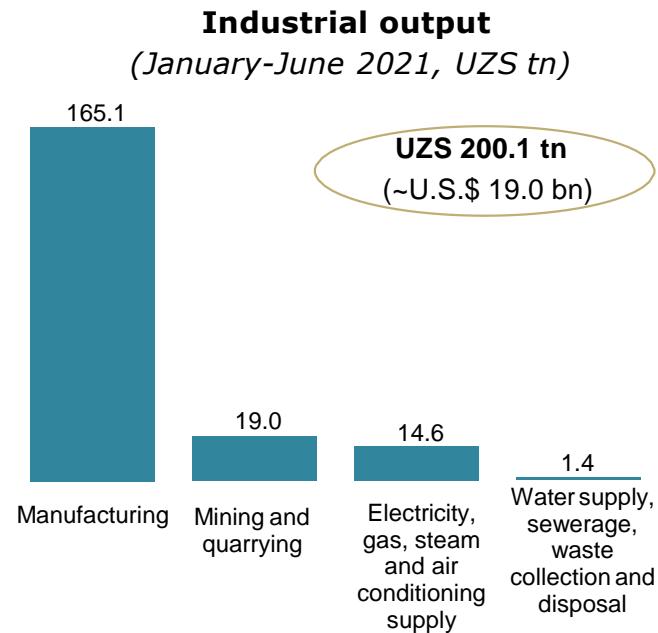


# 4. Macroeconomic Environment

## Industry statistics

In **January-June 2021**, the volume of the industrial products amounted to **UZS 200.1 tn** (~U.S.\$ 19.0 bn)<sup>1</sup>, the index of physical volume of industrial production in January-June 2021 amounted to 8.5% (yoy)<sup>2</sup>.

In the structure of production manufacturing amounted to UZS 165.1 tn (~U.S.\$ 15.7 bn)<sup>1</sup>, mining and quarrying UZS 19.0 tn (~U.S.\$ 1.8 bn)<sup>1</sup> electricity, gas, steam and air conditioning UZS 14.6 tn (~U.S.\$ 1.4 bn)<sup>1</sup> and water supply, sewerage, waste collection and disposal UZS 1.4 tn (~U.S.\$ 0.1 bn)<sup>1</sup>.



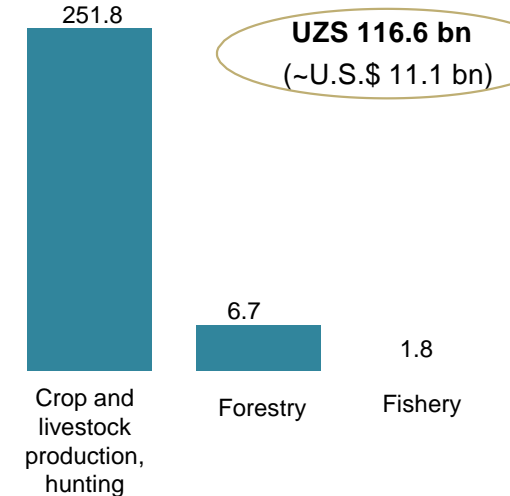
## Agriculture, forestry and fisheries statistics

The volume of products in **January-June 2021** reached **UZS 116.6 tn** (~U.S.\$ 11.1 bn)<sup>1</sup> with a growth rate of 1.8%(yoy)<sup>2</sup>.

In January-June 2021, the growth rates of products (services) in areas of crop and livestock production, hunting and the provision of services in these areas amounted to 1.8%, forestry and fisheries category growth reached respective 1.6% and 10.8% when compared to the corresponding period of 2020.

## Agriculture, forestry and fisheries statistics

(January-June 2021, UZS tn)



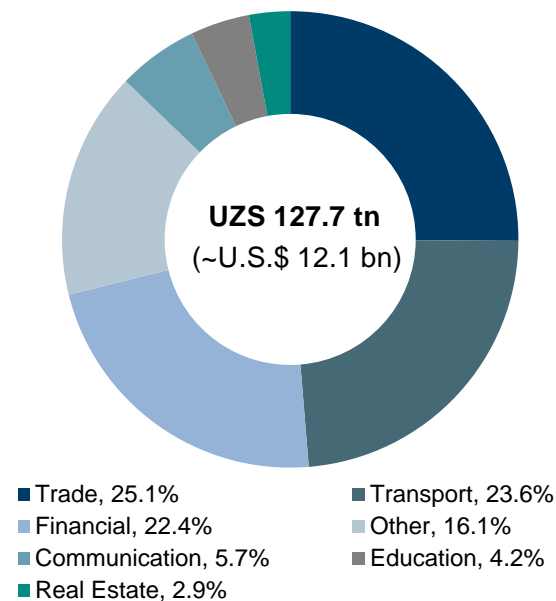
## Service statistics

Market services in **January-June 2021** reached **UZS 127.7 tn** (~U.S.\$ 12.1 bn)<sup>1</sup> with a real growth rate of 18.3% (yoy)<sup>2</sup>.

As of July 1, 2021 the largest share of enterprises and organisations operating in the service sector constituted 50.4% of the total number of organisations. In the structure of market services falls on trade services (25.1%), transport (23.6%), financial services (22.4%), communication and information services (5.7%).

## Services statistics

(January-June 2021, % in total)



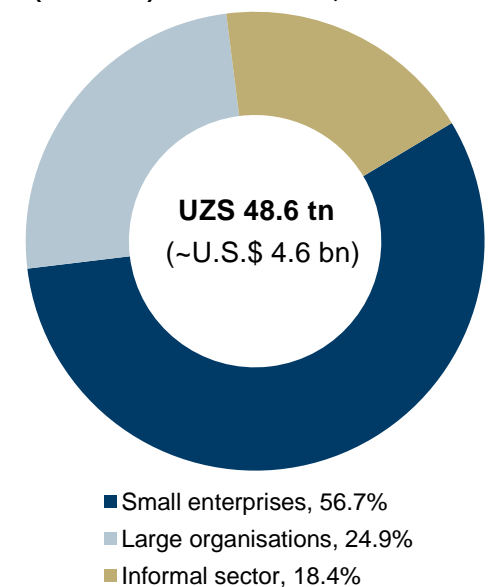
## Construction statistics

In **January-June 2021**, the construction works amounted to **UZS 48.6 tn** (~U.S.\$ 4.6 bn)<sup>1</sup> with a real growth rate of 0.1% (yoy)<sup>2</sup>.

As of July 1, 2021, the number of enterprises and organisations in the construction sector amounted to **43.7 thousand units** with 5.0 thousand units increase compared with the last year.

## Construction works

(January-June 2021, % in total)



**Note 1:** Average official exchange rate for January – June 2021, USD/UZS = 10 525

**Note 2:** The information provided in service, industry and construction section is preliminary, the growth rates in these sectors are calculated based on comparative price level indices that are relative indicators that characterize the change in the volume of products (goods and services) in the compared periods

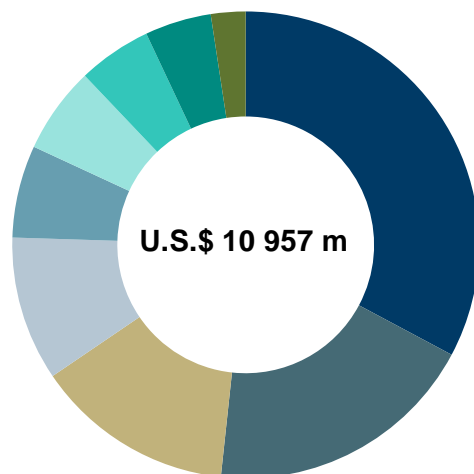
Source: State Committee of the Republic of Uzbekistan on Statistics

# 5. Foreign Trade Turnover

## Structure of Imports

(January-June 2021, % in total)

- Machinery and transport equipment, 32.8%
- Manufactured goods, 18.9%
- Chemicals and similar products, 13.8%
- Food and live animals, 10.0%
- Various finished goods, 6.4%
- Services, 6.0%
- Non-food raw materials, 5.1%
- Mineral fuels and similar materials, 4.6%
- Other goods, 2.4%



## Foreign Trade Turnover

In January-June 2021, the foreign trade turnover (FTT) constituted **U.S.\$18 013 m**, an increase by U.S.\$ 2 150 m, compared to the same period last year. Negative balance of foreign trade in the amount of U.S.\$ 3 902 m was recorded.

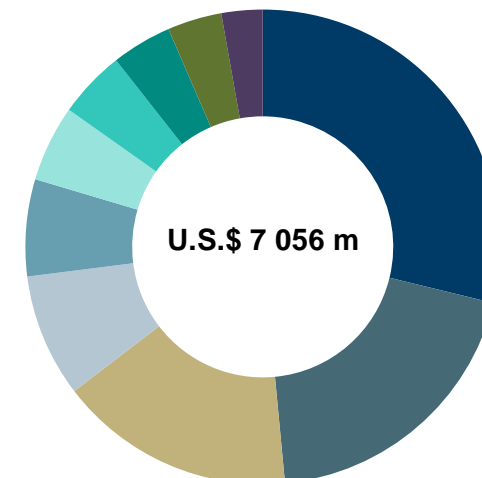
As of July 1, 2021, exports reached **U.S.\$7 056 m**, while the total number of exporting entities amounted to 4 885 units.

Imports amounted to **U.S.\$10 957 m**, the main share of which is occupied by industrial goods (18.9%), food and live animals (10.0%) and services (6.0%).

## Structure of Exports

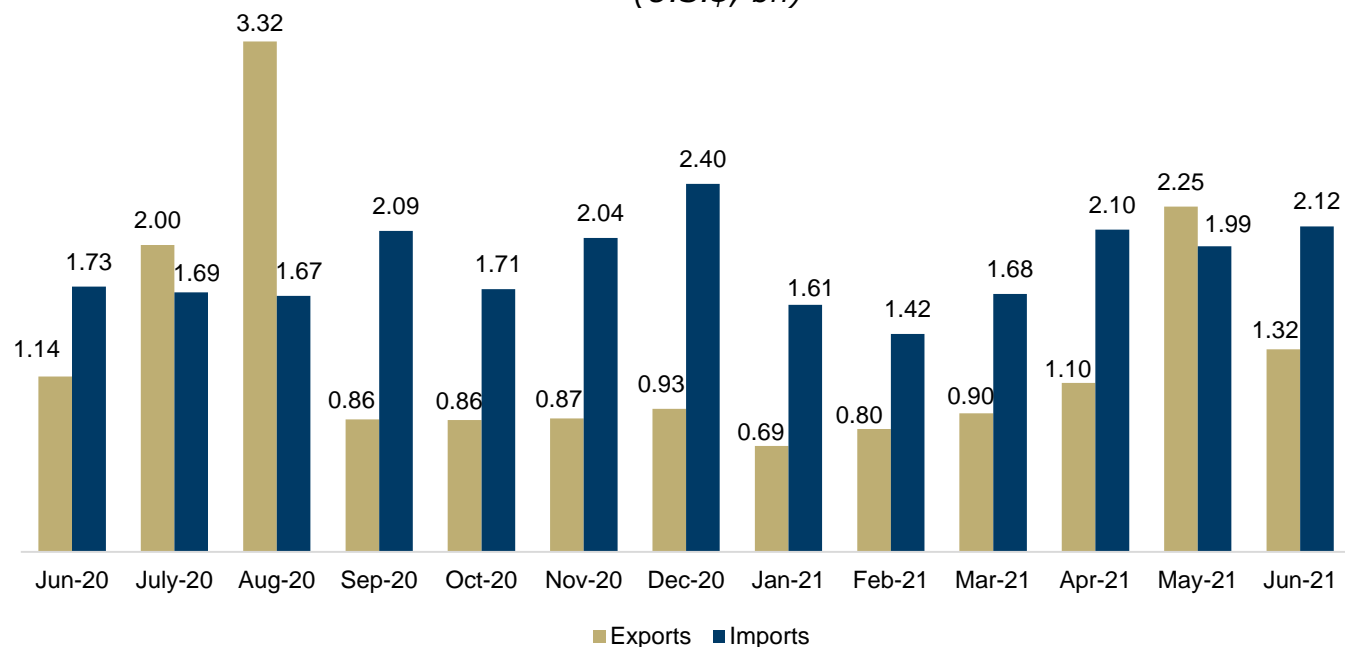
(January-June 2021, % in total)

- Manufactured goods, 28.8%
- Gold, 19.7%
- Services, 16.1%
- Food and live animals, 8.4%
- Chemical products, 6.6%
- Various finished products, 5.2%
- Machinery equipment, 4.6%
- Mineral fuels, 4.1%
- Non-food raw materials, 3.7%
- Other goods, 2.8%



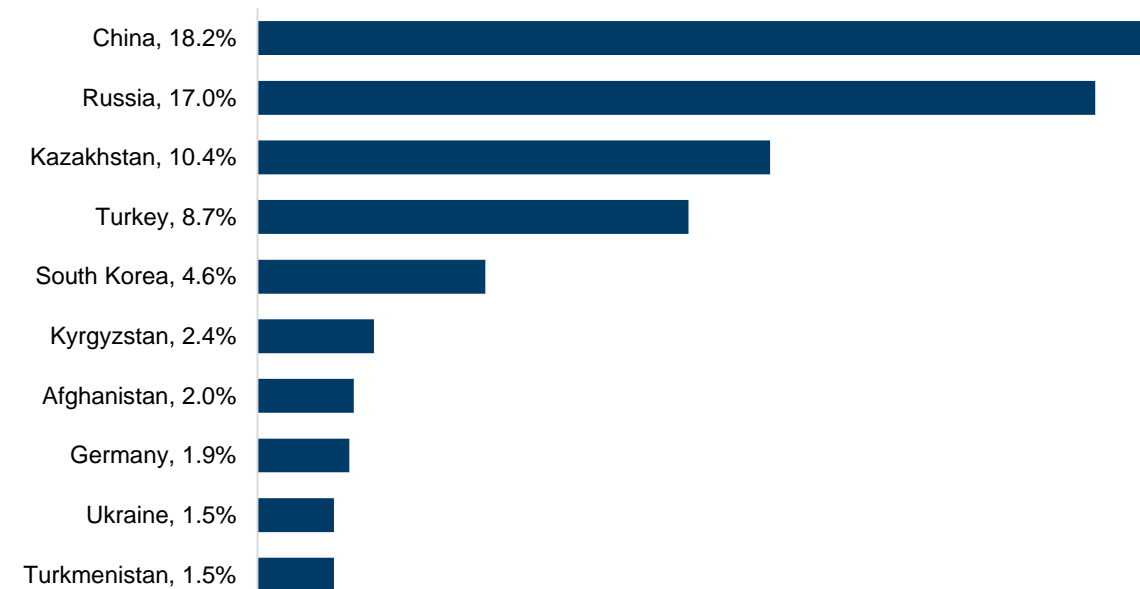
## Exports and Imports of goods and services

(U.S.\$, bn)

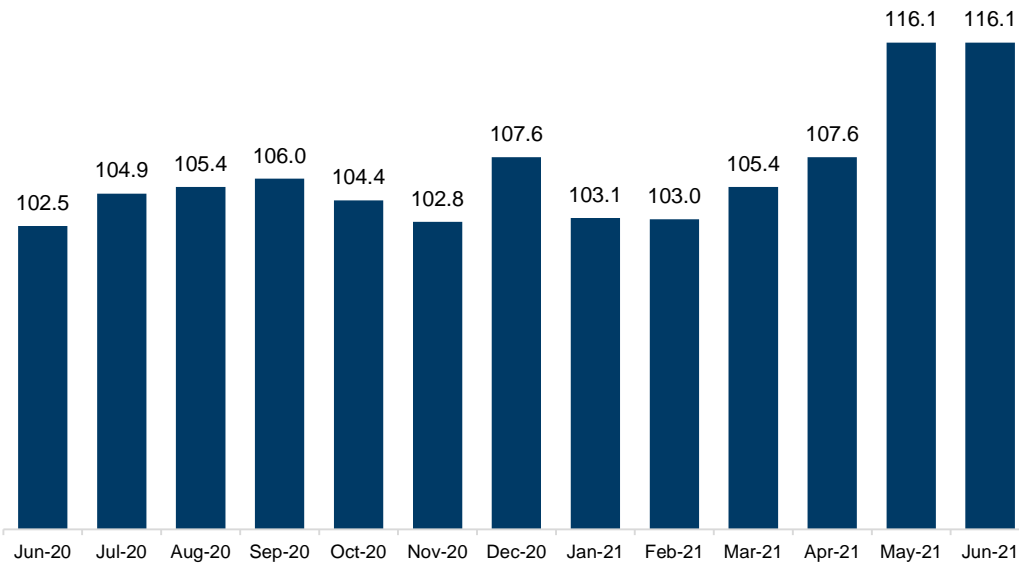


## Top 10 countries in foreign trade with Uzbekistan

(January-June 2021, % share in total FTT)



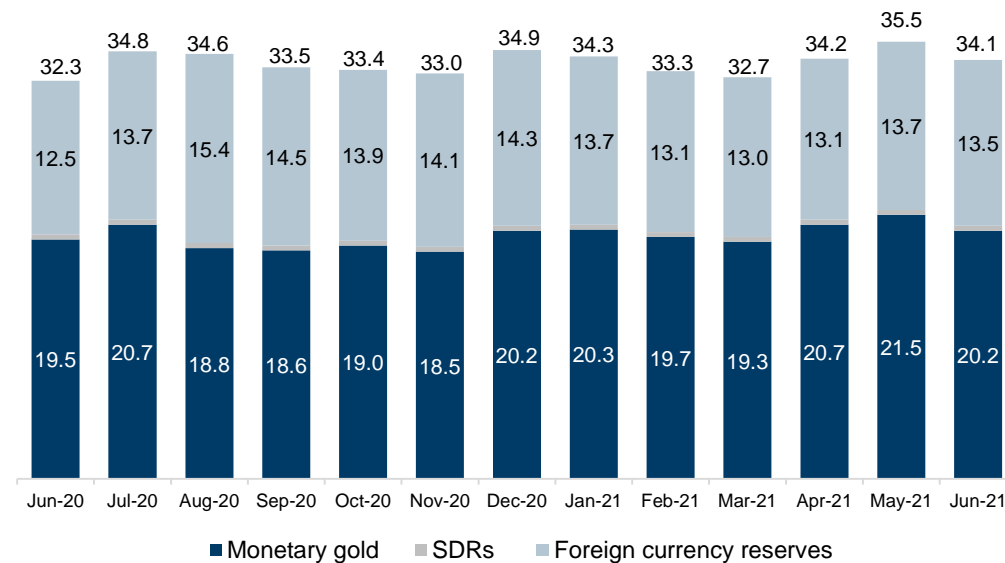


**Broad Money (M2)***(to the end of month, UZS tn)***Broad Money (M2)**

As of July 1, 2021, broad money constituted **UZS 116.1tn** (~U.S.\$ 10.9 bn)<sup>(1)</sup>, while the growth rate equaled **13.3%** compared to the same period of last year.

The volume of money supply in national currency constituted UZS 78.7 tn (~U.S.\$ 7.4 bn)<sup>(1)</sup>, of which currency in circulation and transferable deposits in national currency amounting to respective UZS 26.0 tn (~U.S.\$ 2.5 bn)<sup>(1)</sup> and UZS 26.6 tn (~U.S.\$ 2.5 bn)<sup>(1)</sup> and other deposits in national currency UZS 26.1 tn (~U.S.\$ 2.5 bn)<sup>(1)</sup>.

As of July 1, 2021, foreign currency deposits in national currency equivalent reached to UZS 37.4 tn (~U.S.\$ 3.5 bn)<sup>(1)</sup>.

**Official Reserve Assets***(as of July 1, 2021, U.S.\$ bn)***Official Reserve Assets**

As of July 1, 2021, official reserve assets constituted **U.S.\$ 34.1 bn** with an increase of **5.6%** in comparison to the previous year.

In the composition of official reserve assets, foreign currency reserves constituted U.S.\$ 13.5 bn, gold U.S.\$ 20.2 bn and SDRs U.S.\$ 0.4 bn.

**Liquidity in the banking system**

Indicators	July 1, 2020	July 1, 2021
Highly liquid assets (bn UZS)	33 790	59 553
Immediate liquidity ratio (minimum: 25%)	61.1%	86.3%
Liquidity coverage ratio (minimum: 100%)	211.9%	157.9%
Net stable funding ratio (minimum: 100%)	107.8%	113.7%
Ratio of highly liquid assets to total assets (in %)	10.7%	15.6%

**Banking system stability indicators***UZS bn*

Indicators	1H2020	1H2021
Regulatory Tier 1 capital to RWA	17.8	15.4
Regulatory Tier 1 capital	48 130	54 698
Risk-weighted assets	270 274	355 767
Liquid assets to total assets	12.6	16.0
Liquid assets	39 536	63 281
Total assets	315 976	396 162
Capital to risk-weighted assets	20.5%	17.7%
Capital at the end of period	55 342	62 909
Risk-weighted assets	270 274	355 767
NPL to total gross loans	2.8%	5.5%
Non-performing loans	7 087	16 794
Total gross loans	250 602	304 598

Source: Central Bank of the Republic of Uzbekistan

Note 1: Official exchange rate for 1 July 2021, USD/UZS = 10 605.3

# 7. Borrowing Statistics

## Sources of financing of State external debt<sup>1</sup> (as of April 1, 2021)

	Asian Development Bank - U.S.\$ 5.0 bn
	World Bank - U.S.\$ 3.8 bn
	Export-Import Bank of China – U.S.\$ 2.0 bn
	China Development Bank – U.S.\$ 2.0 bn
	Japan International Cooperation Agency - U.S.\$ 1.9 bn
	International investors - U.S.\$ 1.7 bn
	Islamic Development Bank – U.S.\$ 0.9 bn
	Japanese Bank for International Cooperation - U.S.\$ 0.4 bn
	Economic development and cooperation fund and others - U.S.\$ 1.0 bn
	Other IFIs and foreign government financial organisations - U.S.\$ 2.3 bn
<b>Total State external debt - U.S. \$ 21.0 bn</b>	

## Total State debt

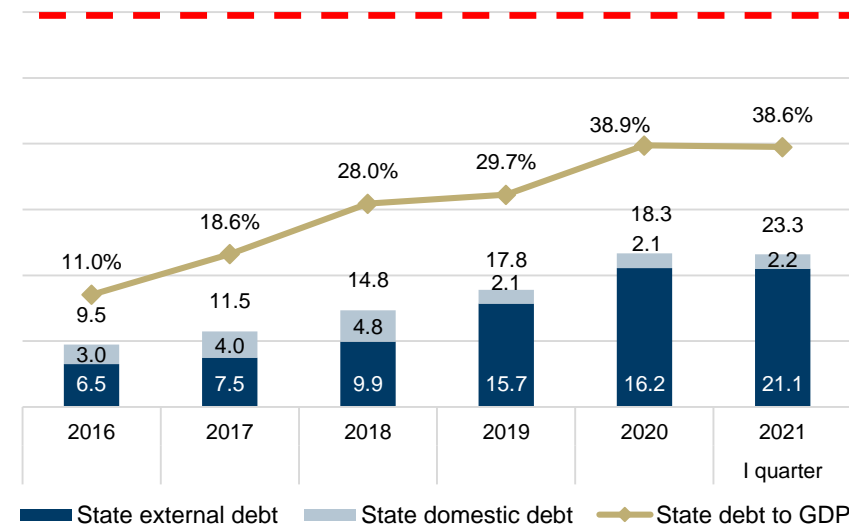
As of April 1, 2021, the State debt<sup>2</sup> of Uzbekistan amounted to **U.S.\$ 23.2 bn** equivalent or **38.6%** of GDP decreasing by **U.S.\$ 133.7 mn** or **0.2%** ratio to GDP. In particular:

State external debt amounted to **U.S.\$ 21.0 bn** or 35.0% of GDP decreasing by **U.S.\$ 73.6 mn** or 0.1% ratio to GDP;












State domestic debt amounted to **U.S.\$ 2.2 bn** or **3.6%** of GDP decreasing by **U.S.\$ 60.1 mn** or **0.1%** ratio to GDP.

## Total State debt (as of April 1, 2021, U.S.\$ bn)<sup>3</sup>

State debt ceiling – 60% of GDP



## Use of proceeds of State external debt<sup>1</sup> (as of April 1, 2021)

	Budget support – U.S.\$ 4.4 bn
	Electric power and - U.S.\$ 3.0 bn
	Energy (oil and gas) - U.S.\$ 2.6 bn
	Transport & Transport Infrastructure – U.S.\$ 2.4 bn
	Agriculture - U.S.\$ 2.3 bn
	Housing & communal services - U.S.\$ 2.0 bn
	Commercial banks - U.S.\$ 1.3 bn
	Chemical industry - U.S.\$ 1.1 bn
	Education & healthcare - U.S.\$ 0.7 bn
	Telecommunications - U.S.\$ 0.2 bn
	Others - U.S.\$ 1.0 bn

**Total State external debt - U.S. \$ 21.0 bn**

Note 1: State debt statistics are constantly being improved with the help of IFIs and lending institutions

Note 2: Debt borrowed on behalf of the Republic of Uzbekistan and under its guarantee

Note 3: Debt-to-GDP ratios have been revised reflecting GDP revision for 2010-2020 years

Source: Ministry of Finance of the Republic of Uzbekistan

## 8. Domestic Treasury Securities

### Auction results of Domestic Treasury Securities

As of August 1, 2021 the Ministry of Finance had outstanding treasury bills and bonds amounting to **UZS 3.4 tn** (~U.S.\$ 0.32 bn)<sup>1</sup>. In January – July 2021, the total number of 35 auctions conducted reached and the total volume of issuance of T-bills and bonds reached **UZS 2.6 tn** (~U.S.\$ 0.24 bn)<sup>2</sup>. In the long term, Ministry of Finance aims at remaining committed to the development of the domestic government debt market, continuous diversification of debt instruments in terms of both tenor and tranche amount and gradually widening the investor base by working in collaboration with the Central Bank of Uzbekistan.

Type of Government Securities	Date of auction	Maturity date	Announced volume, (UZS bn) <sup>3</sup>	Fixed coupon rate	Aggregate amount of bids submitted, (UZS bn) <sup>3</sup>	Volume of securities issued, (UZS bn) <sup>3</sup>	Weighted average YTM	Outstanding amount, (UZS bn) <sup>3</sup>
6-months	26 Dec 2018	26 Jun 2019	200.0	zero-coupon	239.3	197.1	14.15%	Redeemed
12-months	27 Dec 2018	27 Dec 2019	200.0	16%	225.8	200.0	14.22%	Redeemed
3-years	28 Dec 2018	24 Dec 2021	200.0	16%	216.5	200.0	14.87%	200.0
12-months	19 Feb 2019	19 Feb 2020	60.0	15%	122.0	60.0	13.33%	Redeemed
12-months	27 Feb 2019	27 Feb 2020	40.0	15%	82.0	40.0	12.98%	Redeemed
12-months	5 Mar 2019	4 Mar 2020	30.0	15%	30.0	30.0	14.94%	Redeemed
12-months	12 Mar 2019	11 Mar 2020	40.0	15%	109.3	40.0	14.54%	Redeemed
12-months	19 Mar 2019	18 Mar 2020	80.0	15%	140.5	80.0	12.94%	Redeemed
12-months	8 May 2019	7 May 2020	100.0	15%	494.1	100.0	11.02%	Redeemed
12-months	15 May 2019	14 May 2020	100.0	15%	463.9	100.0	10.47%	Redeemed
18-months	22 May 2019	18 Nov 2020	100.0	15%	283.4	100.0	10.04%	Redeemed
18-months	4 Jun 2019	1 Dec 2020	100.0	15%	231.4	100.0	9.82%	Redeemed
2-years	12 Jun 2019	9 Jun 2021	100.0	15%	315.0	100.0	8.93%	Redeemed
2-years	19 Jun 2019	16 Jun 2021	100.0	15%	479.0	100.0	7.73%	Redeemed
3-years	5 Jul 2019	1 Jul 2022	100.0	15%	375.0	100.0	10.11%	100.0
3-years	12 Jul 2019	8 Jul 2022	100.0	15%	176.3	100.0	10.41%	100.0
160-days	17 Jul 2019	24 Dec 2019	200.0	zero-coupon	202.1	200.0	12.72%	Redeemed
160-days	19 Jul 2019	26 Dec 2019	300.0	zero-coupon	435.0	300.0	14.89%	Redeemed

**Note 1: Official exchange rate for 1 August 2021, USD/UZS = 10 625**

**Note 2: Average official exchange rate for January – July 2021, USD/UZS = 10 549**

**Note 3: Nominal value of each bill and bond is equal to UZS 1.0 m.**

**All calculations are derived based on the nominal value of the securities issued**

*Source: Ministry of Finance of the Republic of Uzbekistan*



## 8. Domestic Treasury Securities

Type of Government Securities	Date of auction	Maturity date	Announced volume, (UZS bn) <sup>1</sup>	Coupon rate	Aggregate amount of bids submitted, (UZS bn) <sup>1</sup>	Volume of securities issued, (UZS bn) <sup>1</sup>	Weighted average YTM	Outstanding amount, (UZS bn) <sup>1</sup>
12-months	17 Jan 2020	16 Jan 2021	200.0	16%	628.0	200.0	12.98%	Redeemed
9-months	20 Jan 2020	19 Oct 2020	300.0	zero-coupon	368.0	300.0	14.18%	Redeemed
2-years	20 Jan 2020	17 Jan 2022	200.0	16%	453.2	200.0	14.87%	200.0
12-months	6 Apr 2020	6 Apr 2021	750.0	16%	770.0	750.0	15.97%	Redeemed
12-months	9 Apr 2020	9 Apr 2021	250.0	16%	360.0	250.0	15.95%	Redeemed
12-months	10 Apr 2020	10 Apr 2021	300.0	16%	310.0	300.0	15.97%	Redeemed
18-months	13 Apr 2020	11 Oct 2021	150.0	16%	89.8	89.8	15.97%	89.8
12-months	6 May 2020	4 Nov 2020	500.0	15%	550.0	500.0	14.91%	Redeemed
3-months	8 May 2020	7 Aug 2020	100.0	zero-coupon	241.0	100.0	14.39%	Redeemed
4-months	11 May 2020	8 Sep 2020	100.0	zero-coupon	141.0	100.0	14.39%	Redeemed
130-days	14 May 2020	21 Sep 2020	100.0	zero-coupon	241.5	100.0	14.61%	Redeemed
12-months	28 May 2020	26 Nov 2020	470.0	15%	570.0	470.0	14.93%	Redeemed
150-days	12 Jun 2020	9 Nov 2020	100.0	zero-coupon	261.0	100.0	14.17%	Redeemed
150-days	8 Sep 2020	05 Feb 2021	100.0	zero-coupon	296.0	100.0	14.39%	Redeemed
6-months	17 Sep 2020	18 Mar 2021	300.0	zero-coupon	350.0	300.0	13.90%	Redeemed
150-days	21 Sep 2020	18 Feb 2021	100.0	zero-coupon	104.0	100.0	13.78%	Redeemed
6-months	28 Sep 2020	29 Mar 2021	235.0	zero-coupon	285.0	235.0	13.87%	Redeemed
6-months	8 Oct 2020	8 Apr 2021	235.0	zero-coupon	305.0	235.0	13.77%	Redeemed
6-months	9 Oct 2020	9 Apr 2021	300.0	zero-coupon	397.0	300.0	13.92%	Redeemed
9-months	20 Oct 2020	20 Jul 2021	300.0	zero-coupon	97.2	97.2	13.92%	Redeemed
18-months	18 Nov 2020	18 May 2022	100.0	14%	138.0	100.0	13.56%	100.0
18-months	1 Dec 2020	31 May 2022	100.0	14%	97.0	97.0	13.81%	97.0
12-months	2 Feb 2021	1 Feb 2022	200.0	zero-coupon	483.7	200.0	12.51%	200.0
3-months	9 Feb 2021	11 May 2021	50.0	zero-coupon	165.0	50.0	11.67%	Redeemed
6-months	9 Feb 2021	10 Aug 2021	50.0	zero-coupon	180.5	50.0	11.42%	50.0
6-months	16 Feb 2021	17 Aug 2021	50.0	zero-coupon	220.0	50.0	12.13%	50.0
6-months	23 Feb 2021	24 Aug 2021	50.0	zero-coupon	156.5	50.0	12.42%	50.0
2-years	23 Feb 2021	23 Feb 2023	200.0	14%	229.6	200.0	13.35%	200.0

**Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m.  
All calculations are derived based on the nominal value of the securities issued**

**Source: Ministry of Finance of the Republic of Uzbekistan**

## 8. Domestic Treasury Securities

Type of Government Securities	Date of auction	Maturity date	Announced volume, (UZS bn) <sup>1</sup>	Coupon rate	Aggregate amount of bids submitted, (UZS bn) <sup>1</sup>	Volume of securities issued, (UZS bn) <sup>1</sup>	Weighted average YTM	Outstanding amount, (UZS bn) <sup>1</sup>
12-months	2 Mar 2021	31 Aug 2021	50.0	zero-coupon	111.9	50.0	13.46%	50.0
6-months	2 Mar 2021	1 Mar 2022	200.0	zero-coupon	213.7	200.0	14.00%	200.0
6-months	9 Mar 2021	7 Sep 2021	50.0	zero-coupon	235.3	50.0	12.44%	50.0
6-months	16 Mar 2021	14 Sep 2021	30.0	zero-coupon	85.6	30.0	12.70%	30.0
6-months	23 Mar 2021	21 Sep 2021	30.0	zero-coupon	42.3	30.0	12.79%	30.0
12-months	30 Mar 2021	29 Mar 2022	200.0	zero-coupon	162.4	122.6	14.00%	122.6
3-years	30 Mar 2021	31 Mar 2024	100.0	14%	10.0	10.0	14.00%	10.0
6-months	6 Apr 2021	5 Oct 2021	30.0	zero-coupon	108.5	30.0	13.14%	30.0
6-months	13 Apr 2021	12 Oct 2021	50.0	zero-coupon	287.2	50.0	12.01%	50.0
6-months	20 Apr 2021	19 Oct 2021	50.0	zero-coupon	261.1	50.0	11.11%	50.0
5-years	27 Apr 2021	30 Apr 2026	100.0	14%	166.0	100.0	12.65%	100.0
12-months	27 Apr 2021	26 Apr 2022	200.0	zero-coupon	497.2	200.0	12.00%	200.0
6-months	27 Apr 2021	26 Oct 2021	50.0	zero-coupon	160.1	50.0	12.37%	50.0
6-months	4 May 2021	2 Nov 2021	50.0	zero-coupon	87.1	50.0	12.69%	50.0
6-months	11 May 2021	9 Nov 2021	50.0	zero-coupon	342.7	10.0	11.87%	10.0
6-months	18 May 2021	16 Nov 2021	30.0	zero-coupon	86.4	30.0	11.90%	30.0
6-months	25 May 2021	23 Nov 2021	30.0	zero-coupon	85.0	30.0	11.67%	30.0
12-months	25 May 2021	24 May 2022	200.0	zero-coupon	433.5	200.0	12.15%	200.0
2-years	25 May 2021	25 May 2023	200.0	14%	343.9	200.0	13.14%	200.0
6-months	1 June 2021	30 Nov 2021	30.0	zero-coupon	65.3	15.3	13.80%	15.3
6-months	8 June 2021	7 Dec 2021	30.0	zero-coupon	106.5	30.0	11.90%	30.0
6-months	15 June 2021	14 Dec 2021	30.0	zero-coupon	11.3	11.3	13.99%	11.3
6-months	22 June 2021	21 Dec 2021	30.0	zero-coupon	5.3	5.3	13.99%	5.3
12-months	22 June 2021	21 June 2022	300.0	zero-coupon	40.9	40.9	14.00%	40.9
3-years	29 June 2021	30 June 2024	300.0	14%	45.5	45.5	14.00%	45.5

**Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m.  
All calculations are derived based on the nominal value of the securities issued**

**Source: Ministry of Finance of the Republic of Uzbekistan**

## 8. Domestic Treasury Securities

Type of Government Securities	Date of auction	Maturity date	Announced volume, (UZS bn) <sup>1</sup>	Coupon rate	Aggregate amount of bids submitted, (UZS bn) <sup>1</sup>	Volume of securities issued, (UZS bn) <sup>1</sup>	Weighted average YTM	Outstanding amount, (UZS bn) <sup>1</sup>
6-months	13 Jul 2021	11 Jan 2022	30.0	zero-coupon	60.0	30.0	13.94%	30.0
12-months	19 Jul 2021	18 Jul 2022	300.0	zero-coupon	186.7	186.7	13.96%	186.7
5-years	27 Jul 2021	30 Jul 2026	200.0	14%	45.1	45.1	14.00%	45.1
6-months	27 Jul 2021	25 Jan 2022	100.0	zero-coupon	88.4	88.4	13.99%	88.4

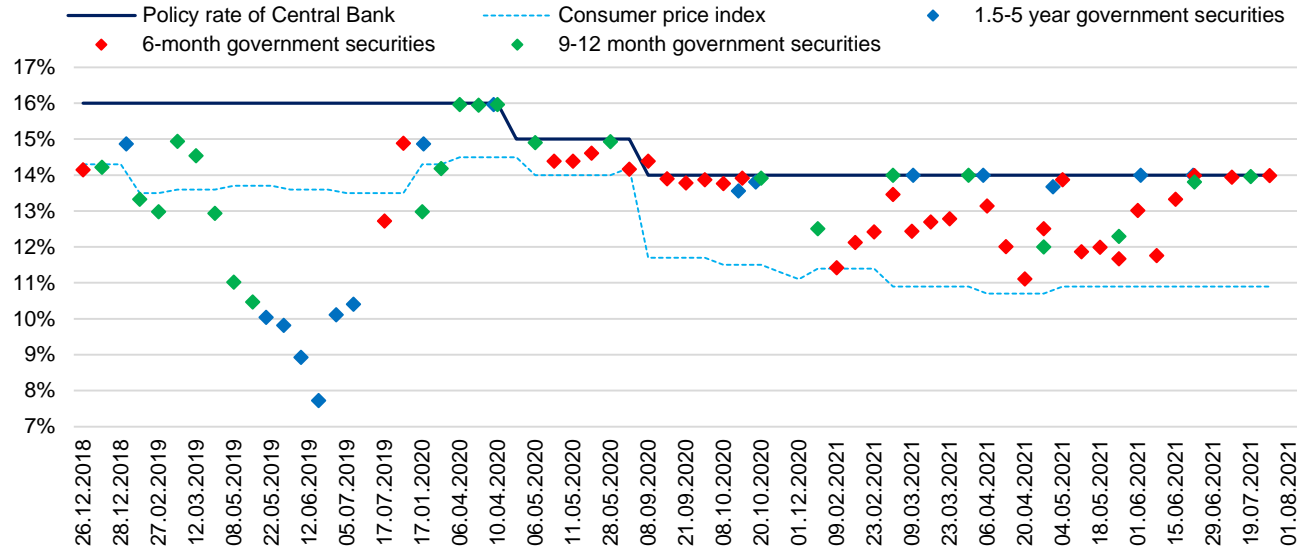
**Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m.  
All calculations are derived based on the nominal value of the securities issued**

**Source: Ministry of Finance of the Republic of Uzbekistan**

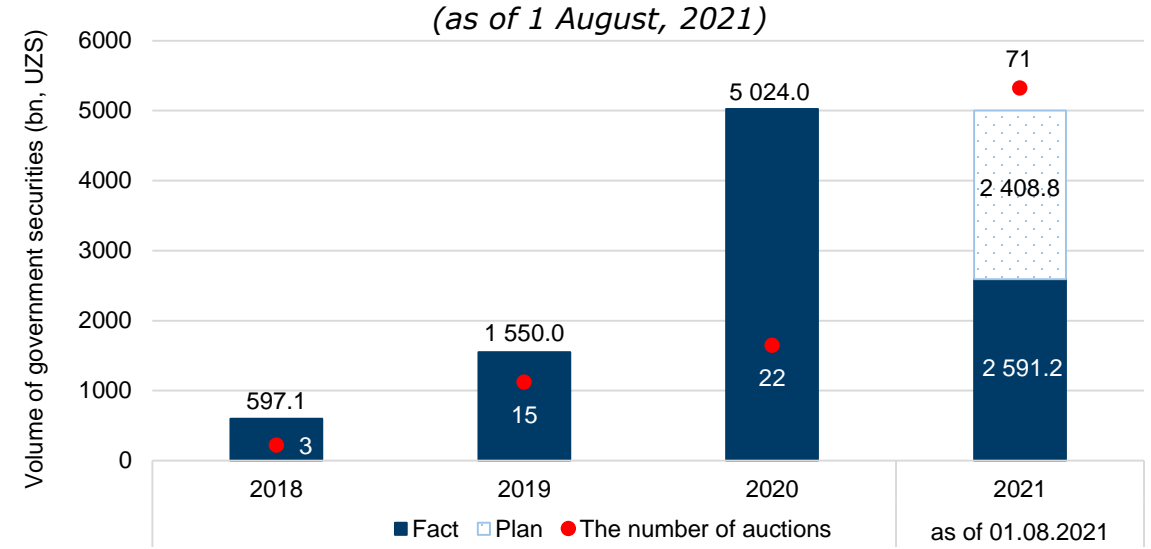


# 8. Domestic Treasury Securities

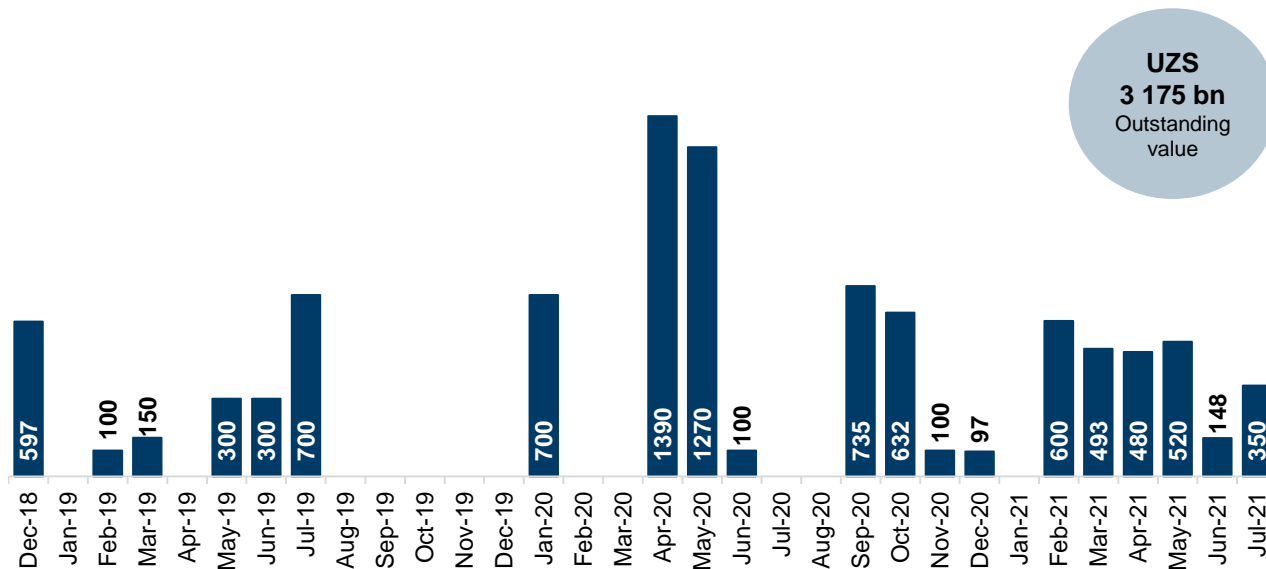
**Yield of government securities issued in 2018-2021**



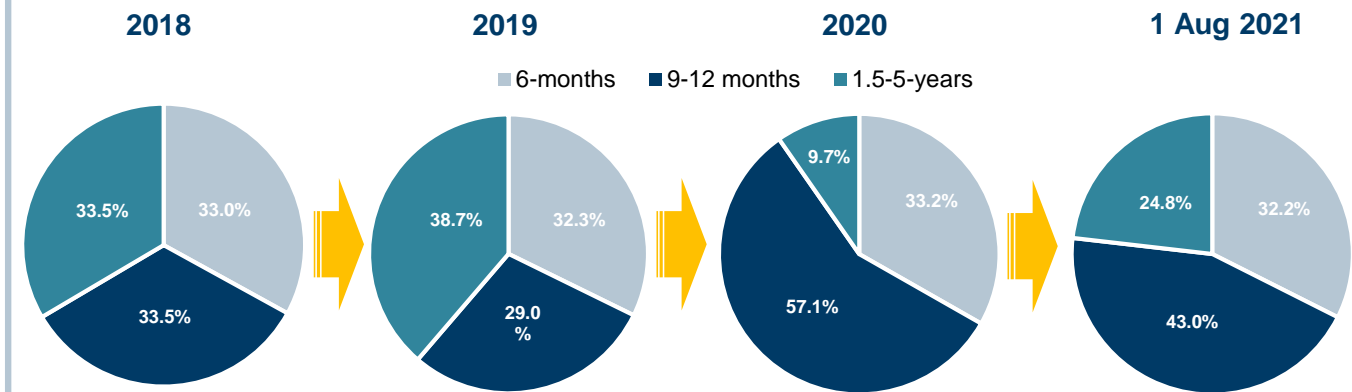
**Information on conducted auctions and placed government securities in 2018-2021**  
(as of 1 August, 2021)



**Domestic issuance volume dynamics**  
(UZS, bn)



**Treasury bills and bonds by maturity**  
(% of total issuance)



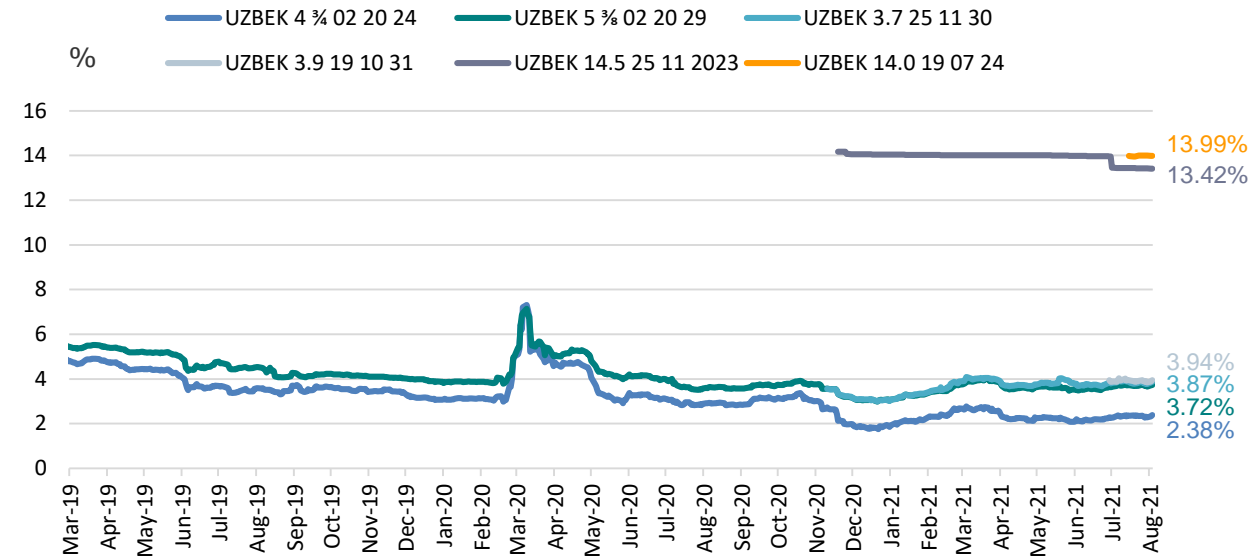
**Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m. All calculations are derived based on the nominal value of the securities issued**

Source: Ministry of Finance of the Republic of Uzbekistan

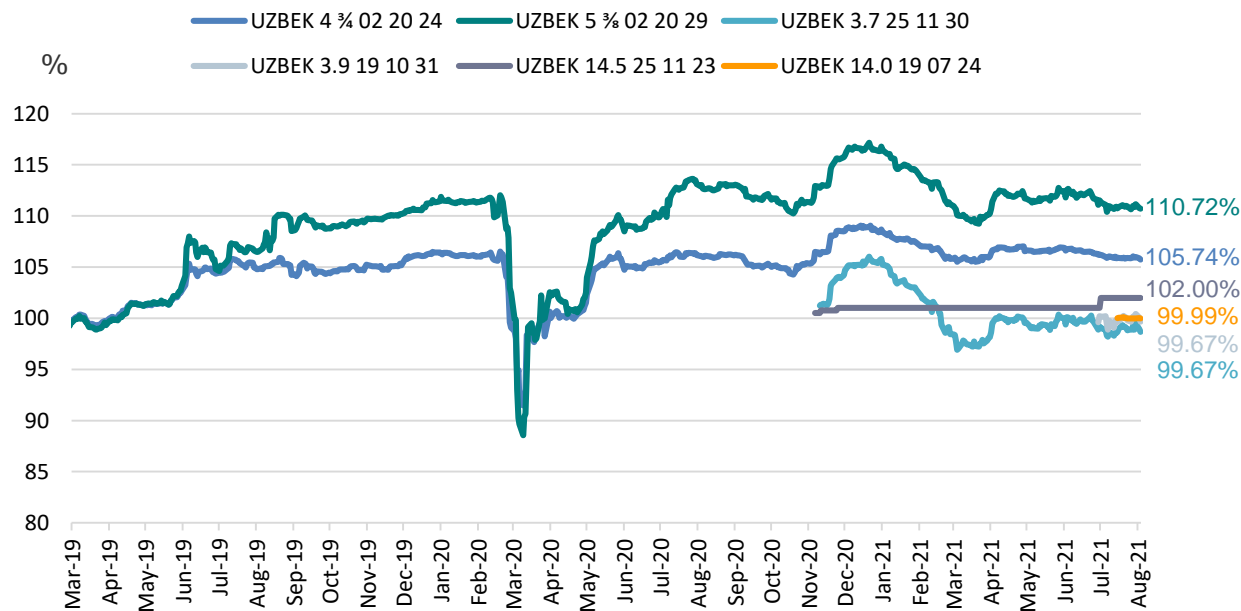
# 9. Sovereign Eurobonds

Settlement Date	Issuer	S&P	Fitch	Coupon(%)	Volume	Maturity
20 Feb 2019	Uzbekistan	BB-	BB-	4.75	U.S.\$ 500 m	20 Feb 2024
20 Feb 2019	Uzbekistan	BB-	BB-	5.375	U.S.\$ 500 m	20 Feb 2029
25 Nov 2020	Uzbekistan	BB-	BB-	3.7	U.S.\$ 555 m	25 Nov 2030
25 Nov 2020	Uzbekistan	BB-	BB-	14.5	UZS 2.0 tn (~U.S.\$ 192.5 m) <sup>1</sup>	25 Nov 2023
19 July 2021	Uzbekistan	BB-	BB-	3.9%	U.S.\$ 635 m	19 Oct 2031
19 July 2021	Uzbekistan	BB-	BB-	14.0%	UZS 2.5 tn (~U.S.\$ 235.4 m) <sup>2</sup>	19 July 2024

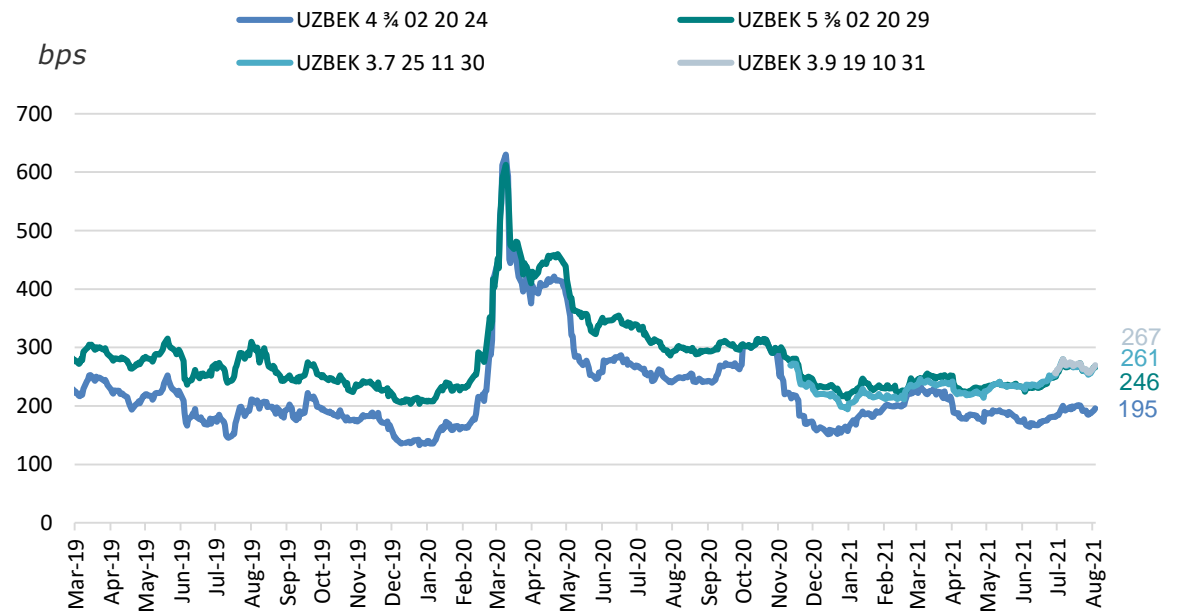
**Yield- to-maturity (%)**



**Price (% , relative to the nominal value)**



**Spread-over-the-benchmark (bps)**

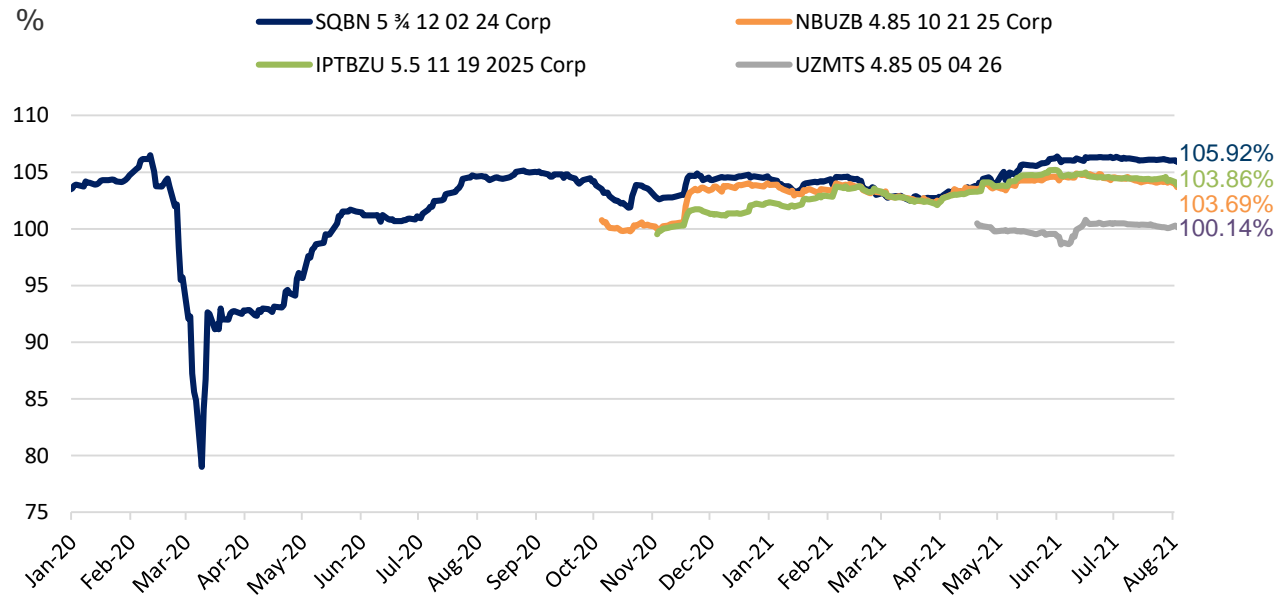


**Note 1: Official exchange rate for 19 November 2020, USD/UZS = 10 391**

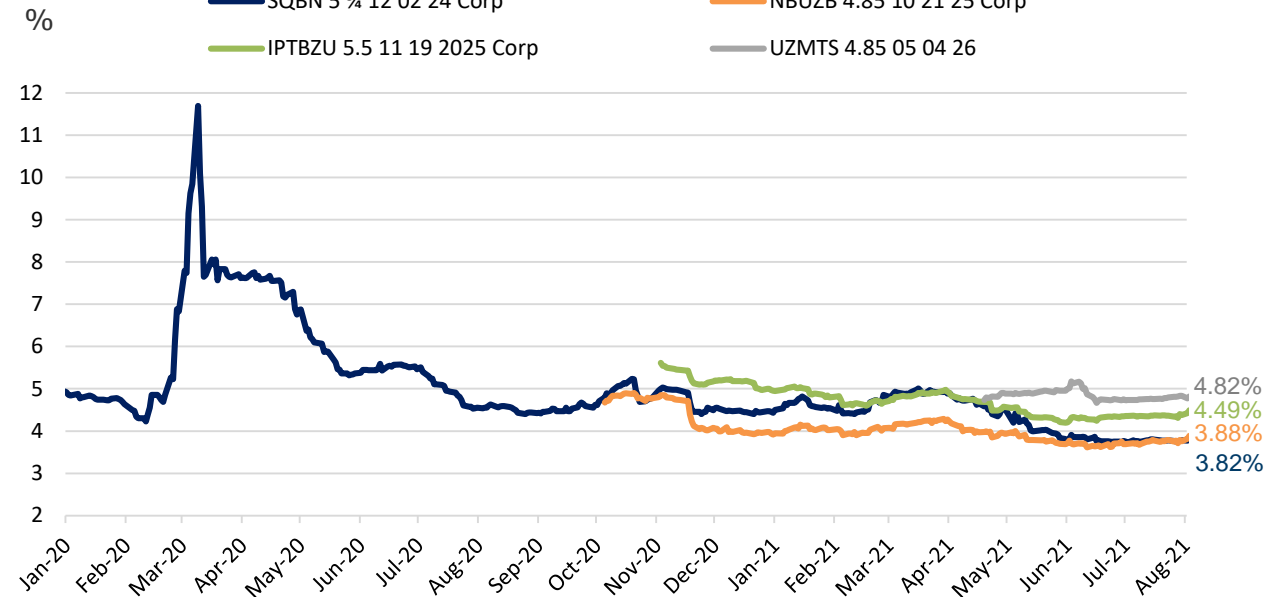
**Note 1: Official exchange rate for 12 July 2021, USD/UZS = 10 621**

# 10. Uzbek corporate Eurobonds

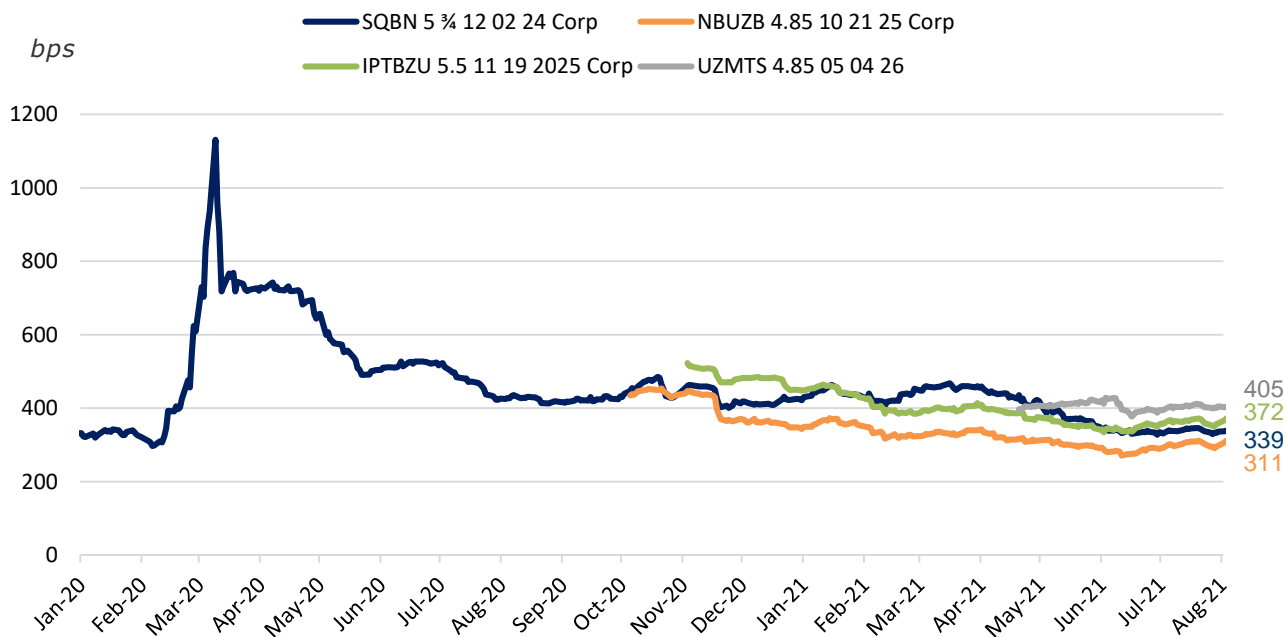
**Price (% , relative to the nominal value)**



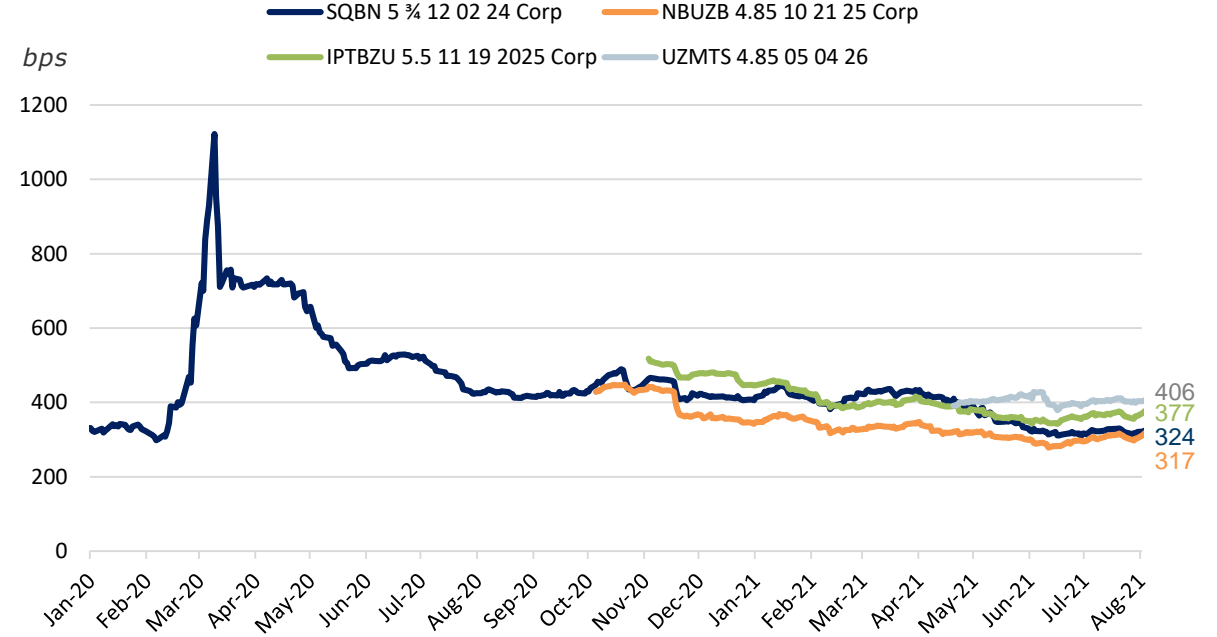
**Yield- to-maturity (%)**



**Spread-over-the-benchmark (bps)**



**Z-Spread (bps)**







13 July 2021

**Moody's Investors Service confirmed the long-term credit rating of ASIA Alliance Bank JSCB at B2, outlook is stable.**

The confirmed current credit rating of the Bank reflect the stability of the bank's credit profile in the conditions of a pandemic, and expectations of the rating agency that the bank indicators for solvency and liquidity will remain stable.

The credit rating of ASIA Alliance Bank JSCB has been confirmed due to sustainable financial indicators, in particular the high profitability of the bank before reservation, and the growing diversification of the bank's business.

Source: <https://aab.uz>

13 July 2021

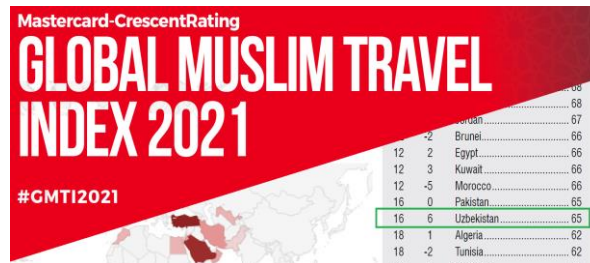
**Top-20 destinations: Uzbekistan ranked 16 in the Global Muslim Travel Index (GMTI)**

Uzbekistan ranked 16<sup>th</sup> in the GMTI 2021, which is published by Mastercard-CrescentRating.

The GMTI 2021 assesses 130 countries' achievements, in particular, will help all

stakeholders identify gaps and opportunities in catering to the Muslim market and better prepare destinations in attracting this segment.

According to the report, Uzbekistan is the destination which has made the most significant leap. In fact, during the last few years, it has initiated several projects to capitalize on its very rich Islamic heritage to develop what it calls Ziyarah Tourism.

Source: <https://www.crescentrating.com>

**The indicator of Uzbekistan increased in the World Tariff Profiles 2021**

June 2021

The Republic of Uzbekistan improved sharply in the **World Tariff Profiles (WTP) 2021** achieving **4.7%** by the indicator *trade weighted average*.

## Uzbekistan

### Tariffs and imports: Summary and duty ranges

Summary	Total	Ag	Non-Ag	Non-WTO member
Simple average final bound				Binding coverage: Total
Simple average MFN applied	2020	7.6	11.4	7.0
Trade weighted average	2019	4.7	6.9	4.4
Imports in billion US\$	2019	21.3	2.1	19.2
				Ag: Tariff quotas (in %)
				Ag: Special safeguards (in %)

The publication is jointly prepared by the World Trade Organization (WTO), the UN Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC).

In fact, the reached outcome has a positive impact on the Heritage Foundation's Index of Economic Freedom that the performance of Uzbekistan in the "Trade freedom" indicator is expected to rise in the upcoming report.

Source: <https://www.wto.org>

**Reform-Minded Uzbekistan Becoming Strategic U.S. Partner in Central Asia**

8 July 2021

On 8<sup>th</sup> June, 2021, Research Manager and Editor of the Index of Economic Freedom - Anthony B. Kim published a report named **"Reform-Minded Uzbekistan Becoming Strategic U.S. Partner in Central Asia"**.

Key points:

- ✓ Leaders and governments in Central Asia, particularly Uzbekistan, have opened the doors for more significant interaction with Washington.
- ✓ Uzbekistan has been making notable strides toward good governance, quietly transitioning from repression to openness.
- ✓ If those reform measures prove effectively institutionalized, Uzbekistan could join the ranks of the moderately free in due course.

Source: <https://www.heritage.org>





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