



MONTHLY REPORT ON UZBEKISTAN

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**Europe-Uzbekistan Association for Economic
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1. MONTHLY SPECIAL UPDATE

1.1 2021 PRESIDENTIAL ELECTIONS

Uzbekistan's Central Election Commission registers five presidential candidates

President Shavkat Mirziyoyev from the Liberal Democratic Party, Bakhrom Abdukhalimov from the Adolat (Justice) Social Democratic Party, Alisher Kadirov from Milliy Tiklanish (National Revival) Party, and Narzullo Oblomurov from the Ecological Party were nominated as candidates for this year's Presidential Election.

http://www.xinhuanet.com/english/asiapacific/2021-09/14/c_1310187436.htm

ODIHR opens its 400th election observation mission ahead of presidential election in Uzbekistan

ODIHR established a team of 11 experts based in Tashkent and 28 long-term observers located all across the country. The mission's goal is to assess the election in terms of established laws and standards, monitor the election campaigns, meet with political, social, and media representatives, and produce a report with assessments and recommendations.

<https://www.osce.org/odihr/elections/498018>

Pre-election campaigning period in Uzbekistan kicks off

On September 20th Uzbekistan's CEC announced the start of the pre-election campaigning period. During the period, all presidential candidates are given equal rights in promoting their campaigns, but are prohibited from offering material or financial incentives to the public and, like-wise, receive any such incentives.

<https://en.trend.az/casia/uzbekistan/3486645.html>

Shavkat Mirziyoyev begins his election campaign in Karakalpakstan

Shavkat Mirziyoyev, a presidential candidate from the UzLiDEP political party and current president visited Karakalpakstan starting with the Buzatov district.

<https://kun.uz/en/59629343>

Insights from the fourth public survey about the Presidential Election show growing awareness among the population

Another survey undertaken by Uzbekistan's scientific institution "Ijtimoiy Fikr" has revealed the population's increased awareness about and willingness to participate in the presidential elections. While interest in the presidential campaigns among the citizens have decreased, their desire to vote has gone up.

<https://ijtimoiyfikr.uz/ru/press-sentr/novosti/2324.htm>

President of Uzbekistan met with voters in Samarkand as part of his election campaign

The President shared his plans for the region, which include investing USD 8 billion into 5.5 thousand projects during the upcoming 5 years. His other objectives are turning Samarkand into a medical hub, establishing a cargo-center near its airport, cutting poverty by 50%.

<https://president.uz/ru/lists/view/4643>

1.2 UZBEKISTAN ECONOMIC FORUM 2021

On September 29-30th a great number of agreements were signed between Uzbekistan and Foreign investors. With their total value amounting to over USD 6 billion, the deals are bound to have a long-term positive impact on Uzbekistan's economy, in particular the country's banking sector.



Some of the most important agreements are mentioned below. For a more detailed list please see the [following document](#).

Coca-Cola İçecek acquires a controlling stake in Coca-Cola Bottlers Uzbekistan

Latham & Watkins advised Coca-Cola İçecek the acquisition of 57.118% stake in Coca-Cola Bottlers Uzbekistan, Ltd. The final bid was a cash consideration of USD 252.28 million on the basis of an enterprise value of USD 430 million for 100% of the firm on a cash free debt free basis.

<https://www.lw.com/news/latham-advises-cci-in-acquisition>

Uzbekistan gas chemical plant to receive financing from three of Europe's leading banks

A total of USD 1.2 billion of financing will come from the Deutsche Bank, Landesbank Baden-Wuerttemberg, and Landesbank Hessen-Thüringen Girozentrale. The remaining USD 600 million of the Shurtan GCC Upgrade Project will be covered by Uzbekneftegaz.

<https://www.hydrocarbonengineering.com/gas-processing/30092021/uzbekistan-gas-chemical-plant-receive-financing/>

The District Heating System of the Tashkent city entrusted to the French company Veolia

The operation, maintenance and management of the system shall be in the hands of Veolia for 30 years. The public-private partnership will also include a modernization program for the heating network on which 1.2 million citizens depend on.

<https://www.businesswire.com/news/home/20210929005787/en/Veolia-Entrusted-With-the-Operation-Maintenance-and-Management-of-the-District-Heating-System-of-the-City-of-Tashkent-for-a-Duration-of-30-Years>

EBRD and IFC to acquire stakes in TBC Bank Uzbekistan

The investment involves EBRD and IFC acquiring 20% of TBC Bank Uzbekistan's stake each. The initial subscription will be USD 9.4 million for each investor.

<https://www.ebrd.com/news/2021/ebrd-and-ifc-to-acquire-stakes-in-tbc-bank-uzbekistan.html>

AFD, Uzbekistan's Ministry of Finance, and Uzsuvtaminot sign a MoU

The Agence Française de Développement will provide EUR 105 million for the "Reconstruction and expansion of sewerage systems in the cities of Karmana, Shakhrisabz and Kitab".

<https://www.linkedin.com/feed/update/urn:li:activity:6849971237708419072/>

ADB Signs Loan Agreement for Skills Development Project in Uzbekistan

A USD 93 million loan was granted by the Asian Development Bank for the improvement of skills among young and unemployed Uzbeks. The Project's priority areas are construction, textiles and garments, information and communication technology, agribusiness and food processing, and machinery repair and maintenance.

<https://www.adb.org/news/adb-signs-loan-agreement-skills-development-project-uzbekistan>

Agrobank takes part in the International Economic Forum

The firm has managed to establish mutually beneficial agreements with the Landesbank Hessen-Thüringen (Helaba) bank of Germany, PJSC Sovcombank and PJSC MCB (Moscow Credit Bank) of Russia.

https://uza.uz/en/react/posts/agrobank-takes-part-in-the-international-economic-forum_306880?q=%2Freact%2Fposts%2Fagrobank-takes-part-in-the-international-economic-forum_306880

Russian Expobank to purchase 100% government stake in Poytakht Bank

State-Owned Assets Management Agency signed a memorandum with the Russian Expobank to purchase Poytakht Bank. Deloitte was selected as a consultant for the privatization process.

<https://tashkenttimes.uz/national/7636-russian-expobank-to-purchase-100-government-stake-in-poytakht-bank>

National Bank of Uzbekistan to place bonds for RUB 10 billion

PJSC Sovcombank, JSC Gazprombank, JSC Rosselkhozbank and JSC Asia-Invest Bank will act as organizers of the first issue of bonds.

<https://kun.uz/en/90334581>

1.3 COVID-19

U.S. Donates over 1.2 million COVID-19 Pfizer Vaccines to Uzbekistan

Under the COVAX program, 1,214,460 doses were donated to Uzbekistan.

<https://uz.usembassy.gov/u-s-donates-over-1-2-million-covid-19-pfizer-vaccines-to-uzbekistan/>

Uzbekistan begins serial production of Russia's Sputnik V vaccine

The locally produced vaccines are planned to be available to the public in October 2021. Currently, the first batch produced by Jurabek Laboratories is undergoing testing at both Russian and Uzbek state laboratories.

<https://tass.com/world/1337797>

Uzbekistan lifts some COVID-19 restrictions, allows mass events

Citizens are allowed to hold indoor and outdoor events under the conditions that no more than 100 people participate and all guests adhere to quarantine rules. Employees working in the sector must possess a vaccination certificate.

http://www.xinhuanet.com/english/asiapacific/2021-09/20/c_1310199016.htm

Uzbekistan receives nearly 4 million doses of the Chinese-Uzbek vaccine

In the beginning of the months, Uzbekistan received 1.5 million doses of the ZF-UZ-VAC2001 vaccine, and at the end of the months, the country received another nearly 2.5 million doses. Both batches came from China.

<https://tashkenttimes.uz/national/7472-uzbekistan-receives-delivery-of-1-5-million-doses-of-chinese-uzbek-vaccine> ; <https://en.trend.az/casia/uzbekistan/3489234.html>

In gratitude to evacuating its citizens, Poland donated COVID-19 vaccines to Uzbekistan

To thank Uzbekistan for evacuating Polish citizens from Afghanistan, 250,000 doses of the AstraZeneca vaccine were gifted to the country by the Polish government.

<https://www.thefirstnews.com/article/poland-donates-covid-vaccines-to-uzbekistan-thanks-for-evacuation-help-24712>

Serial production of ZF-UZ-VAC 2001 vaccine launched in Uzbekistan

Jurabek Laboratories shall be in charge of production and has already made 7 million doses of the COVID-19 vaccine. The vaccine manufacturer operates based on an agreement with the Chinese company Anhui Zhifei Longcom Biopharmaceutical Co., Ltd.

<https://kun.uz/en/33719711>

1.4 AFGHANISTAN

Uzbekistan welcomes interim government in Afghanistan

Uzbekistan's Foreign Ministry expressed readiness to start a "constructive dialogue" and "practical cooperation". The interim government consist of 33 members and is headed by Mullah Hasan Akhund.

<https://www.aa.com.tr/en/asia-pacific/uzbekistan-welcomes-interim-government-in-afghanistan/2359264>

Stranded Afghan pilots left Uzbekistan for UAE

The Afghan pilots were transported from Uzbekistan to the UAE, which is a transit point on their way to the US. It is unknown what will happen to the aircrafts and helicopters left behind in by the pilots in Uzbekistan.

<https://www.washingtonpost.com/national-security/2021/09/13/afghan-pilots-uzbekistan/>

Uzbekistan sends humanitarian aid to Afghanistan

To overcome the consequences of the COVID-19 pandemic and tackle humanitarian and food issues in the country, Uzbekistan delivered humanitarian aid to Afghanistan. Essential goods, food items, medicine, and clothing were sent to the Afghan border town of Hairaton.

http://www.xinhuanet.com/english/asiapacific/2021-09/14/c_1310187708.htm

Uzbekistan and Afghanistan discuss import of first necessity products

At the request of the Afghan side, the Border Services of the two nations discussed issue of supplying essential items to Afghanistan.

https://akipress.com/news:662932:Uzbekistan,_Afghanistan_discuss_import_of_first_necessity_products/

Uzbekistan calls for Afghan assets abroad to be unfrozen

Uzbekistan has recognized the Afghanistan's need in foreign assets to resolve the humanitarian crisis in the country. Such an action would motivate the Taliban to engage in talks with the SCO.

<https://www.euronews.com/2021/09/18/afghanistan-conflict-uzbekistan>

2. NOTABLE STATEMENTS

Uzbekistan retains position in world's top five uranium producers

In 2020, just like in 2019, the country extracted 3,500 tons of uranium, which helped it keep its spot in top 5 worldwide uranium producers. At this point, Uzbekistan exports all of its uranium.

<https://en.trend.az/business/economy/3485451.html>

Uzbekistan celebrates 3,000-year heritage with the largest science event of its kind

The "5th Anniversary Congress of the World Society for the Study, Preservation and Popularization of the Cultural Heritage of Uzbekistan", or Congress, was an event that took place in Tashkent, Khiva and Nukus. The Congress has a large library of publications related to ancient works, a vast network of partner museums, and a big scientific community.

<https://cfi.co/asia-pacific/2021/09/uzbekistan-celebrates-3000-year-heritage-with-largest-science-event-of-its-kind/>

Uzbekistan ranked 86th in the Global Innovation Index

Under the headline "Development of innovations in the context of the COVID-19 crisis" Uzbekistan ranked 86th out of 132 countries. This is seven positions higher than last year. The country currently ranks high in ease of doing business and labor productivity.

<https://en.trend.az/casia/uzbekistan/3486922.html>

New Species of Giant Meat-Eating Dinosaur Identified in Uzbekistan

From a fossilized jawbone found in the Republic of Uzbekistan a new dinosaur genus and species was identified. The specie was the apex predator before the T-Rexes. Due to the discovered location, it has been given the name Ulughbegasaurus uzbekistanensis.

<http://www.sci-news.com/paleontology/ulughbegasaurus-uzbekistanensis-10048.html>

Uzbekistan organizes the Tashkent International Film Festival «Pearl of the Silk Road»

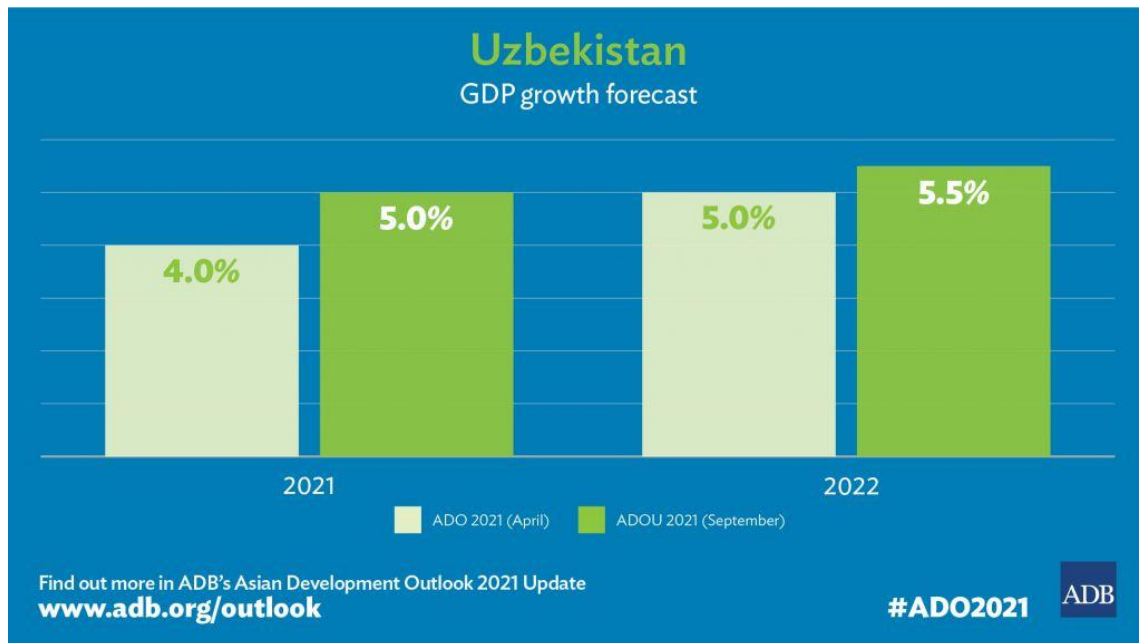
The event was attended by more than 300 masters of arts and world cinema stars from nearly 50 countries. During the festival numerous master classes, meetings with experts, contests, opening ceremonies for 6 new cinemas, and screenings of documentaries will take place.

<https://uz.sputniknews.ru/amp/20210928/mirziyoev-privetstvoval-uchastnikov-tashkentskogo-kinofestivalya-20684991.html>

3. ECONOMIC OVERVIEW

3.1 LOCAL LEVEL

ADB Raises Uzbekistan Growth Projections for 2021 and 2022



To maintain its impressive 6.2% grow rate for the 1st half 2021 Uzbekistan needs to ensure a smooth COVID-19 vaccine rollout. Similarly, continuously improving food and energy production and monetary policies has brought the country's inflation rate down from 13.9% to 10.9%.

<https://www.adb.org/news/adb-raises-uzbekistan-growth-projections-2021-and-2022>

Uzbekistan's international reserves up by USD 320 million

Compared to last month, international reserves rose by USD 320.2 million, resulting in USD 35.4 billion as of September 1st. While the foreign currency reserves fell during the August-September period, gold reserves went up.

<https://www.thetribune.com/uzbekistans-international-reserves-rise-to-35-4-billion-as-of-september-1-central-bank/>

Uzbekistan's external debt hits new record

On July 1st 2021 Uzbekistan's external debt amounted to USD 35.9 billion, which represents 57% of the country's GDP. Large external borrowings, decline of bond prices, and the 2020 pandemic were major causes.

<https://en.trend.az/casia/uzbekistan/3488575.html>

Uzbekistan's expects GDP per capita to grow from USD 1,750 to USD 1,900 in 2021

During the upcoming 5 years, Uzbekistan's GDP per capita is expected to grow by USD 180 every year, bringing it to USD 2,800.

<https://kun.uz/en/40411450>

3.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION

The 16th meeting of the Uzbek-Turkmen Intergovernmental Commission was held in Tashkent

Both sides have agreed to create a "Roadmap" for the development of industrial cooperation, expressed readiness to increase Uzbek-Turkmen trade to USD 1 billion, complete the creation of the Agreement on the Uzbek-Turkmen trade zone, and establish new transportation routes.

<https://www.linkedin.com/pulse/16th-meeting-uzbek-turkmen-intergovernmental-commission-held-/?trackingId=jHZ3C%2BSlp3pg7kwB%2BReOJg%3D%3D>

UK Minister for South Asia and the Commonwealth Lord Ahmad's official visit to Uzbekistan

During his visit, Lord Ahmad held discussions with a number of Uzbek Ministers regarding reforms and signed a Memorandum of Understanding with Uzbekistan's Deputy Minister of Finance. In addition, both sides expressed readiness to tackle the Afghanistan crisis.

<https://www.gov.uk/government/news/uk-minister-for-south-asia-and-the-commonwealth-lord-ahmad-on-official-visit-to-uzbekistan>

Agreement on the formation of the CIS common labor market approved by Uzbekistan's President

The document was signed this year on the 21st of May at a meeting in Minsk, Belarus. The Ministry of Employment and Labor Relations was made responsible for the implementation of this international treaty.

<http://www.uzdaily.uz/en/post/68100>

CSTO bloc members in favor of Uzbekistan's return

Russia's Deputy Foreign Minister Andrei Rudenko stated that Uzbekistan is welcome to return to the bloc, as it was one of its founding nations and in 2012 suspended its membership with no apparent reason.

<https://tass.com/politics/1339949>

Joint Statement of the C5+1 on Addressing the Climate Crisis has been released

The statement is the result of a virtual meeting held on September 16th. In brief, C5+1 nations have agreed to develop innovative solutions to tackle the Aral Sea Crisis, generation more

renewable energy, develop ecotourism, and support vulnerable social groups. Uzbekistan, in particular, has set its renewable energy target to 25% by 2030 and promised to maintain a 1.5 degree Celsius above pre-industrial levels temperature.

<https://uz.usembassy.gov/joint-statement-of-the-c51-on-addressing-the-climate-crisis/>

President Shavkat Mirziyoyev spoke at the 76th session of the United Nations General Assembly

During his speech, the President addressed the significance of the COVAX program in battling the pandemic, the development Uzbekistan has made in terms of human rights, the importance of assisting Afghanistan in establishing peace, and Uzbekistan's ambitious goals for stopping climate change.

<https://president.uz/en/lists/view/4632>

Uzbekistan and Russia discussed issues related to multifaceted cooperation

The co-chairs of the Uzbek-Russian Intergovernmental Commission (IGC) agreed to intensify the work of the IGC sub commissions in order to determine new priority areas of bilateral cooperation, which will form the basis for the emerging "Program of trade, economic, investment, cultural and humanitarian cooperation between the Republic of Uzbekistan and the Russian Federation for 2022-2026".

<https://yuz.uz/en/news/obsujden-vopros-mnogoplanovogo-sotrudnichestva-mejdu-uzbekistanom-i-rossiey>

SCO countries call for closer cooperation on innovation

The first Shanghai Cooperation Organization (SCO) Countries Parallel Forum Session was held in Beijing and concluded with the signing of a joint vow to support innovative enterprises in science and technology for better knowledge transfer between SCO states.

<https://www.globaltimes.cn/page/202109/1235324.shtml>

Tashkent and Moscow to discuss Uzbekistan's accession to WTO

Russia has expressed its willingness to provide expert support to Tashkent regarding its accession to the WTO. The meeting is planned for December 2021.

<https://www.urdupoint.com/en/world/tashkent-moscow-to-talk-uzbekistans-accessi-1360861.html>

4. MARKET DEVELOPMENT BY SECTORS

4.1 BANKING SECTOR

Volume of cross-border remittances to Uzbekistan increased by 35%

The Central Bank identified that during the first 8 months of 2021, 2020, and 2019 cross-border money transfers amounted to USD 4.9 billion, USD 3.6 billion, and USD 3.9 billion respectively. The growth in 2021 is essential in managing the currency exchange rate.

<https://kun.uz/en/16442788>

Uzbekistan is not planning to overturn digital currency payments ban

With particular attention to BTC, Uzbek authorities expressed their distrust towards digital currencies, mainly due to them being "speculative" and "backed by nothing".

<https://coingeek.com/uzbekistan-no-plans-to-overturn-digital-currency-payments-ban/>

Hungary's OTP Bank to take over Uzbekistan's Ipoteka Bank

Sources state that Uzbek authorities are willing to sell off a 75% stake in Ipoteka Bank to Hungary's OTP Bank. However, details are yet to be disclosed.

<https://www.reuters.com/article/otp-bank-uzbekistan-idUSL1N2QV1FK>

IFC supports Uzpromstroybank to drive green growth and expand SME lending in Uzbekistan

IFC's USD 75 million loan to Uzpromstroybank will support the bank's path to privatization and scale up its green banking program by dedicating 50% of the loan to it.

<https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26632>

4.2 INDUSTRY AND CONSTRUCTION

Uzbekistan improves its position in Competitive Industrial Performance Index

Uzbekistan's score in the 2021 index was 0.017, which puts in the 94th place. In Central and Western Asia the country ranks 11th place, and among CIS nations - 5th place. In terms value added production and industrial exports Uzbekistan has seen major improvements.

<https://uzreport.news/society/uzbekistan-improves-its-position-in-competitive-industrial-performance-index-2021>

NMMC to build USD 274 million complex for extraction and processing of gold ore

Navoi Mining and Metallurgy Combinat, one of the largest uranium and gold producers in the world, is set to construct a new complex at the Pistali deposit. The commissioning of the facility is scheduled for December 2024.

<https://en.trend.az/business/economy/3485109.html>

Enter Engineering and thyssenkrupp AG to mine Tebinbulak iron ore deposit in Uzbekistan

The two companies have signed an Agreement of Intent that to build an integrated mining metallurgical complex. The agreement is worth EUR 50 million and plans mining operations to begin in September 2023 with an output of 60 Mt/y of iron ore.

<https://im-mining.com/2021/09/27/enter-engineering-thyssenkrupp-tackle-tebinbulak-iron-ore-deposit-uzbekistan/>

4.3 AUTOMOBILE AND TRANSPORTATION SECTOR

Avtovaz announces the start of serial assembly of the Lada cars in Uzbekistan

Avtovaz, in partnership with Roodell, will assemble LADA Vesta SW/SW Cross, XRAY Cross and LADA Largus/Largus Cross cars in Uzbekistan - one of Avtovaz's key export markets. The production site is located in the Jizzakh Free Economic Zone.

<https://www.lada.ru/en/press-releases/119743.html>

Uzbekistan to receive a new Afrosiab high-speed train

Uzbekistan is about to receive its 6th Afrosiab, which was manufactured in Spain and delivered through Russia.

<https://nuz.uz/obschestvo/1209039-novenkij-poezd-afrosiab-v-zavodskoj-upakovke-vezut-v-uzbekistan.html>

Russian and Uzbekistan Railways to create a Single Digital Space

The experts from Uzbekistan studied the experience of Russian Railways in the Company's digital transformation. The creation of a digital space would significantly increase trade by reducing the time for cargo clearance.

<https://ftnnews.com/rail/42543-russian-and-uzbekistan-railways-to-create-a-single-digital-space>

Uzbekistan Airways resumes flights to Kiev, Ukrain after a 6-year break

In addition to Uzbekistan Airways, the Tashkent-Kyiv-Tashkent route is also operated by Ukraine International Airlines (UIA) and SkyUp.

<https://open4business.com.ua/uzbekistan-airways-starts-flights-to-ukraine/>

Qatar Airways was given permission to operate regular flights to Uzbekistan

The intergovernmental agreement on air traffic signed on July 9, 2021 between Uzbekistan and Qatar has made it possible for the airline to operate the Doha- Tashkent- Doha route.

<https://www.aviationpros.com/airlines/news/21237556/qatar-airways-to-operate-regular-flights-to-uzbekistan>

4.4 HEALTHCARE

Uzbekistan plans to invest USD 1.25 billion into its pharmaceutical industry

To help the domestic industry meet 80% of local market demand, 104 investment projects will be implemented. Particular attention will be given to medical plant cultivation and processing, the production of biopharmaceuticals, and the development of cooperation between scientific and industrial enterprises.

<http://www.uzbekistan-geneva.ch/projects-in-the-pharmaceutical-industry-considered.html>

Uzbekistan's efforts to support young people and promote public health

Uzbekistan's "Year of Support of the Youth and Strengthening of Public Health", has seen a multitude of reform and good deeds in the area of public healthcare. Notably, a recent project implemented by the Ministry of Defense and the Uzbek Embassies in Belgium and Germany has helped a severely ill citizen undergo treatment in Germany.

<https://www.eureporter.co/world/uzbekistan/2021/09/15/uzbekistans-efforts-to-support-young-people-and-promote-public-health/>

Tashkent hosts the 5th International Conference on Tuberculosis in Central Asia

Over 300 healthcare experts and government officials from Central Asia, Europe, and the US attended the conference. At the event, the goal of reducing tuberculosis incidents by 50% and related deaths by 75% by 2025 was highlighted. In addition, a new diagnosis procedure has been developed that tests patients for both tuberculosis and COVID-19.

<https://uz.usembassy.gov/tashkent-hosts-fifth-international-conference-on-tuberculosis-in-central-asia/>

4.5 AGRICULTURE AND FOOD

Suma Chakrabarti: Link between khokims and farmers should be broken

The Adviser to the President, Suma Chakrabarti, believes that government involvement is keeping the agricultural sector from reaching its true potential. He emphasized the need to further study Uzbekistan's agriculture and prepare it for land reforms.

<https://kun.uz/en/55230179>

Xinjiang company helping Central Asian countries save water

The company has been supplying Uzbekistan with drip irrigation technology that can help increase the irrigation guarantee rate, increase the utilization rate of fertilizers, and reduce the level of mechanical operations. With it, an optimal use of water and fertilizers can be established.

The Deutsche Bank and National Bank of Uzbekistan sign a loan agreement for USD 100 million

The loan provided by the German bank can be used for financing projects related to countries within and outside of the EU. The credit line has been established without the export-credit agencies' insurance and Uzbekistan's government warranty.

<https://www.gazeta.uz/ru/2021/10/02/nbu-forum/>

4.7 IT SECTOR

USAID, UNDP Celebrate Achievements of the Rule of Law Partnership Program in Uzbekistan

The Rule of Law Partnership in Uzbekistan program was created in 2014 with the purpose of improving the public's access to and trust in the country's judicial system in Uzbekistan. That was accomplished by implementing the E-SUD electronic court system, launching the Supreme Court's official website, educating future law practitioners, and establishing transparency through state reforms.

<https://uz.usembassy.gov/usaids-undp-celebrate-achievements-of-the-rule-of-law-partnership-program-in-uzbekistan-092221/>

Digital Holding - a new IT firm established by Alisher Usmanov in Uzbekistan

MegaFon and USM Telecom, both owned by millionaire Alisher Usmanov, have jointly established a new IT firm which will work on improving telecommunication accessibility in Uzbekistan. In addition, it will be involved in the Internet of Things and e-commerce industries.

<https://rossaprimavera.ru/news/0203579d>

4.8 ENERGY SECTOR

Nearly 2 million liters of low-quality oil products have been produced in Uzbekistan in 2021

Uzneftegazinspektsiya provided recommendations to enterprises, established systematic control of transparency, and purchased modern analysis equipment for the sake of increasing the quality of petroleum products in the country.

<https://kun.uz/en/01009902>

Teaser for a new solar project in Uzbekistan has been released

The Guzar Project is solar PPP project located in the Qashqadaryo Region. It is estimated to generate 250-300MW, be linked to the Guzar substation, and access the electrical corridor.

<https://minenergy.uz/en/news/view/1018>

Epsilon obtains gas inflow from Ernazar-10 well

The Ernazar-10 well with a flow rate of 80,000 cubic meters of gas per day has been connected to the GTS to transport gas to the population of Uzbekistan.

<https://en.trend.az/casia/uzbekistan/3482705.html>

Epsilon obtains gas inflow from Ayzavat-12 well

Located in the Kashkadarya region, the well has a flow rate of 250,000 cubic meters of gas per day. The gas is being supplied to the local population via a pipeline.

<http://www.epsilon-development.com/media-centre/press-releases/>

IFC to assist Uzbekistan in implementation of alternative energy projects

The International Finance Corporation has expressed willingness to promote alternative energy projects in Uzbekistan, take part in the Fund for Expansion of Economic Opportunities, and support Uzbek start-ups in the area of IT by attracting venture capital funds.

<https://en.trend.az/casia/uzbekistan/3484714.html>

Results of the Financial Proposal stage for Uzbekistan's 100MW wind power plant

After reviewing the technical, commercial and financial proposals of ACWA Power, Masdar, and Volitalia, the right to construct the new wind farm in the Karakalpakstan region was given to the lowest bidder - ACWA Power.

<https://minenergy.uz/en/news/view/1469>

Turkish state energy exchange company to operate in Uzbekistan

EPIAS, a Turkish state energy exchange company, will help Uzbekistan manage its energy market, as well as, cooperate with the government in the field of renewable energy sources.

<https://www.azernews.az/region/183455.html>

4.9 BUSINESS

Business have received more than 9 trillion soums (USD 839.5 million) of VAT refund

Out of the USD 839.5 million of VAT paid by businesses during the first 8 months of 2021 USD 839.5 thousand was reimbursed. A third of those reimbursements were given to exporters.

<https://kun.uz/en/37820303>

City Pharma subsidiary to open in Uzbekistan

With a location in the Namangan region, the subsidiary will cost USD 3 million, of which USD 2 million are loans granted by Uzbek banks. The new project was freed from paying land costs and initial 10 years of taxes.

<https://www.dawn.com/news/1646785/city-pharma-to-have-subsiary-in-uzbekistan>

"UzAssets" Investment Company announces the privatization of seven state assets

Namely, "Kokand biokimyo", "Sharq", "Uzgasproject", "UzGASHKLITI", "Suv mash", "93-maxsus trest", and "Orta Osiyo Trans" are to be privatized.

<https://www.uz-assets.uz/en/news/announcement-on-hiring-privatization-consultants-on-soes>

4.10 TOURISM

USAID is seeking to co-finance agritourism enterprises in Uzbekistan

To boost Uzbekistan's tourism industry USAID is calling for agritourism concept papers from enterprises, particularly businesses owned by women and young people.

<https://uz.usembassy.gov/usaids-seeking-to-co-finance-agritourism-enterprises-in-uzbekistan/>

US Embassy Tashkent resumes limited processing for all visa categories

The US Embassy Tashkent has resumed accepting documents for all categories of visas, including tourist and business visas. Though, longer wait times should be expected.

<https://uz.usembassy.gov/visas/>

4.11 TRADE

Prospects brighten for Uzbekistan's cotton exports

Uzbek cotton is perceived by Bangladesh enterprises as a good quality and price-competitive product. Nearly 2 million bales of Uzbek cotton are produced each year, and so far, local spinners use most of it.

<https://www.thedailystar.net/business/global-economy/news/prospects-brighten-cotton-import-uzbekistan-2171801>

Uzbekistan increases export of textile products

In 2021, from January to July Uzbekistan exported USD 1.6 billion worth of textile goods to 58 different countries. The largest importers were Russia, China, Kyrgyzstan, and Turkey. Compared to last year's period that is USD 602 million more.

<https://kun.uz/en/70136546>

Uzbekistan's foreign trade turnover in the first 8 months of 2021

Foreign trade turnover, along with construction works, retail trade turnover, and services, grew by more than 100% during the 8-month period. Thus, it amounted to USD 25 billion during the period from January to August.

Imports and exports grew by 120.9% and 79.9% respectively. That is, USD 9.3 billion came from exports, and USD 15.7 billion - from imports. This has resulted in a trade deficit of USD 6.4 billion.

<https://kun.uz/en/96899371> ; <https://kun.uz/en/19804455>

Ukraine intends to purchase textile products from Uzbekistan

A Ukrainian business delegation from Khmelnytsky met with Uzbek entrepreneurs. Textile production in Uzbekistan, the logistical issue of exporting finished goods to Ukraine and third countries, as well as, joint textile projects were discussed during the meeting.

<https://www.azernews.az/region/183444.html>

Uzbekistan joins the International Olive Council

Uzbekistan became the 18th member of the International Olive Council, the largest forum on olive growing in the world. Uzbekistan's current olive production takes place in its southernmost regions and occupies 210 hectares of land. An additional 530 hectares of land are planned to be cultivated with frost-resistant Uzbek olives to tap into the USD 15 billion olive industry.

<https://www.oliveoiltimes.com/world/uzbekistan-joins-olive-council/98930>

Uzbekistan's 10 largest trade partners during the first 8 months of 2021

Considering both imports and exports with Uzbekistan, the following countries were the largest traders: China, Russia, Kazakhstan, Korea, Turkey, Kyrgyzstan, Germany, Afghanistan, Turkmenistan, Ukraine. Uzbekistan had a positive trade balance with Turkey, Kyrgyzstan, and Afghanistan.

<https://kun.uz/en/38358072>

Trade between Turkmenistan and Uzbekistan hits USD 418 million during the first 8 months of 2021

Trade turnover during the same period in 2020 was USD 338.4 million. While the yearly growth rate is 23.6%, Uzbekistan imports twice as much as it exports to Turkmenistan.

<https://business.com.tm/post/7623/turkmenistanuzbekistan-trade-hits-418-million-in-past-eight-months>

Bangladesh considers establishing trade with Uzbekistan in the textile sector

By establishing textile mills and readymade garment factories in Uzbekistan, Bangladesh Textile Mills Association can get access to quality Uzbek cotton and send their products to the EU at a much shorter lead-time.

<https://www.dhakatribune.com/business/economy/2021/09/25/experts-bangladesh-needs-to-diversify-and-find-new-export-markets>

The share of Uzbekistan in foreign trade with Central Asian countries increased by 15.4%

During the first 8 months of 2021 trade between Uzbekistan and Central Asian countries amounted to USD 3.9 billion.

<https://www.marketscreener.com/amp/news/latest/The-share-of-Uzbekistan-in-foreign-trade-with-Central-Asian-countries-increased-by-15-4--36530260/>

Uzbekistan imported 1.6 million mobile phones worth USD 117.4 million

During the January-August period of 2021 Uzbekistan imported over a million smartphones mostly from China, Vietnam, India, and Kazakhstan.

<https://uzreport.news/economy/uzbekistan-imports-16mn-mobile-phones-worth-1174mn-in-eight-months>

Record volumes of cherries and watermelons exported from Uzbekistan to Belarus

The volume of supplies of Uzbek cherries to Belarus in the 2021 export season increased 7.5 times compared to 2020. The export of watermelon reached almost 1,000 tons and grew an astonishing 9 times in a year.

<https://www.freshplaza.com/article/9359182/record-volumes-of-cherries-and-watermelons-exported-from-uzbekistan-to-belarus-in-2021/>

Special Economic Zone participants receive new preferential conditions

In addition to the 3 to 10-year tax benefits, which started from October 1st 2020, SEZ participants were granted the right to defer the repayment of VAT and customs duty for 120 days for the manufacture of goods and import production-related items.

<https://www.mondaq.com/sales-taxes-vat-gst/1115646/uzbekistan-provides-new-preferential-conditions-for-the-participants-of-sez>

First ever special Chinese tea train arrives in Tashkent

Supplied by Huangshan Best Organic Tea Co. the cargo supplied over 500 tons of tea through the Huangshan-Hefei-Tashkent route. According to the company, 15 more standard containers of green tea are soon to follow.

<http://www.uzdaily.com/en/post/68381>

Iran's export to Uzbekistan jumps 370%

Uzbekistan is Iran's second largest export destination. The importer saw a 370% trade growth from March to August compared to last year.

<https://www.tehrantimes.com/news/465645/Iran-s-export-to-Uzbekistan-jumps-370>

5. EDUCATION

Uzbekistan and Pakistan to establish a joint university in Fergana

The Pakistani private university Superior University is expected to enter Uzbekistan. The education facility will specialize in teaching engineering, mechanical engineering, architecture, design and medicine.

<https://kun.uz/en/99156538>

The President of Uzbekistan visits the 2021 Youth Festival in Nukus

In Karakalpakstan, 14 schools and 4 universities were established in 2021 and a 6 more university branches are expected to be opened in the region. These efforts will help push higher education coverage to 50% in the next 5 years.

<https://oav.uz/en/news/1147>

6. REGULATORY CHANGES

Regional representatives of the Ombudsman shall be formed

A recent Presidential decree introduced the regional representatives of the Ombudsman, who are in charge of preventing human rights violations, receive complaints from citizens, and report directly to the Ombudsman.

<https://www.uzdaily.uz/en/post/68016>

Uzbekistan to close six customs posts

Under a presidential decree, which aims to simplify customs procedures, 6 customs posts in Kashkadarya, Surkhandarya, Fergana, and Karakalpakstan will be closed. The new "Remote electronic declaration" shall be gradually replace all existing customs posts.

<https://kun.uz/en/31132139>

The procedure for regulating contractual relations in Uzbekistan is being changed

A new decree has removed existing rules, such as the mandatory establishment of prepayments and the use of model contracts. It has also added new rules, like the mandatory addition of an anti-corruption clause. The changes will take effect from January 1st 2022.

<https://www.mondaq.com/contracts-and-commercial-law/1115600/the-procedure-for-regulating-contractual-relations-in-uzbekistan-is-being-changed>

Uzbekistan plans to reduce the VAT rate from 2023

The VAT rate is planned to be reduced from 15% to 12%. In addition, the profit tax for certain categories of businesses, like banks and mobile operators, are expected to be reduced from 20% to 15%.

<https://www.mondaq.com/sales-taxes-vat-gst/1115636/uzbekistan-plans-to-reduce-the-vat-rate-from-2023>

7. SENIOR OFFICIALS CHANGES/APPOINTMENTS

- **Director of the SCO's Regional Antiterrorist Executive Committee**
Appointed - Ruslan Mirzaev
Previously served as Vice-chairman of the State Security Service
- **CEO of Ucell mobile operator**
Appointed - Andrey Shishkovsky
Previously served as Regional Development Director for MegaFon in Russia
- **CEO of Digital Holding company**
Appointed - Vladimir Kravchenko
Previously served as CEO of Ucell mobile operator

8. USEFUL PUBLICATIONS AND LINKS

Uzbekistan's rapid growth draws international investors

<https://www.ft.com/content/966c86e5-288f-4ce8-ba7a-5208c7069422>

Prospects of reforms in the context of the development of independent Uzbekistan

<https://www.eureporter.co/world/uzbekistan/2021/09/07/prospects-of-reforms-in-the-context-of-the-development-of-independent-uzbekistan/>

Uzbekistan seeks to shed state assets

<https://www.ft.com/content/8db5c912-0105-43ed-b69b-321e3d560be0>

Banking Reform Reshapes Uzbekistan's Economy

https://www.ifc.org/wps/wcm/connect/NEWS_EXT_CONTENT/IFC_External_Corporate_Site/News+and+Events/News/CM-Stories/Banking-reforms-uzbekistan

Uzbekistan's tentative steps towards a digital future

<https://www.ft.com/content/b91d0f59-6ef3-4dc8-93b8-76d1fcc60927>

Tajikistan and Uzbekistan Take Different Approaches to Afghanistan

<https://thediplomat.com/2021/09/tajikistan-and-uzbekistan-take-different-approaches-to-afghanistan/>

Though Wary of Border Instability, Uzbekistan Ready to Handle Any Outcomes in Afghanistan

<https://jamestown.org/program/though-wary-of-border-instability-uzbekistan-ready-to-handle-any-outcomes-in-afghanistan/>

Electoral process transformation in Uzbekistan: Achievements and challenges during 30 years of independence

<https://www.eureporter.co/world/uzbekistan/2021/09/13/electoral-process-transformation-in-uzbekistan-achievements-and-challenges-during-30-years-of-independence/>

Uzbekistan presidential elections are likely to be an acid test for the country's future course

<https://www.eureporter.co/world/uzbekistan/2021/09/15/uzbekistan-presidential-elections-are-likely-to-be-an-acid-test-for-the-countrys-future-course/>

Uzbekistan Can Halve Poverty by Creating More and Better Jobs

<https://www.worldbank.org/en/news/opinion/2021/09/27/uzbekistan-can-halve-poverty-by-creating-more-and-better-jobs>

Uzbekistan's grocery sector set for boom time

<https://www.ft.com/content/10d4bfe0-9fe0-478b-9bb4-83924ea735b6>

Uranium Legacy in Central Asia: Significant progress, but funding gap remains

<https://www.ebrd.com/news/2021/uranium-legacy-in-central-asia-significant-progress-but-funding-gap-remains.html>

Mirziyoyev's Uzbekistan: Marching Confidently Towards a Brighter Future

<https://moderndiplomacy.eu/2021/10/02/mirziyoyevs-uzbekistan-marching-confidently-towards-a-brighter-future/>

Uzbekistan Seeks Energy Hub Status

<https://www.naturalgasworld.com/uzbekistan-seeks-energy-hub-status-92581>



EUROUZ or Europe-Uzbekistan Association for Economic Cooperation is a new platform of cooperation between Europe & Uzbekistan, which has been created to assist the European business community in establishing and strengthening business, investment, and trade cooperation ties with Uzbekistan.

All organizations of any legal form registered within the EU Customs Union and European Free Trade Association countries or those who registered in Uzbekistan are all eligible to become members of EUROUZ. A special mechanism for cooperation is also established with international organizations.

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