



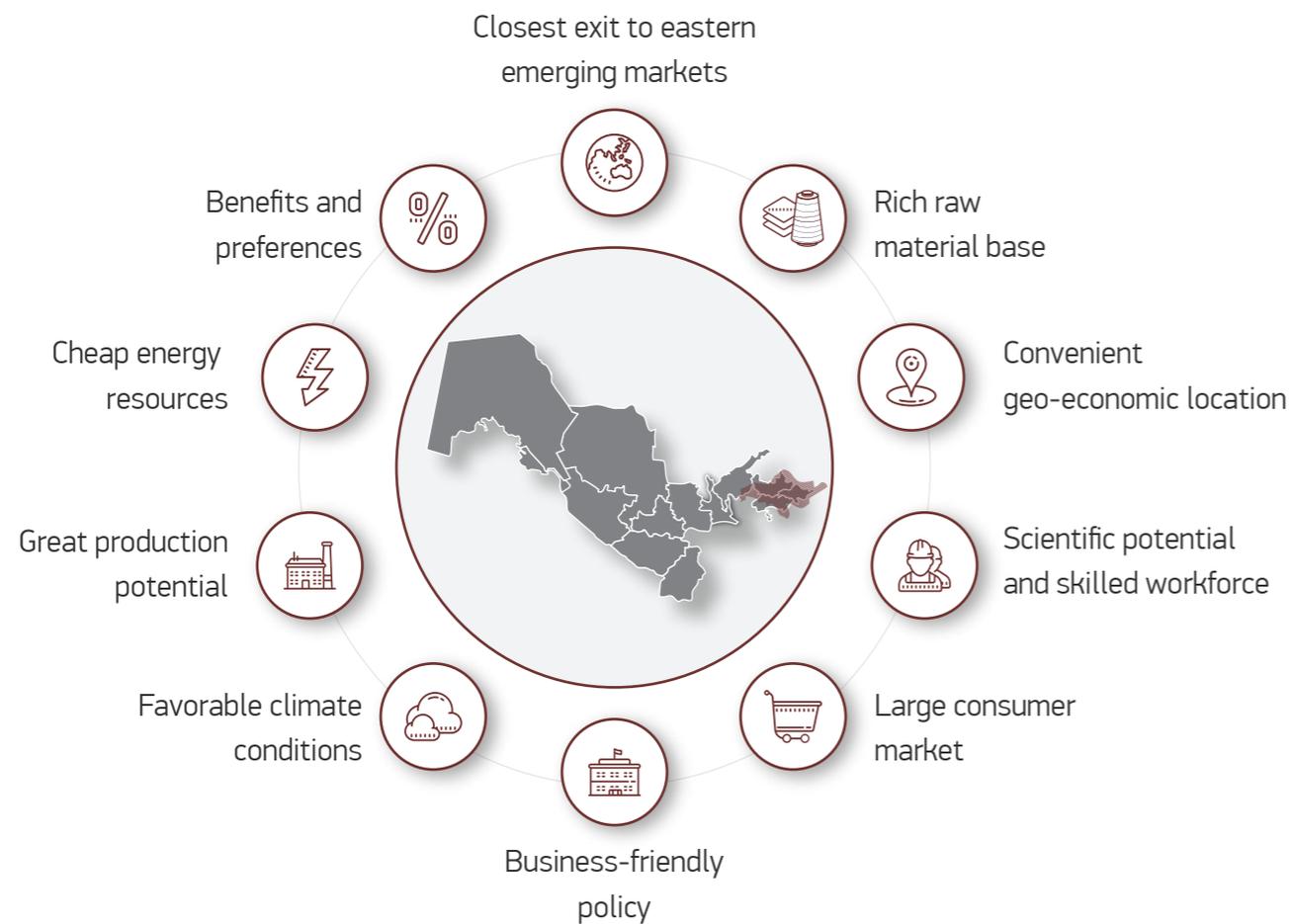
# ANDIJAN REGION

NEW OPPORTUNITIES AND  
PROSPECTS



INVESTMENT  
GUIDE

# 10 REASONS TO INVEST IN ANDIJAN REGION



Administration of  
Andijan  
Region



CHAMBER OF COMMERCE  
AND INDUSTRY  
OF UZBEKISTAN



Empowered lives.  
Resilient nations.

## WELCOME TO ANDIJAN REGION!

At the present, under the leadership of the President of the Republic of Uzbekistan Shavkat Mirziyoyev, country is building an open market economy, diversifying its foreign economic relations paying respect to its own national interests. In the context of the new economic policy, Uzbekistan is expanding cooperation with foreign countries, international and regional organizations and is implementing practical measures aimed at improving investment attractiveness of the regions of the country.

Andijan is the easternmost region of the country with favorable geographical location, enormous economic potential, qualified labor force and rich natural resources.

Attraction of foreign investments is the priority for the region, hence, the local authorities today are paying a great deal of attention to the practical issues of providing legal protection to foreign companies engaged in investment activities in the region.

The guide has been developed to introduce business communities about the potential of Andijan region, its rapidly developing economy, rich natural resources and favorable climatic conditions, transport and logistical infrastructure that allow companies successfully implement projects in the region.

We do believe that the information provided in this guide will demonstrate to foreign and local companies the opportunities that are present in the region and assist in finding promising areas of business activities.

Chairman of the Chamber  
of Commerce and  
Industry of Uzbekistan

Adham Ikramov

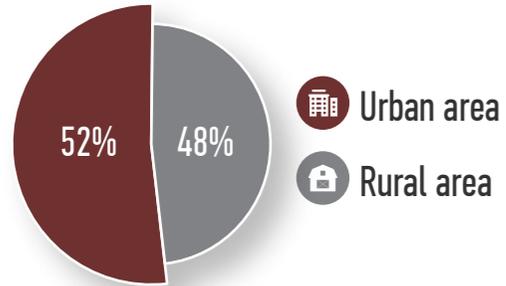
Head of Administration  
of Andijan Region  
of Uzbekistan

Shukhrat Abdurakhmanov

# INTRODUCTION

**3 088 000**  Population

**4,300 km<sup>2</sup>**  Total area



 Regional capital city – Andijan, with a population of 434,011 people

**14** Administrative districts

Main cities include

- Andijan
- Khonobod



## REGIONAL ECONOMY



### GROSS REGIONAL PRODUCT (GRP)

GRP exceeded \$2,8 billion and makes up 6,5% of Uzbekistan's total GDP



### INDUSTRIAL PRODUCTION

The region's industrial production growth rate is 12.1%



### CONFIDENT GROWTH

Over the past 10 years, Andijan's average GRP growth rate was 6.7%



### GRP STRUCTURE

Andijan's GRP structure has been dominated by agriculture, industry and services



### ENTERPRISES

There are 22 560 small enterprises, 5548 industrial enterprises, and 12 806 farms

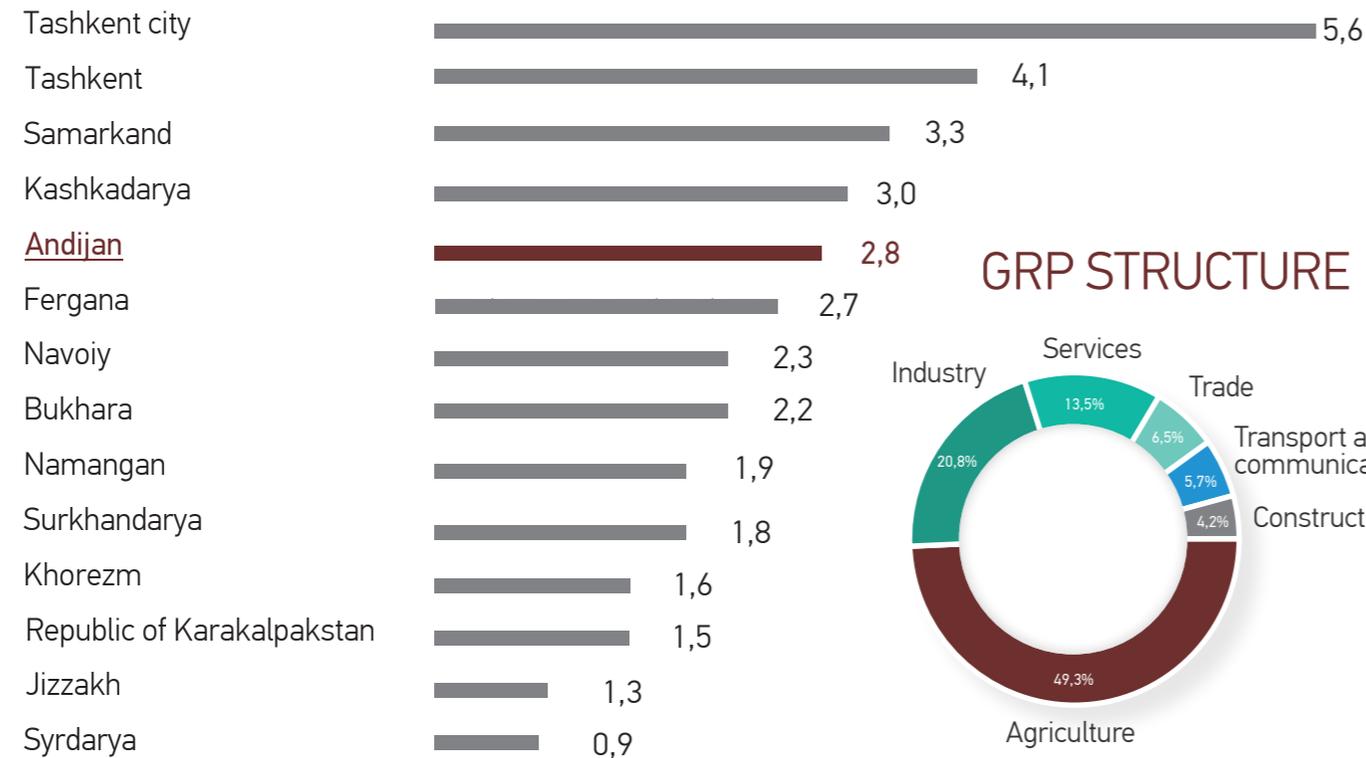


### FOREIGN CAPITAL

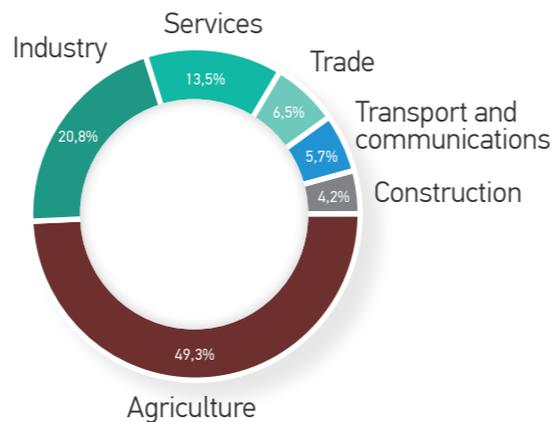
There are more than 222 enterprises with foreign capital in the region

# GROSS REGIONAL PRODUCT

ACROSS THE REGIONS OF UZBEKISTAN (in \$ billion)



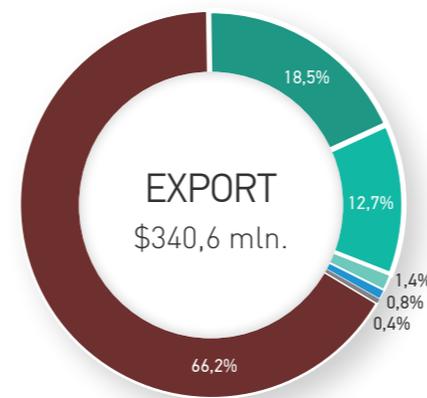
## GRP STRUCTURE



Andijan's total external trade turnover has exceeded \$2,1 billion

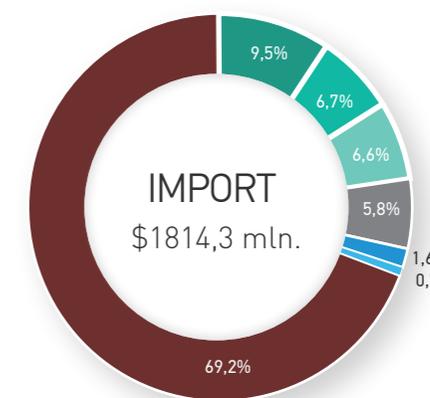


Main exports are to CA countries, Russia, China, Ukraine, Turkey



- Other
- Foodstuffs
- Equipment and machinery
- Services
- Chemical products
- Ferrous and non-ferrous metals

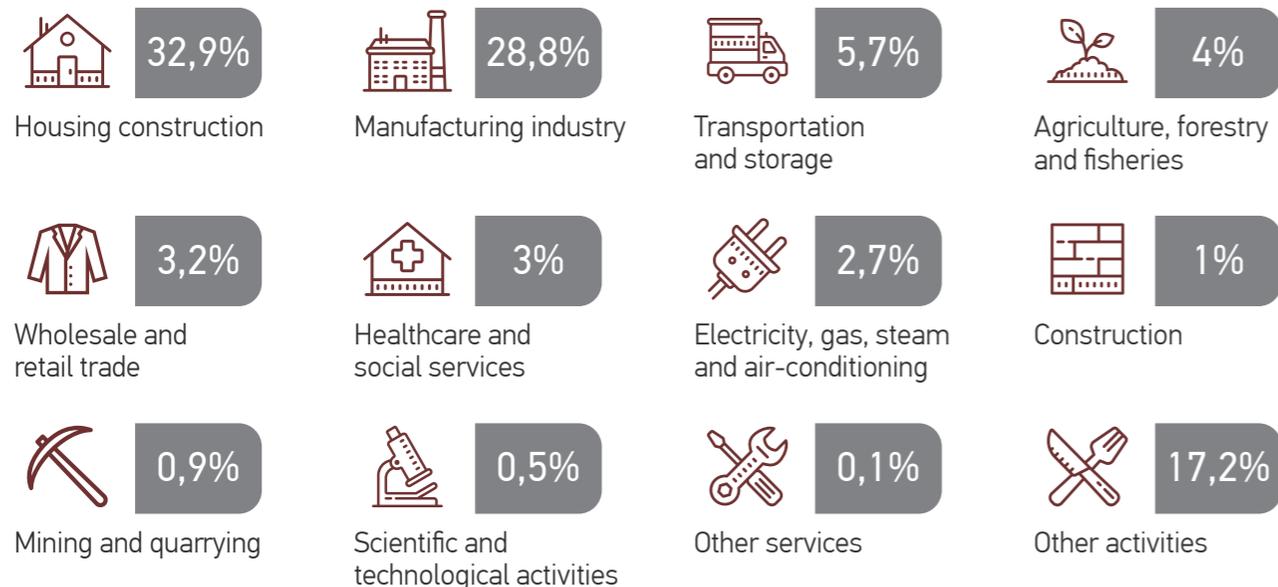
Main imports are from CA countries, Russia, China, Republic of Korea, Turkey, Germany, Italy



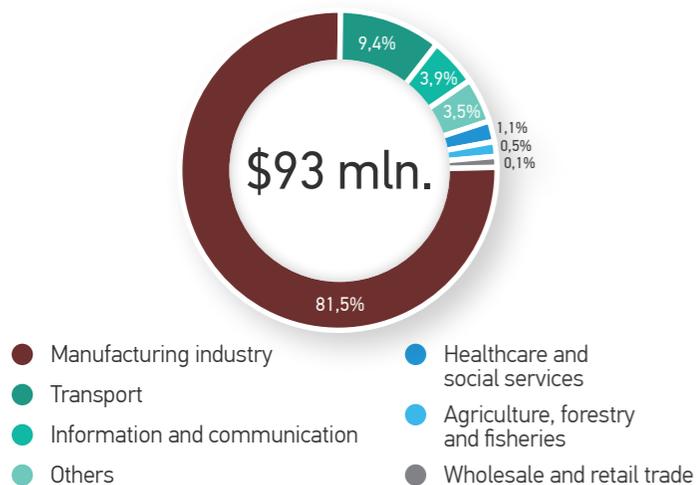
- Equipment and machinery
- Chemical products
- Ferrous and non-ferrous metals
- Services
- Foodstuffs
- Energy and oil products
- Other

# STRUCTURE OF INVESTMENTS AND LOANS

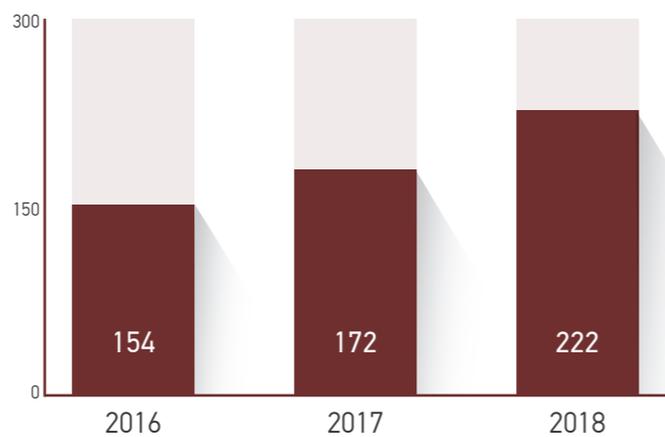
## Investments allocation in sectors of economy



## Foreign investments and loans



## Number of enterprises with foreign capital

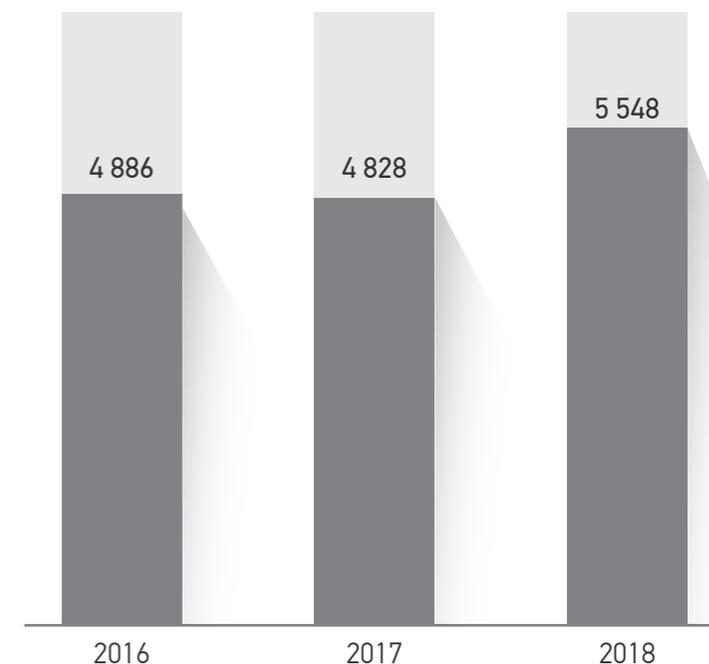


Andijan's total industrial production exceeded \$2,8 billion

## Industry structure



## Enterprises operating in industry



## LOCALIZATION PROGRAM AS OF 2018

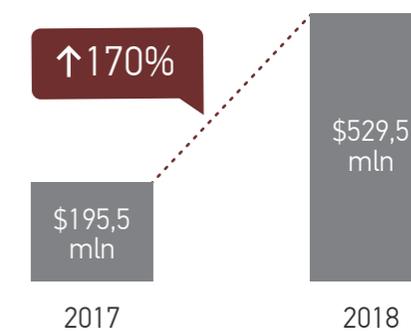
**51** Number of projects

**\$11** million Export

**38** Number of enterprises

**18** New Jobs

## PRODUCTION VOLUME



# INDUSTRIAL PRODUCTION IN SPHERES

**\$2 017,9 mln.**

Equipment and machinery

**\$417,1 mln.**

Textile industry, clothing and leather products

**\$184,7 mln.**

Food and beverages production

**\$19,4 mln.**

Furniture products

**\$11,2 mln.**

Mining industry

**\$16,6 mln.**

Other finished products

**\$3,1 mln.**

Water supply

**\$49,3 mln.**

Electronics and optics production

**\$48,4 mln.**

Chemical and plastic products

**\$42,3 mln.**

Electricity, gas, steam and air-conditioning

**\$29,9 mln.**

Nonmetallic mineral products

**\$23,9 mln.**

Finished metal products

**\$1,2 mln.**

Metallurgy industry

**\$0,7 mln.**

Publication of materials

**\$0,6 mln.**

Pharmaceutical products

**\$1,8 mln.**

Wood and cork products

**\$1,7 mln.**

Waste collection and disposal



The population of the region is more than 3 million people

**70%** of the region's population is employable

**80%** of the regions employable population is economically active

**47,7%**

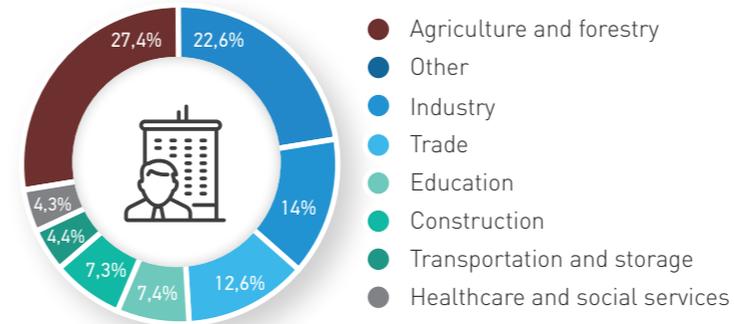
of the population lives in rural areas

**52,3%**

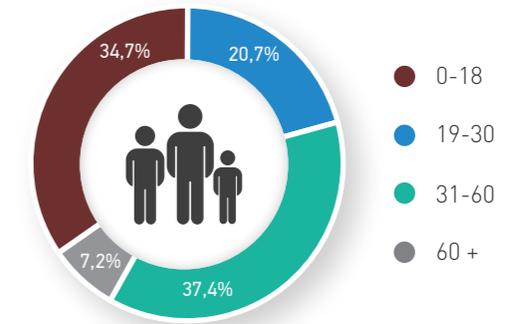
of the population lives in urban areas



## Employment by industry



## Population by age



## Average wage rates by sector





Andijan's total agricultural production exceeded \$2,2 billion

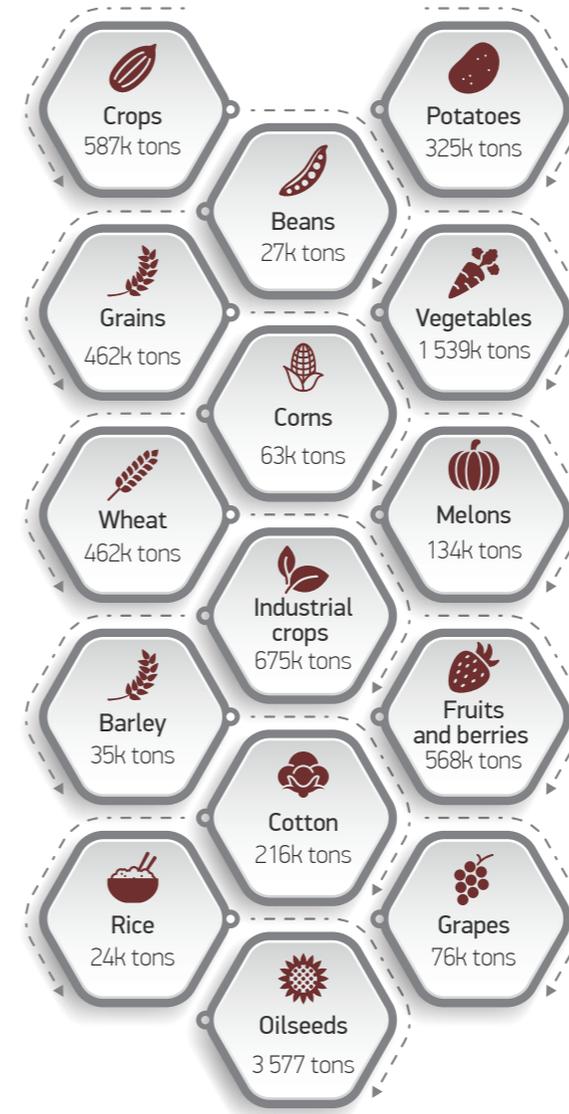
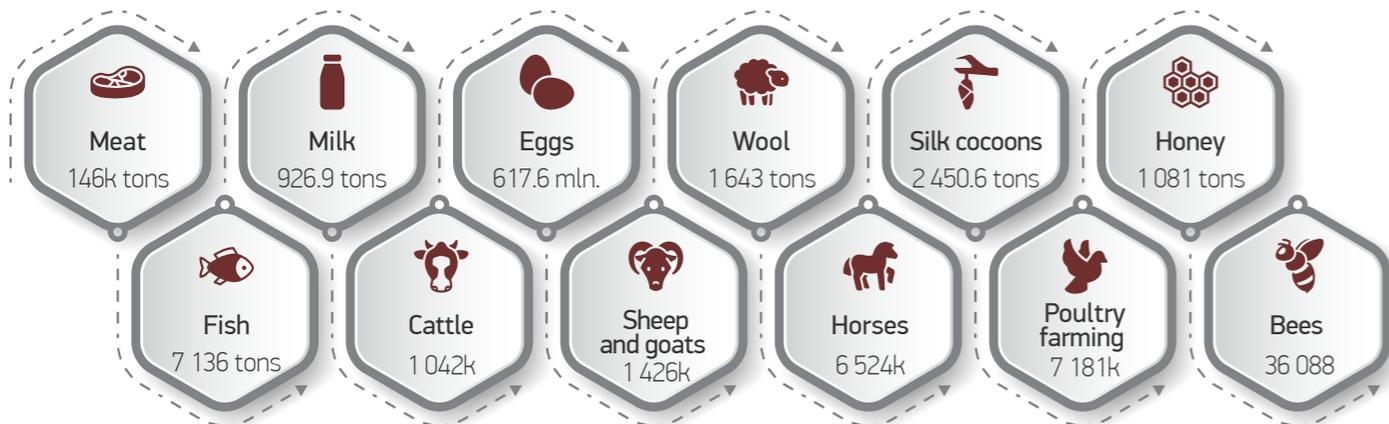


# AGRICULTURE

The region stands out among other regions of the country with its favorable climatic conditions and fertile soil, which are necessary for producing agricultural products. The warm climate allows to grow cotton, subtropical crops, sericulture, and melon cultivation. The most important agricultural sectors include grain cultivation, horticulture, sheep breeding, cotton growing, vegetable growing, sericulture

and grape production. Key importance to this region is agricultural cultivation of pomegranate, fig, almond, quince, pear, peach, apple, and grape. The volume of cultivated fruits and vegetables makes up 3 million 44 thousand tons annually, however 12 percent of that volume is processed in the region that shows huge untapped potential in food processing.

## Quantities of agricultural production and livestock



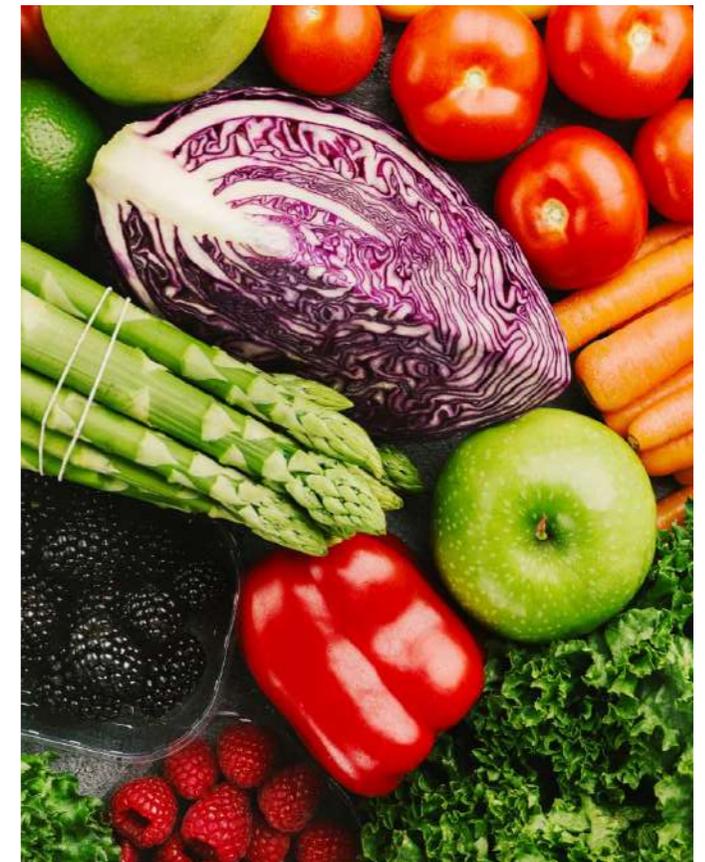
**3,4** million tons of fruits and vegetables are produced in the region per year

**12%** of produced fruits and vegetables are processed

**80,7** thousand USD export of fruits and vegetables

**68%** of the region's agricultural production is provided by private dekhkan farms

**32%** is provided by farmers



## TOURISM POTENTIAL



*Khanabad*

Andijan region is located in eastern part of the Fergana valley, on the ancient sediments of the Andijan-sai River. The region is the ancient city, the pearl of the valley. From the 9th century, it is first mentioned as one of the most ancient cities at the crossroads of the Great Silk Road, surrounded by high mountains, on the Andijan-sai river.

Andijan region consists of 18 hotels, 50 modern restaurants, 54 historical monuments, 7 museums, 3 theaters. As well as 3 eco - tourist resorts.



The region is one of the largest centers of arts and crafts in Uzbekistan. This includes pottery and stucco ceramics, the unique embroidery of national skullcaps, as well as the magnificent painting of the arms and scabbard surfaces of various edged weapons.

Khanabad Park, located near the beautiful reservoir and named "Uzbek Switzerland", has a special charm for numerous tourists and local residents.



*Zahiriddin Muhammad Babur's monument*



*Jami Complex*

In the 15th century, a remarkable native statesman, philosopher, poet, historian Zahiriddin Muhammad Babur reigned in Andijan.

There is a whole memorial park complex dedicated to Zakhriiddin Mukhammad Babur, located on Bagishamol hill at the south-east of Andijan. This is not only a Babur memorial, but also an architectural and historical complex. Andijan Park includes House-Museum named after Babur which has collected rare exhibits, connected with Babur and Baburids' life.



*Andijan pilaf*



*Local festival*

One of the main historical and architectural pearls of Andijan is Jami Complex comprising a mosque, minaret and madrasah. The construction of the complex lasted from 1883 till 1890.

Andijan region is very rich in its natural assets. One of them is Khanabad Lake, which is attractive by unique landscapes and clean water.

Andijan cuisine is one of the most savoury and various in tastes cuisine not only in Uzbekistan, but also in Central Asia.

# SUCCESS STORIES

Automotive industry takes one of the leading places in the economy of Uzbekistan. The biggest factory of automobile production in Central Asia is located in Asaka city of Andijan region.

“UzDaewooAuto” was founded in 1993 and began production at the constructed car factory on July 19, 1996. The company's products have widely exported to the CIS countries, Georgia, Afghanistan and Pakistan.

In 2008, the company “UzAvtosanoat” and the American “General Motors” Company founded the company JSC “GM Uzbekistan” and Daewoo cars began to be produced under the brand name Chevrolet. Production capacity is 250 thousand cars per year.



The JV JSC “Andijan Cable” factory is one of the largest enterprises specializing in the production of cable products. It is located in Khanabad city and has been operating since 1982.

A modern JV JSC “Andijan Cable” was established on the basis of the “Andijan Cable” factory (Uzbekistan) and OJSC Fariol (Russia).

The plant is located on the territory of 35 hectares and the production area is 70,8 km2 and an extensive fleet of high-performance equipment.

The company uses equipment from “Nokia” (Finland), “SKET Verseilmashinenbau GmbH” (Germany), “UDAW” (Germany), “Nextrom” (Finland), “Maillefer SA” (Switzerland) and “Wiedenbach Apparatebau GmbH” (Germany).



“NIL-GRANIT” LLC is a dynamically developing enterprise that has 20 years of experience in the production of knitted goods under the SAMO brand. Currently, the company presents more than 400 models in a wide range of colors, patterns in a full scale.

The company is equipped not only with the most modern imported textile equipment, but also has a modern quality control system and produces high quality textile products. It uses equipment from Japan, China, Taiwan and Italy.

“NIL-GRANIT” LLC produces more than 2 million products per year and exports to the markets of Central Asia, Russia, Ukraine and Belarus. The enterprise invites wholesale buyers to mutually beneficial cooperation.



## HAMKORBANK



Joint Stock Commercial Bank with foreign capital “Hamkorbank” is a private bank that was established in Andijan city and has been operating at the market of banking services since 1991.

Initially, it has commenced its operations in Andijan city and over 27 years “Hamkorbank” has developed the expanded branch network, throughout the regions of Uzbekistan. At present the bank has 209 service outlets, 42 branches, 168 mini-banks.

The bank cooperates with the international financial institutions, including International Finance Corporation and Dutch Development Bank.

The bank provides services for the wide range of customers, offering over 50 types of financial services.

# LOGISTICS



## Airport

Located in Andijan city. Regular flights to Russia, Kazakhstan, China, Pakistan, Turkmenistan, and Iran



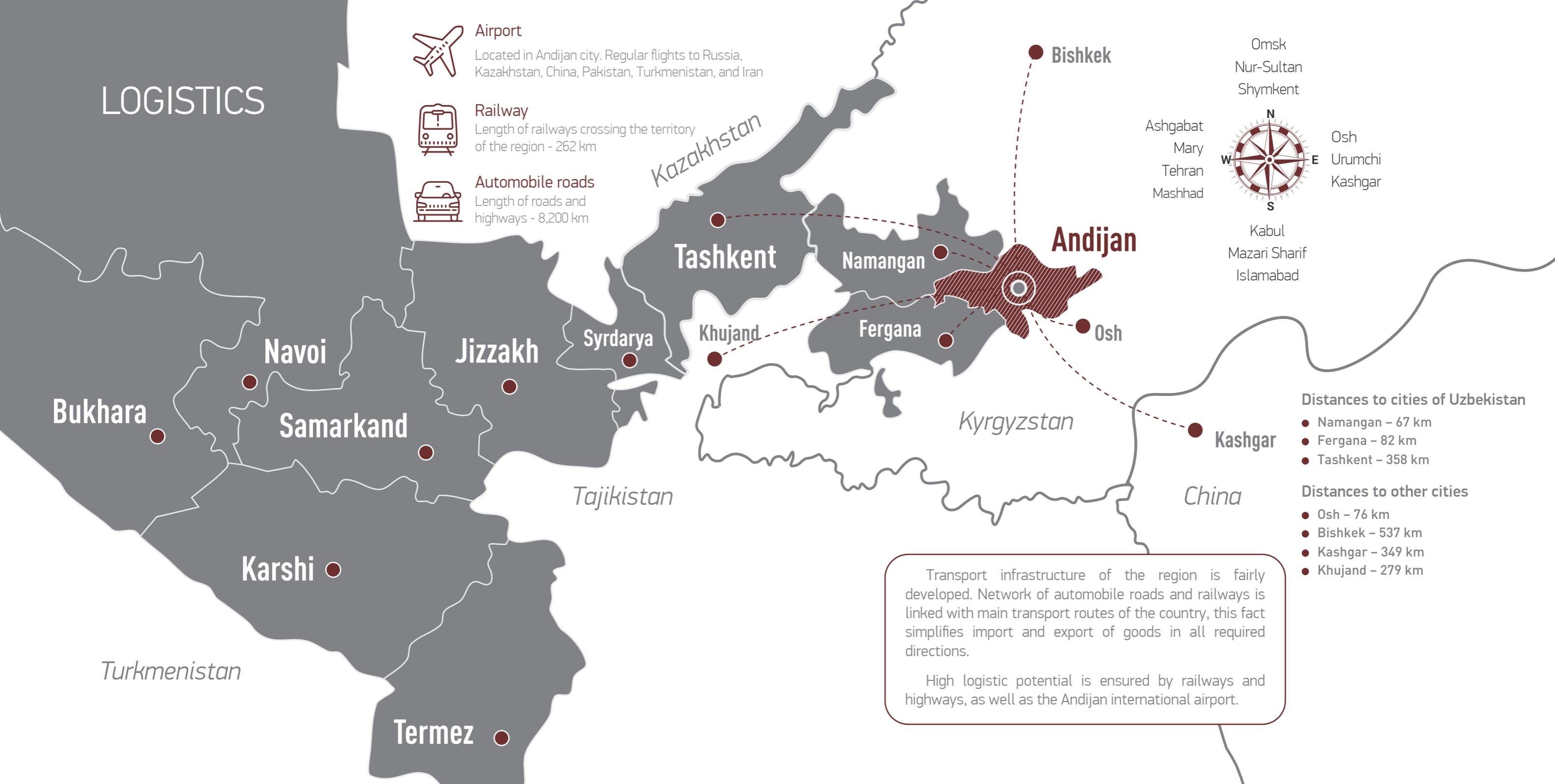
## Railway

Length of railways crossing the territory of the region - 262 km



## Automobile roads

Length of roads and highways - 8,200 km



- Omsk
- Nur-Sultan
- Shymkent
- Ashgabat
- Mary
- Tehran
- Mashhad
- Kashgar
- Urumchi
- Osh
- Kabul
- Mazari Sharif
- Islamabad

### Distances to cities of Uzbekistan

- Namangan – 67 km
- Fergana – 82 km
- Tashkent – 358 km

### Distances to other cities

- Osh – 76 km
- Bishkek – 537 km
- Kashgar – 349 km
- Khujand – 279 km

Transport infrastructure of the region is fairly developed. Network of automobile roads and railways is linked with main transport routes of the country, this fact simplifies import and export of goods in all required directions.

High logistic potential is ensured by railways and highways, as well as the Andijan international airport.



# FREE ECONOMIC ZONE “ANDIJAN-PHARM”

FEZ “Andijan-Pharm” was established according to the Decree of the President of the Republic of Uzbekistan and is unique project aimed at creating favorable conditions for investment attraction, primarily from the Republic of India, for creation of modern production facilities for the production of pharmaceutical products and medicines with high added value, including in the form of “in-bulk”.

FEZ “Andijan-Pharm” is located in Andijan city. FEZ has special legal regime with lowered tax and customs rates, as well as minimized administrative procedures.

The zone will ensure integrated and efficient use of production and resource potential of Andijan region in terms of growing medicinal plant raw materials in natural conditions for subsequent processing, etc.

The functions of the Directorate of the FEZ “Andijan-Pharm” can be transferred to foreign companies, primarily Indian firms, with experience in the development and management of economic zones.

During the Vibrant Gujarat - 2019 event in Gandhinagar, MOU between Cadila Pharmaceuticals Limited and Government of Andijan was signed on 18th January, 2019.

According to the MOU, in FEZ “Andijan-Pharm” Cadila Pharmaceuticals Limited will establish an integrated pharmaceutical manufacturing facility, nurture product development and medical services in the country to provide healthcare products and services.

The project envisages an investment of \$50 million.

UNDERGOING PROJECT



# INCENTIVES FOR FEZ PARTICIPANTS

During the whole lifespan FEZ will have

special tax, customs and FX regimes



Mentioned benefits are provided for a term of from 3 to 10 years depending on the size of investment:



With application during subsequent 5 years of income tax and unified tax payment rates at 50% of the current rates.

Additionally, FEZ participants are exempt for the whole duration of FEZ term from customs duties for imported raw materials, materials and components for production aimed at export, and also will have a right to use convenient to them terms and conditions of payments and settlements for imported and exported goods.

## Period of functioning of the FEZ



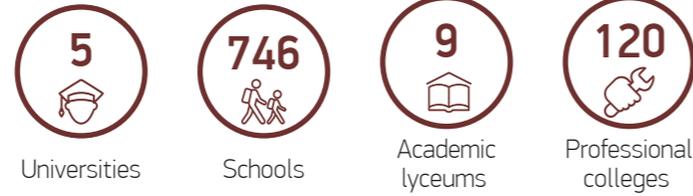
Tax and customs regimes were unified for FEZ participants with exemptions from payment of:

all types of taxes

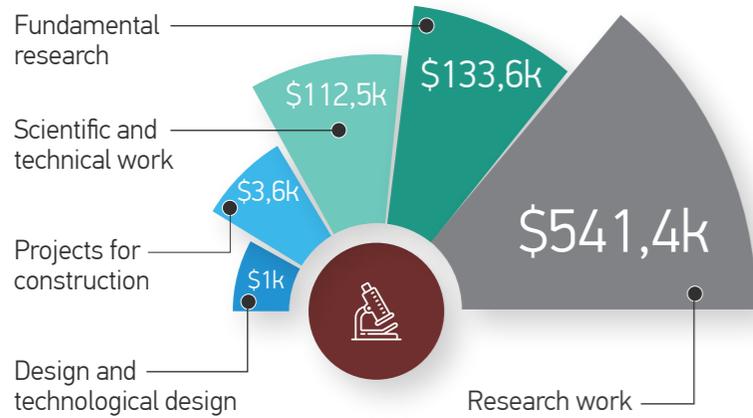
all types of customs duties

# EDUCATION AND SCIENCE

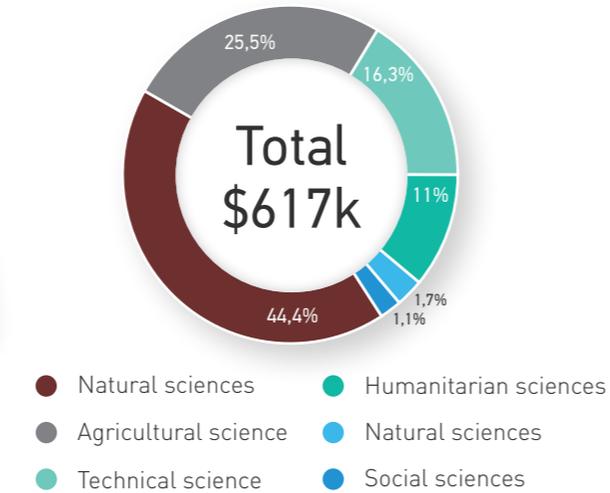
Today, in rapidly changing world, science requires a new level of knowledge and approach. Development of science and production, educational system and innovative economy is in the spotlight in Andijan region.



The volume of research and development



Share and volume of science sectors in research and development



Sharda University Uzbekistan - India's truly global university opened in Andijan in 2019. Sharda University Uzbekistan has been established under a special President decree in line with Sharda Group's commitment to offer global standard education to every individual. It is the first independent private university in Fergana valley that is being envisioned to become the gateway for students from Eurasia.



This guide has been developed and published with the support of UNDP projects 'Business Climate Improvement in the Regions of Uzbekistan' and 'Support to Investment Climate Improvement in Uzbekistan', and also with support from the Chamber of Commerce and Industry of the Republic of Uzbekistan and the Senate of the Oliy Majlis of the Republic of Uzbekistan.

The views, statements, analysis and conclusions outlined in this publication belong to the authors, and express their views only. They do not constitute the official view of the United Nations, including that of UNDP or UN member countries. The accuracy of the data provided in the publication is the sole responsibility of its authors.

The designations employed and the presentation of the material on maps used in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations or UNDP Uzbekistan, concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The electronic version of this guide is available on the internet at the website of the United Nations Development Program in Uzbekistan ([www.uz.undp.org](http://www.uz.undp.org)) and of the Chamber of Commerce and Industry ([www.chamber.uz](http://www.chamber.uz))

The figures in this guide, including prices, salary levels, rents and other rates, as well as data on assets for rent and investment projects, are all relevant at the time of this publication's preparation (August 2019).

# ANDIJAN REGION

---

NEW OPPORTUNITIES AND  
PROSPECTS

