



**EUROUZ**  
Europe-Uzbekistan  
Association for Economic Cooperation

# MONTHLY REPORT ON UZBEKISTAN

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Europe-Uzbekistan Association for Economic Cooperation

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## 1. SPECIAL NEWS

### • **PRESIDENT SHAVKAT MIRZIYOEV'S ADDRESS TO PARLIAMENT**

President Shavkat Mirziyoyev addressed the Parliament on January 24<sup>th</sup>. He defined the tasks for the development of the country for 2020 and the next five years.

#### ***Parliamentary Elections 2019***

At the beginning of the speech, President Shavkat Mirziyoyev summed up the results of the recent parliamentary elections. He thanked the international observers and assured that each recommendation of the observers will be taken into account and implemented in the legislation. "Democratic reforms are the only right way for us," the head of state said.

#### ***2020 - The Year of the Development of Science, Education and the Digital Economy***

The President proposed declaring 2020 the Year of the Development of Science, Education and the Digital Economy. Each year, attention will be paid to the development of several areas of science. In 2020, they are mathematics, chemistry, biology and geology

#### ***Digital Uzbekistan – 2030***

In 2020, following steps will be taken:

- The completion of the development of the Digital Uzbekistan-2030 program within the next two months;
- The emergence of the post of Deputy Prime Minister for Information Technology and Digitalization;
- An IT park with modern infrastructure is being created in Tashkent. The same type of parks will appear in Nukus, Bukhara, Namangan, Samarkand, Gulistan and Urgench;
- Full digitalization of sectors of construction, energy, agriculture and water, transport, geology, healthcare, education, cadastral and archival business;
- A critical review of the e-government system, to comprehensively resolve all organizational and institutional issues;
- Connecting villages and mahallas to high-speed Internet networks in the next 2 years.

#### ***Education***

Shavkat Mirziyoyev said that the increase in enrollment in higher education should not be due to paid tuition and *proposed to double the proportion of students through state grants*. Separate grants will be allocated for female applicants.

- The introduction of a national test system for assessing the native language is expected. Students will be able to take this exam at any time and receive a certificate, and they will not have to retake tests on native language while applying for the higher education.
- Efforts will be made in order to improve higher education standards. Disciplines will be reviewed and new textbooks created. The number of disciplines not related to the specialty will be cut in half. A transition to a credit-modular education system in universities is planned.
- Universities will be gradually provided with academic and financial independence. This year, 10 universities will switch to self-financing.

In 2020, the level of enrollment of children in preschool education should be increased to 60 percent. For this purpose, 2 trillion soums will be allocated from the budget, said Shavkat Mirziyoyev in his Message to the Senate and the Legislative Chamber of the Oliy Majlis.

### ***The main tasks in the economic sphere***

Foreign direct investments amounted to \$ 4.2 billion, which is \$ 3.1 billion, or 3.7 times more than in 2018. The share of investments in gross domestic product reached **37 percent**. The main tasks for this year in the economic sphere are *ensuring macroeconomic stability* and *curbing inflation*, the president said. The main focus is on lowering prices and improving product quality through the development of competition between entrepreneurs."Based on the study of international experience, it is necessary to open the way for the private sector in monopolistic spheres, where competition can develop." To do this, update the law on natural monopolies and develop a strategy, the head of state said.

### ***Proposals for legislature***

The President instructed the government to draft *laws on state financial control and public debt*. "Until the shadow economy is eradicated, there can be no question of creating healthy competition and a favorable business climate," the president said. The Cabinet of Ministers is instructed to analyze the factors of the emergence of the shadow economy and approve an action program. The President instructed to develop a draft *Environmental Code* by October 1, 2020. The President instructed Parliament to adopt in the coming years the new *Civil, Criminal, Criminal Procedure, Criminal Executive Codes and the Code of Administrative Responsibility*. The President announced the abolition of criminal liability for false entrepreneurship and discrediting a competitor, as well as for the first violation of customs legislation, subject to the payment of the required fees.

### ***Banking sector***

The president in his address to the parliament touched upon the development of the banking sector. The main goal in the banking sector is to make banks customer-oriented. "It is important to build public confidence in banks and exclude interference in the activities of banks by the local authorities and the center," said Shavkat Mirziyoyev in a message to parliament.

- Banks should enter international financial markets;
- Banks with state shares should be gradually implemented by strategic investors;
- Fundamentally update the software of banks;
- Until July 1, it is necessary to fully launch the credit history information system;

"The bank should develop, improve the quality of services, introduce new products only in the interests of its customers" – noted President.

### ***President - on the reform of the registration system***

By April 1, the President instructed Parliament and the Government to study international experience and prepare proposals for reforming the registration system. He noted the gap between the regions where the working-age population is concentrated and the regions where

there are employment opportunities. Shavkat Mirziyoyev announced the start of projects this year for the integrated development of regions, improving the living standards of the population and the development of urbanization. The development project will cover 12 satellite cities, as well as 7 major cities - Andijan, Bukhara, Samarkand, Karshi, Namangan, Fergana and Nukus.

### *Social issues*

The President acknowledged that most of the inhabitants of the regions, especially villages, do not have sufficient sources of income. There are 4-5 million people in the country or *12-15% of the population*. The concept of social protection of the population will be developed. Shavkat Mirziyoyev said that salaries, pensions and benefits will increase faster than inflation. The poverty reduction program will be developed for the first time in Uzbekistan in conjunction with the World Bank and other international institutions. A methodology should be developed for determining the criteria for poverty, said the President.

### *Executive Reforms*

The Ministry of Justice and other departments have been instructed by the end of the first half of this year to review the powers of the khokims and transfer their duplicate functions to the relevant institutions. Regular performances of hokims in front of the media and the public will be established. The President proposed the creation of the *Public Chamber* of Uzbekistan to strengthen public control over the activities of state bodies. The head of state proposed the creation of a separate anti-corruption body accountable to parliament and the president, a decree on this will be developed within three months by the administration of the head of state and parliamentarians. “We need a “vaccine of honesty,” the President said.

### *Citizenship Issues*

Persons who have arrived in Uzbekistan before 1995 and have lived to date will automatically receive the citizenship of Uzbekistan. Almost 50 thousand of such compatriots currently live in the country. The Cabinet of Ministers is instructed to consider this issue in conjunction with the Legislative Chamber of the Oliy Majlis and submit a corresponding bill before May 1 of this year.

### *The issue of interaction with the EAEU*

“The issue of establishing cooperation between Uzbekistan and the Eurasian Economic Union is being studied. The Cabinet of Ministers needs to complete a comprehensive analysis of the entry process and submit it to parliament, ” the President said. Shavkat Mirziyoyev noted that the parliament will make a final decision on this issue but recalled that the interests of the people of Uzbekistan should be taken into account. Along with this, Uzbekistan will continue dialogue with the WTO and work on concluding a new Agreement on Enhanced Partnership and Cooperation with the European Union, the President said.

## **• THE SECRETARY OF STATE OF THE UNITED STATES MICHAEL POMPEO VISITED UZBEKISTAN**

On February 3<sup>rd</sup>, Michael Pompeo met the President of Uzbekistan. Secretary of State praised the effectiveness of the ongoing democratic reforms and economic reforms in the country by

the President of Uzbekistan. He emphasized that the sustainable development of Uzbekistan forms a solid foundation for deepening bilateral relations.

The Secretary of State also noted that, thanks to the policy of the leader of Uzbekistan, great progress has been made in creating an atmosphere of trust, partnership and good neighborliness in the region.

“Concrete agreements” were reached at the talks on mutual support for expanding the presence of leading US companies in the Uzbek market. Michael Pompeo noted that today in Uzbekistan there are ample opportunities for business initiatives that will allow tens of times to increase the scale of trade and economic cooperation.

Also, Michael Pompeo met the Minister of Foreign Affairs of Uzbekistan, Abdulaziz Kamilov, where the Secretary of State said that the United States intends to help Uzbekistan in the development of the capital market, in addition to other assistance to the country's financial reforms. Congress is expected to approve technical assistance to Uzbekistan for these purposes in the amount of \$ 1 million. “We are doing all this because America is a real partner and friend of Uzbekistan,” Michael Pompeo emphasized.

“Uzbekistan also deserves praise for its progress in the field of human rights. The country is expanding the space for civil society, solving the problems of forced labor, and easing restrictions on the media,” said Michael Pompeo, adding that where religious freedom is protected, peace and prosperity flourish.

The trade turnover between Uzbekistan and the United States last year increased by more than 60% - from \$ 315 million in 2018 to \$ 514 million in 2019. In November, US exports to Uzbekistan rose to \$ 482 million, making Uzbekistan the leading export destination for US entrepreneurs in Central Asia.

## 2. ECONOMIC OVERVIEW

### 2.1 LOCAL LEVEL

- **Prime Minister: Uzbekistan plans to stop natural gas exports**

On January 18, Prime Minister Abdulla Aripov spoke at a [meeting](#) of the political council of the Liberal Democratic Party of Uzbekistan (UzLiDeP). During the event, he noted that by 2025, Uzbekistan could stop the export of natural gas. Abdulla Aripov also said that special attention will be paid to the widespread use of alternative energy sources. In addition, he noted that before the end of this year, electronic meters of gas and electricity will be installed for all consumers.

- **President: banks with a state share will be gradually sold to strategic investors**

The banking system of Uzbekistan lags 10-15 years behind modern requirements, said President Shavkat Mirziyoyev in his [message to the parliament](#) on January 24. He pointed lack of development in digital technologies, the introduction of new banking products and software. Mirziyoyev said from 2020, a large-scale transformation program will be implemented in each bank. The focus will be on increasing the capital, resource base and profitability of banks. The President emphasized that banks should enter international financial markets, attract affordable

and long-term resources, noting the advisability of issuing Eurobonds this year by the National Bank and Ipotekabank. In addition, banks with a state share will be gradually sold to strategic investors. In order to train modern personnel, the Banking and Finance Academy will be completely reorganized together with foreign specialists.

In order to introduce modern banking practice and management, new banking services in state-owned banks, the involvement of qualified specialists from leading foreign financial institutions has begun. Work in this direction will be continued, Mirziyoyev noted. He also added that before July 1, it is necessary to fully launch the credit history information system.

- **President Mirziyoyev raised the issue of cooperation with international financial institutions**

According to the head of state, in order to receive additional financial support from organizations such as the World Bank, the European Bank for Reconstruction and Development and the Asian Development Bank, it is [necessary to effectively combat corruption](#) in the country. Will corruption continue, will there be justice, will there be a guarantee for investments are the issues what international financial institutes are afraid of.

President also recalled that Uzbekistan's cooperation with the European Bank for Reconstruction and Development (EBRD) was suspended for almost 20 years. Mirziyoyev noted that during this break, our neighbors received billions of dollars. Through new contracts and programs, in 2019 Uzbekistan developed more than 500 million dollars. This can only be understood by a person who knows the economy. Therefore Shavkat Mirziyoyev called one of the main achievements of the new Oliy Majlis the presence of a large number of economists in it. According to the head of state the drawback of the previous parliament was that there were few economists there. There are enough modern economists in the current parliament. In 5 years, bringing GDP to 100 billion dollars is a very big goal. In 1991, Uzbekistan's economy was much better than neighbors' economies.

- **Asian Bank for Infrastructure Investment plans to finance projects in Uzbekistan for \$ 2.4 billion**

Investments and Foreign Trade Minister of Uzbekistan S. Umurzakov [met](#) with the new vice president of the Asian Bank for Infrastructure Investment (ABII) K. Limitovsky. The parties discussed current issues of cooperation and the implementation of infrastructure investment projects in the development of water supply, sanitation, heat supply, landscaping and road construction. It was noted that 2019 was a point of unprecedented growth in the scale of cooperation due to the launch of large infrastructure projects in Uzbekistan. K. Limitovsky announced that the current position of the ABII leadership regarding the prospects for further activities in Uzbekistan is the accelerated implementation of the agreements reached and the consistent expansion of the portfolio of investment projects aimed at the comprehensive development of infrastructure and improving the living standards of the population.

Also within the framework of the meeting, a draft program of cooperation between ABII and Uzbekistan for 2020-2022 was considered, including the implementation of investment projects in the areas of housing and communal services, road construction, energy, affordable housing and private sector development in the field of infrastructure for more than 2 , 4 billion dollars,



among which there are such large-scale projects as the modernization of the infrastructure of the Republic of Karakalpakstan, Bukhara and Khorezm regions, co-financing of a comprehensive program development of medium-sized cities with the World Bank; co-financing of the electrification of the Bukhara-Urgench-Khiva railway jointly with the Asian Development Bank.

- **Uzbekistan and Mubadala of UAE sign privatization agreement for Talimarjan thermal power plant**

The [agreement](#) defines the mechanisms and conditions for the privatization, development, financing and operation of the Talimarjan energy complex.

In addition to the privatization of existing **thermal power plant** (TPP) units, the agreement provides for the construction of new ones. The privatization process with the purchase of shares of the facility is planned by the Emirate side in the third quarter of 2020.

Mubadala is the UAE's state-owned investment company with a portfolio of investments worth more than \$ 200 billion, which includes the company's assets in the fuel and energy sector, the sector of information and communication technologies, metallurgy, aerospace, mining, and healthcare.

- **President criticized transport system**

On January 28, Shavkat Mirziyoyev held a [meeting to discuss](#) the priorities of the effective organization of the transport system in Uzbekistan. As president noted, despite the work done, Uzbekistan's transport and transit potential is not fully utilized. According to international experts, the transit potential of Uzbekistan can be increased from the current 7 million to 16 million tons, and along with regional projects - up to 23 million tons by 2030. Uzbekistan ranks 99th among 163 countries in the World Bank's logistics ranking, and 120<sup>th</sup> in terms of ease of international transport. At the meeting it was noted that one of the most important tasks facing the Ministry of Transport is a complete revision of transit policy. President Mirziyoyev gave instructions on the fundamental reform of the railway system and wide attraction of private capital in this field.

The state of civil aviation has also been criticized by the head of state. Reforms in this area are stalled due to the fact that the joint stock companies Uzbekistan Airways and Uzbekistan Airports, organized on the basis of the national air carrier, have not yet established their activities as independent organizations. In addition, last year an open sky regime was announced at 4 airports in the country with the introduction of the "fifth airspace freedom". However, as mentioned president, not a single foreign airline was involved.

A number of shortcomings were also noted in the field of automobile and public transport. Mirziyoyev indicated need for open tenders in route maintenance, revision of tariffs and procedures for public passenger transportation, digitalization of the sphere to provide convenient and high-quality motor transport services to the population. Special attention was paid to improving the condition of roads, it was entrusted with speeding up the development of a Road Development Strategy with the involvement of international experts.



- **World Bank to back up Solar power plants installation in 150 thousand houses**

Negotiations with the World Bank (WB) [delegation](#) took place on January 29 at the Ministry of Energy of Uzbekistan. The parties discussed energy projects that the WB can support. By 2023, it is planned to install solar photovoltaic stations in 150 thousand private houses. Project funding could be supported by the WB. In addition, 33 potential rural and remote regions were identified for the development of programs for the autonomous provision of electric, thermal and biogas energy in the spring-autumn period. The Ministry of Energy noted the prospects of cooperation with the WB in the implementation of corporate governance, commercialization of enterprises and tariff reforms in the energy sector. The parties also discussed the possibilities of cooperation in reforming the oil and gas industry. The World Bank has proposed the development of a master plan that will take into account the entire production vertical - from hydrocarbon production to their transportation to end consumers. Currently, the Ministry of Energy, the WB International Finance Corporation and the Asian Development Bank are working on identifying potential investors for the construction of a 2 GW photovoltaic station until 2025.

## 2.2 REGIONAL COOPERATION

- **Uzbekistan and EU to stir up negotiations on new partnership agreement**

On January 28, Minister of Foreign Affairs of the Republic of Uzbekistan Abdulaziz Kamilov [met in Berlin](#) with the High Representative of the European Union for Foreign Affairs and Security Policy, Josep Borrell Fontelles. At the meeting parties emphasized the importance of thorough preparation for the Uzbek-European events at the highest level, which will certainly give a new impetus to the expansion of cooperation in various fields.

In this context, the parties agreed to promote working group's activities in preparation for signing an agreement on expanded partnership and cooperation and other documents aimed at building up the Uzbek-European multifaceted ties.

Josep Borrell Fontelles noted the EU's high appreciation of the results of Central Asian countries consultative meeting held in Tashkent in November 2019, the agenda of which included topical issues of regional cooperation and security, including the situation in Afghanistan.

The head of European diplomacy expressed support for Uzbekistan's efforts to facilitate the launch of the peace process in Afghanistan and projects implementation for the socio-economic revival of this country.

- **Mirziyoyev about integration issues**

During his message to the Oliy Majlis on January 24, Shavkat Mirziyoyev again [expressed his opinion](#) about the Eurasian Economic Union (EAEU). He emphasized that this is not about membership, but cooperation.

Particularly, President said that in order to increase population income, create new jobs and produce more products, Uzbekistan needs new markets. To do this, we adopt many laws and regulations that meet the requirements of a market economy. Unfortunately, many executive officials still work according to the old system; they are all indifferent. An open market improves quality, reduces production costs, uses new technologies. According to Shavkat Mirziyoyev this requires economic integration. Head of state pointed out that 80% of our cargo is transported

through Kazakhstan, Kyrgyzstan and Russia. In addition, 50% of finished goods exports, in some cases 80%, fall to Russia, Kazakhstan and Kyrgyzstan. Given these points, as well as the facts that we must create conditions for our citizens who work in Russia and Kazakhstan, issues of cooperation with the EAEU are currently being studied.

The head of state emphasized that in this serious matter decision makers will proceed, first of all, from the people's interests, rely on their will. Mirziyoyev also noted that Uzbekistan will continue dialogue with the World Trade Organization and work on concluding a new Agreement on Enhanced Partnership and Cooperation with the European Union.

- **European Bank for Reconstruction and Development increased investing in Uzbekistan**

The European Bank for Reconstruction and Development (EBRD) reached a new record in Uzbekistan in 2019 by [investing](#) in 13 projects of the private and public sectors in the amount of \$ 576 million (517 million euros) - the largest amount of funding in the history of the bank in the country.

The Bank invested in key infrastructure projects and expanded its activities by opening a regional office in Andijan in the Ferghana Valley, the most densely populated part of Central Asia. In the energy sector, the bank made the largest investments to date in Uzbekistan, providing a sovereign loan of 213.8 million euros for the construction of additional generating capacities at the Talimarjan power station. The EBRD continued to work with Uzbek authorities to improve the investment climate and contributed to the creation of the Council of Foreign Investors. The EBRD facilitated the development of international trade in, from and within Uzbekistan by opening trade finance limits for the National Bank of Uzbekistan, Asakabank, Uzpromstroybank, Ipoteka Bank, KDB Bank Uzbekistan, Hamkorbank and Ipak Yuli Bank. Currently the EBRD has invested 1.85 billion euros in the economy of Uzbekistan, participating in 79 projects.

- **State Department requests \$ 14.4 million to support reforms in Uzbekistan**

The US Congressional Research Service published a [report](#) evaluating reform in Uzbekistan. The authors of the report mention that US assistance to Uzbekistan is aimed at supporting reforms in the country, promoting the rule of law and further economic development, including agricultural diversification through the use of American technology. The assistance is also intended to improve border controls in order to ensure security and regional stability.

In this context, it is noted that the State Department requested \$ 14.4 million for Uzbekistan for fiscal year 2020, compared with \$ 10.6 million in fiscal year 2017. Trade between the countries in 2017-2018 has more than doubled (from about \$ 150 million to \$ 300 million). US Secretary of Commerce Wilbur Ross believes that "there are significant opportunities to strengthen trade and economic ties."

Regarding economic liberalization in a positive way, it is reported that Uzbekistan has implemented reforms aimed at reducing the role of the state in favor of the private sector and attracting large foreign investments. The government gives high priority to improving the business environment in the country and optimizing public administration. The World Bank praised Uzbekistan's "significant progress" in economic reforms.

The reform program in Uzbekistan is of interest and support from the US Congress, as these efforts improve the human rights situation in the country, open up new economic opportunities

and position the republic as a partner of the United States in the development of regional cooperation and security. Restoring relations with neighbors contributes to the improvement of regional dynamics and the unification of Central Asia, which is a priority for US policy.

- **European Bank for Reconstruction and Development plans to attract international experts for PPP project for the construction of the Tashkent-Samarkand toll road**

The European Bank for Reconstruction and Development (EBRD) will [assist](#) in preparing a public-private partnership project for the construction of the Tashkent-Samarkand toll road. The cost of the project is tentatively estimated from \$ 1 to \$ 2 billion, the press service of the PPP Development Agency under the Ministry of Finance told Gazeta.uz. An agreement was signed in December between the Ministry of Transport, the PPP Development Agency, the Ministry of Investment and Foreign Trade and the EBRD.

As part of the technical assistance, the EBRD will attract international consultants. The project will be implemented in seven stages and prepared taking into account legal, financial and technical risks. Tender procedures are expected to end in early 2022. Negotiations are underway with the EBRD to reduce the time for preparation and tender of the project.

### 3. POLITICAL NEWS

- **President urged citizens to fight against corruption**

President Shavkat Mirziyoyev, in a [message to the parliament](#) on the 24<sup>th</sup> of January, said until all strata of the population and the best specialists are involved in the fight against corruption, until our entire society is, figuratively speaking, vaccinated with a “vaccine of honesty”, we will not be able to achieve our goals. The biggest question is where do we get this vaccine. This applies to managers at all levels. Does the executive branch know about corruption? It cannot be. We all need to vaccinate ourselves with this vaccine and fight corruption. If we do not enter into this struggle, we will not be able to solve all our tasks. He noted that from eliminating the consequences of corruption, it is necessary to move to its early warning and suggested creating a separate anti-corruption body, accountable to parliament and the president. According to Mirziyoyev if we do not eradicate this vicious phenomenon, we will not be able to create a really favorable business and investment climate, not a single sphere of our society’s life will develop. At the same time, he openly admitted that entrepreneurs still face corruption in such areas as the provision of land, cadastral, customs, banking services, licensing, public procurement. The head of state added that this is evidenced by numerous appeals addressed to the president, messages in the press and social networks.

- **Measures to protect women from oppression and violence approved by Uzbek Government**

The Government of Uzbekistan adopted a [resolution](#) "On measures to improve the system for protecting women and girls from oppression and violence.

The document approved the following:

- Regulation on the issuance of a protective order, ensuring its execution, monitoring;
- Regulation on the procedure for persons who have committed or are prone to exert pressure and violence to correct their behavior;

- Form of a protective order;
- A scheme for the conduct of events, the interaction of entities to issue a protective order, the timing and control over its execution.

The adopted document defines the procedure for the issuance by the internal affairs bodies of a protective order to injured women, as well as providing a copy of it to persons who committed violence.

Among the main tasks of the correctional program are:

- prevention of violence cases against women;
  - addressing the causes and conditions that contribute to violence occurrence;
  - identification and correction of latent forms of violence;
  - carrying out individual (or in the form of groups) explanatory work with persons who committed violence and others.
- **Komil Allamjonov and Saida Mirziyoyeva left the Agency for Information and Mass Communications**

During the [meeting](#) held on January 29 at the Agency for Information and Mass Communications (AIMC) with the participation of the head of the Presidential Administration Zailobiddin Nizomiddinov, it became known that the acting AIMK Director Komil Allamjonov and Deputy Director Saida Mirziyoyeva left their posts. Former AIMC leaders will continue to work in the newly created Non-Profit Organization “Public Fund for the Support and Development of National Mass Media”. It also became known that Dilshod Saidjanov was appointed acting Director of AIMC. He was appointed First Deputy Director of AIMK in October 2019. Prior to his appointment, Dilshod Saidjanov worked as head of the information policy department of the above agency.

Later, Komil Allamjonov was elected Chairman of the Board of Trustees of the Public Fund for the Support and Development of National Mass Media. Saida Mirziyoyeva started working as Deputy Chairman of the Board of Trustees at the same Fund.

#### 4. MARKET DEVELOPMENT INFORMATION

- **The Central Bank listed key prerequisites for reducing inflation in 2020**

The Central Bank of Uzbekistan maintained the base inflation [forecast](#) for 2020 at the level of 12-13.5% and listed the prerequisites for its reduction as following.

- the exhaustion of the effects of some inflationary impulses that arose in 2019 and the forecast for a slower rise in prices for food and non-food products after they align with the average price level in the Central Asian region, as well as with other countries primarily with main trading partners;
- the growth in agricultural production, textile and construction industries will contribute to an increase in supply in the domestic consumer market. An important factor in this will be the gradual improvement of the competitive environment;
- ensuring moderate credit growth through proper monetary and macroprudential policies, as well as optimizing government spending and the overall fiscal deficit will prevent excessive growth in demand in the economy, thereby reducing pressure on inflation and the exchange rate.

The predicted moderate increase in the nominal level of incomes of the population in 2020, including the average level of wages, after their significant adjustment in 2018-2019, will also help reduce the influence of demand factors.

At the end of 2019, inflation formed near the upper boundary of the forecast corridor (13.5-15.5%) and amounted to 15.2%. The main acceleration occurred in the second half of the year as a result of measures to gradually liberalize regulated prices (an increase of 21.6%) and accelerated devaluation of the national currency in August 2019. The most noticeable increase in 2019 was observed in prices for flour and bakery products (24.8%), meat products (23.4%), fruits and vegetables (14.5%), as well as passenger transport (13%). Electricity and gas prices rose by an average of 19%. In October - December 2019, quarterly inflation slowed to 5% compared to 5.7% in the same period of 2018.

- **The Ministry of Finance has published updated statistics on public debt of the Republic of Uzbekistan**

According to the Ministry, as of October 1, 2019, loans [received](#) on behalf of or under the guarantee of the Government of the Republic of Uzbekistan amounted to 19.2 billion US dollars, or 33.6% of GDP. Since the beginning of 2019, the state debt of Uzbekistan has increased by \$ 4.5 billion, or by 30.9 percent. The first place still belongs to China. As of October 1, 2019, public debt to China amounted to \$ 2.8 billion. These funds are not a direct debt of Uzbekistan's government, but mainly represent loans from the State Development Bank of China and the Export-Import Bank of China. Japan comes in second with \$ 1.8 billion, followed by South Korea with \$ 560 million. France is the fourth (\$ 345.8 million), Germany is the fifth (\$ 286.5 million), Russia is the sixth (\$ 150.6 million), and Saudi Arabia is the seventh (\$ 122.1 million). Other countries account for 111.8 million US dollars.

- **PwC: Tashkent the new capital of real estate**

The first real estate segment that began to [develop](#) rapidly is the retail market: today in Tashkent there are 8 new and modernized shopping centers, 6 of which were built after 2010, when the construction of new retail facilities began in the city.

According to PwC experts, the market is currently highly consolidated: by 2019, the 2 largest developers will account for 78% of the market of high-quality modern shopping centers among objects with a rentable area of at least 5000 sq.m. The anchor tenants of the new shopping centers are mainly local chains of food products and household appliances, the number of international brands remains low. This explains the fact that developers often form an effective mix of tenants on their own - due to their portfolio of franchises of international brands. PwC predicts that as revenue grows, new foreign brands, including Russian ones, will enter the market.

Another growing segment is the hotel business. Today in Tashkent there are 129 hotels with a total number of rooms of about 6 thousand. Most accommodation facilities belong to mini-hotels and hotels of low-price categories. According to investors' announced plans, by 2021 in the city there will be 8 new high-quality hotels with a total number of rooms of about 1300 rooms (including Tashkent City and High-tech City). Thus, the volume of quality supply will grow by 68%. The average cost of an overnight stay for a quality hotel is in the range of \$ 103- \$ 179 for mid-range hotels and \$ 218- \$ 333 for high-end hotels. An important factor in the future



development of the market are annually increasing tourist flow, as well as an increase in the length of stay in the city (on average, 2.6 days).

- **Central Bank to stress on macroprudential support in the field of monetary policy**

At the end of 2019, [lending](#) to the economy grew by 73.8 trillion soums, or 54.8%. The main sources of credit investments were centralized funds, the active development of foreign credit lines by banks, as well as funds from the allocation of sovereign and corporate Eurobonds.

By the end of 2019, there was a decrease in the annual growth rate of loans in national currency for individuals and business entities to 63.5% and 28.6%, respectively. At the same time, the growth rate of loans in foreign currency remained more stable, 45.7% in 2018 and 42.6% in 2019. An analysis of the structure of loans in foreign currency shows that the propensity of the private sector to finance investment projects at the expense of foreign currency loans is mainly due to the relatively high interest rates on soum loans.

In particular, in 2019, economic entities received loans worth \$6.2 billion. As for loans in the national currency, the gradual balancing of their growth rates in the last quarter of 2019 was “due to strengthening of prudential supervision measures, optimization of budget expenditures, as well as maintaining the refinancing rate at 16% per annum, which ensured relatively tight monetary credit conditions.” According to the regulator, this situation indicates an increasing need for coordination of efforts in the field of monetary and macroprudential policy. In this regard, the Central Bank is moving towards the active application of approaches to macroprudential support of decisions made in the field of monetary policy.

- **Results of investment activity of the Republic of Uzbekistan for 2019**

In 2019, [due to all sources of financing](#), the volume of investment development amounted to 220.7 trillion soums, exceeding the approved annual forecast indicators by 2 times, including the volume of investments in fixed assets amounted to 189.9 trillion soums, with a growth rate to the same indicator in 2018 - 1.3 times. The share of investment in fixed assets in the structure of GDP increased from 30% in 2018 to 36.2% in 2019 (the share of total investment in the structure of GDP as of the end of 2019 was 42.1%).

In the reporting period, about 2.8 thousand social, infrastructural and industrial facilities were commissioned: 145 large industrial facilities, 167 large regional projects, 2.5 thousand social and infrastructural facilities. A significant increase in investment performance is due to an increase in the inflow and development of foreign investment and loans in the amount of 13.3 billion dollars, of which:

- Foreign direct investment - 9.3 billion dollars (including in fixed assets - 6.6 billion dollars).
- funds of international financial institutions - 4.0 billion dollars (including in fixed assets - 3.2 billion dollars).

At the same time, the share of utilized foreign direct investment in the total investment volume increased to 37% (for comparison, in 2018 this indicator amounted to 10.5%). The main foreign partners in attracting foreign investment to the Republic of China were China, Russia and Germany, while the total number of investing countries in the economy of Uzbekistan exceeded

50, due to which the share of the largest investing countries fell to 34% of the total volume of direct foreign investments and loans.

According to the Investment Program, approved by the Decree of the President of the Republic of Uzbekistan dated January 9, 2020 No. PP-4563 in 2020, due to all sources of financing, the development of investments in fixed assets is projected in the amount of 233.2 trillion soums, of which foreign direct - \$ 7.1 billion ., foreign investments and loans under the state guarantee - 2.7 billion dollars. In particular, in 2020, it is planned to commission more than 2 thousand social, infrastructural, and industrial facilities: 206 large new production facilities, 240 regional production facilities, and 1.6 thousand social and infrastructural facilities.

## 5. REGULATORY CHANGES

- **Decree of President Shavkat Mirziyoyev on the privatization of cotton enterprises and flour mills**

According to the Decree signed on January 28 by Mirziyoyev, the State Assets Management Agency of the Republic of Uzbekistan was [instructed to submit](#) proposals to the Cabinet of Ministers on privatization of enterprises with a state share in the processing of cereal and raw cotton, resource support and the provision of services. These measures are taken to reduce the role of the state and increase the investment attractiveness of the industry. According to Decree from March 1, 2020, in areas not involved in the production of raw cotton and cereal grains, the introduction of a system of specialization of districts based on their soil and climatic conditions and market conditions should begin.

It should be noted that starting from 2020, there will be gradually created grain clusters for the cultivation of spike crops and their purchase under contracts between farms and grain processing organizations. Grain clusters are allocated land restored and put into use from agricultural land not provided to legal entities and individuals, or reserve lands for up to 50 years, but not less than 30 years.

- **Law of the Republic of Uzbekistan “On Investments and Investment Activities”**

On January 26, 2020, the Law of the Republic of Uzbekistan “On Investments and Investment Activities” entered into force.

***What was before?***

Legal relations between the state and business entities in the field of investments and investment activities were regulated by 3 main laws: “On Foreign Investments” of 1998, “On Guarantees and Measures to Protect the Rights of Foreign Investors” of 1998 and “On Investment Activities” (new edition) of 2014, as well as more than 50 by-laws.

***What is now?***

Taking into account the current changes and reforms carried out in the field of investments and investment activities, as well as in the absence of direct laws in this direction, a single unified Law of the Republic of Uzbekistan “On Investments and Investment Activities” was developed, approved by the Legislative Chamber and Senate of the Oliy Majlis .

***What is the difference?***



Unlike the old laws, in the adopted law the conceptual apparatus is formulated as clearly and clearly as possible, which in turn strengthens a transparent and open environment for the implementation of investment activity (business). For example, earlier in the legislation there was no concept of “foreign direct investment”, and the phrase was often used in by-laws.

***What are the benefits of the law?***

The Law of the Republic of Uzbekistan “On Investments and Investment Activities” consists of 12 chapters and 69 articles and gives the following advantages:

- 1) establish state support measures, according to which now:
  - investors can be granted an investment tax credit, an investment subsidy;
  - state bodies, diplomatic missions and consular offices of the republic abroad will provide advisory and informational assistance to investors.

The Commissioner under the President of the Republic of Uzbekistan for the protection of the rights and legitimate interests of business entities will assist in resolving issues arising out of court and pre-trial.

- 2) determine the procedure for ensuring state guarantees of the rights of subjects of investment activity and investment protection, according to which:
  - state bodies and their officials are not entitled to interfere in the activities of subjects of investment activity;
  - investments and other assets of investors are not subject to nationalization;
  - investors are also guaranteed the free transfer of their funds;
  - in the event that subsequent legislation worsens the conditions for investing, then, in the cases provided for by law, investors shall be subject to the law applicable on the date of investment for 10 years.
- 3) provides foreign investors with additional rights such as:
  - conditions for foreign investment cannot be less favorable than conditions for legal and physical persons of the republic or other states;
  - foreign investors have the right to obtain a residence permit and an “investment visa”, and their family members have a guest visa for the duration of the “investment visa” on the conditions provided for by decisions of the President of the Republic of Uzbekistan.
- 4) determine the legal basis of enterprises with foreign investment, in accordance with which:
  - foreign investment in enterprises should be at least 15% (this measure is first provided for at the level of the legislative act);
  - property of these enterprises imported for own needs is exempted from customs duty for 2 years from the moment of state registration.

In addition, the law provides for the creation of more favorable conditions:

- classification of investments by destination - for capital, financial and social;
- determination of the form of investment (through the creation of legal entities, purchase of shares, shares, acquisition of property rights and others), as well as types of investment resources (monetary, movable and immovable property, intellectual property objects);

- determination of the object and subject of investment activity;
- consolidation of the main powers and functions of the authorized state body in this area.

## 6. SPECIAL INTEREST SECTION [EXPERT OPINION]

- **Investment and Foreign Trade Minister of Uzbekistan is against privileges to individual business entities.**

Sardor Umurzakov said this during an [interview](#) with kun.uz journalist, which took place on January 1, 2020. He noted that it is impossible to give privileges to individual business entities or companies since this will undoubtedly ruin the competition and, subsequently, adversely affect the economy. According to Umurzakov, it is necessary to get rid of privileges as well as preferences and create equal legal conditions for everyone. Minister pointed out that it is necessary to introduce legislation that would be simple to implement and that would create equal conditions for everyone. The main thing is that this mechanism should work. It is necessary to introduce such mechanisms that will be transparent to everyone. So that any investor can safely come here, participate in the tender, win it and commence its work. He mentioned that some associations are still granted privileges as it used to be in the old system, but these privileges will gradually be abolished, because competition should come first.

- **Head of the World Bank Office in Uzbekistan: a safe, reliable and efficient aviation sector is an important driver for the development in the country**

The Government of Uzbekistan and the World Bank have [signed an agreement](#) on the provision of advisory services to further assist in the modernization of the national civil aviation sector. This is the second agreement of this kind, concluded by the parties earlier. In accordance with the terms of the first agreement, the bank completed the provision of advisory services in August 2019. The new arrangements provide for government assistance from the World Bank in developing national aviation policies and strategies for the enhancement of various segments of civil aviation. This process will be carried out in close cooperation with Uzbekistan's Transport Ministry, the Civil Aviation Agency, Uzbekistan Airways, Uzbekistan Airports, as well as with other interested ministries and departments. Hideki Mori, Head of the World Bank Office in Uzbekistan said that a safe, reliable and efficient aviation sector is an important driver for the development of trade, business and tourism in the country. We welcome partnership with the government in this direction. I am sure that its results will contribute to further economic growth and development of Uzbekistan.

## 7. EVENTS

### 7.1 Recent events overview

- **17.01.2020**

**Mirziyoyev received World Bank's Vice President**

On January 17, the President Shavkat Mirziyoyev [received](#) a World Bank delegation led by Vice President Cyril Muller. During the meeting, topical issues and promising areas of bilateral cooperation were discussed. Particular attention was paid to expanding assistance in promoting reforms in key areas, including agriculture, energy, the oil and gas industry, the transport sector and other areas, as well as in implementing joint projects in the fight against poverty. An agreement was reached on the development of a new long-term Partnership Strategy of Uzbekistan and the World Bank. The previous strategy is designed for 2016-2020.

Today, the portfolio of implemented and ongoing World Bank projects in Uzbekistan reaches \$ 5.5 billion. The bank's experts are actively involved in formulating proposals and promoting effective reforms in Uzbekistan in the banking, financial and tax spheres, agriculture and water management, geology, education, improving the investment climate and business environment, and other priority areas. Last year, the bank approved new promising projects worth up to \$ 1 billion. The auction on the construction of a solar power station in the Navoi region, as well as the presentation of the "Country Platform" in the city of Washington, were successfully held.

The head of state emphasized that all these achievements are the result of close interaction, an open and constructive dialogue between Uzbekistan and the World Bank. In turn, Cyril Muller conveyed the sincere greetings of World Bank Group President David Malpass and renewed the bank's assurances of full support for the reform program in Uzbekistan.

- **29.01.2020**

**Abdulaziz Kamilov met with Minister of Foreign Affairs of Germany**

On January 29 the Foreign Affairs Minister of Uzbekistan Abdulaziz Kamilov [met](#) with the Federal Minister for Foreign Affairs of the Federal Republic of Germany Heiko Maas in Berlin. During the conversation, the parties discussed the prospects of Uzbek-German relations. It was noted that the exchange of visits at the highest level in 2019 confirmed the availability of wide opportunities for enhancing multifaceted cooperation.

Along with the issues of intensifying bilateral cooperation in the political, trade and investment spheres, special attention was also paid to deepening cooperation in the field of culture, education and science. A separate topic of the talks was the issues of Afghan settlement, the active cooperation of the two countries in this direction in the framework of various formats. The schedule of upcoming contacts at various levels, topical issues of a regional and international nature were also discussed at the talks.

- **30.01.2020**

**Meeting of Japanese companies "Business Club" held in Tashkent**

On January 30, Minister of Investment and Foreign Trade S. Umurzakov [took part](#) in a meeting of the "Business Club" of Japanese companies, which was also attended by Ambassador

Extraordinary and Plenipotentiary of Japan to the Republic of Uzbekistan Y. Fujiyama, heads of financial and industrial corporations of Japan and their heads representative offices in Uzbekistan, as well as representatives of small and medium-sized businesses in Japan, operating in Uzbekistan. The event was organized with the assistance of the Japan External Trade Organization (JETRO).

The meeting allowed for a constructive dialogue and exchange of views on the current progress of joint projects, recent changes in legislation in the field of investment and foreign trade, and other ongoing and planned innovations that have a direct impact on the investment climate in Uzbekistan. Participants mentioned about the importance of the President Mirziyoyev's visit to Japan in December 2019 and the events accompanying this visit with the participation of representatives of Japanese business as a key incentive for the development of bilateral relations. Japanese business representatives, expressed confidence in the success of the intercountry partnership within the framework of the agreements reached and the agreements concluded, and also shared their views on the prospects for further expansion of investment and trade and economic cooperation. As a result of the event, it was decided to hold regular meetings of this "Business Club" with the involvement of an increasing number of Japanese investors operating in Uzbekistan.

- **03.02.2020**

- **Visit of German and Austrian companies delegation to Uzbekistan**

A round table was held in Tashkent between the Ministry of Investments & Trade and a delegation of large companies from Germany and Austria. The event, which was also attended by other representatives of government agencies, industry departments and industry associations, was organized to ensure cooperation and expand cooperation with potential partners from Europe.

## **7.2 Upcoming Events**

- **12.02.2020**

- **Uzbekistan: Reforms for Investment and Regional Cooperation**

Embassy of Uzbekistan to European Union and Benelux countries together with European Institute for Asian Studies is organizing a round-table on the upcoming Tashkent International Investment Forum and potential opportunities of regional economic cooperation in Central Asia.

- **05-06.03.2020**

- **Tashkent International Investment Forum**

On 5–6 March 2020, Uzbekistan will host the inaugural Tashkent International Investment Forum.

The Forum is a by-invitation-only exclusive gathering of 1500+ senior foreign and local business and financial executives, investors, thought leaders and international media – convened by the President of Uzbekistan, Sh. M. Mirziyoyev. A number of panel sessions are set to be held as part of the Forum business programme, and will be structured into several tracks: 'Openness for Business', 'Deepening Regional Ties', and 'Utilizing Technological Innovations'.

**Forum organizer:** Ministry of Investments and Foreign Trade of the Republic of Uzbekistan

**Forum operator:** State Unitary Enterprise InterForum

Registration for participation in the forum is available at [www.tiif.uz](http://www.tiif.uz).

### 7.3 Tenders

**05.03.2020**

#### **Ministry of Energy announces Tender to build CCGT Power Plant**

As part of the reforms the Government has decided to develop a ~1,250-1,500 MW Combined Cycle Gas Turbine (CCGT) power plant (the “Plant”) through a Public-Private-Partnership (PPP) model, whereby a private partner will be selected through a competitive tender to enter into a long-term agreement with the government to finance, design, build, operate, maintain and transfer the Plant (the “Transaction”).

To assist with the structuring of the Transaction and implementing the competitive tender process the Government of Uzbekistan has appointed the International Financial Corporation (IFC), a member of the World Bank Group, as its lead transaction advisor.

The Ministry of Energy of the Republic of Uzbekistan and «National Electric Networks of Uzbekistan» SC hereby [invites all interested parties](#) to submit an Expression of Interest (EoI) for the Project

The scanned EoI should be submitted no later than 5pm Tashkent local time on Thursday, March 5th , 2020 to the email: [sirdarya\\_ccgt\\_tender@minenergy.uz](mailto:sirdarya_ccgt_tender@minenergy.uz)



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

*EUROUZ is envisaged a non-commercial, non-profit, non-government organization, registered in Brussels, with a representative office in Uzbekistan.*

*For any inquiry, contact us via: [info@eurouz.com](mailto:info@eurouz.com)*



APPENDIX

Focus areas of the message  
from the President  
of the Republic of Uzbekistan  
Shavkat Mirziyoyev  
to the Oliy Majlis



**2020**  
is the year  
of development of science,  
enlightenment and digital economy



**Public administration**

-  Establishing a public chamber under the President
-  Establishing an anti-corruption body
-  Strengthening the role of parliament
-  Reducing the functions of regional administrations



**Civil rights**

-  residence registration reform
-  Automatic granting of citizenship to all stateless persons before 1995
-  Support for bloggers and mass media
-  Recognition of poverty at the level of 15%
-  Allocation of \$700 mln. for poverty alleviation

**Digital economy**



- Digitalization of the economy, development of the program "Digital Uzbekistan"
- Introduction of the position of Deputy Prime Minister for IT and Digitalization
- Introduction of the position of Deputy Heads for IT



**Education**

- Higher education reform (increasing the enrollment, academic freedom)
- 2-fold increase in the number of grants in higher education institutions
- Grants for females in higher education institutions



**Agriculture**

- Transformation of the Ministry of Agriculture
- Phase-out of state orders for cotton and grain

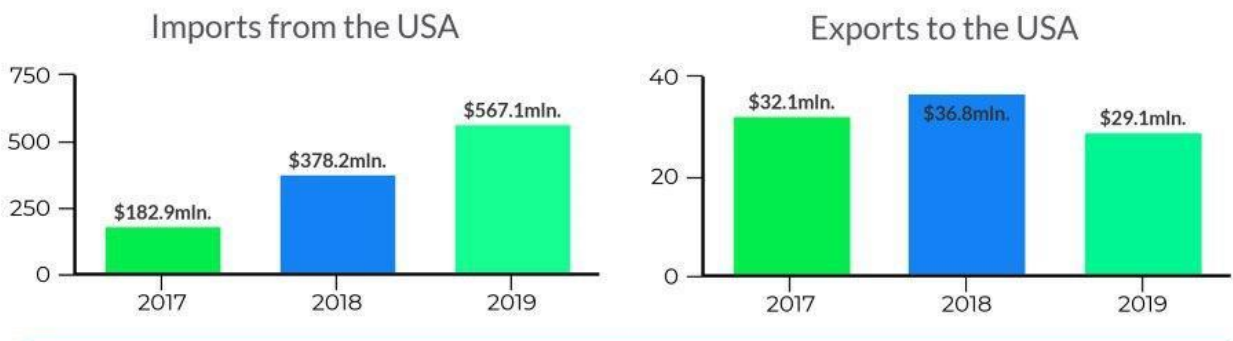


**Foreign economic activity**

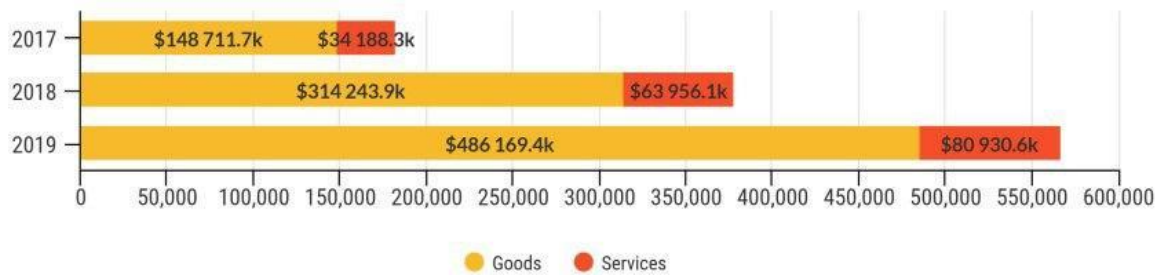
- The issue of EAEU cooperation will be considered in the Oliy Majlis

## Economic Relations between Uzbekistan & USA

Trade turnover between Uzbekistan & USA in 2019 – over 596.2 mln.USD.  
Share of Imports from the USA in the total trade turnover – 95.1%



### Share of goods and services in imports from the USA



### Share of goods and services in exports to the USA



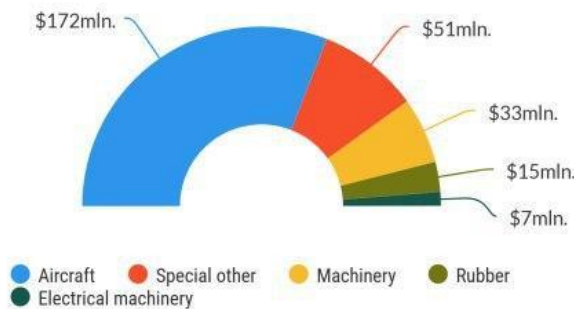
The statistics used in this infographic are taken from the website of the State Committee for Statistics of the Republic of Uzbekistan [www.stat.uz](http://www.stat.uz)

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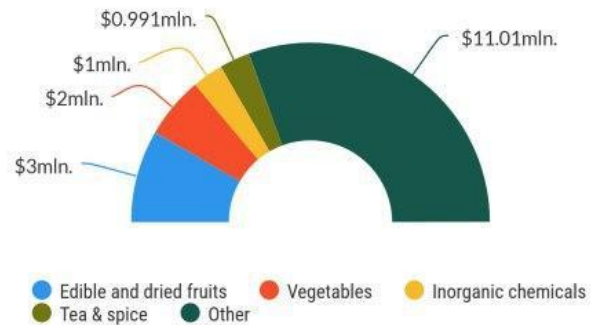


## Economic Relations between Uzbekistan & USA

Imports composition of main goods from the USA in 2018



Exports composition of main goods to the USA in 2018



**60 000**

Uzbeks live in the USA

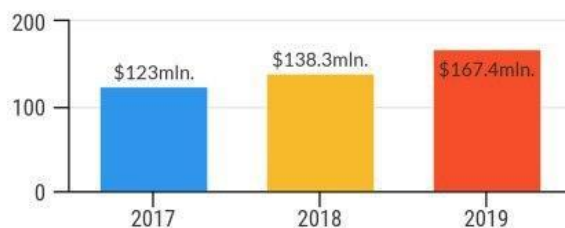


**570**

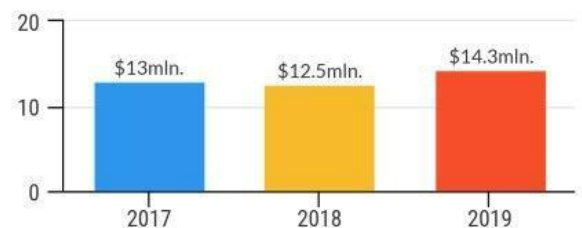
students from Uzbekistan study at US universities

## Personal transfers for 9 months 2017-2019

Transfers to Uzbekistan from the USA



Transfers from Uzbekistan to the USA



The statistics used in this infographic are taken from the website of the Office of the U.S. Trade Representative [www.ustr.gov](http://www.ustr.gov), website of Pew Research Center [www.pewresearch.org](http://www.pewresearch.org), website of the U.S. Embassy in Uzbekistan [www.uz.usembassy.gov](http://www.uz.usembassy.gov), and website of the Central Bank of the Republic of Uzbekistan [www.cbu.uz](http://www.cbu.uz).

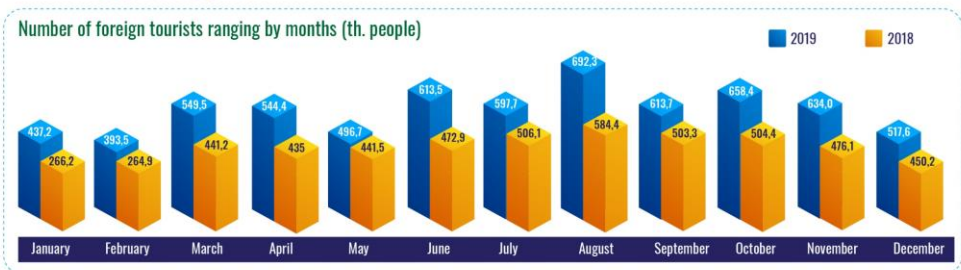
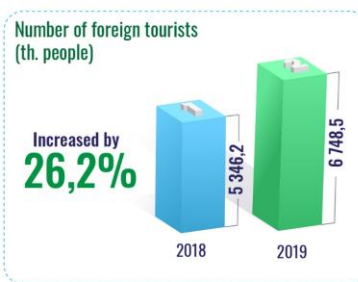
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**PRIORITY AREAS OF ECONOMIC DEVELOPMENT AND LIBERALIZATION**  
2019 OUTCOMES ON ONGOING REFORMS

Implemented work in the field of tourism development in 2019

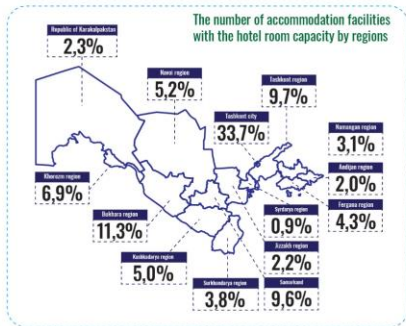
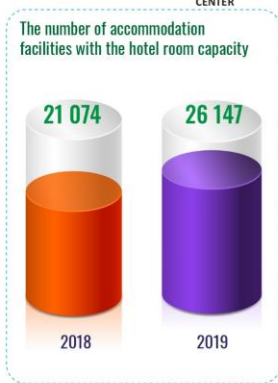
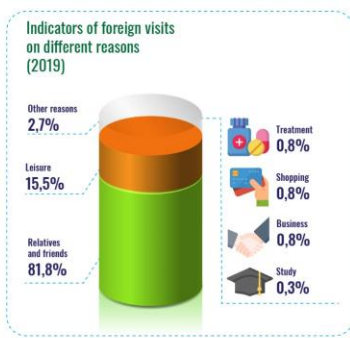
5 Presidential Decrees, 1 Presidential Resolutions, 6 Resolutions of the Cabinet of Ministers, 3 Resolutions of the State Committee for Tourism Development

The adoption of the Concept on Tourism Development 2025 had a positive impact on the development of tourism.



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**PRIORITY AREAS OF ECONOMIC DEVELOPMENT AND LIBERALIZATION**  
2019 OUTCOMES ON ONGOING REFORMS



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**PRIORITY AREAS OF ECONOMIC DEVELOPMENT AND LIBERALIZATION**  
2019 OUTCOMES ON ONGOING REFORMS



Uzbekistan introduced five new categories of visas for certain groups of foreign citizens

- «Vatandosh»
- «Student visa»
- «Academic visa»
- «Medical visa»
- «Pilgrim visa»

Number of countries covered by visa-free regime

**18 → 65 → 86**

2018      2019      2020

Citizens of 77 countries gained the opportunity to receive electronic visas  
Citizens of 109 countries were granted a residence permit in the Republic of Uzbekistan.

2019 was marked by the following major events:

Uzbekistan organized visits for 160 representatives and 30 media from the USA, Japan, Germany, Italy, China, Indonesia, Russia and other countries.

**REPUBLIC OF KARAKALPAKSTAN**  
Auto Rally Muynak, Music Festival Element

**TASHKENT**  
Electronic Music Festival, Gastronomic Festival, World Influencers Congress

**KHOREZM REGION**  
Game of Warriors

**BUKHARA REGION**  
The First Pilgrimage (Ziyorat) Tourism Forum

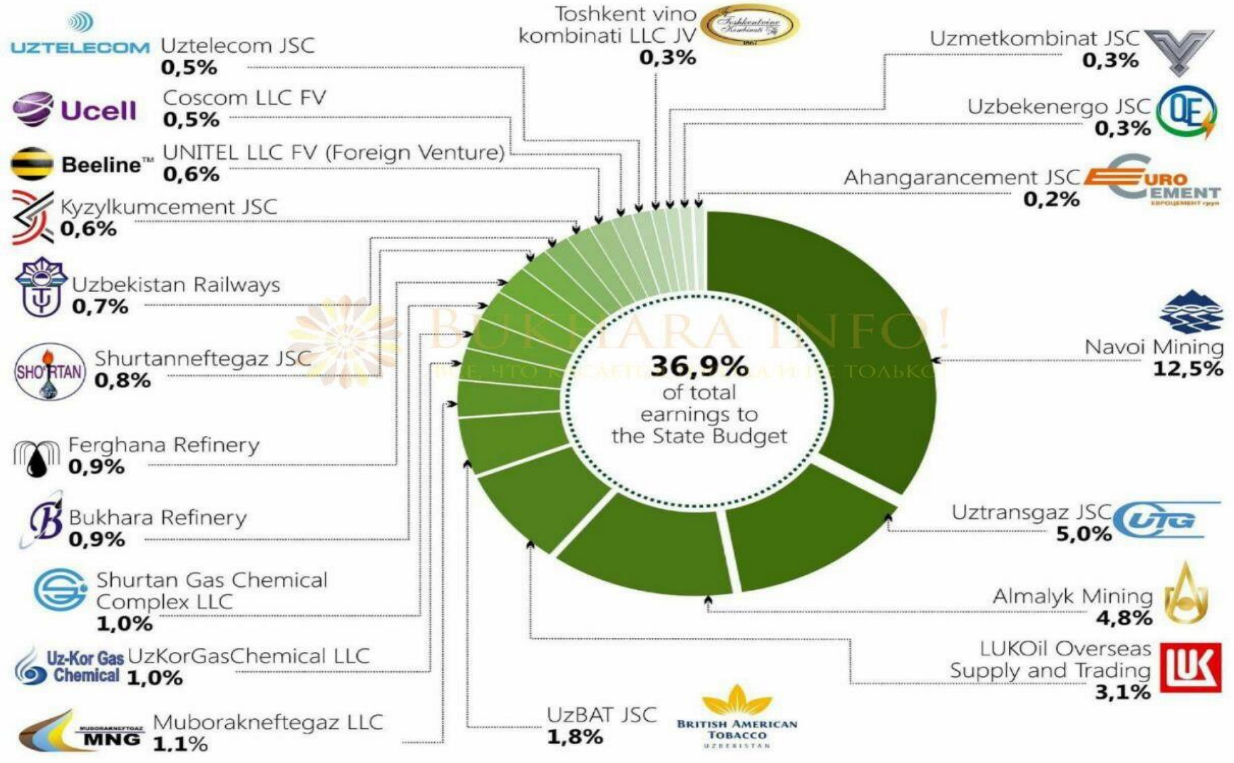
**KASHKADARYA REGION**  
Geographical Tourism Forum, Pomegranate Festival

**SURKHANDARYA REGION**  
Bakhshi Art Festival, Archaeological Forum

**САМАРКАНДСКАЯ ОБЛАСТЬ**  
CIS Travel Fair

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**THE SHARE OF PROJECTED EARNINGS COLLECTED FROM LARGE TAXPAYERS INTO THE STATE BUDGET OF UZBEKISTAN**



**PRIORITY AREAS IN ENSURING SECURITY, INTERETHNIC HARMONY AND RELIGIOUS TOLERANCE, IMPLEMENTING A BALANCED, MUTUALLY BENEFICIAL AND CONSTRUCTIVE FOREIGN POLICY**

**DEVELOPMENT STRATEGY CENTER**

**MAIN REFORMS IN 2019**

**Ensuring public order**

Cabinet of Ministers approved a Resolution 'On amendments and additions to mass events regulations'

The Minister of Internal Affairs, the Prosecutor General and the Commander of the National Guard were assigned with organization and coordination of activities of state agencies, organizations and public structures dealing with ensuring public safety in provinces

**STRENGTHENING THE COUNTRY'S DEFENSE CAPABILITY AND ENHANCING THE COMBAT POWER OF THE ARMED FORCES**

A plan of practical action to streamline the system of enhancing military and military-technical cooperation with foreign partners was approved

**UZBEKISTAN APPROVED A CONCEPT OF MORAL AND PSYCHOLOGICAL SUPPORT OF THE ARMED FORCES**

**INTENSITY OF COMBAT TRAINING ACTIVITIES INCREASED**

by **1,5-2** times **73** joint military exercises and events were conducted

**COMPREHENSIVE IMPROVEMENT OF THE EMERGENCY PREVENTION AND RESPONSE SYSTEM**

Uzbekistan introduced a fundamentally new system of warning and response to emergency situations and ensuring fire safety

**IN THE GLOBAL TERRORISM INDEX 2019 RANKING, REFLECTING THE LEVEL OF TERRORISM THREAT, UZBEKISTAN IMPROVED ITS POSITION BY THREE POINTS, RANKING AMONG THE WORLD'S SAFEST COUNTRIES.**

**132<sup>ND</sup> PLACE 2018** → **135<sup>TH</sup> PLACE 2019**

**2019 GLOBAL TERRORISM INDEX**  
MEASURING THE IMPACT OF TERRORISM


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**PRIORITY AREAS IN ENSURING SECURITY, INTERETHNIC HARMONY AND RELIGIOUS TOLERANCE, IMPLEMENTING A BALANCED, MUTUALLY BENEFICIAL AND CONSTRUCTIVE FOREIGN POLICY**

**DEVELOPMENT STRATEGY CENTER**

**MAIN REFORMS IN 2019**

**MEASURES TAKEN TO STRENGTHEN PEACE AND HARMONY BETWEEN CITIZENS, ETHNIC GROUPS, FAITHS**

**141 action programs** were approved to further enhance the role of national cultural centers and friendship societies, as well as catalyze their participation in public life

November 15, 2019, Tashkent hosted the international conference on 'Central Asia Is Our Common Home' with the participation of foreign experts and researchers.

**UZBEKISTAN HOSTED SEVERAL IMPORTANT INTERNATIONAL EVENTS**

**Bakhshi International Art Festival** (April 5-10, Termez).  
**Sharq Taronalari Festival** (August 26-30, Samarkand).  
**First International Festival of Applied Arts** (September 10-15, Kokand).

**BALANCED, MUTUALLY BENEFICIAL AND CONSTRUCTIVE FOREIGN POLICY**

Uzbekistan has become a full member of the Cooperation Council of Turkic Speaking States (CCTS).

As part of protecting the rights and legitimate interests of **citizens and legal entities**, consular offices in foreign states took the following measures:

- Introduced a post of Labor Migration Attaché at the consular offices of Uzbekistan in Russia and Kazakhstan
- Implemented a new kind of information system 'Interactive Consular Services'
- Introduced a **call-center service** for citizens of Uzbekistan in the Russian Federation
- Consular offices were opened** in St. Petersburg, Kazan, Rostov-on-Don, Yekaterinburg, Vladivostok in Russia, and in Aktau in Kazakhstan


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**PRIORITY AREAS IN ENSURING SECURITY, INTERETHNIC HARMONY AND RELIGIOUS TOLERANCE, IMPLEMENTING A BALANCED, MUTUALLY BENEFICIAL AND CONSTRUCTIVE FOREIGN POLICY**

**MAIN REFORMS IN 2019**



DEVELOPMENT STRATEGY  
CENTER



**ENSURING ENVIRONMENTAL SAFETY**

UZBEKISTAN ADOPTED  
A CONCEPT OF ENVIRONMENTAL  
PROTECTION 2030

UZBEKISTAN APPROVED  
A STRATEGY ON THE TRANSITION  
TO THE GREEN ECONOMY 2019-2030

THE REPUBLIC ADOPTED  
A CONCEPT OF DEVELOPMENT  
OF ENVIRONMENTAL EDUCATION.

THE REPUBLIC APPROVED  
A STRATEGY ON SOLID  
WASTE MANAGEMENT 2019-2028



**FINANCING PROJECTS IN THE ARAL SEA REGION**



Norway

**1.1 million euros**



European Union

**5 million euros**



Japan

**3.2 million USA dollars**

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