



REPORT SUMMARY

The government of Uzbekistan receives a series of loans from international, South Korean, and German developmental banks to finance its social and economic reform agenda. A delegation led by the President visits South Korea to sign intergovernmental and socio-economic agreements with the ministries, banks, and leading businesses. The government of UAE kick starts a professional development program to increase the technical capacities of young public officials from Uzbekistan. The Central Bank, Ministry of Finance, and Senate reflect on the country's current state of economics and present plans and expectations for the coming year.

MONTHLY HIGHLIGHTS

“Our main goal is to make Korean business feel comfortable in Uzbekistan”

President of Uzbekistan, Shavkat Mirziyoyev

“In the future, most of the functions of the state will be transferred from the center to the regions”

President of Uzbekistan, Shavkat Mirziyoyev

“Uzbekistan is actively fostering renewable energy-generation projects including solar and wind power in the form of public-private cooperation projects, increasing opportunities for Korean firms to enter the market,”

CEO of Eximbank, Bang Moon-kyu

“DP World is committed to being a strategic partner for Uzbekistan enabling trade. Our agreements signed today will help design and shape a world-class trading ecosystem in the country.”

DP World Chairman, Sultan bin Sulayem

“With Uzbekistan joining the Chabahar Memorandum, in the near future we will see the smoothing of the transit route between India, Iran and Uzbekistan”

Managing director of Iran’s Ports and Maritime Organization, Ali Akbar Safaei

IMPORTANT NEWS PUBLICATIONS AND ARTICLES

ECONOMIC COOPERATION AND PARTNERSHIPS

Uzbekistan Receives a \$100 million Loan to Promote Small and Medium Enterprises’ Development, and a \$200 million Loan to Support Enterprises Affected by the Coronavirus Pandemic

In Uzbekistan, SMEs are estimated to produce goods and services accounting for over half of GDP and provide almost two-thirds of all jobs in the economy. Furthermore, many SMEs, even though operational, were significantly struck by the COVID-19. Given their economic importance and the crisis, ADB's loan will be used to undertake reforms in improving the environment for SMEs by diversifying the financial instruments available, reducing bureaucratic barriers and transaction costs, and increasing digitalization. ADB expects that such reforms will create over 13,000 new jobs. Furthermore, the government is to receive an additional USD 200mn to support enterprises affected by the crisis, provide them with working capital and increase production capacity in manufacturing, agriculture, wholesale and retail, catering, and transport. The loan will be provided in tranches, under the state guarantee, for a period of 5 years and grace period of 2 years for each tranche.

Source: [ADB](#); [Norma.uz](#)

The Government of Uzbekistan Sees Economic Growth at 7% in 2021 and IMF Expects a Slowdown to 6% in 2022

The IMF explained the slowdown to 6% in 2022 with emerging uncertainties surrounding the new variants of the virus. However, IMF noted Uzbekistan's swift economic rebound from the crisis despite persisting inflationary pressures, which was below 10%. Regarding the components of GDP, industry grew by 9.5%, services by 20%, construction by 6%, and agriculture by 4%. More on that, the government announced plans for reaching GDP growth of at least 7% in 2022. Furthermore, a delegation from IMF met with senior government officials from the Ministry of Finance to assess the draft budget and fiscal issues and discuss structuring reforms in tax administration.

Source: [Reuters](#); [Kun.uz](#); [UzDaily \(1\)](#); [Uzdaily \(2\)](#); [President.uz](#)

President of Uzbekistan Meets with Korean Businesspeople



At the event, the President met with the Korean Minister of Trade, Industry and Energy and the heads of leading South Korean companies, such as Samsung, Eximbank, KIA Motors, SK Ecoplant, and many others. The President highlighted the work being done to create favourable conditions for foreign business in Uzbekistan. Furthermore, it was noted that a separate department responsible for relations with South Korea has been formed within the Ministry of Investments and Foreign Trade of Uzbekistan. Currently, over 1000 South Korean firms operate in the country, a figure that has doubled in the last five years.

Source: [EIN News](#); [Market Screener](#); [Kun.uz](#)

India, Iran and Uzbekistan Hold Discussion on Chabahar Port

Since 2018, India's Chabahar port has reportedly handled 160 vessels, which include 3.2 million tons of bulk and cargo. At a trilateral meeting proposed by Uzbekistan, the countries discussed plans for increasing traffic and establishing transportation corridors to access the Chabahar port.

Source: [Hindustan Times](#); [Wion](#); [Iran Front Page](#); [Economic Times](#); [UzDaily](#)

Eximbank Bolsters Cooperation with Uzbekistan

South Korea's Export and Import Bank of Korea, Eximbank, will provide Uzbekistan USD 74 million for the development of medical infrastructure. Moreover, the bank will cooperate in 13 projects worth USD 1.2 billion in the coming two years via the Economic Development Promotion Facility (EDPF). During the Presidential visit to South Korea, a memorandum of understanding was signed between Eximbank and the government of Uzbekistan.

Source: [Korea Times](#); [Business Korea](#); [Kun.uz](#); [Kursiv.uz](#)

KfW to Provide a Loan of 30 million Euros to Uzbekistan

The German Development Bank, KfW, will provide a loan to the government for the implementation of a project on financial support for small and medium-sized businesses. In particular, the bank will provide EUR 29.8 million, of which EUR 26.8 million will be in the form of a loan at 2% per annum for 30 years. Besides, the loan will include 10 years grace period.

Source: [UzDaily](#)

In 2021, 2 trillion 547 billion Soums were Allocated for the Obod Qishlok (Prosperous Village) and Obod Mahalla (Prosperous Mahalla) Programs

As part of the programs worth approximately USD 235mn, social and industrial infrastructure of over 7500 villages and mahallas in 2021 were improved. Check the links below for a complete list of projects completed within the programs.

Source: [UzDaily \(English\)](#); [UzDaily \(Russian\)](#)

DP World and Uzbekistan Sign Deal to Boost Trade and Develop Digital Infrastructure

UAE's logistics company, DP World, signed an agreement with the Ministry of Investments and Foreign Trade of Uzbekistan to develop online platforms and expand logistics networks in the country. In particular, DP World will introduce e-commerce and FinTech platforms and help to expand logistical capacities of the Navoi Free Economic Zone and Navoi International Airport.

Source: [The National News](#)

The Tashkent Declaration of Business Ombudsmen of Europe and Asia Signed

The international forum of European and Asian Business Ombudsmen was joined by senior government officials, foreign business ombudsmen, private companies, and international development and financial institutions. At the event, the "Tashkent Declaration of the Forum of Commissioners for the Protection of the Rights of Entrepreneurs of Europe and Asia" was signed. Among other things, the document presents guidelines for cooperation in protecting the rights and interests of business entities.

Source: [UzDaily \(English\)](#); [UzDaily \(Russian\)](#)

Uzbekistan Boosts Economic and Social Reforms with Additional World Bank Support

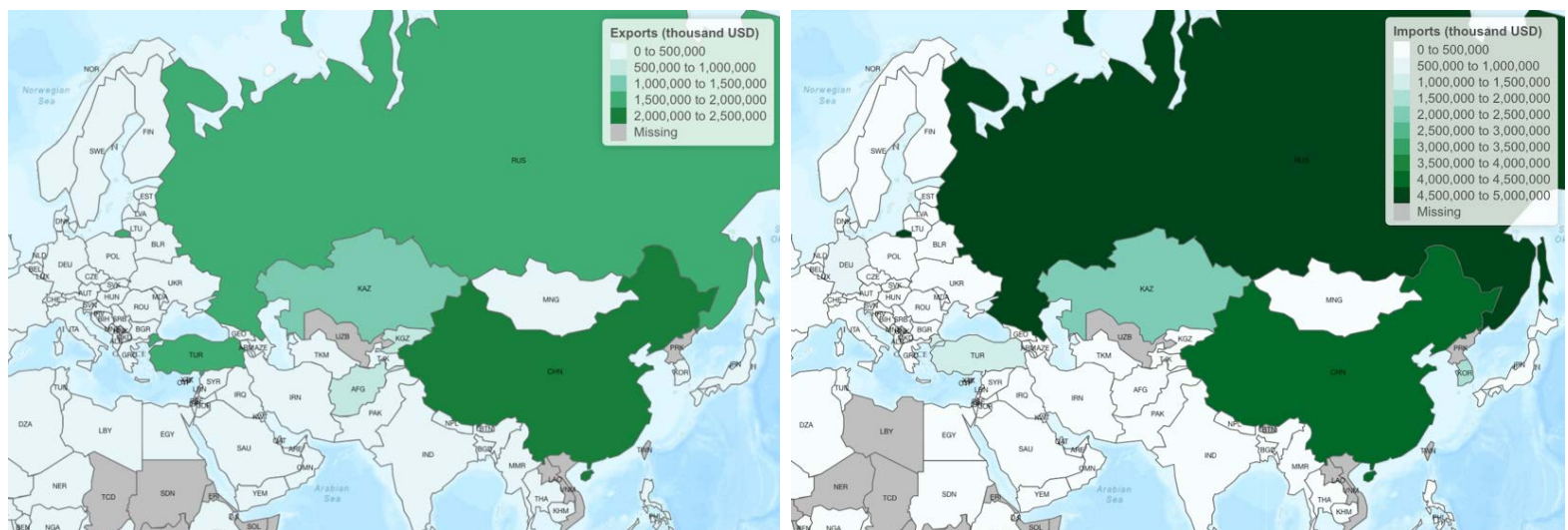
The World Bank provided a USD 400mn developmental loan to assist the government of Uzbekistan in carrying out a range of economic and social reforms. More on that, part of the loan is provided in a concessional and non-concessional form. Specifically, USD 250mn with a low-interest rate and repayable in 30 years, and USD 150mn with market interest rates and repayable in 12 years. The World Bank underlines that the loan will ensure significant financing and assistance in progressing reforms in market liberalizations, management of SOEs, promotion of gender equity in the labour market, and more.

Source: [World Bank](#); [Market Screener](#); [UzDaily](#)

Uzbekistan's Foreign Trade Turnover Reaches \$ 37.94 billion

In the third quarter, the foreign trade turnover reached USD 28 billion, which is an increase of 2,5% from last year. Furthermore, the value of exports deteriorated by 17% to USD 10bn, and imports rose by 19% to USD 17bn, resulting in a trade imbalance of about USD 7bn. The largest turnover was recorded with the PRC (19.1%), Russia (18.1%), and Kazakhstan (9.9%).

Uzbekistan's Exports of Goods and Services by Country (January-November)



EUROUZ and The State Statistics Committee

Source: [UzDaily \(English\)](#), [UzDaily \(Russian\)](#); [Market Screener](#)

Uzbekistan's Official Reserves Exceed USD 34.75 billion

According to the Central Bank, the volume of foreign reserves exceeded USD 34.75bn, which is a USD 472 million decrease from the previous month. Moreover, the foreign currency reserves increased by USD 778mn to USD 13.19bn and gold decreased from USD 21.67bn to USD 20.44bn in December.

Source: [UzDaily \(English\)](#); [UzDaily \(Russian\)](#)

POLITICAL COOPERATION AND PARTNERSHIPS

Shavkat Mirziyoyev's Visit to South Korea, Joint Statement on Deepening the Special Strategic Partnership, and more

Over three years, trade turnover between South Korea and Uzbekistan grew from USD 1bn to USD 2.7bn in 2019, which entails growth of over 250%. Uzbekistan's exports are dominated by paper pulp, yarn, and cotton, while it imports mostly car parts, cars, and machinery. With that in mind, Uzbek President's visit provided a further impulse to the rapidly growing economic cooperation between the countries. Furthermore, Uzbek and South Korean Presidents adopted a Joint Statement on Deepening the Special Strategic Partnership, which among other things, lays the foundation for future cooperation in the areas of digitalization, green economy, and joint pursuit of social policies. More on that, memorandums and agreements between development agencies, banks, and ministries from respective countries were signed to establish dialogue in energy, development of smart cities, and specific sectors, including rare metals, copper, and their alloys. For instance, the sides agreed to provide Uzbek firms access to the Regional Comprehensive Economic Partnership (RCEP) markets via the Uzbek-South Korea Free Trade Agreement. During the visit, the Uzbek President also with the Speaker of the National Assembly and heads of South Korea's leading companies.

Source: [The Diplomat](#); [EIN News](#); [Market Screener](#); [Kun.uz \(1\)](#); [Kun.uz \(2\)](#); [Kun.uz \(3\)](#); [UzDaily \(1\)](#); [UzDaily \(2\)](#); [Silk Road Briefing](#)

Abdulaziz Kamilov Met with the Assistant Secretary of State for South and Central Asia

Assistant Secretary to the U.S. Department of State Bureau of South and Central Asian Affairs met with Uzbekistan's Minister of Foreign Affairs to discuss the current state of relations between the countries and areas for future cooperation. Specifically, the US delegation supported Uzbekistan's democratization reforms, accession to the WTO, and efforts made at delivering humanitarian aid to Afghanistan. Furthermore, the sides expressed mutual interest in cooperating in the areas of education, attracting investments, and avoiding double taxation between Uzbekistan and the US.

Source: [US Embassy \(1\)](#); [US Embassy \(2\)](#); [Kun.uz](#); [UzDaily \(1\)](#); [UzDaily \(2\)](#); [Gazeta.uz](#)

Governments of UAE and Uzbekistan Launch the 'Uzbek Government Leadership Program'

A fourth-month program organized by the government of the UAE is designed to provide, among other things, workshops, dialogue sessions, meeting with subject-matter experts, and trips to various government departments and agencies. The program is carried out as part of the UAE-Uzbekistan strategic government modernisation and development agreement of 2019 aimed at organizing joint initiatives and projects in the government sector.

Source: [MENAFN](#); [UzDaily](#)

The NCHR Held a Meeting with the Ambassadors of Uzbekistan Abroad

At the National Centre of the Republic of Uzbekistan for Human Rights (NCHR), members of the senate and ministries met with ambassadors of Uzbekistan to discuss both achievements and future reforms in the field of human rights. Furthermore, members emphasized the role played by diplomatic missions in the effective implementation of such initiatives.

Source: [UzDaily](#)

Swiss Government Joins UNICEF and Partners in Expanding Opportunities for Civic Participation for Children and Youth in Uzbekistan

The government of Switzerland allocated USD 400 thousand to implement an initiative aimed at increasing the capacity of local authorities to better plan and implement activities, allocate resources, and monitor activities that involve the participation of children and youth in 6 cities of Uzbekistan.

Source: [UzDaily](#)

REGULATORY CHANGES AND POLICY REFORMS

Changes in Business Regulation in Uzbekistan for December 2021

From the 1st of January 2022, reforms, amendments, and additions in taxation, futures trading on commodity exchanges, investment activity of insurance companies, tendered passenger routes, apostilles, and customs entered into force. For the complete list of changes, see the link below.

Source: [Leges Advokat](#)

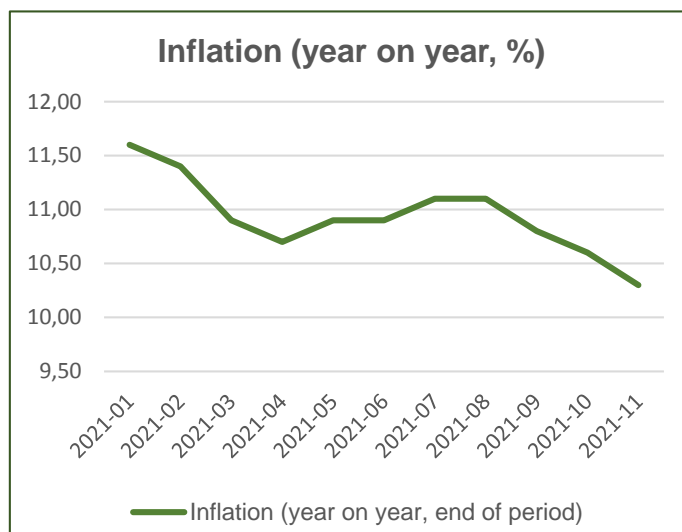
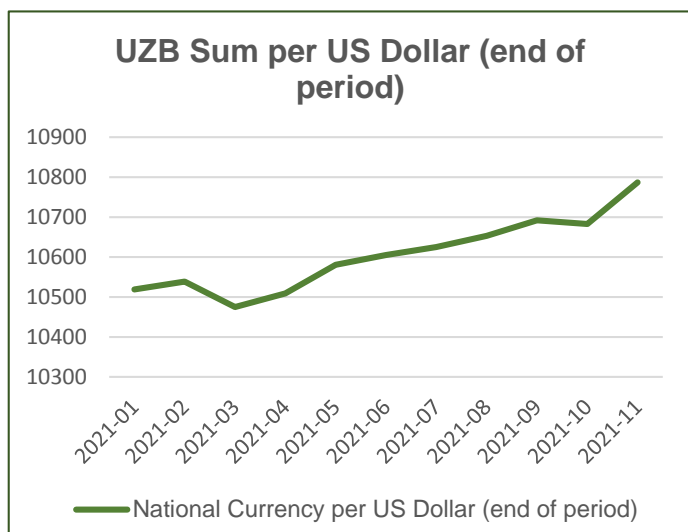
Senate Approves State Budget for 2022

In 2022, GDP is expected to grow by 6%, inflation to stabilize around 9%, and government expenditure to reach about USD 20bn, which is 31,2% more than in the previous year. Furthermore, income tax is announced to remain unchanged at 15% and incomes from dividends at 5%. With that in mind, tax on property of legal entities will be reduced from 2% to 1.5%. For more information, check the legislative document below.

Source: [Gazeta.uz](#); [Legislative Document](#)

Central Bank Leaves the Base Rate Unchanged at 14%, Inflationary Expectations Rise, and the Uzbek Soum Devaluates

The Board of the Central Bank decided to leave the base rate at 14% and explained the rise in fuel prices as the driving cause behind increases in prices for transport, passenger, and logistics services. More on that, inflationary expectations for the next 12 months rose to 16.5% for firms and 15.6% for households. This was considering a 10.3% year-on-year inflation recorded in November. Rising fuel prices and devaluation of the national currency were presented as the main reasons for rising expectations. Regarding exchange rates in December, the UZB Sum experienced a further devaluation against the US dollar and was being exchanged in private banks around at 10,850.



EUROUZ and The Central Bank of Uzbekistan

Source: [Gazeta.uz \(1\)](https://gazeta.uz); [Gazeta.uz \(2\)](https://gazeta.uz); [Kun.uz \(1\)](https://kun.uz); [Kun.uz \(2\)](https://kun.uz)

President Mirziyoyev Signs the Law “On amendments and additions to the Tax Code of the Republic of Uzbekistan”

Amendments to the tax code will include, among other things, the introduction of a special rental tax on the extraction of minerals, cancellation of financial penalties for late submission of tax reports, the reduction of the reporting period for sales, and more. For the complete list of amendments and additions, see xs.uz.

Source: [Kun.uz](https://kun.uz); xs.uz

Monopolies in 14 Areas will be Abolished

According to the Development Strategy for 2022-2026, abolition of exclusive rights and the privatization of SOEs will lead to the abolishment of monopolies in 14 types of activities, such as the supply of liquefied gas to the population and social facilities, production of scrap, and non-ferrous metal waste, etc. Moreover, laws "On Competition" and "On Natural Monopolies" will be consolidated to determine appropriate cases for state participation in business, expand legal instruments for examining the status of natural monopolies, improve the criteria for determining market dominance, and state support, and more.

Source: [Kun.uz](https://kun.uz); [Legislative Document](#)

SENIOR OFFICIAL APPOINTMENTS AND DISMISSALS

- **Deputy Minister of Foreign Affairs**

Appointed - Vladimir Norov

Previously served as the Secretary General of the Shanghai Cooperation Organization

- **Ambassador of Uzbekistan to PRC**

Appointed - Farhod Arziev

Previously served as the First Deputy Minister of Foreign Affairs

- **Head of Sector at the Presidential Administration**

Appointed - Farruh Omonov

Previously served as the Deputy Director of the Agency for Youth Affairs

- **Deputy Minister of Water Resources**

Appointed - Dilshod Khodjiahmedov

Previously served as the Deputy Governor of Ferghana

- **Deputy Chairman of the State Tax Committee**

Appointed - Sirojiddin Eshmatov

Previously served as the Head of Tax Committee for Surkhandarya

- **Deputy Governor of Ferghana**

Appointed - Hojikuzijon Isakov

Previously served as the Ferghana's Director of "Kishlok Kurilish Invest"

- **Deputy Minister of Justice**

Appointed - Aktam Muhammadiev

Previously served as the Head of Justice for the Province of Tashkent

- **Ambassador of Uzbekistan to Greece**

Appointed - Otabek Akbarov

Previously served as the Ambassador of Uzbekistan to Italy

- **Chairman of the State Committee for Ecology and Environmental Protection**

Appointed - Narzullo Oblomurodov

Previously served as the First Deputy Chairman of the State Committee for Ecology and Environmental Protection

- **Rector of the Tashkent State University of Law**

Appointed - Akbar Tashkulov

Previously served as the Deputy Prime Minister of Justice

LONG READS

The Art of Survival for Central Asian States

[The Diplomat](#)

Interview: Bootstrapping Uzbekistan's finances

[Intellinews](#)

Report on the Implementation of the Investment Policy Review of Uzbekistan

[UNCTAD](#)

Cybersquatting as a type of unfair use of a domain name: judicial practice of Uzbekistan

[EU Report](#)

Is Uzbekistan's re-elected President Mirziyoyev the key to sustainable development in Central Asia, including Afghanistan?

[New Eastern Europe](#)

Strengthening Uzbekistan's Judicial System

[The Borgen Project](#)



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 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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