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Europe-Uzbekistan
Association for Economic Cooperation

MONTHLY REPORT ON UZBEKISTAN

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**Europe-Uzbekistan Association for Economic
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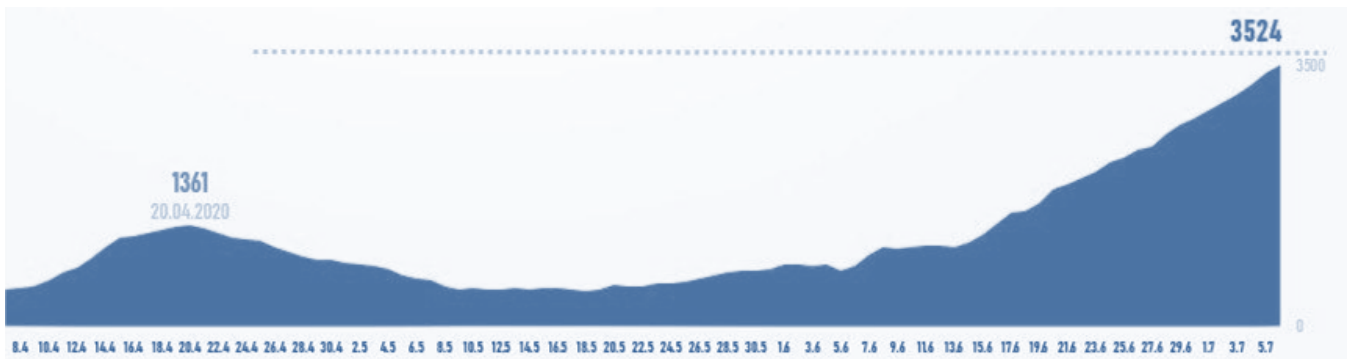
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1. SPECIAL NEWS SECTION

COVID -19 UPDATE

- As of the date of this publication, the number of confirmed COVID-19 cases exceeded **10.800 cases** with **41 confirmed deaths**. While the number of deaths remains low, Uzbekistan is clearly experiencing a substantial increase in total active cases as well as the daily infection rate, as compared to previous peak in April. The below diagram shows active cases evolution. Further details can be reviewed [here](#)



- On June 8th it was announced that the division of country's regions into "red", "yellow" and "green" zones depending on the number of COVID-19 cases was no longer effective. **Quarantine measures will be strengthened from July 10th until at least August 1st across the country.**

From July 10 to August 1 the following additional measures to contain the spread of the virus have been announced:

- Limitation on free movement of vehicles;
- Limitations on the movement of vehicles between regions (with the exception of services provided by organizations involved in the cultivation of agricultural products and the movement of personal vehicles);
- Public cultural, entertainment and other social events will be prohibited;
- Holding of weddings and other family ceremonies will be prohibited;
- Any persons over 65 must not be allowed to travel in public places.

The following facilities will stop working:

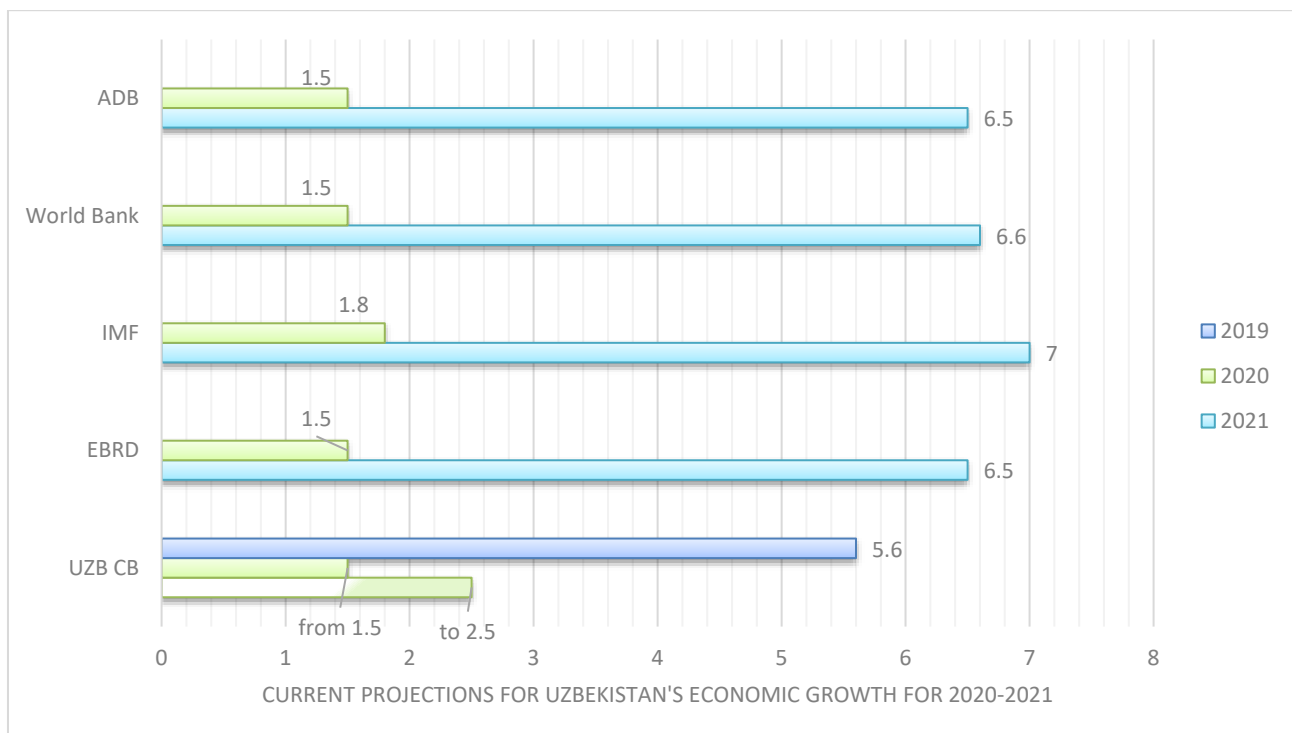
- Recreation and amusement parks;
- Markets and large stores;
- Gyms, fitness clubs and pools
- Preschool educational institutions and training courses;
- Catering facilities (restaurants, cafes, teahouses);
- Sanatoriums, boarding houses, children's camps and beaches.

- **A tracking application** for those who were in contact with COVID-19 patients is currently being developed by ministry of healthcare in cooperation with South Korean specialists. No further details available.
- **Uzbekistan's borders for some categories air travelers have reopened as of June 15th.** These categories include diplomats, their family members, investors, medical tourists, as well as Uzbeks leaving the country for studies or medical treatment.
- Foreign countries are divided into "green", "yellow" and "red" categories for air travel.
 - "Green": the sanitary epidemiological state is stable
 - "Yellow": countries where the incidence of COVID-19 is reduced
 - "Red" (evacuation): countries where the incidence of COVID-19 has not decreased
- Persons arriving from Japan, South Korea, China, and Israel (who have been located in these countries for the past 14 days) will not be put in quarantine.
- Persons arriving from countries of the European Union, Malaysia, Thailand, Singapore (who have been located in these countries for the past 14 days) will be placed in a 14-day home-quarantine.
- Persons arriving from the UAE, Turkey, Iran, Afghanistan, Russia and other CIS countries will be placed in special quarantine centers or designated hotels for 14 days isolation.
- **Additional financing measures** to alleviate the negative impact of the global crisis and the coronavirus pandemic (into the Anti-Crisis Fund) announced in June.
 - **The Asian Development Bank (ADB) has provided a soft loan of \$500 million.** Borrowed funds will be allocated for 15 years, including a 3-year grace period, with an annual interest rate of LIBOR (6 months) + spread (0.5%).
 - **The International Monetary Fund (IMF) has provided a soft loan for the amount of \$375 million.** Preferential loans include an interest-free line of quick loans (Rapid Credit Facility) of \$125 million for a period of 10 years (including a 5 year grace period) and a Quick Financing Instrument (Rapid Financing Instrument) for the amount of \$250 million for 5 years (including 3 year grace period) with an annual interest rate of 1.05%
 - **\$185 thousand will be provided by Canada**
- Uzbekistan ranks 121 out of 200 in COVID-19 **regional safety assessment rating**, compiled by the Deep Knowledge Group consortium. The results based on 130 qualitative and quantitative parameters and more than 11,400 data points, which take into account the effectiveness of the quarantine measures introduced in the countries, their monitoring, diagnosis, health system readiness and other factors.

2. ECONOMIC OVERVIEW

IFIs update Uzbekistan's economic growth outlook

- ADB issued a supplement report to the Asian Development Outlook for June 2020 (originally published in April), where the bank has revised Uzbekistan's economic growth prospects for 2020 from 4.7% to **1.5% in GDP growth 2020** and from 5.8% to **6.5% in 2021**. [Download report](#)
- According to the World Bank report published in June, Uzbekistan remains the only country in Europe and Central Asia region whose economy will continue to grow. Real GDP growth is forecast to be at **1.5% in 2020** and **6.6% in 2021** [Download report](#)



2.1 LOCAL LEVEL

Key measures identified to ensure economic stability

Based on the data published at the end of first week of June, over the three prior months, the government has provided 2.3 trillion sums (\$225.9 million) of tax incentives to various economic sectors in Uzbekistan, with additional 3.6 trillion sums (\$353.5 million) allocated from the Anti-Crisis Fund for direct anti-Covid measures. In a meeting held on June 9th, the following priority areas were outlined by President Mirziyoyev for government focus to ensure continued economic growth in 2020:

- economic and financial stability through optimization of budget revenues and expenses and provision of the additional income by resuming the activities of enterprises and improving general tax administration.

- poverty reduction and employment growth;
- acceleration of banking system reforms;
- increase of foreign direct investment;
- increase of export potential and foreign currency earnings of local enterprises;
- strengthening industry competitiveness through common Industrial Policy Strategy development, which should include focus on the transfer of modern technologies and improvements in energy efficiency of enterprises;
- development of small businesses for the purpose of facilitating free market competition & continued efforts to reform of the judicial system to protect private property of entrepreneurs;
- widespread introduction of digital technologies in all sectors: noting a low share of small businesses in high-tech industries, hence the need to focus on development of new government incentives. Instructions were given for creation of new small industrial zones in various regions.

Additional measures approved for the socio-economic development of Tashkent city

A draft presidential resolution “On additional measures for integrated socio-economic development of Tashkent city and support for entrepreneurship and innovation” has been published for public discussion.

According to the document, the following proposals of the Tashkent city administration will be approved:

- Sale of vacant lands that have been created by narrowing the 16-kilometer section of the Chirchik River flowing through the territory of two districts of Tashkent city;
- Construction of pedestrian and bicycle lanes for a total length of 656 km.

The Ministry of Finance will provide the Tashkent city administration with an interest-free loan of 1 trillion sums (\$98.3 million) until 2023 for the costs associated with the implementation of the aforementioned projects.

Uzbekistan allocates \$100 million to support its service sector

President Mirziyoyev signed a decree “On measures to support the service sector”. The document outlines loans to be allocated to commercial banks for a period of 7 years, including a three-year grace period with an interest rate 4% lower than the Central Bank’s key interest rate.

Loans will be allocated to business entities in the service sector (with the exception of business entities in trade and finance) to create and equip enterprises, especially those operating in the field of consumer services, education, medicine, information communications and other relevant areas, at the key rate of the Central Bank in the amount of up to 1 billion sums (\$98.2 million). At least 20% of the loan funds will be allocated to women and young entrepreneurs.

2.2 REGIONAL COOPERATION

The representatives of the EU and the Central Asian countries discussed prospects for cooperation

EU Special Representative for Central Asia Peter Burian, the ambassadors of Central Asian countries in Belgium, representatives of the European Commission and of the European External Action Service have held a video conference.

The participants of the online event discussed in detail current issues of regional cooperation, as well as upcoming events in the format of the “European Union - Central Asia”.

The European side noted that due to the unfavorable epidemiological situation in the world, many previously planned regional activities were postponed to the end of this year or to the beginning of 2021. It is expected that the European Union-Central Asia Economic Forum in Bishkek and the European Union-Central Asia Forum on Civil Society in Almaty will be held in the first half of next year. The 16th EU-Central Asia Ministerial Meeting is still expected to take place in November this year in Brussels.

Samarkand hosts 65th meeting of UNWTO Commission for Europe

The virtual meeting of the UNWTO Commission for Europe took place on June 24th and 25th. Due to the pandemic, it was decided to hold this event online. The meeting was attended by more than 300 members from over 40 countries. The event aimed at discussing the impact of the pandemic on tourism and overcoming its consequences. It is expected that Uzbekistan to be re-nominated as a host for the next 66th meeting in a full format.

Uzbekistan proposes tourism expansion between Turkic Council states

The proposal was discussed during a video conference between the Tourism Ministers of the Turkic Council states (CCTS). A number of other initiatives have also been put forward by the Uzbek side represented by Aziz Abdulkhakov - Deputy Prime Minister of Uzbekistan, Chairman of the State Committee on Tourism Development. The discussions also covered the possibility to expand the geography, flight directions and frequency, rail and bus connections between the major cities of the member states as well as a number of common digital initiatives, such as joint internet portals and a satellite channel.

3. MARKET DEVELOPMENT BY SECTORS

3.1 INDUSTRY AND CONSTRUCTION

Renaissance Starts Construction of Cast and Rolling Facility in Uzbekistan

Renaissance Heavy Industries (RHI) recently reported to the press that it had started the construction of the casting and rolling mill in the Bekabad Tashkent region of Uzbekistan.

Following negotiations held in February and March, it was announced by the Presidential Press Office of Uzbekistan that Rönésans Holding plans to invest \$3 billion in 8 different projects in Uzbekistan.

Within the scope of Uzmetkombinat JSC modernization, the construction of the Iron Steel Casting and Rolling Plant will be completed within the period of 27 months, and the construction works of the turnkey project will be done for €210 million (\$236 million).

JSC "Uzagrotechsanoatholding" state enterprise to be liquidated

The decision stems from the decree of President Shavkat Mirziyoyev issued June 30 and is part of Uzbekistan's measures to improve agricultural management system by reducing the state's role.

"Uzagrotechsanoatholding" was established in 2016 with the objective of coordination of marketing research on the demand for agricultural machinery and spare parts for it on the local market; coordination of the manufacturing of agricultural machinery and assistance to local enterprises in the sale of their products, primarily on the foreign markets. The holding included the state-owned joint-stock companies "Uzagrotehmash", "Uzagroleasing" and "Uzagroservice".

IFC and EBRD provide \$25 million for modernization of Uzbek fertilizer plant

IFC, a member of the World Bank Group, is providing a \$12.5 million long-term loan to JSC Indorama Kokand Fertilizers and Chemicals to finance the modernization of its fertilizer plant in Uzbekistan. The investments will aid the company with the introduction of energy-efficient technologies to boost production capacity of high-quality phosphate fertilizers for local and regional farmers, improving crop yields and farmers' income. The revamped plant will increase production from less than 100,000 tons to about 350,000 tons of fertilizers per year of which up to 75,000 tons could be exported after meeting domestic requirements.

In parallel, the European Bank for Reconstruction and Development (EBRD) is providing a similar-sized loan for the project. IFC has also been providing advisory support to JSC Indorama Kokand Fertilizers and Chemicals to help the company develop and establish its fertilizer distribution and agronomic-support systems.

Czech PSP Engineering will build a cement plant in Namangan

It has been reported that the engineering documents and basic design documentation are already being developed for the project in question. The project customer is JV LLC Pro Euro Cement with the participation of Arona International b.v. and PSP Engineering. The construction schedule of the plant is set at approximately three years.

3.2 TOURISM AND AVIATION SECTOR

Additional measures for tourism development

In accordance with the new Presidential Resolution “On additional measures for the development of the tourism sector with strict observance of the requirements of the enhanced sanitary and epidemiological safety regime”, from January 1st, 2021 to December 31st, 2023, 50% of the amount of the tourist (hotel) tax collected by the state is reimbursed to the hotels if certain conditions are met.

Additionally, from 1 August 2020:

- “Open Skies” (5th air freedom) mode is introduced at the international airports “Andijan”, “Bukhara” and “Urgench”, in accordance with international law, which envisages the abolition of certain restrictions on operation of foreign air carriers.
- Foreign airlines can operate regular flights to international airports where the Open Skies mode is introduced, regardless of the existence of intergovernmental agreements on air traffic (subject to their compliance with international standards of the International Civil Aviation Organization for ensuring flight safety and security);
- Part of the costs of investors spent on building and equipping new passenger cable cars & systems (with the exception of the territory of the Charvak free tourist zone) is compensated by funds allocated to the extrabudgetary Tourism Support Fund from the State budget in the amount of 1 billion sums for every 500 meters of the cable-road;
- Part of the costs of business entities for the construction of accommodation facilities from prefabricated structures (yurts, containers, sandwich panels) for standard projects of the State Committee for Tourism Development and the Ministry of Construction is compensated by the State budget;
- Provision of services to foreign tourists by the tour operators during the quarantine period is carried out exclusively in the facilities of tourist and related infrastructure that have been included in the register of safe facilities under the new system of sanitary and epidemiological safety “Uzbekistan. Safe travel Guaranteed.”
- Introduction of a compensation payment mechanism in the amount of \$3 thousand to any foreign tourist if they have become infected with COVID-19 during the trip to Uzbekistan.
- At least 10 billion sums will be allocated from the Anti-Crisis Fund for the implementation of measures to reduce the negative impact of the pandemic and the global crisis on the country’s tourism sector.

Passenger traffic capacity at Bukhara International Airport to increase

Project on reconstruction and modernization of the old passenger terminal of Bukhara International Airport has been completed. 1.45 billion sums (\$137.5 thousand) was spent on the construction and repair work, as well as on installing appropriate equipment and devices at the facility. Following the project completion, the passenger traffic capacity at the terminal has increased by 250 persons to 650 passengers per hour. In addition, improved passenger comfort conditions have been created in the waiting rooms.

The Ministry of Transport approved new rules for tariff formation at country's airports

The rules for the formation and collection of fees, tariffs for airport services and aircraft maintenance in Uzbekistan were approved by the order of the Minister of Transport of Uzbekistan. The rules were developed on the basis of the Air Code, government decisions on the development of tourism and the improvement of civil aviation, as well as in accordance with the recommendations of the International Civil Aviation Organization (ICAO)

Charges for air navigation services to the aircrafts are calculated according to the methodology of the European Organization for the Safety of Air Navigation (Eurocontrol). Fees and tariffs for servicing aircrafts at airports in Uzbekistan and air navigation services are differentiated depending whether the flights are domestic or international.

For local airlines, uniform fees and fares are established in accordance with the law. The rules describe in detail the tariff setting mechanism for each type of services provided, in particular, 45 types of ground services alone were given.

3.3 HEALTHCARE

Japan allocates 4.5 million USD to create mobile clinics in Uzbekistan

The Uzbekistan Ministry of Health held the signing ceremony of documents for the high-tech medical equipment project under the assistance program of the Japanese government. The total amount of the grant amounts to 500 million yen (4.5 million USD). The funds will be used to purchase innovative mobile diagnostic container systems, which use modern technologies. Ultrasound, digital X-ray installation, CT scanner, mammography, which allows to clearly diagnose hundreds of diseases. The main advantage of the new clinics is their mobility, which will allow to serve remote regions of the country.

3.4 AGRICULTURE AND FOOD

Coca-Cola Uzbekistan is preparing for privatization of Gov. shares

The State Asset Management Agency of Uzbekistan announced that it is preparing Coca-Cola Ichimligi Uzbekiston LLC for privatization based on open bidding process. Currently, 57.18% of the authorized capital of Coca-Cola Ichimligi Uzbekistan, Ltd is owned by Uzbekozikovkatkholding and 42.82% by The Coca-Cola Export Corporation (USA).

Netherlands TST-Agro is going to build an agricultural cluster in Samarkand for 70 million euros (78.8 million USD)

A facility combining meat-and-milk production, greenhouse and processing complex is planned to be established in the Pakhtachinsky district of the Samarkand region. Project implementation period is 2 years. It is also planned to involve other Dutch companies into the project for the supply of equipment for the processing of dairy products, mechanized complexes for cattle care, as well as cattle for a livestock farm.

TST-Agro will act as the general contractor for the project and will also ensure the construction of greenhouses for growing fresh fruits and vegetables and the supply of technological equipment.

Bukhara and Namangan will create laboratories to determine the amount of GMO in the products

Execution phase on the modernization of testing laboratories within the UzTest agent system has now formally commenced under a World Bank loan project. The project aims at creating better conditions for determining the quality and safety of the food and agricultural products in accordance with international standards. Uzbekistan aims to join EU GSP+ system with new trading preferences already this year, which means that advanced quality inspections for possible exports to the EU countries would become an important milestone in the nearest future.

3.5 ICT SECTOR

US-based “Humans” fintech platform enters Uzbekistan market

The fintech US platform combines a mobile operator application, financial service provider and online shopping app with a cashback for each purchase. “The investment into the development of the app in Uzbekistan will amount to 15 million USD”, said the founder and head of the company Vlad Dobrynin during a presentation that was held online on June 16th, 2020.

A week after the launch, the number of downloads of the application amounted to more than 13 thousand, which allowed HUMANS.uz to take the first place in the "finance" category in the App Store and in the top 5 applications on Google Play. The launch of the mobile operator and financial service Humans is scheduled for August 18th, 2020.

First e-money system registered in Uzbekistan

The Central bank of Uzbekistan reported that Brio Group has registered the first electronic money system in Uzbekistan. In accordance with the Government requirements of issuing and circulating of electronic money in the territory of Uzbekistan, the payment company has started activities as the operator of the electronic money system OSON and the money to be issued strictly in country's national currency. The private joint-stock commercial bank Turkiston became the issuer of the electronic money system.

Research Centre for Cooperation on E-Government to be opened in Tashkent

The talks on this issue were organized by the Uzbek Embassy in South Korea. The parties agreed to speed up the process of establishing a joint research center for cooperation on e-government in Tashkent. Within the project's frameworks South Korea agreed to donate 2 million USD and deploy its highly qualified experts for the practical start of the research center's activities.

3.6 AUTOMOBILE SECTOR

Uzbekistan abolishes excise tax on imported cars and introduces car recycling fee from August 1, 2020

The recent President resolution “On measures to further streamline foreign economic activity and stimulate the development of the domestic market for motor vehicles” formally abolishes the existing import duties starting from August 1, 2020 for the imports of:

- motor vehicles for transporting 10 people or more;
- cars and other motor vehicles intended for the transportation of people, including utility vehicles and vans;
- tractors.

At the same time a vehicle recycling fee is introduced as from August 1, 2020 and is mandatory for:

- individuals and legal entities that import (issue for free circulation) vehicles into the territory of Uzbekistan;
- legal entities producing (assembly, manufacture) vehicles, self-propelled machines and their trailers (hereinafter referred to as vehicles) which are sold in Uzbekistan.

500 electric vehicles to be purchased in China to for taxi service in Tashkent city

500 Chinese BAIC electric vehicles will be purchased for the Tashkent taxi service, the press service of the Tashkent mayor’s office announced. BAIC EVs allow travel of up to 540 km (340 miles) on one battery charge on a highway or 419 km in a city. The BAIC EVs cost is estimated to be from 23 to 25 thousand US dollars, with 1 km to cost estimated 50-60 sums. 10 charging stations are to be delivered for servicing the cars that will allow to charge the car in 30 minutes.

Uzbekistan to start assembling Volkswagen cars in July

The news was announced by Uzavtosanoat (automobile industry supervising body) in June, informing that contractual obligations with Volkswagen Group Rus were already signed in march of this year, under which the parties agreed to organize the production of commercial vehicles in the Jizzakh FEZ, based on the existing LLC Jizzakh Automobile Plant.

According to the document, the project will be implemented in two consecutive phases:

- In 2020-2021, only finished Volkswagen and Škoda vehicles will be imported for final assembly of loose parts. The dealer and service networks will be created in Fergana, Tashkent and Jizzakh. The parties intend to develop, coordinate, and conclude an investment agreement on the transition to the second phase of the project by November 2021.
- The second phase will envisage the organization of a full production cycle (starting from 2022). Issues related to the volume of investments and possible exports of automobiles within the regional market of Central Asia will be settled based on initial market assessment.

The production capacity of the enterprise is envisaged to be up to 20,000 cars per year. The first model will to be imported and later locally assembled will be the Volkswagen Caddy.

3.7 INVESTMENT AND FINANCE

UN predicts a 38% decline in global investment in CIS countries

Foreign direct investment flows to the transition economies of South-Eastern Europe and the CIS will decline by about 38 percent in 2020. This data follows from the report of the United Nations Conference on Trade And Development (Full report available through the [link](#)).

With the outbreak of coronavirus in 2020, global foreign direct investment (FDI) flows are expected to decrease by 40 percent compared to last year. Developing countries will suffer the most. In addition, experts believe that not all countries will be able to recover immediately. Among the CIS countries, experts forecast a sharp decline in investments in extractive industry projects, as demand for commodities is weakening and oil and gas prices – one of the main export commodities of Azerbaijan, Kazakhstan, the Russian Federation, Uzbekistan and Turkmenistan – remain at a very low level. Export-oriented projects will be substantially affected.

HUMO and Mastercard to jointly issue international cards in Uzbekistan

The National Interbank Processing Center and Mastercard signed an agreement to launch the HUMO International project. Holders of HUMO-Mastercard-International payment cards will be able to pay for purchases at all points on the Mastercard network in Uzbekistan and around the world.

Uzbekistan's external debt exceeds 25 billion USD

Since the beginning of 2020, Uzbekistan's total external debt has increased by 2.8 percent (692 million USD), as of April 1, amounts to 25.1 billion USD, the Central Bank has reported. The upward trend is explained by the attraction of new debt to mitigate the social and economic impact of the COVID-19 crisis, as well as to finance State programs for the development of regions and sectors of the economy.

Public sector debt grew by 385 million USD during the first quarter of 2020. In addition, against the backdrop of the global pandemic, the value of Uzbekistan's sovereign bonds has declined as a result of declining stock market prices. As a result of the increase in debt by banks and enterprises in other sectors of the economy, private sector debt rose to 307 million USD.

In the first quarter of 2020, the private sector attracted debt in the total amount of 566 million USD. The debt was raised mainly by banks – 451 million, by enterprises in the textile sector – 36 million, and by other sectors of the economy – 74 million.

Recently, the first meeting of the "Discussion Club" was established by the economic block of the government as a new platform for exchanging views on various issues, to inform the public about future plans. On the meeting the regional economist of the EBRD, Eric Livny, expressed confidence in Uzbekistan's potential to overcome the crisis. According to him, Uzbekistan is the only country in Central Asia in the bank's portfolio and its economy is projected to grow in 2020 and completely recover in 2021. "Obviously, if you take the debt at an average rate of 2.4 percent and achieve economic growth of 6.5 or 7 percent, then there is no reason for concern," said Livny.

A recent article for London Post prepared by Head of Sector Center of Economic Research and Reforms of Uzbekistan Dr. Ulugbek Saidiev, on the growth of public debt in connection with external borrowings can be accessed via the following [link](#).

Uzbekistan intends to issue Eurobonds in national currency

The Uzbek authorities plan to issue Eurobonds in national currency in the equivalent of 500 million USD this year, Deputy Finance Minister Odilbek Isakov announced. According to him, Uzbekistan's need for borrowing will increase due to the coronavirus pandemic. The decision to enter the debt market will depend on the market and budget deficit for the first half of the year.

Eurobonds denominated in soums in the equivalent of 500 million USD can be placed this year and the same amount next year, Isakov noted. This will be done based on budget needs. Isakov also added that Uzbekistan could issue its first Islamic bonds (sukuk – the Islamic equivalent of bonds) next year to finance renewable energy projects.

Central bank fines the Xalq Banki and Agrobank

The fines were addressed for violation of consumer rights. In particular, the following actions undertaken by the banks considered a violation of the law: collection of commissions from customers for the transfer of funds to their accounts, supplementing deposit contracts with provisions allowing unilateral modification of the contract by the bank, placing irrelevant or unreliable information on information stands in banks, charging credit fees in violation with the terms of the credit agreements.

The development of Russian investments by the end of 2020 may reach 1.5 billion USD

According to the results of the 1st quarter of 2020, Uzbekistan has attracted 329.5 million USD of investments from the Russian Federation. At the end of the year, development of 1.5 billion USD is currently expected. According to the IWT, in 2019, 1.3 billion USD of Russian investment was attracted into the economy of Uzbekistan. Based on that data, annual growth may amount to 15% despite the COVID-19 pandemic.

During the official visit to the Russian Federation on June 23rd, the President of Uzbekistan held discussion with his Russian counterpart on the dynamics of bilateral cooperation, in particular, the implementation of new projects worth more than 12 billion USD. The volume of total Russian investments into the Uzbek economy has already exceeded 10 billion USD, with Russian Lukoil being one of the largest foreign investors in Uzbekistan over the past 10 years.

At the end of 2019, the trade turnover between Uzbekistan and Russia increased by 17% to 6.6 billion USD, compared to 2018 data.

EBRD US\$ 40 million loan to UzPromstroybank to support Uzbek SMEs

Despite its increasing importance, access to finance remains a key challenge for the private sector in Uzbekistan, which generates around 50 per cent of the country's GDP. The situation has deteriorated as a consequence of the coronavirus pandemic. The EBRD financing is aimed to support the growth and expansion of the operations of small and medium-sized businesses in the country.

UzPSB is the country's oldest lender. The EBRD credit line will help the bank to grow and diversify its client base and target firms in regions outside the capital. The funds are part of the EBRD's response to the coronavirus pandemic and its economic impact. The funds will also contribute to the further commercialization, greater efficiency and competitiveness of the financial institution. These essential improvements, together with best international banking practices, which the EBRD will bring to UzPromstroybank's operations, will be part of the pre-privatization support provided by the EBRD in agreement with the authorities of Uzbekistan.

IMF to conduct Public Investment Management Assessment (PIMA) in Uzbekistan

Within the framework of cooperation with the IMF on improving the public finance management system in the Republic of Uzbekistan, an agreement was reached on conducting a PIMA assessment in Uzbekistan. Due to the pandemic, the assessment will be carried out by the IMF experts on a remote basis. The specific date of the assessment will be determined in the nearest future (tentatively August-September of the current year).

3.8 UTILITY SYSTEMS

French SUEZ International implements a project for 208 million USD to improve the water supply system in Tashkent city

The French company SUEZ International has signed the contract for the implementation of a project to improve the water supply system in Tashkent. The total budget of this project is estimated at 185.4 million euros (208 million USD), of which 142 million euros (159.6 million USD) are loans from European banks. The funds will be used to modernize the city's water supply and sewerage networks and improve their management in accordance with the international standards. The project also includes the introduction of the latest smart management technologies. The initial discussions about this project implementation were started already in Q3-2018, at the occasion of Uzbekistan President's official visit to France.

Uzbek-Swiss Bilateral Agreement on National Water Resources Management Project

The Agreement on the National Water Resources Management Project (NWRM) in Uzbekistan, Phase 2 was signed by the Ambassador of the Swiss Confederation to Uzbekistan and Minister of Water Resources of the Republic of Uzbekistan in June.

The project will support the water sector reform by assisting the MoWR in creating overall strategic and regulatory Integrated Water Resources Management (IWRM) framework for the country's water sector. It will include finalization of the Water Sector Development Concept 2020-2030 and drafting of the Water Management and Irrigation Sector Strategy based on the IWRM principles to achieve the water sector' sustainability. In parallel, the project will empower the Information Analytical Resource Center (IARC) under the MoWR as the driver for the implementation of the IWRM framework. The current "Phase 2" of the project will be implemented from 2020 to 2024 with the overall budget of 4.6 million Swiss Francs.

French Veolia to modernize heating system of Tashkent in the next 30 years

French company Veolia will be responsible for operating the heating system of the capital for 30 years. The total cost of upgrading the entire system is estimated be around 1.6 billion USD. According to the project, the overall efficiency of the heating system shall increase by 50% in the medium term, while the consumer-reach is expected to increase by 15%.

The current waste losses of the thermal energy at the unitary enterprise "Toshisqiqquvvati", which is responsible for the operation & maintenance of the system are estimated at up to 42%. In 2019, the enterprise also suffered a net loss of 446.5 million sums (43.8 thousand USD), while the state subsidies for the year exceeded 640 million sums (62.8 thousand USD).

3.9 INTERNATIONAL TRADE

Uzbekistan submits a formal an application for EU's GSP+ system of preferences

At present, Uzbekistan uses the basic GSP, under which the country can export approximately 3,000 goods to the EU countries without levying customs duties and 3,200 items at reduced rates. If Uzbekistan receives unilateral tariff preferences under GSP+, the number of products that Uzbek producers will be able to export to the EU countries will increase up to 6,200.

According to the requirements of the EU, in order to receive GSP+ preferences, the interested country should ensure the fulfillment of certain conditions, including the ratification and effective implementation of 27 international conventions, among which 16 are in the field of human rights and basic labor standards, and 11 - in the field of environmental protection and good governance. To this day, the Ministry of Investment and Foreign Trade of Uzbekistan, together with relevant ministries and agencies, has completed the work on fulfillment of the all pre-conditions. The Uzbekistan government hopes that GSP+ status will be granted already within this year.

Uzbekistan exports sweet cherries to 11 countries for 48 million USD

Uzbekistan has increased its exports of sweet cherries by 100% having exported 23,500 tons of cherries to 11 countries for a total of 48 million USD in January-April 2020. The State Statistics Committee had noted that such results are favorable during the pandemic. The biggest importer countries were Kazakhstan (12,400 tons), Russia (6,700 tons) & Kyrgyzstan (4,100 tons).

During previous years Uzbek sweet cherries were exported to South Korea, China, Poland, United Arab Emirates, Belarus, Ukraine, Turkmenistan, Thailand and the United Kingdom. As of June 1st, 51.8 tons of cherries for a total amount 206.8 thousand USD were exported to South Korea. The European market mostly remains beyond reach for the moment due to limited time-window for the supply, prior to the moment when competition from the Spanish & Californian cherries at reduced prices takes over the seasonal supply at most European markets.

Working group for Uzbekistan's accession to WTO to hold a meeting in July

Considering the current epidemiological situation, the fourth meeting of the working group for Uzbekistan's accession to WTO will be held on July 7 this year in a "hybrid" format: delegations from diplomatic missions of foreign States in Geneva will be present in the conference room of the organization's headquarters, while expert groups, including the delegation of Uzbekistan, will participate in the meeting through videoconference," the press service of the Ministry of Investments and Foreign Trade indicated.

US Congress supports Jackson-Vanik amendment cancellation for Uzbekistan

The US Congress will initiate the adoption by the House of representatives of a resolution on the cancellation of the Jackson-Vanik amendment in relation to Uzbekistan.

An online briefing on Uzbekistan for US lawmakers took place in June within the program to strengthen interactions on Uzbekistan – US Inter-Parliamentary Cooperation. The event was attended by co-chairs and members of Caucus on Uzbekistan in the U.S. Congress, as well as several US congressmen. It was also attended by representatives of Humpty-Dumpty Institute, which organizes annual visits of congressmen abroad, Open World Center, which annually conducts

programs for organizing study trips of Uzbekistan parliamentarians to the United States, and Congressional Research Service at Capitol Hill Library.

The Jackson-Vanik Amendment restricts trade with countries that discourage emigration and violate other human rights. The amendment entered into force in Soviet times and continues to apply to Uzbekistan. A temporary waiver is already being applied from the amendment with respect to Uzbekistan, which is subject to annual review during hearings in the U.S. Congress.

3.10 ENERGY AND MINING

SK E&C (South Korea) wins US\$7.2 mln Uzbekistan oil refinery planning deal

SK Engineering & Construction Co. said Tuesday July 7th that it has signed a US\$7.2 million deal to plan the modernization of an oil refinery in Uzbekistan. Under the engineering service agreement inked with Uzbekistan's state oil and gas company Uzbekneftegaz on Monday, the South Korean builder is set to conduct a front-end engineering design (FEED) job for the oil refinery in Bukhara, located about 440 kilometers southwest of the capital city of Tashkent.

SK E&C said it will now be better positioned to win main project worth \$600 million to modernize the oil refinery, which is capable of processing 50,000 barrels of crude oil. The project is designed to transform heavy oil into high-value-added light petroleum products. Uzbekistan had plans to modernize the refinery for many years, but budgetary or oil supply constraints had always prevented any real steps in this project.

Jizzakh Petroleum JV begins modernization of Ferghana Oil Refinery

The Jizzakh Petroleum joint venture has begun modernizing the Ferghana Oil Refinery (refinery) for 300 million USD, the press service of the Ministry of Energy reported in June.

The modernization project envisages the introduction of a hydrocracking process (method of producing fuel) at the refineries and the launch of production of AI-92 motor gasoline and Euro-5 diesel fuel by July 1st, 2023. French company Axens will act as the licensor of the technology, while the Italian WOOD Group is hired to perform basic design for the project.

In April 2019, the President of Uzbekistan signed a decree on the modernization of the Ferghana Oil Refinery by attracting direct investment from Trans Asia Resources LLC, registered in Indonesia. Upgrading the plant until 2022 was estimated at 875 million USD. It was planned that the Indonesian company will create a consortium for the further operation of the plant, and then will buy out state assets of the refinery. However, RT Trans Asia Resources subsequently had failed to start the project as per agreed schedule and it has now been transferred under Jizzakh Petroleum joint venture management. The joint venture company is strongly associated with Gazprom interests in Uzbekistan, including international contractors ENTER Engineering and ERIELL.

Negotiations with Egyptian companies MADKOUR and APEX CO

The online meeting was organized at the initiative of the Foreign Investment Promotion Agency and with the assistance of the Embassy of the Republic of Uzbekistan in the Arab Republic of Egypt. The event was also attended by representatives of the Ministry of Investment and Foreign Trade and the Ministry of Housing and Public Utilities.

The negotiations with MADKOUR and APEX CO focus on development of cooperation in energy sector and implementation of infrastructure projects outlined in Uzbekistan's development program, the press service of the Agency for attracting foreign investment reported.

Altmax Holding Ltd. to invest 1.8 billion USD in the construction of TPP in Uzbekistan

Energy Ministry of Uzbekistan and Altmax Holding Ltd. (owned by Russian businessman Andrei Filatov) signed a memorandum on the construction of a new gas thermal power plant (TPP) with an estimated capacity of 1.5 thousand MW in the south of Uzbekistan. The project cost is estimated at 1.8 billion USD. The construction of the power station will be a part of the project to develop the gas field "25 years of independence", where "Altmax Holding Ltd." is a major shareholder.

Filatov noted that Russian banks, VTB and Gazprombank, are also interested in investing in the project. According to him, equipment manufacturers will also take part in financing the project - by providing their products on credit on favorable terms for a period of 15 years or more. Along with ensuring the local needs of the region of Uzbekistan, the capacity of the new power plant will also create a reserve, including for the potential exports of electricity to neighboring countries, especially Afghanistan.

Cabinet of Ministers approves regulation on State control of nuclear energy

This is provided by the decision as of June 10, 2020. State control and inspection of nuclear energy use are aimed at preventing, detecting and eliminating violations of the requirements of legal entities established by the legislation on the usage of nuclear energy. The authorized bodies will be responsible for monitoring and inspecting nuclear, radiological, industrial, fire, sanitary-epidemiological, environmental safety of nuclear stations and storage facilities.

Under the Law "On the Use of Atomic Energy for Peaceful Purposes", the State Industrial Safety Committee is the specially authorized body for the regulation of the nuclear safety, while the State Committee on Ecology and Environmental Protection, the Ministry of Emergency Situations, the Ministry of Health, the Ministry of Construction, the State Committee on Geology and Mineral Resources, the State Customs Committee, The Hydrometeorological Service Center under the Cabinet of Ministers, the Ministry of Interior, the State Security Service, the Ministry of Defense and the National Guard also have special powers to regulate the safety of the nuclear energy usage.

Uzbekistan has previously announced plans to construct a nuclear power plant within next 10 years in 2018 and UzAtom agency has been established to oversee these efforts.

"Uzbekneftegaz" modernizes its plants for producing propane-butane mixture

The Shurtan Oil and Gas Production Department is implementing an investment project worth \$ 49 million to upgrade the extraction methods of propane-butane mixtures. The project aims to increase the volume of production of propane-butane mixture of liquefied gas by 61.0 thousand tons per year and to ensure the growing demand of domestic consumers in this type of fuel.

As part of the project, 8 contracts worth \$ 19.32 million have already been signed with factories manufacturing technological equipment in Switzerland, Russia and Ukraine.

The second combined-cycle plant launched at Takhiatash TPP

On June 17th, 2020, at the Takhiatash Thermal Power Plant (TPP), a launch of the second combined-cycle plant (CCGT) with a capacity of 280 MW was formally carried out. Its commissioning will help to cover the demand for electricity in Karakalpakstan and in the Khorezm regions. This major

investment project was implemented by a consortium of Hyundai Engineering Co. Ltd and Hyundai Engineering & Construction Co. Ltd ".

Canadian B2Gold intends to intensify investments in the Uzbekistan's mining industry

The Canadian company B2Gold entered the Uzbek market in 2018, completed its investment projects in the country in 2019 ahead of schedule with a total value of \$ 2.18 million. In March of last year, it was reported that, with the successful implementation of the project, B2Gold was ready to multiply the volume of investments. The total budget for 2020 amounted to more than \$ 3 million.

B2Gold representatives note that the territory of Uzbekistan has not yet been fully explored, there is a huge supply of potential opportunities for the development of Uzbek-Canadian cooperation in this direction, which in turn, could serve as a catalyst to other foreign investors' interest in the country.

Masdar inks investment deal for 500-MW wind project in Uzbekistan

Masdar Clean Energy will build a 500-MW wind farm in Uzbekistan under an investment agreement it signed this week with the government of the Central Asian Republic. A power purchase agreement (PPA) with JSC National Electric Grid of Uzbekistan has been signed together with the investment contract.

Abu Dhabi Future Energy Company PJSC, better known as Masdar, will design, finance, build and operate the power plant in southwestern Uzbekistan's Navoiy region where it will also install a 100-MW solar photovoltaic (PV) park.

The wind farm in Zarafshon district is expected to be capable of producing 1.9 GWh of electricity per year, which will be enough to cover the consumption of more than 500,000 homes. Its construction, to be carried out in phases, is slated to begin by end-2020. First power generation from up to 250 MW of the overall capacity is expected in the middle of 2022. "The entire complex will become operational in 2024", Masdar said.

The wind project is expected to attract more than USD 600 million (EUR 527.8 million) in foreign direct investment during the construction and operation phases, the Uzbek Ministry of Investments and Foreign Trade estimates.

4. NEW GOVERNMENT INSTITUTIONS

Uzbekistan establishes a new Anti-Corruption Agency

The Agency to report directly to the President of Uzbekistan and to be accountable only to the chambers of the Oliy Majlis (Parliament). Its tasks will include:

- conducting an in-depth analysis of areas with high levels of corruption and elimination of the causes and conditions of corruption offenses;
- introducing a system for declaring income and property of civil servants and organizing the verification of the accuracy of information in the declaration;
- preparing a national report on the fight against corruption, which must be published annually in the media and submits it to the President of Uzbekistan and the Oliy Majlis.

The Agency's competence includes the use of budget funds, the sale of public assets and anti-corruption control in public procurement. It will be entrusted with a number of other tasks and functions in the fight against corruption in accordance with international standards.

Uzbekistan establishes a Republican Council for tracking & improvement of country's position in international ratings and indices

The first meeting of the Republican Council for work with international ratings and indices was held on June 12th 2020. The event was held in the form of a videoconference, were members of the Council, heads of the Legislative Chamber of the Oliy Majlis, state authorities and presidential administration, representatives of research institutions took part in a discussion on key concepts of the newly established structure.

The meeting focused on the importance of Uzbekistan constantly tracking more than 100 international ratings and indices, which are compiled by various international organizations and extensively used as a global benchmark for assessing the level of development of various countries in the economic, social, political, legal and other areas. The activities of all ministries and their departments will be therefore from this point on be evaluated across on the country's position in such international ratings.

The newly established structure would be responsible for conducting a systematic analysis of the level of socio-economic, political and legal development of the country, ensuring that the fundamental transformations carried out in various fields are taken into account in order to improve the position of the country in international ratings and indices that are considered a priority for Uzbekistan.

State Asset Management Agency released some data on its activity

The State Asset Management Agency has revealed some key data on its activity since its inception in the current format, just over a year ago, in 2019:

- 1.187 state-owned assets were privatized and 352 are currently put up for sale
- 359 state assets were sold to investors for a total value of 391.2 billion sums (38 million USD)
- A monitoring system for 1327 government assets sold with investment obligations has been established
- Out of 84 state-owned loss-making enterprises, 46 were privatized and 18 rehabilitated
- A total of 1.4 trillion sums (137 million USD) were transferred to the state budget
- A restructuring of 6 sectors was completed, including 95 state-owned enterprises (Uzbekneftegaz, Uzbekenergo, Uzsuvkurilish, Uzsuvtaminot, Uzmillibank, Humo Air airline).
- Currently, 9 sectors are being restructured, including 1184 state enterprises (Uzpakhtasanoat, Uzdonmahsulot, MMC Navoi, Uzagroservice, exploration, road-building, publishing and printing companies and football clubs).
- 6 major state enterprises were transferred under private trust management (Yangi Angren TPP JSC, Angren TPP JSC, Uzbekkumir JSC - Central Asia Energy LLC; Fargona Neftni Kita Ishlash Zavod LLC - Jizzakh Petroleum LLC); Tashkent Zoo LLC - Wildlife Care LLC, as well as Ammofos-Maxam JSC - Almalyk TMK JSC).

5. REGULATORY CHANGES

A draft Law on Limited Partnership published for discussion

The purpose of the bill is to create legal conditions for attracting investment in the economy of Uzbekistan and implementing investment projects on the basis of a limited partnership (LP) agreement.

Below are highlighted main points determined in the new law:

- Parties to the Agreement may be Partners, Management company or qualified investors;
- The number of participants in LP should not exceed 50.
- LPs may carry out any legal activity, with the exception of banking.
- LP registration documents are the Agreement and the policy of conducting general affairs (investment declaration);
- Profit earned by LP as a result of investment activities under the Agreement is not taxable subject to the provisions of the Tax Code on the avoidance of double taxation. The taxable amount is determined from the amount attributable to partners as a source of payment from individuals and is subject to taxation by the partner himself when funds are credited to the account as profit from legal entities.

New regulation on mining licenses in Uzbekistan

The Cabinet of Ministers has approved a new Regulation “On the procedure for issuing licenses for the right to use subsoil plots”, including plots containing strategic types of minerals (gold, silver, copper, lead, zinc, tungsten, hydrocarbons, coal, rare metals and rare earth, etc.).

Types of licenses:

- Geological exploration (including pilot production);
- Mining (production);
- Use of technogenic mineral formations, etc.

Authorized licensing authorities:

- The State Committee of the Republic of Uzbekistan on Geology and Mineral Resources for all types of rights. Exception: the right to build and operate underground structures for the storage and disposal of waste, issued by the State Committee of the Republic of Uzbekistan on Ecology and Environmental Protection.

The Regulation also introduces the concept of “**separate (investment) agreements**”, according to which, along with the product-sharing agreement and concession agreements, exclusive rights to subsoil use can now be granted to the investors.

Uzbekistan has adopted a National Human Rights Strategy

The adoption of the strategy is aimed at further improving the mechanism for protecting human rights and freedoms, ensuring the implementation of the Action Strategy in the five priority areas of the development of the Republic of Uzbekistan in 2017-2021.

Currently, Uzbekistan is a signatory to more than 80 international human rights treaties, including 6 core UN treaties and 4 optional protocols, and regularly submits national reports on their implementation to the UN Human Rights Council and treaty committees.

The main areas of activity of state bodies and organizations of the country responsible for the implementation of international human rights instruments are identified as follows:

- ensuring unconditional implementation of national action plans (“road maps”) aimed at implementing the recommendations of international organizations for the protection of human rights;
- identification, analysis and elimination of causes and conditions that impede the implementation of recommendations of the statutory bodies and the UN treaty committees;
- implementation of effective cooperation with the Public Chamber under the President of the country and civil society institutions in the implementation of international obligations of the Republic of Uzbekistan in the field of human rights.

To implement the strategy, the Road Map was approved as part of the strategy, which provides for 78 action points in five areas.

Five new legal codes to be adopted in Uzbekistan

1. By August 1, 2020, it is planned to complete the development of the Code on Non-Governmental Non-Profit Organizations (NGOs) will ensure the right of citizens to join NGOs and help exercise this right, as well as the procedure for creating, registering, operating and abolishing NGOs.
2. The Environmental Code, emphasizing parliamentary and public control, the status of citizens and public associations, environmental control, monitoring and examination, as well as prescribing the rules for using flora and fauna. The work to be completed by October 1, 2020;
3. The Health Code to enshrine the foundations of state regulation and mechanisms of interagency cooperation in the field, financing the health system, organizing sanitary-epidemiological surveillance, as well as the norm of scientific and educational activities in health care. The deadline is until December 1, 2020;
4. The Entrepreneurial Code, which will provide a complete codification of legislation on business matters. A radical revision of the anti-monopoly regulation, strengthening the guarantees of freedom of businesses and responsibility of officials for interference is expected. Public control will be expanded in the field of protecting the rights and legitimate interests of entrepreneurs. Work on the project to be completed by January 20, 2022;
5. The Information Code summarizing the country’s laws on information security. It will consolidate the main directions of development of the media space: freedom of human rights, cybersecurity, respect for media culture and online hygiene. The project to be developed by January 2022.

6. SENIOR OFFICIALS CHANGES/APPOINTMENTS

- **Embassy of Uzbekistan in Ukraine:**
New Ambassador Extraordinary and Plenipotentiary.
Appointed – Alisher Kurmanov.
Previously held position of chairman of the Committee of the Senate of Oliy Majlis of the Republic of Uzbekistan on international relations foreign economic relations, foreign investment and tourism.
- **Ministry of Public Education:**
New First Deputy Minister of Public Education.
Appointed: Usman Sharifkhodjaev
Previously held position as the head of the education sector of the Presidential Administration of the Republic of Uzbekistan.
- **Newly established ROSGEO Uzbekistan - subsidiary of Rosgeology in Uzbekistan:**
Appointed Chairman.
Appointed: Botir Khodjaev
Previously held position of the Minister of Economy and Industry of Uzbekistan.
- **JSC Uzbekistan Airways:**
New Deputy Chairman.
Appointed: Orhan Sivrikaya
Previously engaged as a strategic development adviser to the Uzbekistan Airways.
- **Orient Finans Bank:**
New Board Chairman.
Appointed: Tokhir Junaydullayev
Previously held position of the First Deputy Chairman.
- **Embassy of Uzbekistan in India:**
New Ambassador Extraordinary and Plenipotentiary.
Appointed – Dilshod Akhatov
Previously served as Deputy Foreign Minister of Uzbekistan.
- **State Committee on Land Resources, Geodesy, Cartography and State Cadastre:**
New Chairman.
Appointed – Khalilillo Turakhujayev
Previously served as Director of the Public Services Agency under the Ministry of Justice.
- **Ministry of Higher and Secondary Specialized Education Uzbekistan:**
New First Deputy Minister.
Appointed – Uktam Salomov
Previously served as Rector of the Turin Polytechnic University in Tashkent.
- **World Bank Uzbekistan:**
Appointed Country Manager.
Appointed – Marco Mantovanelli
Previously served as World Bank Country Manager for Kosovo and North Macedonia.

- **National News Agency:**
New Deputy General Director.
Appointed – Khushnudbek Khudoyberdiyev
Previously served as Director of Public Fund for Support and Development of National Mass Media.
- **Information Technology Center of the Ministry of Finance:**
New Director.
Appointed – Ikram Dzhumaniyazov
Previously served as Head of the Department of Executive Control and Work with Appeals of the Ministry of Finance.
- **Ministry for Development of Information Technologies and Communications:**
New First Deputy Minister for the Development of Information Technologies and Communications on Digital Economy and Electronic Government.
Appointed – Oleg Pekos
Previously served as Director of Telecommunication Transport Network of Branch of Uzbektelecom
- **Ministry for Development of Information Technologies and Communications:**
New Deputy Minister for the Development of Information Technologies and Communications of the Republic of Uzbekistan for Telecommunication Infrastructure Issues.
Appointed – Jamol Maksudov
Previously served as Deputy General Director of Uzbektelecom
- **Ministry for Healthcare:**
Four new Deputy Ministers appointed
Appointed – M.D. Elmira Basithanova
Previously served as first Deputy Minister for Makhalla & Family Affairs
Appointed – M.D. Ulugbek Sabirov
Previously served as Director of Specialized Medical Centre for Dermatology
Appointed – Shakhrukh Sharakhmetov
Previously served as Deputy Minister of Finance
Appointed – Abdulla Azizov
Previously served as Deputy Chairman of State Customs Inspection

7. TENDERS

- **Long-term operation, maintenance and modernization of the Tashkent City district heating network under Public-Private Partnership (PPP) modality**

TCM is inviting qualified private district heating operators to submit an Expression of Interest (EOI) for the project in accordance with the requirements included in the request for EOI accessible on the websites of TCM and PPPDA:

[Tashkent District Heating PPP Project - EOI Submission Form](#)
[Tashkent District Heating PPP Project Project Concept Approved by](#)
[Tashkent District Heating PPP Project Project Concept Approved by 2](#)
[Tashkent District Heating PPP Project Request for Expressions of](#)

Interested parties to participate in the tender should submit their EOI by no later than **3 August 2020, 12:00 noon (Tashkent Time)**.

In accordance with Art. 17 of the PPP Law, in case EOIs are received, TCM will organize with the support of the Asian Development Bank (ADB) an international competitive tender between the private initiator and interested third parties to award the Project.

- **Expression of interest launched for another PPP project for Tashkent City District Heating in Uzbekistan. Project value is estimated to be close to 1.6. All experience investors are welcome to participate in a special affermage PPP project.**

The Tashkent City Municipality (TCM), with the support of the Uzbek PPP Development Agency (PPPDA) and advised by the Asian Development Bank (ADB), is inviting qualified private district heating operators to submit an EOI for the Tashkent District Heating PPP Project.

All requirements are included in the request for EOI accessible on the websites of TCM and PPPDA:

<https://lnkd.in/dEi3ZDX>
<https://lnkd.in/dpYetut>

Interested parties to participate in the tender should submit their EOI by no later than **3 August 2020, 12:00 noon (Tashkent Time)**.

ADB (Office of Public-Private Partnership) is advising the Tashkent City Municipality and has hired Norton Rose Fulbright and Kosta Legal as international and local counsels and Ramboll and Global Business Services as international and local technical advisors.

- **Launch of the Request for Qualifications on tender to select an independent power producer(s) to develop two photovoltaic PPP projects, one in Samarkand region and one in Jizzakh region 200 MWac each, with the support of International Finance Corporation**

On June 26, 2020, the government has launched a Request for Qualifications for the projects developed in consultations with the International Finance Corporation (IFC). The program is being carried out by the Ministry of Energy (MOE), with the support of the

Ministry of Investments and Foreign Trade (MIFT) and the Public-Private Partnership Development Agency under the Ministry of Finance (PPPDA).

Sites situated in the Gallaorol district of Jizzakh region and Kattakurgan district of Samarkand region have been selected for the construction of a photovoltaic station with a minimum capacity of 200MWac each.

The government has been preparing an international tender with the assistance of IFC to attract and select a qualified private developer-investor for the Project, under the PPP Law. On March 21, 2020, 84 companies and consortia submitted their Expression of Interest (EOI) to participate in the tender. Those companies and consortia should now submit their qualification applications by **September 26, 2020 (11 pm Tashkent Time)**.

<https://minenergy.uz/en/news/view/658>

➤ **Launch of the Request for Qualifications on tender to select an independent power producer(s) to develop Combined Cycle Gas Turbine PPP project, in Sirdarya region 1250-1500 MW, with the support of International Finance Corporation.**

On June 26, 2020, the government has launched a Request for Qualifications for the projects developed in consultations with the International Finance Corporation (IFC). The program is being carried out by the Ministry of Energy (MOE), with the support of the Ministry of Investments and Foreign Trade (MIFT) and the Public-Private Partnership Development Agency under the Ministry of Finance (PPPDA).

The site situated near the town of Shirin of Sirdarya region has been selected for the construction of a Combined Cycle Gas Turbine station with a capacity of 1250-1500 MW.

The government has been preparing an international tender with the assistance of IFC to attract and select a qualified private developer-investor for the Project, under the PPP Law. On March 5, 2020, 45 companies and consortia submitted their Expression of Interest (EOI) to participate in the tender. Those companies and consortia should now submit their qualification applications by **September 26, 2020 (11 pm Tashkent Time)**.

<https://minenergy.uz/en/news/view/659>

➤ **Launch of the Request for Qualifications for the first solar photovoltaic PPP project in Sherabad as part of the 1GW solar program developed by the Government of Uzbekistan with the support of the Asian Development Bank**

The Government of Uzbekistan is launching a Request for Qualifications for the first project of the 1GW solar photovoltaic program developed with the support of the Asian Development Bank (ADB). The program is supported by the Ministry of Investments and Foreign Trade (MIFT), the Ministry of Energy (MOE), and the Public - Private Partnership Development Agency under the Ministry of Finance (PPPDA).

A site situated in the Sherabad district of Surkhandarya region has been selected for the construction of a photovoltaic station with a minimum capacity of 200MWac including a new 220/110/10 kV substation and a 52km transmission line to connect to the Surkhan 220kV substation.

The Government has been preparing an international tender with the assistance of ADB to attract and select a qualified private developer-investor for the Project, under the new PPP Law. On February 22, 2020, 54 individual companies and consortia submitted an Expression of Interest (EOI) to participate in the tender. The Government of Uzbekistan is now inviting the interested parties who previously registered an EOI to submit their qualification applications by latest on **Tuesday August 25, 2020 (18.00 Tashkent Time)**.

MIFT and MOE are being advised by ADB, with the support of White & Case as international and local counsel, Centil Law as local counsel, Suntrace GmbH as technical consultant and Synergy Consulting as financial modelling firm.

<https://minenergy.uz/en/news/view/657>

8. USEFUL LINKS

Largest Note Ever in Frontier Currency – FMO Entrepreneurial Development Bank, June 8, 2020. Available via link

[\[https://www.fmo.nl/news-detail/5dff46fc-8781-474c-8d46-487303937c99/largest-note-ever-in-frontier-currency\]](https://www.fmo.nl/news-detail/5dff46fc-8781-474c-8d46-487303937c99/largest-note-ever-in-frontier-currency)

Ministry of Finance Newsletter on Uzbekistan's economic situation – June 2020

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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