



MONTHLY REPORT ON UZBEKISTAN

MARCH 2021

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

07-04-2021
Brussels, Belgium

TABLE OF CONTENTS

| | |
|---------------------------------------------------------------------|-----------|
| 1. EUROUZ NEWS | 3 |
| 2. SPECIAL UPDATE – COVID-19 | 3 |
| 3. NOTABLE STATEMENTS | 4 |
| 4. ECONOMIC OVERVIEW..... | 6 |
| 4.1 LOCAL LEVEL | 6 |
| 4.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION | 7 |
| 5. MARKET DEVELOPMENT BY SECTORS..... | 10 |
| 5.1 BANKING SECTOR..... | 10 |
| 5.2 INDUSTRY AND CONSTRUCTION..... | 10 |
| 5.3 AUTOMOBILE AND TRANSPORTATION SECTOR..... | 11 |
| 5.4 HEALTHCARE | 12 |
| 5.5 AGRICULTURE AND FOOD..... | 12 |
| 5.6 INVESTMENT AND FINANCE | 12 |
| 5.7 INDUSTRIAL INFRASTRUCTURE..... | 13 |
| 5.8 IT SECTOR..... | 13 |
| 5.9 BUSINESS..... | 14 |
| 5.10 ENERGY SECTOR..... | 15 |
| 5.11 TOURISM..... | 16 |
| 5.12 MINERALS | 16 |
| 5.13 REAL ESTATE | 16 |
| 5.14 TRADE | 17 |
| 6. EDUCATION | 18 |
| 7. REGULATORY CHANGES..... | 18 |
| 8. SENIOR OFFICIALS CHANGES/APPOINTMENTS..... | 19 |
| 9. USEFUL PUBLICATIONS AND LINKS | 21 |

1. EUROUZ NEWS

Sir Suma Chakrabarti briefs foreign executives, experts on Uzbekistan reforms

In a first-of-its-kind briefing, Sir Suma Chakrabarti, advisor to the President of Uzbekistan & Former President of EBRD, spoke to senior business leaders, policymakers, think tank analysts, and academic experts, sharing his personal assessment of reforms underway in Uzbekistan. The briefing was held under the Chatham House rule and was jointly chaired by the British-Uzbek Society and EUROUZ.

Please follow EUROUZ [website](#) & [newsletter](#) to keep track of future important events.

2. SPECIAL UPDATE – COVID-19

JICA provides a 15-billion-yen (\$135.5 million) loan to Uzbekistan for the COVID-19 Crisis Response Emergency Support Loan

The objective of the program is to support economic and social stabilization, damaged by COVID-19, by extending budget support to the Government of Uzbekistan.

https://www.jica.go.jp/english/news/press/2020/20210326_30.html

Tashkent receives 660,000 doses of AstraZeneca vaccines

It is planned to supply more than 2 million doses of AstraZeneca vaccine to Uzbekistan at the expense of the COVAX Fund.

<https://www.unicef.org/uzbekistan/en/first-batch-of-covid19-vaccines-to-uzbekistan>

Uzbekistan is developing its own COVID vaccine

So far, Uzbek scientists have created the first protein S molecule of the COVID-19 vaccine. Uzbekistan is also recognized as a co-author of the ZF-UZ-VAC 2001 vaccine, developed by Zhifei Longcom Biopharmaceutical Co., Ltd. One million doses of ZF-UZ-VAC 2001 have been received from China for free in the last days of March.

<https://kun.uz/en/33695218>

Uzbekistan will receive 5.5 million doses of coronavirus vaccines by July 2021

Uzbekistan will receive 2 million doses of AstraZeneca vaccine in May-June and 3.5 million doses of ZF-UZ-VAC 2001 vaccine – in April-June.

<https://kun.uz/en/29892855>

Uzbekistan started mass coronavirus vaccination from April 1

Elderly and disabled people, employees of the healthcare and education systems, as well as members of law enforcement bodies will be vaccinated in the first place.

<https://www.reuters.com/article/us-health-coronavirus-uzbekistan-vaccina-idUSKBN2BG00Q>

3. NOTABLE STATEMENTS

The World Bank: Uzbekistan is the easiest place to do business in Central Asia

During the last 5 years Uzbekistan has made significant economic progress, rising up the World Bank's Doing Business ratings from 141st to 69th.

| Rank | Economy | DB score | Rank | Economy | DB score | Rank | Economy | DB score |
|------|----------------------|----------|------|--------------------|----------|------|--------------------------------|----------|
| 1 | New Zealand | 86.8 | 65 | Puerto Rico (U.S.) | 70.1 | 128 | Barbados | 57.9 |
| 2 | Singapore | 86.2 | 66 | Brunei Darussalam | 70.1 | 129 | Ecuador | 57.7 |
| 3 | Hong Kong SAR, China | 85.3 | 67 | Colombia | 70.1 | 130 | St. Vincent and the Grenadines | 57.1 |
| 4 | Denmark | 85.3 | 68 | Oman | 70.0 | 131 | Nigeria | 56.9 |
| 5 | Korea, Rep. | 84.0 | 69 | Uzbekistan | 69.9 | 132 | Niger | 56.8 |
| 6 | United States | 84.0 | 70 | Vietnam | 69.8 | 133 | Honduras | 56.3 |

<https://www.doingbusiness.org/en/data/doing-business-score>

IMF published latest World Economic Outlook, April 2021: Managing Divergent Recoveries with updated economic growth outlook, including Uzbekistan.

<https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>

Annex Table 1.1.4. Middle East and Central Asia Economies: Real GDP, Consumer Prices, Current Account Balance, and Unemployment

(Annual percent change, unless noted otherwise)

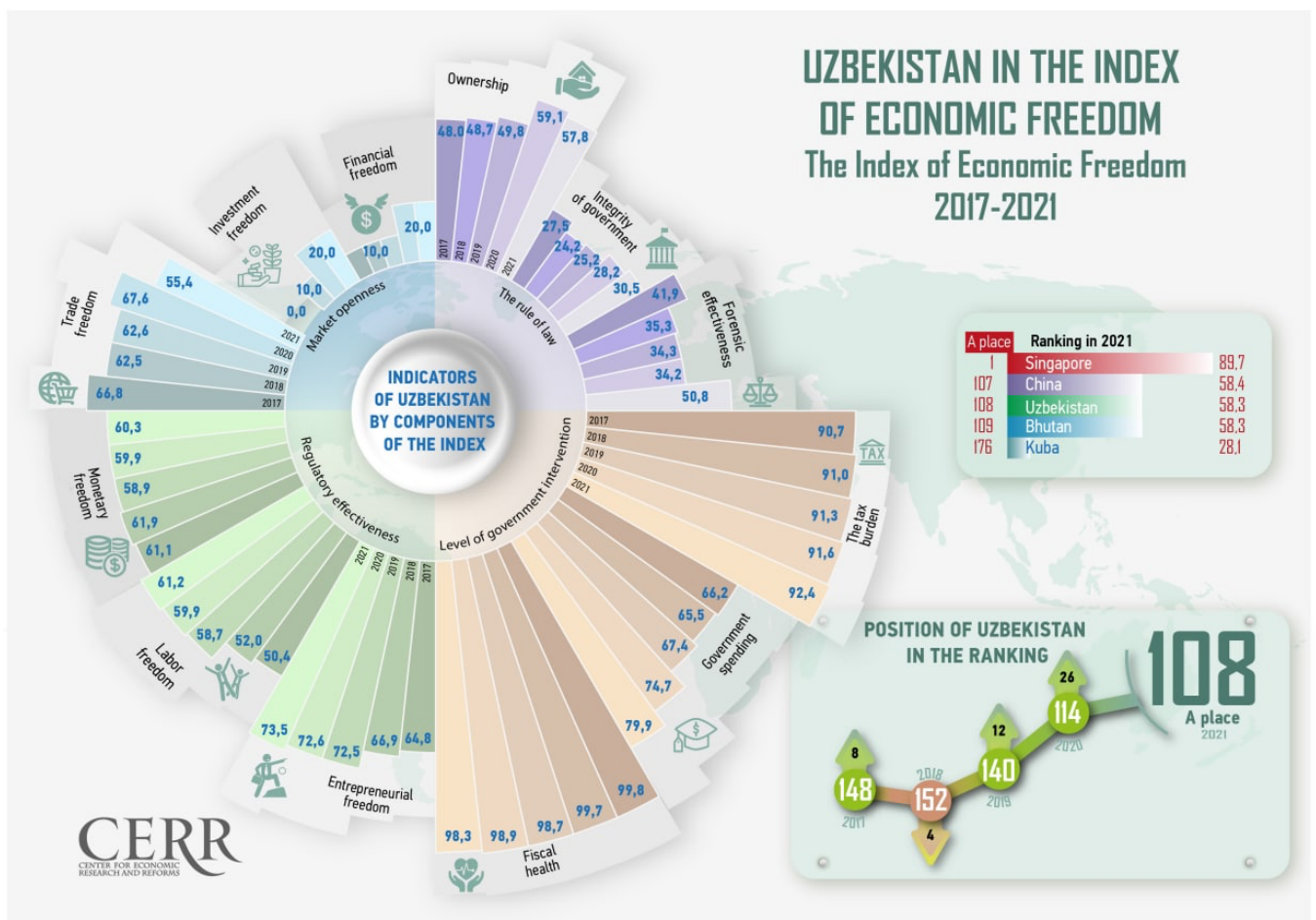
| | Real GDP | | | Consumer Prices ¹ | | | Current Account Balance ² | | | Unemployment ³ | | |
|-------------------------------------|-------------|-------------|------------|------------------------------|-------------|------------|--------------------------------------|-------------|-------------|---------------------------|-------------|------|
| | 2020 | Projections | | 2020 | Projections | | 2020 | Projections | | 2020 | Projections | |
| | | 2021 | 2022 | | 2021 | 2022 | | 2021 | 2022 | | 2021 | 2022 |
| Middle East and Central Asia | -2.9 | 3.7 | 3.8 | 10.2 | 11.2 | 8.1 | -3.0 | 0.3 | 0.1 | ... | ... | ... |
| Oil Exporters⁴ | -4.2 | 4.6 | 3.4 | 8.2 | 10.4 | 7.8 | -2.7 | 2.1 | 1.7 | ... | ... | ... |
| Saudi Arabia | -4.1 | 2.9 | 4.0 | 3.4 | 2.7 | 2.0 | -2.1 | 2.8 | 1.9 | ... | ... | ... |
| Iran | 1.5 | 2.5 | 2.1 | 36.5 | 39.0 | 27.5 | -0.7 | 1.2 | 1.2 | 10.8 | 11.2 | 11.7 |
| United Arab Emirates | -5.9 | 3.1 | 2.6 | -2.1 | 2.9 | 1.2 | 3.1 | 7.1 | 6.3 | ... | ... | ... |
| Algeria | -6.0 | 2.9 | 2.7 | 2.4 | 4.9 | 6.0 | -10.5 | -7.7 | -8.7 | 14.2 | 14.5 | 14.9 |
| Kazakhstan | -2.6 | 3.2 | 4.0 | 6.8 | 6.4 | 5.0 | -3.6 | -1.0 | -1.5 | 5.5 | 5.2 | 5.0 |
| Iraq | -10.9 | 1.1 | 4.4 | 0.6 | 9.4 | 7.5 | -14.8 | 0.0 | -0.6 | ... | ... | ... |
| Qatar | -2.6 | 2.4 | 3.6 | -2.7 | 2.4 | 2.9 | -3.4 | 7.1 | 7.9 | ... | ... | ... |
| Kuwait | -8.1 | 0.7 | 3.2 | 2.1 | 2.3 | 2.5 | 0.8 | 8.6 | 8.2 | ... | ... | ... |
| Azerbaijan | -4.3 | 2.3 | 1.7 | 2.8 | 3.5 | 3.2 | -0.9 | 1.1 | 0.5 | 6.5 | 5.8 | 5.7 |
| Oman | -6.4 | 1.8 | 7.4 | -0.9 | 3.8 | 2.4 | -10.0 | -6.4 | -2.7 | ... | ... | ... |
| Turkmenistan | 0.8 | 4.6 | 3.9 | 7.6 | 8.0 | 6.5 | -0.5 | 0.8 | -0.1 | ... | ... | ... |
| Oil Importers⁵ | -0.7 | 2.4 | 4.4 | 13.3 | 12.5 | 8.6 | -3.8 | -4.4 | -4.2 | ... | ... | ... |
| Egypt | 3.6 | 2.5 | 5.7 | 5.7 | 4.8 | 7.2 | -3.1 | -4.0 | -4.0 | 8.3 | 9.8 | 9.4 |
| Pakistan | -0.4 | 1.5 | 4.0 | 10.7 | 8.7 | 8.0 | -1.1 | -1.5 | -1.8 | 4.5 | 5.0 | 4.8 |
| Morocco | -7.0 | 4.5 | 3.9 | 0.6 | 0.8 | 1.2 | -2.2 | -3.8 | -4.0 | 11.9 | 10.5 | 9.7 |
| Uzbekistan | 1.6 | 5.0 | 5.3 | 12.9 | 10.3 | 11.2 | -5.4 | -6.4 | -5.9 | ... | ... | ... |
| Sudan | -3.6 | 0.4 | 1.1 | 163.3 | 197.1 | 44.5 | -17.5 | -11.2 | -13.5 | 26.8 | 28.4 | 29.7 |

Kitco: Uzbekistan’s Muruntau mining complex is the world’s biggest gold mine

The Muruntau mining complex is estimated to have produced slightly more than 2 million ounces of gold in 2020.

<https://www.kitco.com/news/2021-03-05/The-world-s-top-10-biggest-gold-mines-in-2020-report.html>

The Heritage Foundation: Uzbekistan ranks 108th in the Economic Freedom Index



In the new Index of Economic Freedom, Uzbekistan improved its position and took 108th place out of 178, up to 6 positions compared to 2020. Uzbekistan ranks 21st out of 40 countries in the Asia-Pacific region and its overall score is below the regional and world average.

<https://www.heritage.org/index/ranking>

4. ECONOMIC OVERVIEW

4.1 LOCAL LEVEL

Uzbekistan's external debt reaches 58.6% of GDP

The total external debt of Uzbekistan at the end of 2020 amounted to \$33.8 billion, growing by \$9.2 billion (37.4%) during the year, and caused by the attraction of loans to mitigate the crisis caused by the pandemic and financing state programs.

<https://kun.uz/en/21640766>

Uzbekistan's budget deficit projected at 37.5 trillion soms (\$3.6 billion) in 2021

According to the Ministry of Finance, in 2021 the economy will gradually recover, the consolidated budget deficit will reach 37.5 trillion soms or 5.4% of GDP.

<https://kun.uz/en/36801359>

Demand for loans and foreign exchange approached pre-quarantine indicators

The volume of purchases of foreign currency for the import of goods and services reached \$1.72 billion. As of March 1, 2021, the exchange rate of the national currency was more stable. The level of devaluation since the beginning of the year was 0.6%.

<https://review.uz/en/post/spros-na-kredit-i-inostrannuyu-valyutu-priblizilsya-k-dokarantinm-pokazatelyam>

The central bank kept the policy rate unchanged at 14% after March meeting

The decision was taken in order to further reduce the dynamics of inflation, to maintain positive real interest rates in the economy, as well as to create favorable conditions for the recovery of economic activity.

<https://review.uz/en/post/centralny-bank-soxranil-osnovnuyu-stavku-bez-izmeneniy>

Uzbekistan to invest in housing, social development programs to combat poverty

Uzbekistan will allocate \$3 billion for housing and social development programs to improve the living conditions of the rural population. The investment will not increase the country's foreign debt.

http://www.xinhuanet.com/english/asiapacific/2021-03/24/c_139833159.htm

Uzbekistan's international reserves decreased by \$1.1 billion

The international reserves of Uzbekistan as of March 1 amounted to \$33.2 billion. The country's reserves are still very poorly diversified – almost everything is stored in gold and foreign currency.

<https://kun.uz/en/02647009>

Inflation recorded at 0.8% in March

Food products rose in price by 1.2%, non-food products – by 0.6%, services – by 0.4%. In March of the previous two years, the figures were higher.

<https://kun.uz/en/31074335>

4.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION

EU edging closer to granting Uzbekistan GSP Plus trade status.

Becoming a GSP+ beneficiary will allow Uzbek producers to export more than 6 thousand types of products to the markets of European countries duty-free. The addition of Uzbekistan to the list of GSP+ beneficiaries does not require formal approval by EU capitals or a full vote by the European Parliament. But the European Parliament has veto power: If it collectively decides to file an objection then the Commission cannot proceed. The parliament has had until the end of March 2021 to file an objection.

<https://www.intellinews.com/borderlex-eu-edging-closer-to-granting-uzbekistan-gsp-plus-trade-status-205937/?source=uzbekistan>

President Shavkat Mirziyoyev and Prime Minister Viktor Orban have signed a Joint Declaration on Strategic Partnership between the Republic of Uzbekistan and Hungary.

More than 10 documents were signed during the visit of Hungarian State delegation to Uzbekistan. They are aimed at further developing multifaceted partnership.

The signed documents include the Intergovernmental Agreement on Regional Cooperation, the Program of Cooperation between the Foreign Ministries for 2021-2023, the Memorandum of Understanding between the Institute for Strategic and Regional Studies and the Ministry of Foreign Affairs and Trade of Hungary, the Agreement on Cooperation in Labor Relations, Memorandums of Understanding on training in the nuclear industry, on cooperation in innovation, the Program of Cooperation in Culture, the Roadmap for the development of cooperation in agriculture, food products and livestock, the Framework Agreement on Cooperation in Water Management.

<https://www.marketscreener.com/news/latest/Uzbekistan-and-Hungary-are-strategic-partners-32844901/>

A large Russian trade & business delegation received in Tashkent first week of April

On April 5, the President of the Republic of Uzbekistan Shavkat Mirziyoyev received a delegation headed by the Minister of Industry and Trade of the Russian Federation Denis Manturov, who is in Tashkent to participate in the international industrial exhibition "Innoprom". Over 300 Russian companies have arrived in Tashkent in order to take part in this event according to local media.

<https://www.uzdaily.uz/en/post/62186>
<https://www.gov.uz/en/news/view?id=30391>

Uzbekistan and Iran to deepen bilateral cooperation.

Sides expressed interest in deepening trade-economic, investment, transport and communication ties.

<https://kun.uz/en/03527630>

Uzbekistan and Kyrgyzstan aim to double mutual trade turnover

The volume of mutual trade exceeded \$ 900 million over the past four years. The heads of state stressed that the further development of mutually beneficial trade and economic cooperation is a priority area of strategic partnership.

<https://review.uz/en/post/uzbekistan-i-krqzstan-imeyut-potencial-dlya-uvelicheniya-tovarooborota-v-dva-raza>

Uzbekistan and Germany: prospects for trade, economic and investment cooperation

In 2020, the volume of utilized German investments increased by 25% and exceeded \$710 million. The Federal Ministry for Economic Cooperation and Development of Germany has developed a new "Strategy 2030", in which Uzbekistan is the only Central Asian partner country. This makes it possible to continue bilateral cooperation on the implementation of joint projects.

<https://review.uz/en/post/uzbekistan-germaniya-perspektiv-torgovo-ekonomicheskogo-i-investicionnogo-sotrudnichestva>

Uzbekistan signs decree on strengthening cooperation with Russia

A representative office of the Ministry of Investments and Foreign Trade with 7 employees will open in Moscow to implement joint projects.

<https://kun.uz/en/46168232>

Moscow's Multifunctional Migration Center establishes a branch in Tashkent

The migration center will offer services such as selecting citizens who want to work in Russia, assessing their professional qualifications, organizing interviews with employers, advising on staying in Russia taking into account restrictions related to the pandemic, providing information about existing vacancies, etc.

<https://kun.uz/en/50597353>

Uzbekistan to grant Kyrgyzstan \$50 million for economic projects

The deputies of the Kyrgyz parliament have approved the ratification of the agreement on the establishment of the Kyrgyz-Uzbek development fund. According to it, Uzbekistan will allocate funds to Kyrgyzstan.

[https://akipress.com/news:655372:Uzbekistan_to_provide_\\$50_million_for_charter_capital_of_Kyrgyz-Uzbek_development_fund/](https://akipress.com/news:655372:Uzbekistan_to_provide_$50_million_for_charter_capital_of_Kyrgyz-Uzbek_development_fund/)

Uzbekistan and Kyrgyzstan sign agreements worth almost \$1 billion

Uzbek and Kyrgyz entrepreneurs signed 291 investment and trade agreements totaling \$935.1 million.

<https://kun.uz/en/62853054>

Hungarian experts to assist in socio-economic development of Samarkand and Jizzakh regions

Hungarian experts will assist Uzbekistan in the implementation of reforms in several priority areas including agriculture, trade and entrepreneurship, banking and financial sector, healthcare, education, e-government development and services.

<https://kun.uz/en/98038332>

Shavkat Mirziyoyev will take part in the CCTS informal summit

The summit will be attended by all the heads of state of the CCTS and the Prime Minister of Hungary (an observer state). During the event, it is planned to discuss the 2025 Draft Strategy of the Turkic Council and a number of other documents.

<https://kun.uz/en/00245456>

Uzbekistan, South Korea intend to step up inter-parliamentary ties

On April 6, the Chair of the Senate Tanzila Narbaeva met with the Speaker of the National Assembly of the Republic of Korea Park Byeong-seog.

<https://tashkenttimes.uz/national/6711-uzbekistan-south-korea-intend-to-step-up-inter-parliamentary-ties>

5. MARKET DEVELOPMENT BY SECTORS

5.1 BANKING SECTOR

Representative office of Kyongnam Bank to start operating in Uzbekistan

The Central Bank of Uzbekistan has accredited the representative office of Kyongnam Bank. It is set to establish cooperation with domestic banks, assist in improving the financial literacy of clients and introduce the best practices of South Korea in the banking and financial system of Uzbekistan.

https://www.thetribune.com/south-korean-kyongnam-bank-opens-office-in-uzbekistan/?utm_source=rss&utm_medium=rss&utm_campaign=south-korean-kyongnam-bank-opens-office-in-uzbekistan

5.2 INDUSTRY AND CONSTRUCTION

Uzbekistan and Tajikistan to electrify Bekabad-Kanibadam-Kokand railway

The railway companies of Uzbekistan and Tajikistan are set to sign an agreement on the construction of a power transmission line along the Bekabad-Kanibadam-Kokand railway.

<https://kun.uz/en/48146056>

Uzbekistan presents tax benefits to private partners involved in reconstruction of republic's airports

The airports in Uzbekistan will be reconstructed, modernized, operated and managed on the basis of a Public-Private Partnership.

<https://kun.uz/en/52832511>

Uzbekistan to introduce new control mechanisms for the construction industry

From July 1, 2021, new control mechanisms will be introduced in the construction industry.

https://www.uzbuild.uz/en/mediacentre/novosti.php?ELEMENT_ID=52766

5.3 AUTOMOBILE AND TRANSPORTATION SECTOR

Fitch Assigns UzAuto Motors (UAM) First-Time 'B+' Rating

Fitch has applied its 'Government-Related Entities Rating' Criteria and assessed the linkage between UAM and its sole shareholder, the Republic of Uzbekistan (BB-/Stable), to be moderate-to-strong.

<https://www.fitchratings.com/research/corporate-finance/fitch-assigns-uzauto-motors-first-time-b-rating-outlook-stable-23-03-2021>

Fergana to open 4 factories producing electric scooters

New facilities will be located on the territory of the Kokand free economic zone. \$8.5 million will be allocated to the Fund for Development of the Electrical Industry.

<https://www.intellinews.com/uzbekstan-s-fergana-region-to-spend-8-5mn-setting-up-electric-scooter-production-204658/>

UzAuto Motors starts sales of updated Chevrolet Equinox and Chevrolet Tracker

Equinox and Tracker can be purchased starting from 260 million soms and 145.1 million soms respectively.

<https://kun.uz/en/14253822>

Construction of a new automobile plant in Uzbekistan is announced

The construction of the Renault Avtovaz automobile plant will be implemented in Jizzakh region in 2021.

<https://kun.uz/en/26148999>

Uzbekistan's first private airline registers two Airbus A320-214 aircrafts

Qanot Sharq Airlines plans to operate flights from regional airports to Istanbul, Ankara (Turkey), Dubai (UAE), Jeddah, Madina (Saudi Arabia), Moscow, St. Petersburg (Russian Federation) and Almaty (Kazakhstan).

<https://kun.uz/en/74183840>

5.4 HEALTHCARE

Tashkent starts producing mechanical ventilators

500 mechanical ventilators and 200 anesthesia and respiratory devices will be produced annually. The total cost of the project is \$6 million, and it is expected to create more than 100 jobs.

<https://kun.uz/en/88408068>

Glocal Healthcare to create first digital dispensaries in Uzbekistan

Over the next five years, 1,000 digital dispensaries will be set up in Uzbekistan.

<https://www.businesswire.com/news/home/20210302005672/en/Strong-Start-to-2021-Glocal-Healthcare-Team-Signs-Contracts-in-Namibia-and-Uzbekistan-and-is-Recognized-by-Her-Majesty-Queen-Mathilde-of-Belgium-as-Leading-International-Healthcare-Innovator>

5.5 AGRICULTURE AND FOOD

USAID launches a new Regional Water and Environment Activity in Uzbekistan

The U.S. Agency for International Development (USAID) launched its new five-year water and environment activity in Uzbekistan. The program will strengthen regional cooperation on the management of shared water resources in the Syr Darya and Amu Darya river basins.

<https://review.uz/en/post/usaaid-launches-a-new-regional-water-and-environment-activity-in-uzbekistan>

5.6 INVESTMENT AND FINANCE

VEON intends to invest \$40 million in the development of Beeline Uzbekistan

Despite plans to invest \$40 million, the total volume of investments amounted to \$50 million with the goal to improve the quality of customer service and introduce new services.

<https://www.uzdaily.uz/en/post/64299>

VEB.RF grants \$59 million to finance BELAZ machinery supplies to Uzbekistan

The Russian bank VEB.RF has fully financed the supply of BELAZ dump trucks with the lifting capacity of 220 tonnes to the Almalyk Mining and Metallurgical Complex (Almalyk MMC) in Uzbekistan.

<https://eng.belta.by/economics/view/vebrf-grants-59m-to-finance-belaz-machinery-supplies-to-uzbekistan-138233-2021/>

Uzbekistan creates a special judicial panel for investors

Foreign and local investors with at least \$20 million investments will be able to turn to the special panel to resolve their disputes with state agencies on investment issues.

http://www.xinhuanet.com/english/asiapacific/2021-03/25/c_139834863.htm

5.7 INDUSTRIAL INFRASTRUCTURE

AVA MGC buys state share in Bukhara Repair-Mechanical Plant for 15.2 billion soms (\$1.5 million)

The company will create a line for the production of domestic boilers and metal radiators.

<https://kun.uz/en/01608294>

ACWA Power signs financing package for \$1 billion Gas Power Project in Uzbekistan

ACWA Power has announced the successful financial closure for the development, construction and operation of the 1500 MW Sirdarya Combined Cycle Gas-Turbine (CCGT) power plant in Uzbekistan. A syndicate of seven international lenders will provide 4750 million senior debt for the \$1 billion project.

<https://english.aawsat.com/home/article/2897016/acwa-power-signs-financing-package-1b-gas-power-project-uzbekistan>

5.8 IT SECTOR

15 units of 5G base stations operate in test mode in Tashkent

Currently, over 31,700 base stations of mobile communications have been installed and put into operation throughout Uzbekistan, which brought the level of mobile coverage to 98%. This year, it is planned to increase the total number of stations to 33.7 thousand, and thereby bring the level of mobile coverage to 99%.

<https://www.uzdaily.uz/en/post/64207>

5.9 BUSINESS

EBRD provides a \$25 million loan to Uzpromstroybank

The loan under the Bank's Resilience Framework is designed to tackle the economic impact of COVID-19. It will stimulate lending to SMEs across Uzbekistan. The funds will be disbursed in Uzbek som to protect local businesses from foreign currency exchange-related risks.

<https://www.ebrd.com/news/2021/ebd-provides-us-25-million-to-uzpromstroybank.html>

British brand Marks & Spencer launches online operations in Uzbekistan

Marks & Spencer is to launch 46 new websites in overseas markets from Iceland to Uzbekistan, as part of moves to grow its online business.

<https://review.uz/en/post/britanskiy-brend-marks-spencer-zapustit-sayt-dlya-uzbekistana>

Fix Price opens a new store in Tashkent

Fix Price has opened its 25th store in Tashkent. The turnover of the entire retail market in Uzbekistan is still small – \$14.7 billion, and the number of modern stores does not exceed 46 thousand.

<https://kun.uz/en/68241803>

Self-employed people in Uzbekistan may be allowed to engage in e-commerce

The project provides for a number of incentive measures aimed at developing e-commerce: the reduction of income tax and turnover tax rates for all business entities engaged in e-commerce by 50%, regardless of the amount of income received from e-commerce, as well as providing young entrepreneurs with an interest-free grace period for paying taxes.

<https://www.uzdaily.uz/en/post/64446>

Adobe registered as taxpayer in Uzbekistan

The Tax Committee has created a VAT office that allows foreign internet companies operating in Uzbekistan to register and start paying taxes.

<https://kun.uz/en/37864669>

5.10 ENERGY SECTOR

ACWA Power completes financial close stage of project for construction of TPP in Syrdarya region

The total capacity of new thermal power plant (TPP) is 1,500 MW. The total cost of the project is \$1.2 billion, of which \$747 million is a loan provided by the International Development Bank and foreign private commercial banks.

<https://kun.uz/en/35495165>

USAID supports modernization of Uzbekistan's energy sector

Uzbekistan plans to commission 5,000 MW of new solar capacity and 3,000 MW in wind power plants by 2030.

<https://www.usaid.gov/uzbekistan/press-releases/mar-15-2021-usaid-supports-modernization-uzbekistan-energy-sector>

Masdar celebrates ground-breaking on Uzbekistan's first wind farm and agrees to extend project capacity

Masdar, one of the world's leading renewable energy companies, has signed an Implementation Agreement with the Government of Uzbekistan to extend the capacity of its utility-scale wind farm project to up to 1.5 gigawatts (GW).

<https://review.uz/en/post/moshnost-pervoy-vetryanoy-elektrostancii-uzbekistana-uvelichat-s-pervonachalnx-500-mvt-do-15-qvt>

Ministry of Energy, Phanes Group sign PVP deal

The signed documents include the technical and commercial conditions for the construction, ownership and operation of a 200 MW AC solar PV plant, as well as a 60 km length to a 220/110 kV substation.

<https://tashkenttimes.uz/economy/6704-ministry-of-energy-phanes-group-sign-pvp-deal>

Uztransgaz eyeing US\$ 618 million in a syndicated loan

The Ministry of Finance, Uztransgaz, VEB.RF, the Russian Agency for Insurance of Export Credits and Investments and Gazprombank have agreed to cooperate on the implementation of the Uzbekistan's gas transportation system modernization project.

<https://tashkenttimes.uz/finances/6707-uztransgaz-eyeing-us-618-million-in-a-syndicated-loan>

VEB.RF, Gazprombank to project finance Surkhandarya gas field development

Surhan Gas Chemical Operating Company, VEB.RF and Gazprombank have signed basic indicative financial terms for the implementation of the Mustakillikning 25 Yilligi (M-25) gas field exploration and development project in Uzbekistan, the VEB.RF press service said.

<https://tashkenttimes.uz/economy/6709-veb-rf-gazprombank-to-project-finance-surkhandarya-gas-field-development>

5.11 TOURISM

Uzbekistan signs a cooperation agreement with Belarus in tourism

The sides agreed to cooperate in promoting tourism products, exchanging information and experience in the field of tourism, organizing info-tours, and supporting various types of tourism: health, ecological, gastronomic, mountain, cultural, archaeological and agritourism.

<https://kun.uz/en/05989760>

A five-star hotel to be built in Bukhara

Valor Hospitality Partners of the United States will open an office in Uzbekistan and build a five-star hotel under the Hyatt Regency brand in Bukhara.

http://www.tradearabia.com/news/TTN_380670.html

5.12 MINERALS

Uzbekistan discovers 133 tons of gold reserves in a new deposit

Several new deposits were registered in Uzbekistan in 2020: the Chukurkuduk deposit with 133 tons of gold and another deposit with estimated reserves of 70-80 tons were transferred to the state balance.

<https://uzreport.news/economy/uzbekistan-finds-133-tons-of-gold-reserves-in-new-deposit>

5.13 REAL ESTATE

Sale of real estate increased considerably in February

In February 2021, the number of real estate contracts increased by 19.7% compared to the corresponding period of 2020.

<https://kun.uz/en/72034437>

5.14 TRADE

Uzbekistan tops MMK's list of steel buyers in Central Asia

Uzbekistan has remained the largest buyer of steel products from Russia's MMK in Central Asia, accounting for 415,600 mt of exports in 2020. Steel shipments to Uzbekistan made up 82% of MMK's total sales to Central Asia.

<https://www.steelorbis.com/steel-news/latest-news/uzbekistan-tops-mmks-list-of-steel-buyers-in-central-asian-region-1191901.htm>

Uzbekistan's export declines sharply due to halt in sale of gold

Since the beginning of the year, exports amounted to \$1.4 billion, which is less by 56.8% than in the same period last year (\$2.6 billion). The reason for such a strong recession is the halt in the sale of gold.

<https://kun.uz/en/55694969>

Cement imports to Uzbekistan sharply increase

In January-February 2021, 528.5 thousand tons of cement were imported to Uzbekistan. This is 354.9 thousand tons more than in the same period last year.

<https://kun.uz/en/23142758>

Import of electric vehicles significantly increased in 2021

In January-February, 85 electric vehicles were imported to Uzbekistan, compared to 9 vehicles in the same period of 2020. There are tax privileges when importing electric vehicles to Uzbekistan – customs duties and excise taxes do not have to be paid.

https://trans.uz/en/mediacentre/novosti.php?ELEMENT_ID=52768

Uzbekistan discloses the 10-year dynamic of gold exports

Uzbekistan exported 687 tons of gold for the past ten years with the highest point of 110 tons in 2019 and lowest of 10 tons in 2012. Uzbekistan produces 100 tons of gold annually.

http://www.xinhuanet.com/english/asiapacific/2021-04/01/c_139852445.htm

6. EDUCATION

UNESCO to allocate \$435,000 for professional development of teachers in Uzbekistan

Within the framework of the two-year project (2020-2022), a model for advanced training, involving more than 600 teachers from 150 schools, will be developed in Karakalpakstan, Navoi and Tashkent regions.

<https://en.unesco.org/news/unesco-tashkent-office-convenes-virtual-steering-committee-meeting-research-project-adapting>

7. REGULATORY CHANGES

Senators approve the law “On Public Procurement”

The purpose of the document is to create an open and transparent, efficient and coherent system aimed at regulating relations in public procurement.

<https://kun.uz/en/37215998>

Government may offer tax breaks for electric cars

The Ministry of Finance has presented for public discussion the draft law on amendments to the Tax Code. According to the document, electric cars can be exempted from customs duties. Currently, the fee is 20 euros.

<https://kun.uz/en/68250641>

Uzbekistan to optimize the number of employees in public administration system

President Shavkat Mirziyoyev has signed a decree “On optimizing the structure and reducing the number of staff members of state power and management bodies”. From May 1, the number of personnel in the public administration system will be reduced by 15%.

<https://kun.uz/en/60073076>

Capital Market Development Agency being terminated

The Capital Market Development Agency is being terminated and all its functions and powers are being transferred to the Ministry of Finance.

<https://kun.uz/en/63642157>

8. SENIOR OFFICIALS CHANGES/APPOINTMENTS

- **CEO of Beeline Uzbekistan**
Appointed – Andrzej Malinowski.
Previously served as the CEO of Beeline Georgia

- **Deputy Minister of Foreign Affairs and Deputy Head of the Presidential Administration**
Appointed – Sherzod Asadov.
Previously served as Ambassador Extraordinary and Plenipotentiary of Uzbekistan to Austria

- **First Deputy Minister of Water Resources**
Appointed – Azimjon Nazarov.
Previously served as Deputy Minister of Innovative Development

- **Deputy Minister of Water Resources**
Appointed – Rustam Karshiev.
Previously served as Head of the Introduction of Water-Saving Technologies at the Ministry of Water Resources

- **Khokim of Parkent District**
Appointed – Shokhrukh Shoakhmedov.
Previously served as Director of the Agency for the Implementation of Projects in the Field of Agro-Industrial Complex and Food Supply

- **Khokim of Tashkent Region**
Appointed – Davron Khidoyatov.
Previously served as First Deputy Khokim of the city of Tashkent

- **Head of the Zulfiya State Prize Commission**
Appointed – Gulnora Marufova.
Currently serves as the First Deputy Minister for Support of Mahalla and Family

- **First Deputy Defense Minister**
Appointed – Shuhrat Khalmukhamedov.
Previously served as Deputy Minister of Emergency Situations

- **Deputy Chairman of State Committee on Ecology**
Appointed – Jusipbek Kazbekov.
Previously served as First Deputy Chairman of the Council of Ministers of Karakalpakstan for Ecology and Development of the Aral Sea region
- **Deputy Khokim of Tashkent Region for Investments and Foreign Trade**
Appointed – Najmiddinkhodja Sharipov.
Previously served as the Chairman of the Antimonopoly Committee
- **Chairman of the Antimonopoly Committee**
Appointed – Shohrukh Shorahmatov.
Previously served as Deputy Minister of Health for Financial and Economic Affairs
- **Deputy Minister of Construction**
Appointed – Nusrullo Boboyev.
Previously served as Head of the Project Coordination Department at the Ministry of Construction
- **Deputy Minister of Transport**
Appointed – Abdusamat Muminov.
Previously served at the Presidential Administration
- **Managing Director of the European Bank for Reconstruction and Development (EBRD) for Central Asia**
Appointed – Zsuzsanna Hargitai.
Currently serves as EBRD Regional Director for the Western Balkans and Head of Serbia
- **Director General of Direct Investment Fund of Uzbekistan**
Appointed – Otabek Nazirov.
Currently serves as Advisor to the Minister of Investments and Foreign Trade
- **Director of International Cooperation and Development Agency**
Appointed – Jamshid Abdusalamov.
Previously served as Deputy Khokim of Tashkent region for Investments and Foreign Trade

9. USEFUL PUBLICATIONS AND LINKS

Ministry of Finance of the Republic of Uzbekistan: The state debt of the Republic of Uzbekistan (2020)

https://www.mf.uz/media/file_en/debt/2021/State_debt_2020.pdf

Asian Development Bank: In Uzbekistan, public-private partnerships are the engine driving infrastructure development

<https://blogs.adb.org/blog/uzbekistan-public-private-partnerships-are-engine-driving-infrastructure-development>

Houstonia: Yes, You Should Go to Uzbekistan

<https://www.houstoniamag.com/travel-and-outdoors/2021/03/uzbekistan-travel-guide>

Euroactiv: Why is Uzbekistan relevant for the European Union?

https://www.euractiv.com/section/central-asia/opinion/why-is-uzbekistan-relevant-for-the-european-union/?fbclid=IwAR1ZPY_JseU8resLKH83lv18Wsw-Q2AAotmJiX-2eRcP1w_7LXUdSV3u808



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

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

EUROUZ is a non-commercial, non-profit, non-government project, registered in Brussels, with a representative office in Uzbekistan. For any inquiries, contact us via: info@eurouz.com