



MONTHLY REPORT ON UZBEKISTAN

NOVEMBER 2020

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

11-12-2020
Brussels, Belgium

TABLE OF CONTENTS

1. SPECIAL UPDATE – COVID-19.....	3
2. NOTABLE STATEMENTS FROM THE EU	4
3. ECONOMIC OVERVIEW.....	4
3.1 LOCAL LEVEL.....	5
3.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION	5
4. MARKET DEVELOPMENT BY SECTORS.....	7
4.1 BANKING SECTOR.....	7
4.2 INDUSTRY AND CONSTRUCTION.....	7
4.3 AUTOMOBILE AND TRASPORTATION SECTOR	7
4.4 HEALTHCARE	8
4.5 AGRICULTURE AND FOOD.....	8
4.6 INVESTMENT AND FINANCE	9
4.7 INDUSTRIAL INFRASTRUCTURE	10
4.8 BUSINESS.....	11
4.9 MINERALS	11
5. EDUCATION	11
6. REGULATORY CHANGES.....	12
7. SENIOR OFFICIALS CHANGES/APPOINTMENTS	12
8. IMPORTANT TENDERS	14
9. USEFUL PUBLICATIONS AND LINKS	15

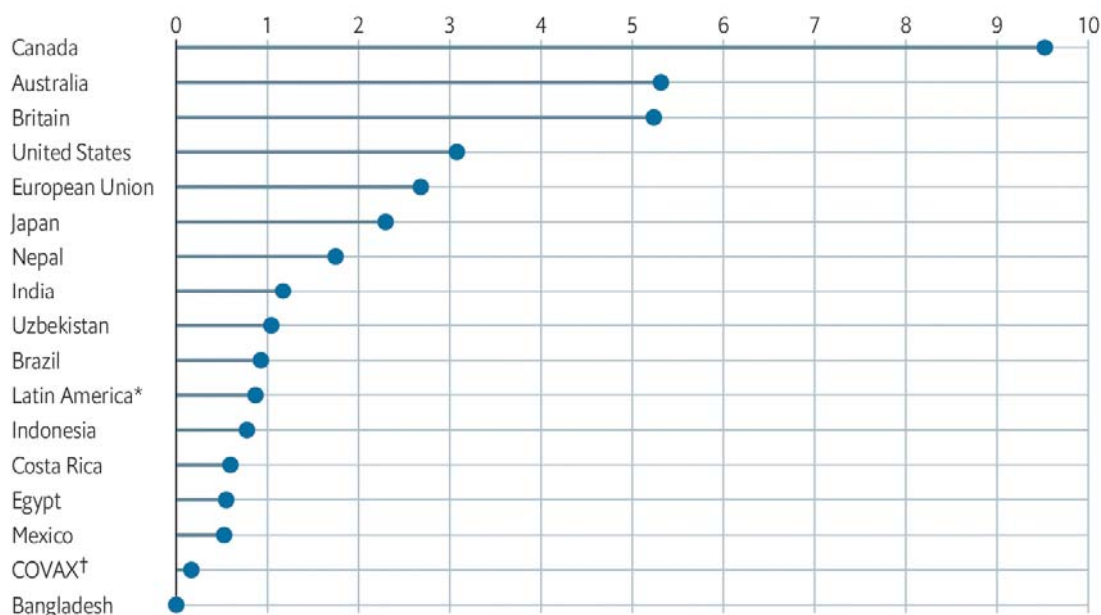
1. SPECIAL UPDATE – COVID-19

Uzbekistan joins the list of countries that ordered the COVID-19 vaccine for the entire population

Uzbekistan is currently participating in the third phase of trials of a Chinese vaccine against coronavirus and is preparing to test it on 5,000 volunteers.

Calling the shots

Covid-19, confirmed orders of vaccine doses per person, 2020



Sources: Duke Global Health Innovation Centre; GAVI; World Bank *Excluding Brazil †An organisation working for equitable access to vaccines

The Economist

<https://www.economist.com/graphic-detail/2020/11/12/rich-countries-grab-half-of-projected-covid-19-vaccine-supply>

Uzbekistan plans to start the production of coronavirus vaccines

The Ministry of Health intends to help neighboring countries by exporting the vaccine, which in turn will allow achieving epidemiological stability in the region. It is unknown whether the vaccine will be developed locally.

<https://kun.uz/en/news/2020/09/26/uzbekistan-plans-to-start-production-of-coronavirus-vaccines>

2. NOTABLE STATEMENTS FROM THE EU

The European Commission grants Uzbekistan the status of the beneficiary country to the EU's GSP+

"The decision was based on the reports of the EC groups that monitor Uzbekistan's performance in implementing the provisions of 27 international conventions in the field of human rights protection, complying with labor standards, protecting the environment and good governance. On the basis of the analysis made, the European Commission concluded that the Republic met the criteria for participation in GSP+ and proposed to include it in the list of beneficiaries of this system." Not the decision goes to the European Parliament and the European Council.

<https://kun.uz/en/99935347>

3. ECONOMIC OVERVIEW

Uzbekistan may be the only CIS country to grow this year

■ Forecast for 2020 GDP change



Source: Renaissance Capital estimates

Uzbekistan issued \$555m in 10-year bonds at 3.7% and 2 trillion soum (\$193m) of three-year notes were prices in the local currency on LSE.

<https://www.bloombergquint.com/onweb/a-rare-nation-dodging-virus-recession-returns-to-eurobond-market>

3.1 LOCAL LEVEL

Tashkent's contribution to the GDP of Uzbekistan amounted to 15.6% from January through September 2020

The volume of the internal regional products of Tashkent in the reporting period exceeded 63.5 trillion soums, decreasing by 1.6% compared to the same period of last year.

<https://en.trend.az/casia/uzbekistan/3336721.html>

Uzbekistan's stock market capitalization exceeds \$5 billion

The total market capitalization of the Tashkent Republican Stock Exchange as of November 1, 2020, amounted to 52.55 trillion soums (more than \$5 billion).

<https://kun.uz/en/20572695>

Uzbekistan will be granted a \$182m loan for the development of rural infrastructure

The project will be implemented in 21 economically and socially lagging regions of Fergana, Andijan, Namangan, Syrdarya and Jizzakh regions within five years - from 2020 to 2024.

<https://review.uz/post/na-razvitie-selskoy-infrastruktur-uzbekistanu-predostavyat-kredit-v-razmere-182-mln>

3.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION

The United States promise to support Uzbekistan's accession to the WTO

The sides discussed cooperation in the textile industry and outlined further joint steps to establish direct contacts between Uzbek manufacturers and representatives of American companies.

<https://kun.uz/en/10791992>

Uzbekistan and Finland held a political dialogue discussing cooperation in science and education

The parties discussed the current state of bilateral relations and prospects for further development.

<https://kun.uz/en/84695570>

Uzbekistan to attract US funds for railway construction in Afghanistan

The Mazar-i-Sharif-Kabul railway is planned to be built with the help of the US Financial Corporation for International Development. Construction is expected to begin in September 2021.

<https://en.trend.az/casia/uzbekistan/3336440.html>

The United States and Uzbekistan elevate bilateral talks to Strategic Partner Level

The joint statement committed \$9 million to help Tashkent combat transnational crime by boosting rule-of-law and anti-corruption initiatives.

<https://www.urdupoint.com/en/world/us-uzbekistan-elevate-bilateral-talks-to-str-1092220.html>

Uzbekistan's membership in Joint Institute for Nuclear Research to be restored starting January 2021

The full membership of Uzbekistan in JINR provides ample opportunities for Uzbek specialists to participate in large international projects. It will also contribute to the training of highly qualified personnel in the field of nuclear technology, nuclear medicine, information technology and materials science.

<https://kun.uz/en/22730452>

Hungary calls Uzbekistan its “key partner” in Central Asia

A significant deal was reached on simplifying and speeding up registration of Hungarian medicines on the Uzbek market. A Hungarian company financed by Eximbank is supplying 3,000 Hungarian ATMs to Uzbek banks, while preparations are afoot to advance three joint Hungarian-Uzbek investments in the food and farming industries related to cattle breeding, cereal processing and the construction of a vegetable oil plant.

<https://dailynewshungary.com/foreign-minister-uzbekistan-key-partner-in-central-asia/>

Uzbekistan will receive observer status in the EAEU in December

In December, Uzbekistan will be officially granted observer status in the Eurasian Economic Union. The Uzbek government approved the proposal to join the EAEU as an observer.

<https://kun.uz/en/11160653>

4. MARKET DEVELOPMENT BY SECTORS

4.1 BANKING SECTOR

PayMe doubled revenues in 3Q2020 up to \$1.5m

The clientele increased by 60% up to 2.5 million clients.

<https://www.spot.uz/ru/2020/11/18/payme/>

Symbiotics provides a \$12m loan to Ipak Yuli Bank

The Swiss investment company Symbiotics signed a loan agreement with Ipak Yuli Bank on the allocation of a credit line for about US\$12 million in national currency equivalent.

<http://www.uzdaily.com/en/post/62061>

4.2 INDUSTRY AND CONSTRUCTION

Tashkent Metallurgical Plant commissioned

The total cost of the project amounted to €326.7 million, of which €226 million are foreign investments.

<https://kun.uz/en/84782502>

4.3 AUTOMOBILE AND TRANSPORTATION SECTOR

ADB approves \$121m loan to complete modernization of Eastern Uzbekistan Railway Network

The modernization of the railway network in Eastern Uzbekistan will help to stimulate economic growth in the Fergana Valley and improve trade and regional connectivity.

<https://www.adb.org/news/adb-approves-121-million-loan-complete-modernization-eastern-uzbekistan-railway-network>

Uzbekistan's secondary car market estimated at \$2 billion

About 400-500 thousand purchase and sale contracts are carried out annually on the secondary car market of Uzbekistan.

<https://kun.uz/en/news/2020/11/24/uzbekistans-secondary-car-market-estimated-at-2-billion>

Uzbekistan's rise as transport and logistics hub

Over \$7m were invested, and 2.5 thousand kilometres of railway were built in Uzbekistan over recent years.

<https://www.euronews.com/2020/11/12/uzbekistan-s-rise-as-the-transport-and-logistics-hub-of-central-asia>

4.4 HEALTHCARE

EBRD invests \$2.8m in medical glove production in Uzbekistan

Funds will be used for the production of disposable medical gloves. Healthline LLC will invest \$1m. The total cost of the program is \$3.8m.

<https://www.uzreport.news/economy/ebird-invests-28mn-in-medical-glove-production-in-uzbekistan>

Korea intends to build medical facilities in Uzbekistan

Korea and Uzbekistan discussed cooperation in the field of healthcare. In particular, the status of joint projects to build new medical facilities in Uzbekistan was reviewed.

<https://kun.uz/en/62129229>

4.5 AGRICULTURE AND FOOD

Kyrgyzstan may prohibit the export of livestock and meat to Uzbekistan

Kazakhstan prohibiting the export of meat and livestock to Uzbekistan encouraged Kyrgyzstan to increase mass exports to Uzbekistan. The Kyrgyz Ministry of Agriculture now considers following Kazakhstan in their choice to reduce exports.

<https://kun.uz/en/04990038>

Raisin exports amounted to \$42.5m

This year, for the first time, Uzbek raisins hit the markets of Canada, France, Pakistan, Moldova, Italy, Bangladesh and South Korea.

<https://uzreport.news/economy/eksport-izyuma-sostavil-42-5-mln>

UAE based company to grow cannabis in Uzbekistan's Syrdarya region

3.8 thousand hectares of land were allocated; in the future the area will be increased to 25 thousand hectares.

<https://www.spot.uz/ru/2020/12/01/cannabis/>

4.6 INVESTMENT AND FINANCE

Ipoteka Bank issued 5-year international bonds worth \$300m on the London Stock Exchange

Ipoteka Bank's initial price was set at 5.625%. The volume of orders reached 300 million in 1 hour.

<https://telegra.ph/Ipoteka-Bank-issued-5-year-international-bonds-worth--300-million-on-the-London-Stock-Exchange-on-November-12-and-became-a-full--11-13>

Uzbekistan ranks 43rd in the Basel Anti-Money-Laundering Index

Uzbekistan scored 5.71 points, ranked 43rd, overtaking Tajikistan and Kyrgyzstan.

<https://kun.uz/en/77748726>

Uzbekistan issues Eurobonds in the national currency for the first time

According to Ministry of Finance, initial interest rates for the second issue of Uzbekistan's sovereign Eurobonds for the total of \$750m are divided into two issue sets at: a) 10-year maturity USD denominated bonds at 4.25% interest and b) 3-year maturity UZS denominated bonds with 15.25% interest

<https://kun.uz/en/news/2020/11/20/uzbekistan-issues-eurobonds-in-the-national-currency-for-first-time>

Uzbekistan may issue \$ 700m worth of Eurobonds in 2021

Uzbekistan issued dual tranches of Eurobonds worth US\$ 555 million and 2 trillion soums with maturities in 2030 and 2023, respectively. The yield on dollar-denominated eurobonds is 3.7%, while those denominated in soums are 14.5% per annum.

<https://tashkenttimes.uz/national/5957-uzbekistan-may-issue-us-700-million-worth-of-euro-bonds-in-2021>

Fitch assigns Enter Engineering Pte. Ltd. with debut B+ rating

Enter Engineering Pte. Ltd. Is one of the leading EPC contractors in Uzbekistan. The company plans to issue Eurobonds.

<https://www.fitchratings.com/research/corporate-finance/fitch-assigns-enter-engineering-first-time-b-idr-senior-unsecured-debt-b-exp-19-11-2020>

Rothschild & Co. may assist Uzbekistan's oil and gas companies with IPO

Rothschild & Co announced its readiness to provide Uzbek oil and gas companies in conducting IPO.

<https://uzreport.news/economy/rothschild-to-help-uzbekistans-oil-and-gas-companies-with-ipo>

4.7 INDUSTRIAL INFRASTRUCTURE

Uzbekneftegaz and VEB.RF sign a memorandum on the provision of a credit line for \$650m

Uzbekneftegaz together with the Russian State Development Corporation VEB.RF are working on the financing of the program to increase hydrocarbons production.

<https://www.uzdaily.uz/en/post/61892>

Uzbekistan plans to implement 52 projects worth \$9 billion for deep processing of natural gas

The execution of these projects is expected to facilitate the production of goods worth \$4.1 billion, replace imports worth \$1.1 billion, and ensure exports for \$1.45 billion. In total, it is planned to create about 6.5 thousand jobs.

<https://kun.uz/en/43124504>

German Horn Glass Industries builds float glass plant in Zarafshan, Uzbekistan

HORN® Glass Industries supplies an all new float glass plant with a production capacity of 250 tons of glass per day.

<https://www.glassonweb.com/news/german-horn-glass-industries-builds-float-glass-plant-zarafshan-uzbekistan>

LUKOIL restores gas production in Uzbekistan

LUKOIL entered the Gissar project in 2008. The Production Sharing Agreement (PSA) for the project is valid until 2043.

<https://kun.uz/en/97608553>

ADB allocates \$60m improve solid waste management in Uzbekistan

The ADB Board of Directors approved a \$60 million loan to finance the Sustainable Solid Waste Management project with a 5-year grace period for a period of 25 years. The total cost of the project is \$ 112 million.

https://www.norma.uz/novoe_v_zakonodatelstve/abr_vydelil_usd_60 mln_na_ochistku_ot_tv_erdyh_bytovyh_othodov#

4.8 BUSINESS

Coca-Cola Uzbekistan working towards privatization

Uzbekistan plans to sell its 57.118% share in the authorized capital of Coca-Cola Bottlers Uzbekistan, Ltd.

<https://www.uzreport.news/economy/coca-cola-uzbekistan-working-towards-privatization>

4.9 MINERALS

Gold accounts for 43.5% of Uzbekistan's total exports in Jan-Oct 2020

In January-October 2020, Uzbekistan's total imports amounted to \$16.7 billion.

<https://kun.uz/en/88555602>

5. EDUCATION

Uzbekistan and Afghanistan sign MoU on organizing education programs for Afghan students at Uzbek universities

The signed memorandum defines the conditions and procedure for cooperation, including the exchange of educational and methodological materials, mutual participation of specialists from both countries in educational events, interaction in research work and joint preparation of publications and articles in scientific journals.

<https://kun.uz/en/78160535>

Japan Digital University established in Tashkent

The main objective of the University is to train competitive specialists in information and communication technology, software development, information systems and network management, as well as in other areas of the economy.

<https://thedailybreakingnews.com/asia/uzbekistan/japan-digital-university-established-in-tashkent/>

6. REGULATORY CHANGES

Mirziyoyev orders to speed up digitalization of energy sector

Uzbekistan plans to implement 52 projects worth \$9bn to start deep processing of natural gas and produce value-added products, as well as create new jobs. 15 projects are set to be implemented in the field of inorganic chemistry, 23 in organic chemistry, 12 in the production of polymers.

<https://uzreport.news/economy/mirziyoyev-orders-to-speed-up-digitalization-of-energy-sector>

Deputies approve the bill on Uzbekistan's accession to the Kyoto Convention

The provisions of the Kyoto Convention are aimed at stimulating foreign trade by simplifying and speeding up customs procedures.

<https://kun.uz/en/48421159>

7. SENIOR OFFICIALS CHANGES/APPOINTMENTS

- **Health Minister**
Appointed – Abdukhakim Khadjibayev.
Previously served as Chairman of the Committee on Science, Education, Culture and Sports of the Legislative Chamber of Oliy Majlis.
- **Deputy Director of the Anti-Corruption Agency**
Appointed – Umida Tukhtasheva.
Previously served as Dean of the Faculty of Criminal Law at the Tashkent State Law University
- **First Deputy Adviser to the President on Youth policy, Science, Education, Health, Culture and Sports**
Appointed – Laziz Tychiev.
Previously served as Rector of the Tashkent Medical Academy

- **Deputy Minister of Health**
Appointed – Anvar Alimov.
Previously served as Director of the Republican Specialized Scientific-Practical Medical Center of Endocrinology named after Academician Yo.Kh. Turakulov
- **Chairman of the State Committee for Ecology and Environmental Protection**
Appointed – Alisher Maksudov.
Previously served as Chairman of JSC Uzpakhtasanoat
- **Deputy Minister of Investments and Foreign Trade**
Appointed – Anvar Asamov.
Previously served as First Deputy Chairman of the State Customs Committee
- **Khokim of the Bukhara Region**
Appointed – Botir Zaripov.
Previously served as Board Chairman of the “O’zsanoatqurilishmateriallari” Association

8. IMPORTANT TENDERS

List of prequalified bidders for the Sirdarya CCGT 1250-1500 MW project Uzbekistan



RFQ – LIST OF PREQUALIFIED BIDDERS

Program Name Uzbekistan Energy Program

Project Name Sirdarya CCGT 1250-1500 MW Project Uzbekistan (the "Project")

In response to the request for qualifications (RFQ) for the Sirdarya CCGT 1250-1500 MW Project Uzbekistan, sent to Potential Bidders on June 26, 2020, the parties listed below have submitted a compliant RFQ Application before the deadline of September 26, 2020, 23:00 hours Tashkent Time for electronic submissions.

On the basis of foregoing, the Tender Commission, that includes, among others, the representatives of the Ministry of Energy (MOE), the Ministry of Investments and Foreign Trade (MIFT), JSC National Electric Networks of Uzbekistan (NENU), Public-private partnership development agency under Ministry of finance of the Republic of Uzbekistan (PPPDA) and the Ministry of Finance (MOF) have determined the following list of Prequalified Bidders to receive a Request for Proposals (in alphabetical order):

1. Cobra Instalaciones y Servicios и Daewoo E&C
2. Energy de France (EDF)
3. International Company for Water and Power Projects (ACWA Power)
4. JERA Co. Inc.
5. Korea Electric Power Corporation (KEPCO) & Korea Midland Power (KOMIPO)
6. Marubeni Corporation
7. PowerChina Resources Ltd
8. Sumitomo Corporation

<http://minenergy.uz/en/news/view/958>

9. USEFUL PUBLICATIONS AND LINKS

Uzbekistan: an unfolding story of rail transport possibilities

1) Uzbekistan: an unfolding story of rail transport possibilities

<https://www.railfreight.com/corridors/2020/11/20/uzbekistan-an-unfolding-story-of-rail-transport-possibilities/?fbclid=IwAR0Fio4ej5Js6OOcZZJkDw85prTiyUrrUgYUoVgB3EGRP0Wy5K44VcJbtHU&gdp=accept>

2) INTERVIEW: Uzbekistan sees gas output at around 60 Bcm in 2020, 2021 | S&P Global Platts

<https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/120420-interview-uzbekistan-sees-gas-output-at-around-60-bcm-in-2020-2021>

3) COVID-19 Outbreak in Post-Soviet Central Asia: Has the Time Come for Social Innovations? <https://centralasiaprogram.org/archives/18399>

4) Central Asia is changing: the Biden administration should pay close attention

<https://thehill.com/opinion/international/527119-central-asia-is-changing-the-biden-administration-should-pay-close>

5) US-Uzbekistan Relations Right on Track: The U.S. and Uzbekistan aim to transition toward a “Strategic Partnership Dialogue” in 2021.

<https://thediplomat.com/2020/11/us-uzbekistan-relations-right-on-track/>



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