



# **MONTHLY REPORT ON UZBEKISTAN**

## **OCTOBER 2020**

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

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## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>1. SPECIAL UPDATE – COVID-19.....</b>                            | <b>3</b>  |
| <b>2. NOTABLE STATEMENTS FROM THE EU .....</b>                      | <b>3</b>  |
| <b>3. ECONOMIC OVERVIEW.....</b>                                    | <b>3</b>  |
| <b>3.1 LOCAL LEVEL.....</b>   | <b>5</b>  |
| <b>3.2 REGIONAL, BILATERAL &amp; MULTILATERAL COOPERATION .....</b> | <b>6</b>  |
| <b>4. MARKET DEVELOPMENT BY SECTORS.....</b>                        | <b>8</b>  |
| <b>4.1 BANKING SECTOR.....</b>                                      | <b>8</b>  |
| <b>4.2 INDUSTRY AND CONSTRUCTION.....</b>                           | <b>9</b>  |
| <b>4.3 TOURISM SECTOR.....</b>                                      | <b>9</b>  |
| <b>4.4 AUTOMOBILE AND TANSPORTATION SECTOR .....</b>                | <b>9</b>  |
| <b>4.5 AGRICULTURE AND FOOD.....</b>                                | <b>11</b> |
| <b>4.6 HEALTHCARE .....</b>   | <b>11</b> |
| <b>4.7 INVESTMENT AND FINANCE .....</b>                             | <b>12</b> |
| <b>4.8 INTERNET AND TELECOM SECTORS.....</b>                        | <b>12</b> |
| <b>4.9 INDUSTRIAL INFURSTRUCTURE .....</b>                          | <b>13</b> |
| <b>4.10 BUSINESS.....</b>   | <b>14</b> |
| <b>4.11 MINERALS .....</b>  | <b>15</b> |
| <b>4.12 ENERGY SECTOR.....</b>                                      | <b>15</b> |
| <b>5. EDUCATION.....</b>  | <b>17</b> |
| <b>6. REGULATORY CHANGES.....</b>                                   | <b>17</b> |
| <b>7. EVENTS .....</b>  | <b>18</b> |
| <b>8. SENIOR OFFICIALS CHANGES/APPOINTMENTS .....</b>               | <b>19</b> |
| <b>9. IMPORTANT TENDERS .....</b>                                   | <b>19</b> |
| <b>10. USEFULS PUBLICATIONS AND LINKS .....</b>                     | <b>19</b> |

## 1. SPECIAL UPDATE – COVID-19

### **Uzbekistan conducted nearly 4.2 million COVID-19 tests**

The Anti-Coronavirus Staff expert Botir Kurbanov informed that Since the beginning of the coronavirus pandemic in Uzbekistan, almost 4.2 million people have taken PCR tests.

<https://kun.uz/en/49028022>

### **EU Project 53 delivers sterilization and decontamination equipment using UV-C light as part of COVID-19 response efforts in Uzbekistan**

The equipment on the order of one hundred thousand euros consisted of mobile units, which enable quick decontamination of medical and laboratory facilities that might be contaminated with COVID-19, using pulsed ultraviolet light. <http://uza.uz/en/posts/eu-cbrn-coe-project-53-delivers-sterilisation-and-decontamin-09-10-2020>

### **EBRD approved a new private loan in for single-use medical gloves manufacturing**

A USD 2.8 million senior secured loan to finance the acquisition of a new production line for the manufacturing of single-use medical gloves (the "project") by JV Healthline LLC was approved in October. The project is in response to the increased demand for medical personal protective equipment (PPE) due to the COVID-19 pandemic.

<https://www.ebrd.com/work-with-us/projects/psd/52410.html>

## 2. NOTABLE STATEMENTS FROM THE EU

### **Peter Burian (European Union Special Representative for Central Asia) praised solidarity of Central Asian countries to resolve the Kyrgyz crisis**

In these difficult times, the Central Asian region is holding together and supporting constitutional approaches based on the rule of law to address domestic problems.

<https://kun.uz/en/29150833>

## 3. ECONOMIC OVERVIEW

### **Uzbekistan one of only two countries in Europe and Central Asia puts in positive economic growth this year says World Bank**

WB updated forecasts for Uzbekistan's economy:

- GDP growth forecasted at 0.6% in 2020, 4.8% in 2021 and 5.3% in 2022;
- Inflation rate keeps decreasing to 12.9% in 2020 to 10.6% in 2021 and 8.9% in 2022;
- Governmental debt to increase up to 38.3% of GDP until 2023;

<https://www.intellinews.com/uzbekistan-one-of-only-two-countries-in-europe-and-central-asia-to-put-in-positive-economic-growth-this-year-says-world-bank-193637/>

**WB Report:** <https://eurouz.com/databank>

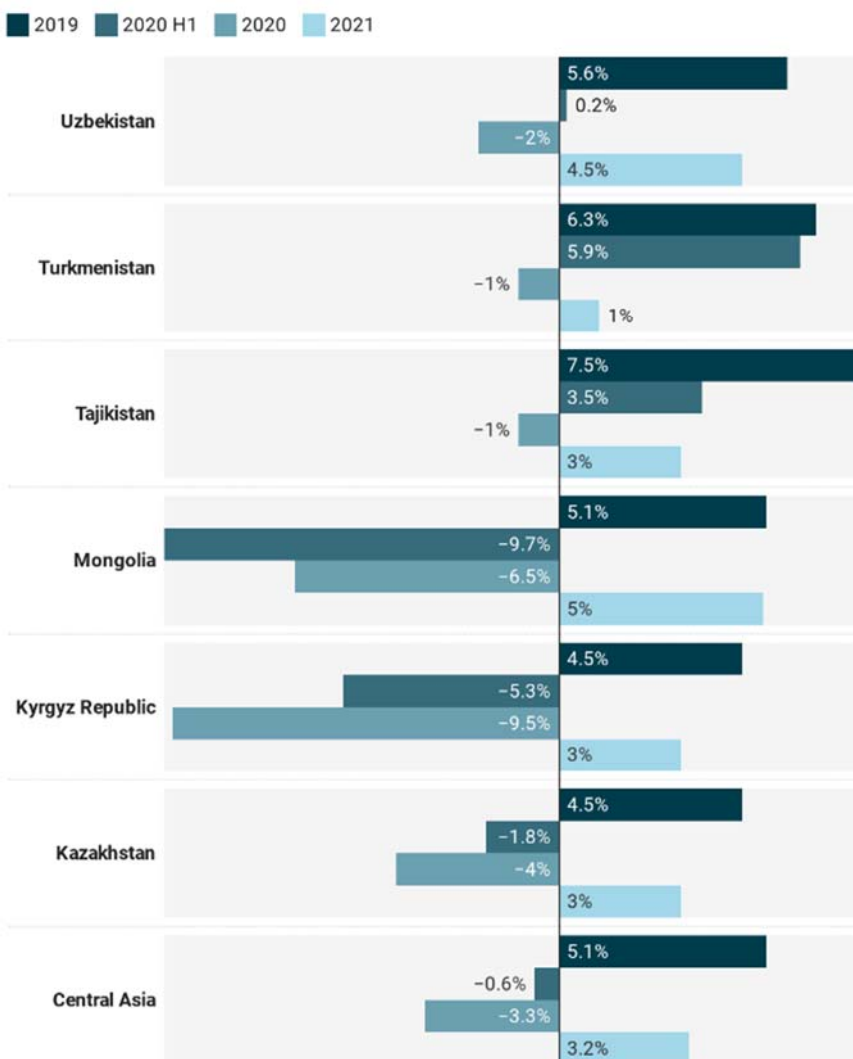
## EBRD revises down economic forecasts amid continuing coronavirus uncertainty

- Output in EBRD regions seen contracting 3.9 per cent this year and rising back by 3.6 per cent in 2021
- Latest forecasts are subject to a high level of uncertainty
- Report shows more people in EBRD regions personally affected by Covid-19 than in advanced Europe
- Real GDP in Uzbekistan is projected to contract at 2.0 per cent in 2020. Growth is expected to be 4.5 per cent in 2021 due to the recovery in exports and domestic demand.

<https://www.ebrd.com/news/2020/ebrd-revises-down-economic-forecasts-amid-continuing-coronavirus-uncertainty.html>

## EBRD revises down economic forecasts

September 2020 update of EBRD economic outlook



Real GDP growth, in per cent per annum

Chart: EUROUZ.COM • Source: EBRD • Created with Datawrapper

### 3.1 LOCAL LEVEL

#### State of Social and Economic Development of the Republic of Uzbekistan for January-September 2020

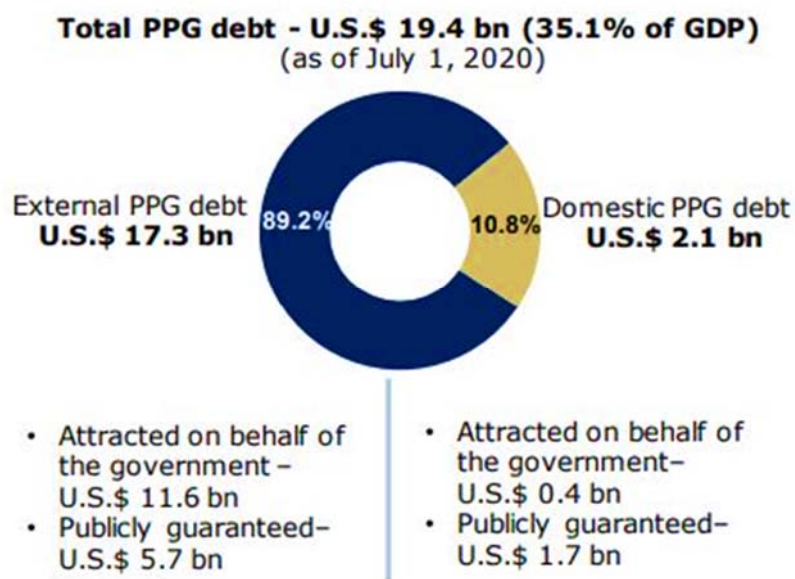
According to State Statistics Committee by the end of 9M20:

- population reached 34.38 million;
- GDP growth is 0.4%;
- income of population decreased by 0.3%;
- Transportation turnover is by 6.7% lower, passenger turnover by 16.3%;
- agricultural output is by 3.4% higher, retail turnover increased by 1.8%, construction works increased by 8.6%.

<https://stat.uz/ru/press-tsentr/novosti-komiteta/9978-2020-yilning-yanvar-sentabr-oylarida-o-zbekiston-respublikasi-ijtimoiy-iqtisodiy-rivojlanishining-holati-2>

#### Uzbekistan sets the upper limit of public debt for next year

As of the end date of the fiscal year, the amount of public debt raised on behalf of the Government and under its guarantee should not exceed 60% of GDP this year. Additional context for the above figure can be seen in the diagram extracted from the Ministry of Finance letter, which can be reviewed below. <https://kun.uz/en/52797392>



#### State Tax Committee introduces a new system for offsetting overpaid taxes

Instead of the previous 8-stage, a new 3-stage system has been developed, which is implemented within one day. The process is fully automated, the participation of the human factor is limited, which does not allow cases of corruption in the process.

<https://kun.uz/en/36434159>

## **IFC continues to support private sector development in Uzbekistan**

During its fiscal year 2020, ending June 30, IFC helped improve access to finance for thousands of micro, small and medium-sized enterprises in Uzbekistan, supported the country's chemical sector, and increased private sector participation in the economy with \$60 million in loans.

<https://ifcextapps.ifc.org/IFCExt/Pressroom/IFCPressRoom.nsf/0/6D5DA6256ACF7794852585F5004BEBE3>

### **3.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION**

#### **On the entry into force of an international treaty between the Republic of Uzbekistan and the Federal Republic of Germany**

On October 2, 2020, the Agreement between the Government of the Republic of Uzbekistan and the Government of the Federal Republic of Germany on the establishment of a local office of the Credit Institute for Economic Recovery (KfW) in Tashkent, signed on December 24, 2019 in Tashkent, entered into force.

The international agreement aims to coordinate and assist through the local office in the preparation and implementation of projects and financial cooperation programs implemented jointly with the German government and KfW.

The Ministry of Investment and Foreign Trade of the Republic of Uzbekistan has been appointed as the responsible body for the implementation of this international treaty.

#### **Uzbekistan, Russia discuss over 100 investment projects worth USD 5.8 billion**

The 21st meeting of the Uzbek-Russian Intergovernmental Commission on Economic Cooperation was held in Bukhara. The parties discussed the current state of bilateral cooperation in trade, economic, cultural, humanitarian and scientific fields, as well as new perspectives for further development of cooperation and 104 new industrial cooperation investment projects worth \$5.8 billion.

<https://kun.uz/en/news/2020/10/14/uzbekistan-russia-discuss-implementing-over-100-investment-projects-worth-58-billion>

#### **Uzbekistan, EU discuss priorities for future cooperation in development**

Today the European Union implements its activities in Uzbekistan within the framework of the Multi-annual Indicative Program for 2014-2020 with the total value of EUR 168 million and the main development directions in agriculture and rural development. For the next programming cycle, the participants proposed to expand the scope of cooperation and cover such areas as digital economy, education, eco-innovative development of the Aral Sea region and investment climate.

<https://uzdaily.uz/en/post/60882>

## **Impressive progress made by Uzbekistan on EPCA**

Uzbekistan and the European Union are currently negotiating the Enhanced Partnership and Cooperation Agreement (EPCA). The agreement covers areas such as political dialogue and reforms, rule of law, justice, freedom and security, human rights, migration, trade, as well as economic and sustainable development.

[https://www.eureporter.co/frontpage/2020/10/13/impressive-progress-made-by-uzbekistan/F4dOrPHjyDt\\_QaOMJoqrbX2g4TQjDLXWnE3Sv9o-GYSOstmVulfbS\\_z8AbDOyQwh2QAKq\\_Cu8sWTJVRJIQW2LBsRKPXzk1az4yR65sUduP2yUnwo768JI9U3RlrFiWo7IWsO-R](https://www.eureporter.co/frontpage/2020/10/13/impressive-progress-made-by-uzbekistan/F4dOrPHjyDt_QaOMJoqrbX2g4TQjDLXWnE3Sv9o-GYSOstmVulfbS_z8AbDOyQwh2QAKq_Cu8sWTJVRJIQW2LBsRKPXzk1az4yR65sUduP2yUnwo768JI9U3RlrFiWo7IWsO-R)

## **South Korea-Uzbekistan Protocol to 1998 DTA to Enter Into Force**

The protocol, signed 19 April 2019, is the first to amend the treaty and includes the following changes:

The preamble is updated in line with BEPS standards;

Article 18 (Pensions) and Article 25 (Mutual Agreement Procedure) are updated;

The new Article 26A (Assistance in the Collection of Taxes) and Article 28 (Entitlement to Benefits) are added.

<https://www.orbitax.com/news/archive.php/Protocol-to-Tax-Treaty-between-43913>

## **Uzbekistan and Turkey signed military-technical cooperation agreement**

Uzbekistan and Turkey have signed an agreement on the development of military-technical cooperation. The document was signed on October 27, during the visit of the Turkish Minister of National Defense, Hulusi Akar, to Tashkent.

<https://kun.uz/en/14946477>

## **Uzbekistan is upbeat on Afghan trade and development**

The leadership of Uzbekistan has implemented a new approach by amplifying the economic vector, social development of Afghanistan and developing transport corridors. The implementation of major infrastructure projects such as Surkan-Puli Khumri power line and construction of a railway from Mazar-i-Sharif to the sea ports of the Indian Ocean was started that will help to blossom of robust trade ties between Kabul and Tashkent.

<https://www.euronews.com/2020/10/12/uzbekistan-is-upbeat-on-afghan-trade-and-development>

## **Uzbekistan and Afghanistan will prepare a preferential trade agreement before the end of the year**

The sides underlined the positive trends in the development of mutual trade - only in the first half of 2020 did the trade increase by 24 percent compared to the same period of the previous year. It was noted that despite the global decline in international trade, inter-shipment of goods

between Uzbekistan and Afghanistan is growing steadily – the total amount of cargo shipment on rail and road transport grew by 47 percent in January-September this year.

<https://kun.uz/en/50787298>

#### **4. MARKET DEVELOPMENT BY SECTORS**

##### **4.1 BANKING SECTOR**

###### **People's Bank of Uzbekistan receives \$150 million of loan funds**

The Xalq Bank JSCB has agreed with the German Deutsche Bank AG to raise a credit line in the amount of 1.54 trillion soums (\$150 million). The loan amount is 32.52% of the bank's net assets. The borrowed funds will be used to support the bank's clients and implement business initiatives.

<https://kun.uz/en/27756252>

###### **NBU placed Eurobonds on the London Stock Exchange**

National Bank for Foreign Economic Activities placed 5-year Eurobonds worth \$300 million on the London Stock Exchange. The initial target of profitability was 5 - 5.25% (low-5%) per annum. Due to high demand from investors, the yield on five-year securities was set at 4.85%.

<https://www.uzdaily.uz/en/post/60776>

###### **Fitch Rates Ipoteka-Bank's Debut Eurobonds 'BB-(EXP)'**

Fitch Ratings has assigned Ipoteka-Bank's (Ipoteka) upcoming issue of U.S. dollar-denominated senior unsecured Eurobonds an expected long-term rating of 'BB-(EXP)'. The issue size is expected to be about USD300 million, while the interest rate and the tenor are yet to be determined. Ipoteka plans to use the proceeds from this bond to finance its foreign-currency lending portfolio.

<https://www.fitchratings.com/research/banks/fitch-rates-ipoteka-bank-debut-eurobonds-bb-exp-09-11-2020>

###### **State Tax Committee and Central Bank expanded the list of offshore zones**

State Tax Committee and Central Bank of Uzbekistan have expanded the list of offshore zones which currency transactions are subject to monitoring. It included American Samoa, Aruba, Guatemala, Dominica, Kiribati, Monaco and other countries. A total of 69 regions are listed.

<https://www.gazeta.uz/ru/2020/10/15/offshore/>



### **IFC weights \$10m equity investment in TBC Uzbekistan Bank**

The investment will give IFC a minority stake of 20 per cent. The lender currently holds an 8-per cent stake in TBC Bank Group.

<https://www.dealstreetasia.com/stories/ifc-tbc-uzbekistan-equity-213919/>

## **4.2 INDUSTRY AND CONSTRUCTION**

### **Nurafshon City will be built in Tashkent region together with a Singaporean company**

Singapore based Universal Success Enterprises Limited to build Nurafshon city in Tashkent region - it should become first in Uzbekistan digitalized city with use of all best new IT technologies

<http://invest.gov.uz/mediacenter/news/nurafshon-city-will-be-built-in-tashkent-region-together-with-a-singaporean-company/>

### **Over \$6.2 billion allocated for construction projects in Uzbekistan in Jan-Sept 2020**

The State Statistics Committee informs that Uzbekistan allocated 65.2 trillion soums for the implementation of construction projects in January-September this year.

<https://kun.uz/en/37181623>

## **4.3 TOURISM SECTOR**

### **Uzbekistan's Zaamin to become a 4-season touristic hot-spot**

A "master plan" with a budget of \$300 million was prepared as a result of the joint work with the Turkish company, the Uzbek official said, adding that the project covers a total area of 700 hectares.

<https://www.dailysabah.com/business/tourism/uzbekistans-zaamin-to-be-4-season-touristic-hot-spot-with-turkish-companys-project>

## **4.4 AUTOMOBILE AND TANSPORTATION SECTOR**

### **UzAuto Motors prepares to issue Eurobonds for \$300 million**

It is assumed that these will be bonds in US dollars with a maturity of 5 to 7 years.

<https://uzreport.news/economy/uzauto-motors-prepares-to-issue-eurobonds-worth-300mn>

### **Uzbekistan plans to purchase 300 electric city buses**

Large-capacity all-electric buses for the capital city will be purchased within three years under a 96 million U.S. dollar project.

[http://www.xinhuanet.com/english/2020-10/15/c\\_139442919.htm](http://www.xinhuanet.com/english/2020-10/15/c_139442919.htm)

### **Car imports exceeded \$349 million in Jan-Sept 2020**

In January-September this year, Uzbekistan imported 20,482 cars worth \$349.3 million.

<https://kun.uz/en/19806022>

### **Russia's Gaz will set up production of commercial cars in Uzbekistan**

Gaz Group announced plans to create a joint venture in Uzbekistan to manufacture commercial vehicles. In the first stage it is planned to produce up to 3000 cars per year.

[https://www.gazeta.uz/ru/2020/10/15/gaz/?utm\\_source=push&utm\\_medium=telegram](https://www.gazeta.uz/ru/2020/10/15/gaz/?utm_source=push&utm_medium=telegram)

### **Uzavtosanoat, Uzbekistan Airways and other monopoly companies will be transformed, deprived of benefits and preferences**

The President has signed the decree on measures to accelerate the reform of state-owned enterprises and privatization of state assets.

<https://kun.uz/en/news/2020/10/28/uzavtosanoat-to-be-transformed>

### **Uzbekistan plans major road improvements projects**

Funding of over \$274 million was provided recently by the Asian Development Bank (ADB) to pay for upgrade work to a 240km road connecting Guzar with Buhara, Nukus and Beyneu.

<https://www.worldhighways.com/wh8/news/uzbekistan-road-improvements-planned>

### **First regular international freight train departs from China's Hebei province to Tashkent**

The 50-car train will deliver to Tashkent cargo worth 30 million yuan, including spare parts for medical equipment, bicycles, car parts and industrial equipment.

<https://kun.uz/en/61961109>

### **Uzbekistan Produces winter diesel Fuel for the first time**

Uzbekistan has started mass production of winter diesel fuel on Oct. 20 at the Fergana oil refinery. The plant is expected to refine 3.6 billion cubic meters of gas a year and produce 1.5 million tons of fuel. <https://www.urdupoint.com/en/business/uzbekistan-to-produce-winter-diesel-fuel-for-1058711.html>

#### **4.5 AGRICULTURE AND FOOD**

##### **Uzbekistan exports large batch of dried tomatoes to France**

It is noted that Biogumus Farm, located in Karakalpakstan's Nukus district, has exported 72 tons of dried tomatoes to France.

<https://thedailybreakingnews.com/asia/uzbekistan/uzbekistan-exports-large-batch-of-dried-tomatoes-to-france/>

##### **Uzbekistan sharply reduces export of fruits to China**

In the first 7 months of this year, Uzbekistan reduced the supply of fruits and vegetables to China by 44% to \$19 million.

<https://www.producereport.com/article/uzbek-cherry-exports-china-fall-drastically-season>

##### **Uzbek Cherry Exports to China Fall Drastically in 2020**

China imported 104 tons of fresh cherries with a total value of \$468,000 from Uzbekistan between January and July of this year, in stark contrast to the same period of 2019 when 602 tons or \$3.78 million worth of fresh cherries were imported, corresponding to year-on-year decreases of 83% and 88%, respectively.

<https://www.producereport.com/article/uzbek-cherry-exports-china-fall-drastically-season>

##### **An amount of 42 million USD allocated to purchase cotton-picking machines**

More than 400 cotton-picking machines have been delivered to Jizzakh, Kashkadarya, Syrdarya, Tashkent, Navoi, Namangan and Samarkand regions for fast and high-quality harvesting of cotton grown by farmers.

<https://kun.uz/en/31102286>

#### **4.6 HEALTHCARE**

##### **National Chamber of Innovative Health helps implement Italian health technologies in Uzbekistan**

A meeting between the National Chamber of Innovative Health and the Italian company Opera was held in October. The parties discussed the possibilities and specific areas of cooperation on the project for the construction of an Endocrinological Center under Italian technologies in Namangan with investments in the project about €12 million. One of the innovations in it is the creation of mobile teams for endocrinological examination.

<https://kun.uz/en/16993162>

#### **4.7 INVESTMENT AND FINANCE**

##### **Uzbekistan plans to attract up to \$5 billion of Chinese investments per year**

According to the statement of MIFT such an approach is a prerequisite for achieving the targets set by the President for cooperation with China and South Korea – by 2025, the annual volume of investments from the PRC is planned to reach \$5 billion, and from the Republic of Korea – up to \$1 billion. At the same time, the volume of annual exports to China by 2025 should amount to at least \$3 billion, and to the Republic of Korea – at least \$800 million.

<https://kun.uz/en/03287023>

##### **Investment activity of the regions of Uzbekistan**

On 28 October 2020, the Center for Economic Research and Reforms conducted a study of investment activity and the efficiency of using investments in the regions of Uzbekistan. If at the end of 2017 the share of investments in GDP was 23.9%, then in 2019 it increased to 38.3%. Of the total investment, 66.2% was financed by domestic investment, and 33.8% by foreign investment, including 21.3% by foreign direct investment.

<https://www.uzdaily.uz/en/post/61129>

##### **Uzbekistan uses foreign investments for US\$7.2bn in 9m**

The Uzbek Ministry for Foreign Trade and Investment said that in the period from January to September 2020, the total volume of utilized foreign investments in the Republic of Uzbekistan made up US\$7.2 billion (of which in fixed assets - US\$5.7 billion), including US\$4.9 billion in foreign direct investment, and US\$2.3 billion in funds from international financial institutions and foreign government financial institutions.

<http://www.uzdaily.uz/en/post/61191>

#### **4.8 INTERNET AND TELECOM SECTORS**

##### **Uzbekistan used US technology to censor the Internet – Bloomberg**

Uzbekistan and more than a dozen countries have used Sandvine equipment in recent years to censor the Internet and block websites.

<https://kun.uz/en/79177399>

##### **Number of Internet users in Uzbekistan increased by 3 million**

State Statistics Committee reports that as of January 1, 2020, the number of users connected to the Internet was almost 16.4 million.

<https://kun.uz/en/43563960>

## **4.9 INDUSTRIAL INFRASTRUCTURE**

### **Shurtan expansion to speed up after GTL commissioning**

The \$1.3bn ShGCC expansion will add 280,000 tonnes of polyethylene and 100,000 tonnes of polypropylene in new annual capacity. The expansion is being funded by Uzbekneftegaz itself, but project finance is under consideration.

<https://globuc.com/news/shurtan-expansion-to-speed-up-after-gtl-commissioning/>

### **Lummus Technology Wins Contract for Shurtan Gas Chemical Complex**

Under the terms of the contract, Lummus Technology will be responsible for designing as well as supplying four proprietary Short Residence Time VI and VII type cracking furnaces to the gas chemical complex in Uzbekistan.

<https://www.process-worldwide.com/lummus-technology-wins-contract-for-shurtan-gas-chemical-complex-a-970207/>

### **Canadian company invests over US\$ 1 billion in Gazli fields**

The project provides for the modernization and operation of five existing fields in the Gazli area with a twofold increase in production.

<https://review.uz/ru/wcu>

### **Global Optical Communication Uzbekistan starts building cable plant in Jizzax**

GOC-UZ has started construction of a fibre-optic cable production plant in the free economic area in the city of Jizzax. The aim is to manufacture 50,000 km of cable in 2021, up from 10,000 km this year. Credit of USD 3.6 million has been obtained from Korean bank Eximbank.

<https://www.telecompaper.com/news/global-optical-communication-uzbekistan-starts-building-cable-plant-in-jizzax--1356797>

### **Discussion of the current state and prospects of cooperation with the European Bank for Reconstruction and Development**

EBRD approved provision of an equity bridge loan of US\$60 million to finance the construction and operation of a pilot solar auction project of 100 MW installed capacity located in Navoi region of Uzbekistan

<https://www.ebrd.com/work-with-us/projects/psd/51454.html>

### **Malaysian company invests in construction of a production facility in Khorezm region**

The MIFT press service reported that on November 3, Deputy Prime Minister, Minister of Investments and Foreign Trade of Uzbekistan held talks with the Group Managing Director,

Group CEO and Non-Independent Executive Director of Serba Dinamik Holdings. According to the ministerial press service, the agenda of the meeting included the implementation of an investment project to produce caustic soda and liquid chlorine in the “Khazorasp” FEZ in Khorezm.

<https://kun.uz/en/44021661>

### **Fergana Oil Refinery starts producing Euro-4 and Euro-5 diesel fuel**

The Fergana Oil Refinery is carrying out a phased implementation of the investment project on modernizing and reconstructing the plant. The Ministry of Energy reported that Launching the production of Euro 4 and Euro 5 diesel fuel from November 5, 2020, will mark the completion of the first stage of modernization of the plant, for a total of \$300 million.

<https://kun.uz/en/06405186>

## **4.10 BUSINESS**

### **Sugar factories in Uzbekistan start mass layoffs**

Khorezm Shakar LLC has recently started mass dismissal of its employees. According to Kun.uz source, the plant has been shut down since July due to lack of raw materials.

<https://kun.uz/en/70127931>

### **The National Venture Fund UzVC is being created**

The government of Uzbekistan issued a resolution on organizing the activities of the UzVC National Venture Fund. According to the resolution, the initial authorized capital of the venture fund will be 15 billion soums.

<http://www.uzdaily.uz/en/post/61311>

### **General Confederation of Italian Industry establishes its office in Uzbekistan**

The management of the General Confederation of Italian Industry (Confederazione generale dell'industria italiana) has decided to establish a new branch in Uzbekistan. The main tasks of Confindustria-Uzbekistan are promoting the expansion and strengthening of economic relations between Uzbekistan and Italy. In particular, it is intended to identify new areas of cooperation and opportunities for business, to provide Italian companies with practical information and support in finding partners in Uzbekistan.

<https://kun.uz/en/17529490>

#### **4.11 MINERALS**

##### **Q3 gold demand 19% lower y-o-y at 892t**

Demand for gold dropped to 892.3t in Q3 – its lowest quarterly total since Q3 2009 – as consumers and investors continued to battle the effects of the global pandemic. At 2,972.1t year-to-date (y-t-d) demand is 10% below the same period of 2019.

<https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-q3-2020>

##### **Uzbekistan suspended gold exports in September**

The country's gold exports amounted to \$5.8 billion in January-August 2020. In September, the figure experienced no change. The share of gold in total exports declined from 50 percent to 46.5 percent.

<https://kun.uz/en/93326696>

##### **Uzbekistan holds first place globally in gold sales in Q3**

Spot with reference to the World Gold Council (WGC) report informs that Uzbekistan sold 35 tons of gold and ranked first in terms of gold sales in Q3 of 2020.

<https://kun.uz/en/87572064>

##### **Uzbekistan puts up for sale strategic mineral deposits for first time**

The State Committee for Geology placed 34 strategic types of mineral deposits on the online portal E-IJRO AUKSION. Subsoil plots put up for electronic online auction have gold, uranium, copper, silver, tungsten, tin, manganese and other types of minerals.

<https://kun.uz/en/21911963>

#### **4.12 ENERGY SECTOR**

##### **Gazprom completely halts purchases of Uzbek gas**

In the meantime in 2019, Gazprom purchased 7.6 billion cubic meters of natural gas from Uzbekistan, which is almost 1 billion cubic meters more than in 2018, and made a purchase of 7.2 billion cubic meters in 2017.

<https://www.uzreport.news/economy/gazprom-completely-rejects-uzbek-gas>

## ADB finances the construction of power transmission lines from Uzbekistan to Afghanistan

During the visit of Uzbekistan’s government delegation to Afghanistan, an agreement was signed between the Islamic Republic of Afghanistan and the Asian Development Bank (ADB) on financing the construction of the “Surkhan-Puli-Khumri” power transmission line for \$110 million

<https://kun.uz/en/23286433>

## 12 large renewable energy facilities to be built in Uzbekistan

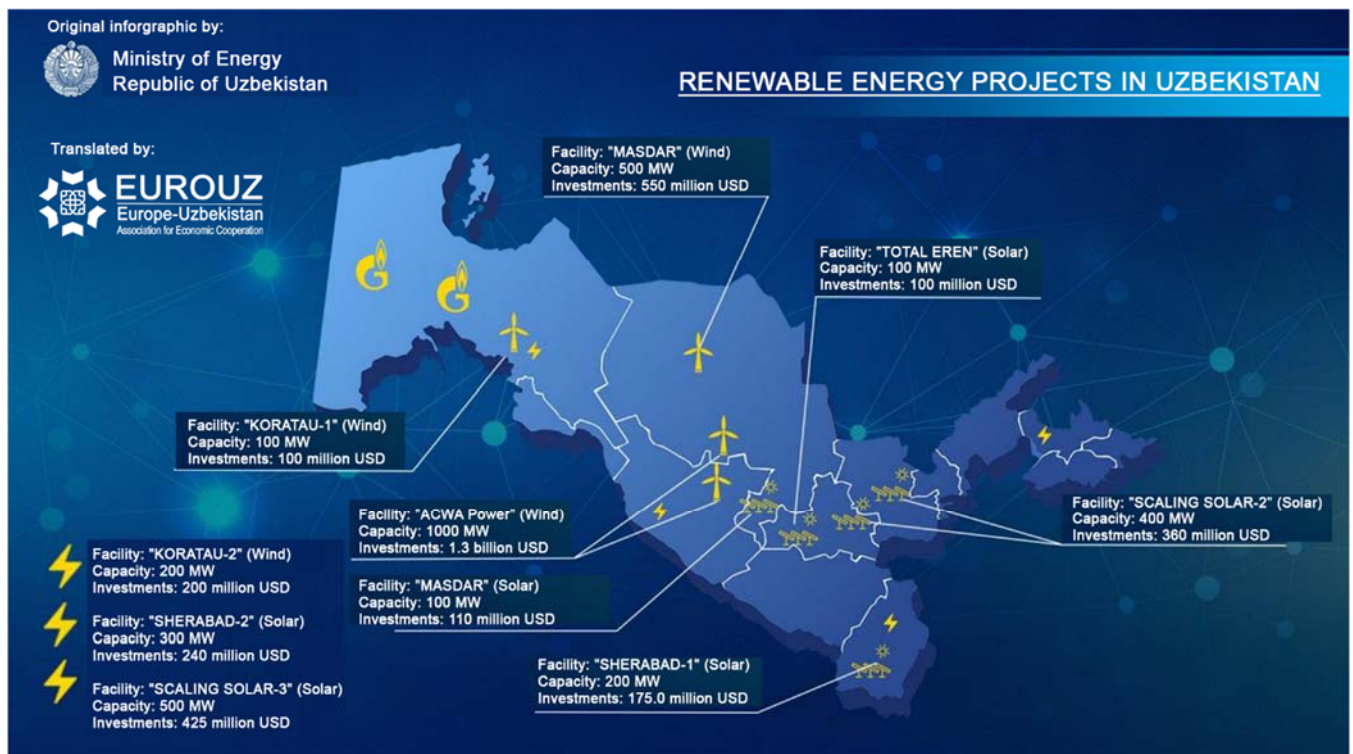
The Ministry of Energy of the Republic of Uzbekistan announced the implementation of 12 major renewable energy projects with a total value of \$3.56 billion.

<https://uzreport.news/economy/uzbekistan-to-build-12-large-renewable-energy-facilities>

## Syrdarya CCPP construction starts in Uzbekistan

The construction of a new 1,500 MW thermal power plant in the Syrdarya region has started. The press service of the Ministry of Energy reports that this project is expected to save 2 billion cubic meters of natural gas per year.

<https://kun.uz/en/47228184>





## **Hydropower masterplan: Massive potential for Uzbekistan**

On 18 June 2020, representatives from Tractebel Germany signed the contract for the preparation of the masterplan with the Asian Development Bank (ADB), which is financing the project. Work on the project started at the beginning of July.

<https://www.openpr.com/news/2151537/hydropower-masterplan-massive-potential-for-uzbekistan>

## **5. EDUCATION**

### **Uzbekistan to modernize National Innovation System with the Support from World Bank**

The World Bank has allocated \$50 million to modernize the innovation system. The project will promote international-class research in public research institutes and universities.

<https://www.worldbank.org/en/news/press-release/2020/10/28/uzbekistan-to-modernize-its-national-innovation-system-with-support-from-the-world-bank>

### **Uzbekistan allotted over \$133 million for the development of youth entrepreneurship in nine months**

The Central Bank informs that within the framework of family entrepreneurship development programs for the past period of 2020, a total of 4.4 trillion soums of concessional loans were allocated for the implementation of more than 150 thousand projects.

<https://kun.uz/en/73121626>

## **6. REGULATORY CHANGES**

### **Uzbekistan has adopted Digital Uzbekistan 2030 program**

"Digital Uzbekistan 2030" strategy signed by President and will introduce sufficient measures for developing of IT infrastructure, especially in providing of state services. Within next three years it's planned to increase Internet connection of cities and villages to 95%, introduce 400 IT decisions and services in social sphere and other.

<https://review.uz/ru/g34> (RUSSIAN)

### **President instructed not to raise electricity tariffs in 2021-2022**

According to the chairman of Regional Electric Networks, The President of Uzbekistan has ordered not to raise electricity tariffs in 2021-2022. It was tasked with carrying out work on reconstruction and modernization of enterprises by reducing production costs, rather than raising the tariffs.

<https://www.gazeta.uz/ru/2020/10/26/electricity/>

### **Uzbekistan sets to reform power industry enterprises**

October 26, President Shavkat Mirziyoyev held a meeting to discuss priority tasks in transforming electric power enterprises. The meeting participants discussed priority measures to increase energy efficiency, reduce costs and create a competitive market. The issue of modernizing the existing enterprises was paid a special attention.

<https://kun.uz/en/61195906>

### **Decree on measures to reduce the shadow economy adopted in Uzbekistan**

President signed decree on decrease of share of "shadow" economy, simplifying number of operations which was done unofficially due to high tax or other expenses:

- for 2021 restaurants and cafes could exclude from total revenues sum all income from citizens paid by cards or on-line (it will help to increase share of non-cash transactions). Total revenues sum is used to determine tax scheme;
- revenues tax for real estate realtors decreased from 25 to 13%;
- construction companies could use cash payments for urgent works for up to 10% of the cost.

<https://www.uzdaily.uz/en/post/61168>

### **Uzbekistan updates its Housing Code**

The draft expands the scope of relations regulated by the code. It clearly defines the scope of application, issues regulated by civil law (including the right of ownership of housing, the order of its formation, rent, housing rent, rules of exchange and others).

<https://kun.uz/en/96758242>

### **New measures to support exporters have been adopted**

The President signed a decree to expand financial support for exporting companies. An Export Support Fund is being set up, which is allocated \$100 million.

[https://www.gazeta.uz/ru/2020/10/22/export/?utm\\_source=push&utm\\_medium=telegram](https://www.gazeta.uz/ru/2020/10/22/export/?utm_source=push&utm_medium=telegram)

## **7. EVENTS**

### **SCO Summit scheduled for Nov 10**

The SCO leaders will discuss the strengthening and further development of cooperation within the framework of the organization, including in the context of global political and socioeconomic consequences of the COVID-19 pandemic.

<https://kun.uz/en/67299863>

## **8. SENIOR OFFICIALS CHANGES/APPOINTMENTS**

**Ministry of transport:** Acting Minister of Transport

**Appointed** – Ilhom Mahkamov

**Previously served as** the First Deputy Minister of Transport.

- **Ministry of Health:** First Deputy Minister of Health

**Appointed** – Amrillo Inoyatov

**Previously served as** Deputy Adviser to the President of the Republic of Uzbekistan on Youth, Science, Education, Health, Culture and Sports and Rector of the Bukhara State Medical Institute

- **Ministry of Health:** Minister of Health of Uzbekistan

**Appointed** – Abdukhakim Khadjibaev

**Previously served as** First Deputy Minister of Health

- **Acting Khokim of the Bukhara region.**

**Appointed** – Botir Zaripov

**Previously served as** the Board Chairman of the “O’zsanoatqurilishmateriallari” Association

## **9. IMPORTANT TENDERS**

### **Invitation for bids**

ADB issued an invitation to bids for Expansion of Talimarjan Thermal Power Plant by Construction of the Next Two Combined Cycle Units with a Total Capacity of at least 900 MW in Uzbekistan.

<https://www.adb.org/sites/default/files/tenders/uzb-3621-ibf-ocb-tal-2-epc-01-final.pdf>

## **10. USEFULS PUBLICATIONS AND LINKS**

### **Fitch Affirms Uzbekistan at 'BB-'; Outlook Stable – Fitch Ratings**

<https://www.fitchratings.com/research/sovereigns/fitch-affirms-uzbekistan-at-bb-outlook-stable-09-10-2020>

### **COVID-19 and Human Capital – World Bank Group**

<https://openknowledge.worldbank.org/bitstream/handle/10986/34518/9781464816437.pdf>

**ADB expert believes Central Asian countries can further prosper by boosting cooperation in the energy sector – Asian Development Bank**

<https://kun.uz/en/65356218>

**Market Study Available on Plant Propagation Material in Uzbekistan**

<https://www.agroberichtenbuitenland.nl/actueel/nieuws/2020/09/11/market-study-available-on-plant-propagation-material-in-uzbekistan>

**Fitch Rates National Bank of Uzbekistan's Debut Eurobond 'BB-(EXP)' – Fitch Ratings**

<https://www.fitchratings.com/research/banks/fitch-rates-national-bank-of-uzbekistan-debut-eurobond-bb-exp-12-10-2020>

**Third issue of the WECOOP regional Project's Bulletin – WECOOP, EU**

<https://wecoop.eu/ru/regional-knowledge-centre/library/>

**Uzbekistan's Sultanov targets renewables, major petchem investments in energy transition – Eurasian Investor**

<https://www.eurasianinvestor.com/analysis-articles/2020/10/20/uzbekistan-targets-10-gw-renewables-petchem-investments-in-energy-transition>

**Moscow boosts relations with Central Asia, to exclusion of the US – Asia News**

<http://www.asianews.it/news-en/Moscow-boosts-relations-with-Central-Asia,-to-exclusion-of-the-US-51337.html>



*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.*