



MONTHLY REPORT ON UZBEKISTAN

MAY 2021

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

04-06-2021
Brussels, Belgium

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1. SPECIAL UPDATE – COVID-19

Uzbekistan receives additional 500 thousand doses of Sino-Uzbek vaccine

From April 1 to May 18, 1,412,312 doses of the vaccine were used. According to the Ministry of Health, 1,125,995 people were vaccinated at the first stage, and 286,317 – at the second stage.

<https://kun.uz/en/92710554>

3.6% of the population vaccinated against COVID-19 in Uzbekistan

62.5% of people were vaccinated with ZF-UZ-VAC 2001, 34% with AstraZeneca and 3.5% with Sputnik V.

<https://kun.uz/en/86911890>

2. NOTABLE STATEMENTS

Senate approves Strategy for Achieving Gender Equality in Uzbekistan

The number of women in the national parliament has reached a level corresponding to the UN recommendations. The share of women in political parties has reached 44%, in higher education – 40%, in entrepreneurship – 35% and in leadership positions – 27%.

<https://www.uzdaily.uz/en/post/65701>

3. ECONOMIC OVERVIEW

3.1 LOCAL LEVEL

Uzbekistan's gold and foreign exchange reserves rise for first time since January 2021

International reserves of Uzbekistan as of May 1 amounted to \$34.1 billion, which is 1.5 billion higher compared to April 2021. The main reason is the rising price of gold.

<https://kun.uz/en/46440180>

Uzbekistan's public debt decreases in Q1 2021

At the beginning of April 2021, public debt amounted to \$23.2 billion or 40.1% of GDP and decreased by \$133.7 million compared to the beginning of the year.

<https://kun.uz/en/58753835>

Uzbekistan's GDP increases by 3% in Q1 2021

In January-March 2021, Uzbekistan's economy grew by 3% in relation to the corresponding period of 2020.

https://www.thetribune.com/uzbekistans-economy-grows-by-3-yr-yr-in-q1-statistics-committee/?utm_source=rss&utm_medium=rss&utm_campaign=uzbekistans-economy-grows-by-3-yr-yr-in-q1-statistics-committee

Uzbekistan plans to raise GDP per capita to \$2,500 by 2025

Uzbekistan's government has set the goal of increasing gross domestic product (GDP) per capita to \$2,500 from the current \$1,700 by 2025. This will require high and sustained growth rates of 6-7% per year.

http://www.xinhuanet.com/english/asiapacific/2021-05/28/c_139975514.htm

Inflation rate for May amounted to 0.5% in Uzbekistan

Food products rose in price by 0.5%, non-food products - by 0.4%, services - by 0.7%, according to the report of the State Statistics Committee of Uzbekistan.

<https://review.uz/en/post/inflyaciya-v-uzbekistane-v-mae-sostavila-05>

3.2 REGIONAL, BILATERAL & MULTILATERAL COOPERATION

Uzbekistan and Norway eye to intensify political and inter-parliamentary dialogue

Particular attention was paid to the intensification of political and inter-parliamentary dialogue, trade, economic and investment cooperation.

<https://kun.uz/en/13433433>

Uzbekistan and Tajikistan open two Border Liaison Offices

United Nations Office on Drugs and Crime, Regional Office for Central Asia in partnership with the law enforcement agencies of Uzbekistan and Tajikistan, opened two Border Liaison Offices (BLOs) on the Uzbek-Tajik border.

<https://kun.uz/en/19372304>

Uzbekistan establishes diplomatic relations with Dominica

Dominica has become the 137th country with which Uzbekistan has established diplomatic relations.

<https://kun.uz/en/96403353>

Uzbekistan and Afghanistan plan to sign a preferential trade agreement

The parties confirmed their readiness to implement joint measures to ensure the further growth of Uzbek-Afghan trade turnover to \$2 billion in the near future.

<https://www.bilaterals.org/?uzbekistan-afghanistan-to-sign>

Uzbekistan and EU plan to approve a new partnership agreement

On May 24, Deputy Prime Minister of Uzbekistan received the Special Representative of the European Union for Central Asia Peter Burian. The parties discussed the current state of bilateral relations and prospects for political, trade-economic, investment, financial, technical and cultural-humanitarian cooperation.

<https://tashkenttimes.uz/national/6951-uzbekistan-eu-to-approve-new-partnership-agreement-before-year-end>

Uzbekistan and Turkmenistan sign agreements on water, land use

Uzbekistan and Turkmenistan signed an agreement on a joint Uzbek-Turkmen intergovernmental commission for water management issues, as well as a document on paid land use.

http://www.xinhuanet.com/english/asiapacific/2021-05/27/c_139973619.htm

4. MARKET DEVELOPMENT BY SECTORS

4.1 BANKING SECTOR

Fitch Affirms National Bank of Uzbekistan at 'BB-'

Fitch Ratings has affirmed National Bank for Foreign Economic Activity of the Republic of Uzbekistan's (NBU) Long-Term Issuer Default Ratings (IDRs) at 'BB-' with Stable Outlooks and Viability Rating (VR) at 'b'.

<https://www.fitchratings.com/research/banks/fitch-affirms-national-bank-of-uzbekistan-at-bb-outlook-stable-17-05-2021>

Fitch Affirms Microcreditbank at 'BB-'

Fitch Ratings has affirmed Microcreditbank's (MCB) Long-Term Issuer Default Ratings (IDRs) at 'BB-' with a Stable Outlook and Viability Rating (VR) at 'b'.

<https://www.fitchratings.com/research/banks/fitch-affirms-microcreditbank-at-bb-outlook-stable-17-05-2021>

UzAgroExportBank to be privatized

The bank is privatized on the basis of maximizing the transaction value, as well as further development and increasing financial stability. The sale will be organized as a bidding open to all interested parties.

<https://kun.uz/en/51273293>

Poytaxt Bank offered for sale

The State Assets Management Agency has announced the sale of 100 percent state shares in the authorized capital of Poytaxt Bank JSC. As a privatization consultant, the internationally recognized company Deloitte has been selected.

<https://henryclubs.com/poytaxt-bank-offered-for-sale/>

4.2 INDUSTRY AND CONSTRUCTION

Russian Railways to participate in Mazar-i-Sharif – Kabul – Peshawar railway construction project

This project, forming a new infrastructure of transport communications in the region, will reduce the time and cost parameters of cargo transportation from East and South Asia to the CIS and Europe and in the opposite direction by 30%.

<https://kun.uz/en/03376941>

Uzbekistan carries out construction work worth 29.5 trillion soums (\$2.8 billion) in Jan-Apr 2021

The growth rate compared to the corresponding period of 2020 was 100.8%. The share of state-owned organizations in the total implemented work was 4.3% (about 1.2 trillion soums), the private sector – 95.7% (28.3 trillion soums).

<https://kun.uz/en/61125668>

4.3 AUTOMOBILE AND TRANSPORTATION SECTOR

GAZ Group plans to produce cars in Uzbekistan

The automotive conglomerate plans to organize the production of GAZ light and medium commercial vehicles and special equipment for them in Tashkent region.

<https://uzreport.news/economy/gaz-group-plans-to-produce-cars-in-uzbekistan>

4.4 HEALTHCARE

Uzbekistan to introduce a package of free medical services

Uzbekistan will also introduce a new system for the treatment of primary signs of chronic diseases.

<https://kun.uz/en/91236331>

UAE to allocate \$27 million for the construction of a hospital in Aral Sea region

A modern hospital for mothers and children will be built in Nukus. The total cost of the project is \$27 million, and the funding is fully covered by the Khalifa bin Zayed al-Nahyan Foundation.

[https://akipress.com/news:658822:UAE to build \\$27m worth child and maternal health care hospital in Uzbekistan/](https://akipress.com/news:658822:UAE%20to%20build%20$27m%20worth%20child%20and%20maternal%20health%20care%20hospital%20in%20Uzbekistan/)

4.5 AGRICULTURE AND FOOD

IFC issues a loan to Indorama Agro to promote sustainable cotton and improve livelihoods in rural Areas in Uzbekistan

IFC's \$60 million long-term loan to Indorama Agro LLC will help finance the development of about 50,000-hectares of farmland in two regions of Uzbekistan - Syrdarya and Qashqadarya, while also supporting independent farmers through contract farming. The European Bank for Reconstruction and Development (EBRD) is providing a parallel \$60 million long-term loan and a \$10 million short-term loan to the project.

<https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=26373>

4.6 INVESTMENT AND FINANCE

European investment funds provided a loan to Ipak Yuli Bank worth \$25 million

\$20 million will be provided by Swiss responsibility Investments AG, as well as \$5.25 million by Symbiotics, the Swiss asset management company. The funds will be used by the Bank to develop lending to small and medium-sized businesses, including post-crisis development projects.

<https://en.ipakyulibank.uz/news/2021-04-30-european-investment-funds-allocated-credit-line-to-ipak-yuli-bank-in-the-equivalent-of-above-usd-25-million>

Rothschild & Co to prepare Uzbekistan's state energy firms for IPO

Rothschild & Co will prepare Uzbekistan's Uzbekneftegaz for Initial Public Offering and will help Uztransgaz, to develop a loan portfolio and a detailed schedule of its refinancing.

https://www.thetribune.com/rothschild-cie-to-prepare-uzbekistans-state-energy-firms-for-ipo/?utm_source=rss&utm_medium=rss&utm_campaign=rothschild-cie-to-prepare-uzbekistans-state-energy-firms-for-ipo

WB to provide Uzbekistan with a concessional loan worth \$289 million

The World Bank allocated \$289 million for the implementation of the project "Development of the water supply services sector and its institutional support in Uzbekistan". Also, the Swiss State Secretariat for Economic Affairs allotted a \$7.8 million grant.

<https://www.worldbank.org/en/news/press-release/2021/05/19/world-bank-vice-president-welcomes-uzbekistan-s-commitment-to-continue-market-reforms-despite-challenges-of-covid-19-pan>

The Roundtable on the Development of Capital Market Infrastructure

On May 26, the Ministry held a regular round table on developing capital market infrastructure. Due to the relevance and importance of the issue of capital market infrastructure development, the participants of the event agreed that the June round table would be devoted to this specific topic.

<https://www.mf.uz/en/news-mf-jx/item/1661-1661.html>

4.7 IT SECTOR

Uzbekistan to introduce digital footwear marking system

Digital marking will allow buyers to check the originality of the product, information about the country of origin, the materials from which the products are made, their impact on human health and the shelf life of the goods.

<https://kun.uz/en/91702555>

4.8 ENERGY SECTOR

Fergana Oil Refinery starts producing AI-95 gasoline

AI-95, put up for sale through the Uzbek Republican Commodity and Raw Materials Exchange, is a premium grade fuel with improved characteristics and a low level of exhaust gas toxicity.

<https://www.uzdaily.uz/en/post/65511>

New Shirinobod gas condensate field discovered

EDC obtained an industrial inflow of gas – up to 100,000 m³ per day. This suggests the discovery of a new field with expected reserves of 25 bcm of gas and 1,230 thousand tons of condensate.

<https://kun.uz/en/66600617>

EBRD, EIB and PROPARCO provide €87.4 million for construction of Total Eren's solar power plant in Uzbekistan

The funds will be used to construct and put into operation a 100 MW photovoltaic solar power plant near the city of Samarkand.

<https://www.ebrd.com/news/2021/ebrd-eib-and-proparco-provide-874-million-for-construction-of-total-erens-solar-power-plant-in-uzbekistan.html>

Uzbekistan to receive equipment for the nuclear reactor from IAEA

The equipment, which is scheduled to be delivered by the end of 2021, will increase the safety and reliability of the nuclear reactor and intensify its utilization rate.

<https://kun.uz/en/04421094>

Eight new power plants to be commissioned in Uzbekistan by year end

By the end of 2021, the generation capacity in the electric power sector will be increased from 14,000 to 15,800 thousand megawatts. Compared to 2016, the generation capacity will increase by 52%

<https://menafn.com/1102170021/Eight-new-power-plants-to-be-commissioned-in-Uzbekistan-by-year-end>

Clipper Energy to build a wind farm in Fergana

Wind power plants with a capacity of up to 1,000 MW will be constructed by attracting around \$450 million in direct investments from Malaysia.

<https://kun.uz/en/93028527>

French company to assist Uzbekistan in its transition to green energy

The collaboration is aimed at supporting the energy sector of Uzbekistan in new areas of energy use and the transition to decarbonization.

<https://kun.uz/en/38892409>

Dutch SPV awarded \$1.2 billion contract to build power plant

The Ministry of Energy announced on April 19 that Dutch-registered Stone City Energy won a tender to build a \$1.2 billion thermal power plant in Uzbekistan's Surkhandarya region. The plant, which is expected to be completed by 2024, will produce 1.56GW of energy powered by steam and gas turbines manufactured by Siemens and account for 8% of the country's total power capacity.

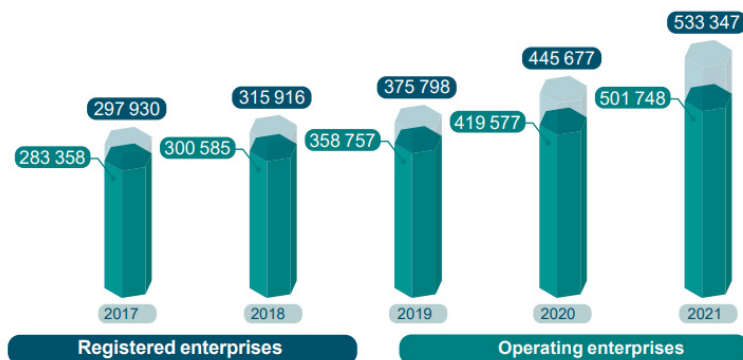
(News extract provided by Bluestone Investment Bank)

4.9 BUSINESS

50% of business entities in Uzbekistan were created over the past three years

In January-April 2021, the number of newly created enterprises and organizations amounted to 37,4 thousand units. Compared to the same period last year, this indicator increased by 8 242 units, and the growth rate was 128.3%.

General information about enterprises and organizations
excluding farms and dehkans, as of May 1, 2021, units



<https://review.uz/en/post/pochti-polovina-predpriyatij-v-uzbekistane-sozdana-za-poslednie-tri-goda>

4.10 TOURISM

Uzbekistan and Kazakhstan finalizing negotiations on launching the Silk Road Visa

The visa will help to overcome visa, customs and border barriers when tourists cross the borders of neighboring states.

<https://en.trend.az/casia/uzbekistan/3425614.html>

Tourism development in Uzbekistan: industry overview for 2016-2020

From 2016 to 2019, the number of foreign tourists increased from 2.0 million to 6.7 million, respectively.



<https://review.uz/en/post/razvitie-turizma-v-uzbekistane-obzor-turotrasli-za-2016-2020-gg>

Uzbekistan participates in Venice's Architecture Biennale for the first time

Uzbekistan's exhibition entitled "Mahalla: Urban-Rural Living" was inaugurated at the Arsenale on May the 20th. Uzbekistan was the only Central Asian country to have its own national pavilion at the event.

<https://www.euronews.com/2021/06/02/uzbekistan-participates-in-venice-s-architecture-biennale-for-the-first-time>

4.11 TRADE

International Trade Center to be built in Termez

According to estimates, the annual trade turnover of the International Trade Center will be \$500 million, and the volume of services – \$10 million. The commissioning of the Termez International Trade Center is scheduled for 2022.

<https://kun.uz/en/89164054>

Belarus-Uzbekistan trade up by 25.3% in Q1 2021

In January-March 2021 the trade between Belarus and Uzbekistan amounted to \$67.5 million.

<https://eng.belta.by/economics/view/belarus-uzbekistan-trade-up-by-253-in-q1-2021-139730-2021/>

Uzbekistan exported textile products worth \$637.7 million in Q1 2021

Uzbekistan exported textile products worth \$637.7 million in January-March 2021, which is \$174.9 million more than the country's exports in the same period in 2020.

<https://www.fibre2fashion.com/news/textile-news/uzbekistan-exported-textile-products-worth-637-7-million-in-q1-2021-273921-newsdetails.htm>

Uzbekistan imported more than 200 million liters of gasoline in January-April 2021

Russia and Turkmenistan provided more than 90% of the total gasoline imported by Uzbekistan.

<https://menafn.com/1102084557/Uzbekistan-imported-more-than-200-million-liters-of-gasoline-in-Jan-Apr-2021>

Uzbekistan to become a key logistic hub in Central Asia

Uzbekistan is to join the international trade promotion program "World Logistics Passport". Since 2019, the program has increased the volume of trading operations by 10%.

<https://uzreport.news/economy/uzbekistan-to-become-key-logistics-hub-in-ca>

Uzbekistan imports \$113.7 million worth of passenger cars in January-April 2021

During the reporting period, Uzbekistan spent \$3.4 million on the import of electric vehicles.

<https://kun.uz/en/93659567>

Uzbekistan considerably increases import of electric vehicles

In January-April 2021, Uzbekistan imported 156 electric cars, which signifies an increase of 138 units compared to the same period last year.

<https://kun.uz/en/24526056>

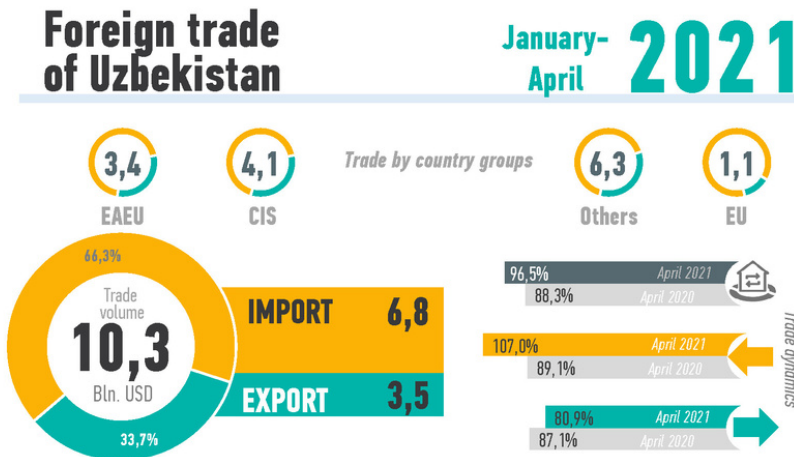
Airbus to supply Uzbekistan with four H125 and H130 helicopters

Uzbekistan Helicopters, a subsidiary of the national carrier Uzbekistan Airways, has placed an order for the purchase of four single-engine Airbus helicopters: two H125 and two H130.

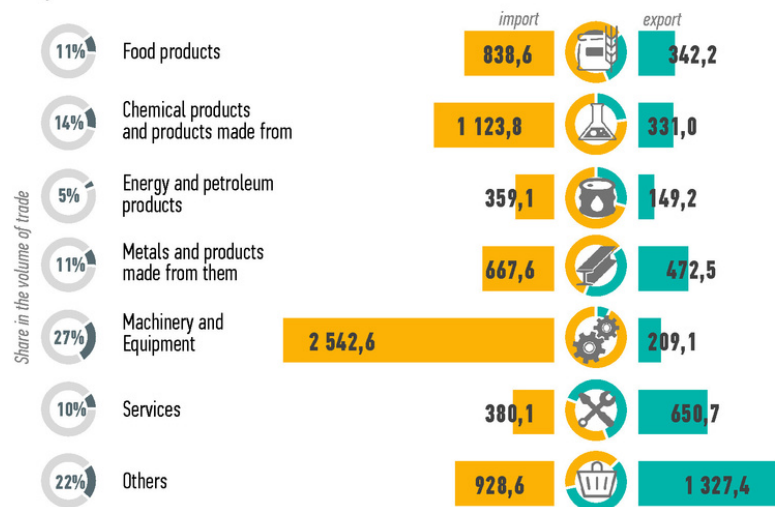
<https://tashkenttimes.uz/national/6903-uzbekistan-helicopters-to-buy-four-airbus-helicopters>

Foreign trade of Uzbekistan in January-April 2021

The total volume of export foreign trade turnover amounted to \$3.5 billion. The volume of imports amounted to \$6.8 billion.



Trade structure (mln. USD)



Based on the data of the State Statistics Committee of the Republic of Uzbekistan

CERR

ЭКОНОМИЧЕСКОЕ
ОБОЗРЕНИЕ

<https://review.uz/en/post/infografika-ozbekistonning-2021-yil-yanvar-fevral-oyi-uchun-tashqi-savdosi>

5. EDUCATION

Uzbekistan to establish Agency for Promoting Foreign Language Learning

The President has signed a decree “On measures to raise the popularization of learning foreign languages to a qualitatively new level”.

<https://kun.uz/en/13873848>

Another branch of Russian university to open in Uzbekistan

Kazan Federal University plans to establish its branch in Tashkent region.

<https://tashkenttimes.uz/national/6930-kazan-federal-university-to-open-branch-in-uzbekistan>

Universities of Uzbekistan and Russia sign 23 cooperation agreements

The agreements aim for interaction in the creation of joint faculties, scientific-educational and exchange programs.

<https://henryclubs.com/universities-of-uzbekistan-and-russia-signed-23-cooperation-agreements/>

6. REGULATORY CHANGES

Uzbekistan to establish National Paralympic Committee

The President has signed a resolution “On additional measures for the development of the Paralympic movement”. The Paralympic Committee is the legal successor of the National Paralympic Association of Uzbekistan in terms of rights, obligations and agreements, including international ones.

<https://yuz.uz/en/news/the-national-paralympic-committee-of-uzbekistan-and-its-regional-branches-have-been-established>

New agency created under the Ministry of Investments and Foreign Trade

President Mirziyoyev has signed a decree on radical improvement of public administration in the field of technical regulation. The decree instructed to establish the Uzbek Agency for Technical Regulation under the Ministry of Investments and Foreign Trade on the basis of the Uzbek Agency for Standardization, Metrology and Certification.

<https://kun.uz/en/57964377>

Decree on supporting domestic producers amended

By a government decree of June 1, the resolution of the Cabinet of Ministers “On measures to support domestic producers” has been amended.

<https://kun.uz/en/89012609>

7. SENIOR OFFICIALS CHANGES/APPOINTMENTS

- **Director of the Institute for Forecasting and Macroeconomic Research under the Ministry of Economic Development and Poverty Reduction**
Appointed – Umid Abidkhodjayev.
Previously served as Deputy Director of the Center for Economic Research and Reforms
- **Deputy Minister of Construction**
Appointed – Uktam Turayev.
Previously served as Khokim of Sariasiya District
- **Advisor to the President on Issues of Interaction with Public and Religious Organizations**
Appointed – Shoazim Minovarov.
Previously served as Chairman of the Tashkent French Alliance
- **Vice-President of UNWTO General Assembly Session**
Appointed – Aziz Abdukhakimov.
Currently serves as Deputy Prime Minister, Minister of Tourism and Sports

8. USEFUL PUBLICATIONS AND LINKS

Uzbekistan: Next frontier for UAE companies

<https://www.khaleejtimes.com/editorials-columns/uzbekistan-next-frontier-for-uae-companies>

Uzbekistan's dynamism presents new opportunities for post-Brexit Britain

<https://review.uz/en/post/uzbekistans-dynamism-presents-new-opportunities-for-post-brexit-britain>

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>

Uzbekistan: The Dawn of an Innovation-Driven Economy

<https://ai4da.com/uzbekistan-the-dawn-of-an-innovation-driven-economy/>

Uzbekistan Economic Insights: On the footsteps of Poland and Ukraine

<https://raiffeisenresearch.bluematrix.com/docs/html/aeaa84b7-75d4-472b-b63f-92c19cb72532.html>

Ministry of Finance of the Republic of Uzbekistan – Newsletter №20

<https://img1.wsimg.com/blobby/go/15667cfc-6d6f-4e91-81a4-ac4243dea7c8/downloads/Newsletter%2020%20Final.pdf?ver=1621589988497>

The Last Frontier: Energy investments in Uzbekistan reach new heights

<https://www.euractiv.com/section/central-asia/opinion/the-last-frontier-energy-investments-in-uzbekistan-reach-new-heights/>



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