



Ministry of Finance  
of the Republic of Uzbekistan

*January, 2021*

# NEWSLETTER № 17

Ministry of Finance of the Republic of Uzbekistan

### Revised Macro and Budget indicators:

- ✓ 2020 GDP growth: **1.6%**;
- ✓ 2020 inflation: **11.1%**;
- ✓ 2020 consolidated budget balance: **-2.9% of GDP**;
- ✓ 2020 overall fiscal balance: **-4.4% of GDP**;
- ✓ 2020 current account deficit (*preliminary figure*): **U.S.\$ 3.0 bn**;
- ✓ 2020 overall public debt (*preliminary figure*): **U.S.\$ 22.9 bn (external public debt U.S.\$ 20.6 bn)**.

### 2021 State Budget Law – important assumptions, ceilings, and floors:

- ❖ The Law sets out the following key indicators:
  - ✓ 2021 GDP growth is projected to be at **5.1%**;
  - ✓ 2021 overall fiscal balance floor is set at **5.4%** of GDP;
  - ✓ Overall public debt ceiling is set at **60%** of GDP;
  - ✓ The amount of contracted new debt ceiling in 2021 is **U.S.\$ 5.5 bn**, which will be directed to finance:
    - ✓ State budget deficit - **U.S.\$ 2.2 bn** (incl. **UZS 5.0 tn** in domestic debt);
    - ✓ Investment projects - **U.S.\$ 3.3 bn**.

### Investment program and export promotion measures in 2021:

- ❖ The program envisages the following targets:
  - ✓ Centralised and de-centralised investments amounting to **UZS 251.1 tn** (~U.S.\$ 24.0 bn)<sup>1</sup>;
  - ✓ Creation of 226 new production facilities and more than 34 thousand jobs; (*page 3*)
  - ✓ Establishment of regional export hubs;
  - ✓ Allocation of **U.S.\$ 100 m** by Export Support Fund to finance exporting firms' working capital. (*page 3*)

### Borrowing:

- ❖ In December 2020, the World Bank lent **U.S.\$ 500 m funds** to support the reforms on transitioning to a transparent and broad market economy in Uzbekistan (DPO-3 project).

### International Ratings and Enhancing International Cooperation:

- ❖ Uzbekistan ranked 106<sup>th</sup> among 189 countries with an index value of 0.720 (out of a maximum 1.000) in the "**UNDP's Human Development Index**", having improved by **+2 positions**; (*page 15*)
- ❖ Uzbekistan ranked 146<sup>th</sup> among 180 countries with an index value of 26 (out of a maximum 100) in the "**Corruption Perceptions Index 2020**", having improved by **+7 positions**; (*page 16*)
- ❖ On December 10, 2020, the Ministry of Finance organised **II International Ratings Forum** "The importance of international rankings and indices for the ongoing reforms in the Republic of Uzbekistan". (*page 15*)

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### Economic Statistics

- ❖ Inflation rate in 2020 was at **11.1% (yoy)** in comparison to 15.2% (yoy) of the same period last year as a reflection of the strong anti-inflationary commitment conducted to curb inflation levels and establish of a permanent inflation target of 5% from 2023;
- ❖ In 2020, the GDP at current prices amounted to **UZS 580.2 tn** (~U.S. \$ 57.7 bn) and Uzbekistan remains among the few countries with real economic growth rate of **1.6% (yoy)** in 2020;
- ❖ As of January 1, 2021, official reserve assets of the country reached **U.S.\$ 34.9 bn**, an increase of U.S.\$ 5.7 bn compared to the same period in the previous year;
- ❖ In 2020, the total foreign trade turnover amounted to **U.S.\$ 36.3 bn**, a decrease of U.S.\$ 5.5 bn compared to the same period last year mainly due to disrupted international trade chains as a result of the Covid-19 pandemic;
- ❖ In 2020, the volume of industrial production reached **UZS 322.3 tn** (~U.S.\$ 32.2 bn)<sup>1</sup> with a growth rate of 0.1% (yoy);
- ❖ In 2020, the volume of provided market services equaled **UZS 218.9 tn** (~U.S.\$ 21.7 bn)<sup>1</sup> with a growth rate of 2.3%(yoy);
- ❖ In 2020, the volume of construction works amounted to **UZS 87.8 tn** (~U.S.\$ 8.7 bn)<sup>1</sup> with a growth rate of 9.1% (yoy);
- ❖ As of October 1, 2020, total public and publicly guaranteed (PPG) debt amounted to **U.S.\$ 20.8 bn** (36.8% of GDP), of which, external PPG debt – **U.S.\$ 18.5 bn** (32.8% of GDP) and domestic PPG debt – **U.S.\$ 2.3 bn** (4.0% of GDP);
- ❖ As of January 1, 2021 the MoF had outstanding treasury bills and bonds equal to **UZS 4.0 tn** (~U.S.\$ 0.4 bn)<sup>2</sup>.

Note 1: Average official exchange rate for January-December 2020, USD/UZS = 10 054

Note 2: Official exchange rate for 1 January 2021, USD/UZS = 10 449

Indicators	As of Jan 1, 2020	As of Jan 1, 2021
Inflation, % (yoy)	15.2	11.1
Gross Domestic Product, UZS tn	510.1	580.2
Industry statistics, UZS tn	322.5	367.1
Service statistics, UZS tn	193.7	218.9
Construction works, UZS tn	71.2	87.8
Official Reserve Assets, U.S.\$ bn	29.2	34.9
Foreign trade turnover, U.S.\$ bn	41.7	36.3
Broad money, UZS tn	90.1	107.6
Domestic debt, U.S.\$ bn <sup>1</sup>	5.6	2.3
External debt, U.S.\$ bn <sup>1</sup>	13.6	18.5













<sup>1</sup> As of October 1, 2019 and October 1, 2020

Sovereign Eurobonds	Currency	Price <sup>2</sup>	YTM <sup>2</sup>
UZBEK 4 ¾ 02 20 24	USD	108.87%	1.82%
UZBEK 5 ¾ 02 20 29	USD	116.42%	3.08%
UZBEK 3.7 25 11 30	USD	105.25%	3.08%
UZBEK 14 ½ 11 25 23	UZS	101.00%	14.05%

<sup>2</sup> As of December 31, 2020

Source: Bloomberg BVAL pricing

### Exchange rates as of January 1, 2021

 <b>USD/UZS</b> = 10 476.92	<b>+3.15</b>	
 <b>RUB/UZS</b> = 141.27	<b>-1.55</b>	
 <b>EUR/UZS</b> = 12 786.03	<b>-49.58</b>	
 <b>GBP/UZS</b> = 14 194.13	<b>+33.59</b>	
 <b>CNY/UZS</b> = 1 601.78	<b>-0.99</b>	
 <b>CHF/UZS</b> = 11 786.39	<b>-72.5</b>	

Source: Central Bank of the Republic of Uzbekistan

## **Presidential Decree №4937 «On measures to implement investment program of the Republic of Uzbekistan for 2021-2023»**

*(28 December 2020)*

- ❖ The investment program for 2021-2023 includes:
  - ✓ Centralised and decentralised investments in the amount of UZS 928.7 tn (~U.S.\$ 88.7 bn)<sup>1</sup> in 2021-2023, including foreign investments in the amount of U.S.\$ 37.5 bn;
  - ✓ Aggregate forecast parameters of capital investments development in 2021-2023, as well as forecast parameters of development and attraction of investments and loans in 2021-2023, envisaging their development;
  - ✓ Targeted program for the commissioning of large production facilities and capacities in 2021, which provides for the creation of 226 new production facilities and more than 34 thousand jobs.
- ❖ The followings are approved by the Decree:
  - ✓ Aggregate targeted program for investment and loan disbursement in 2021, as well as forecast indicators of its implementation by quarters;
  - ✓ Targeted program of investment projects to be implemented in 2021 under the state guarantee of the Republic of Uzbekistan with the involvement of foreign loans, as well as foreign direct investment and loans;
  - ✓ List of investment projects that require pre-project and project documentation development, coordination and approval in 2021;
  - ✓ List of promising investment projects to be developed in 2021.

## **Presidential Decree №4949 «On measures to improve the export potential of the Republic of Uzbekistan in 2021»**

*(14 January 2020)*

- ❖ In order to restore and further expand the export potential of the Republic, permanent regional export headquarters are being created in 2021. They will be located in the territorial divisions of the Ministry of Investments and Foreign Trade;
- ❖ The Government Commission for the Development of Exports and Investments was instructed to ensure their full-fledged functioning within ten days, providing for a mechanism of "horizontal and vertical interaction" of the involved ministries, departments, commercial banks and local government bodies in assisting exporting organisations on the basis of the principle "from production to foreign consumer";
- ❖ From April 1, 2021, 50% of the expenses of domestic organisations - exporters abroad, associated with the opening and maintenance of trading houses, the lease of office, retail and warehouse premises, as well as the organisation of advertising campaigns will be compensated at the expense of the Export Promotion Agency under the Ministry of Investments and Foreign Trade;
- ❖ The document takes into account that in 2021, U.S.\$ 100 m will be allocated from the Export Support Fund for exporting organisations for the purchase of raw materials and the production of export-oriented products.
- ❖ From February 1, 2021 pre-export financing will be allocated for exporting organisations.

## Keynotes of the President's speech 2020

*(29 December 2020)*

- ❖ On December 29, 2020 the President Shavkat Mirziyoev addressed the speech to the Supreme Assembly of Uzbekistan ("Oliy Majlis") and the following main ideas and changes in economic, investments, financial and other sectors:
- ❖ Economic development and investments sphere:
  - ✓ Inflation rate to be kept below 10% rate (inflation targeting);
  - ✓ GDP growth rate forecasted at not less than 5% rate with not more than 5.4% of GDP budget deficit. Deficit for 2022-2023 should be less than 2% of GDP;
  - ✓ Share of loans in foreign currency is expected to be decreased from 50 to 45%, or by U.S.\$ 2 bn;
  - ✓ Share of bonds in national currency will be increased from 25% to 40%;
  - ✓ Mechanisms for Islamic finance to be developed with support of the ADB;
  - ✓ In order to support exporters, 50% of advertising costs in the will be covered;
  - ✓ UZS 1.6 tn (U.S.\$ 0.15 bn)<sup>1</sup> are allocated for the development of industrial zones;
  - ✓ Leading state-owned companies such as Navoi Mining and Metallurgical Combinat, UzbekNefteGaz and others to tap international capital markets by issuing Eurobonds or new equity;
  - ✓ At least one bank will be completely sold to strategic investors among Sanoat Qurilish Bank, Asaka, Ipoteka-bank, Aloqabank, Turonbank or Qishloq Qurilish Bank;
  - ✓ For the transformation of 32 large strategic companies it is planned to attract foreign advisors;
  - ✓ Oil and gas as well as energy sectors to be shifting to Public Private Partnerships (PPP);
  - ✓ The number of car manufacturers will be increased to support competition;
  - ✓ Open market for electricity to be established in 2021 on the basis of exchanges;
  - ✓ Natural gas will be sold through the organised exchange, while Uztransgaz will only deal with transportation;
  - ✓ Uzbekistan plans to utilise about U.S.\$ 23 bn investments in 2021 for implementation of 226 large projects.
- ❖ Political, social, educational and healthcare sphere:
  - ✓ President's election process to be organised with strict monitoring by international organisations;
  - ✓ Local budgets to receive additional funding – in addition to 10% of budget incomes, 5% of expenses to be allocated on local needs;
  - ✓ Level of water supply of population reached 73% with support of U.S.\$ 287 m investments;
  - ✓ Number of online government services will be increased by 60 types;
  - ✓ It is planned to develop a unified Entrepreneurial Code;
  - ✓ Citizenship could be granted to everyone lived in the country for 15 years;
  - ✓ Active anti-corruption policy by measures of increase of open-data, introduction of IT systems, etc.;
  - ✓ It is planned to create more than 1,000 training centers to prevent poverty.

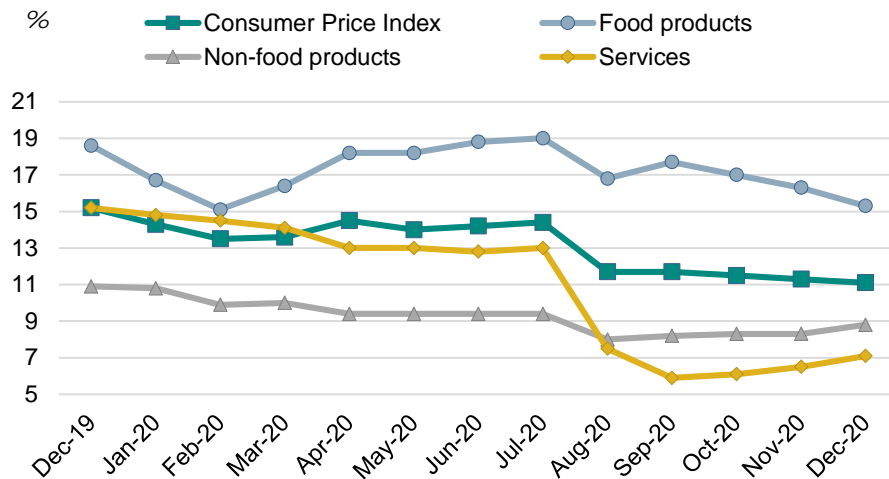
### Inflation rate

Inflation rate in 2020 was at **11.1% (yoy)** down from 15.2% (yoy) in 2019 as a reflection of the strong anti-inflationary commitment conducted to curb inflation levels and to establish a permanent inflation target of 5% from 2023.

In addition, stabilisation of the exchange rate since a rapid devaluation in April 2020 and slowing down of economic activities have contributed to the decline in inflation rate.

### Inflation rate

(as of January 1, 2021, yoy)



### Gross Domestic Product

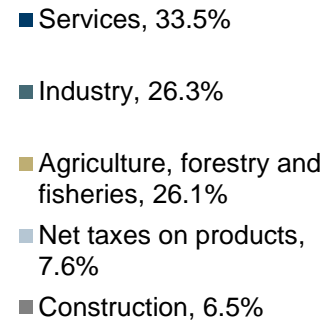
In 2020, the gross domestic product at current prices amounted to **UZS 580.2 tn (U.S.\$ 57.7 bn)** and compared to the same period in 2019 increased by **1.6%**, being among the few countries with positive economic growth despite negative impact of coronavirus pandemic and global crisis.

The GDP deflator index, in relation to the prices of 2020, amounted to 111.9% down from 118.6% in 2019 and 127.5% in 2018.

GDP per capita of the country amounted to UZS 16.9 m. (or equivalent – U.S.\$ 1 685.5).

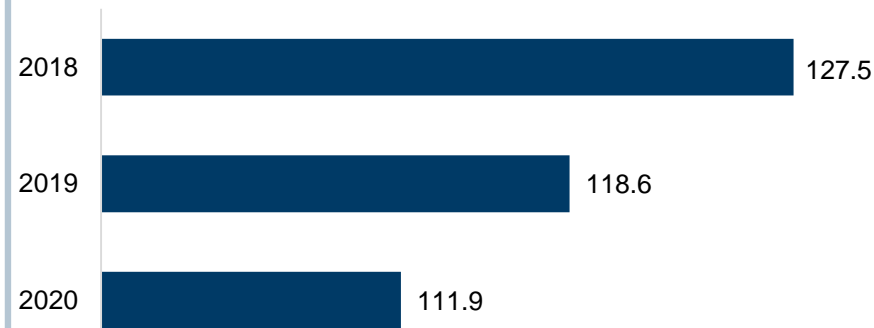
### Gross Domestic Product

(2020, in %)



### GDP deflator index

(2020, in %, yoy)



### GDP growth rate by type of economic activity

(in %)

	2018	2019	2020
<b>GDP</b>	<b>5.4</b>	<b>5.8</b>	<b>1.6</b>
<i>including:</i>			
Gross value added of the industries	5.4	5.9	1.7
Agriculture, forestry and fisheries	0.3	3.1	3.0
Industry	10.8	5.0	0.7
Construction	14.3	22.9	9.2
Trade, accommodation and catering services	5.4	7.2	0.1
Transportation and storage, information and communication	6.9	6.6	-2.2
Other service industries	4.8	5.8	1.0
Net taxes on products	5.9	4.7	1.4

Note 1: Average official exchange rate for January-December 2020, USD/UZS = 10 054

Note 2: The information provided in service, industry and construction section is preliminary, the growth rates in these sectors are calculated based on comparative price level indices that are relative indicators that characterize the change in the volume of products (goods and services) in the compared periods

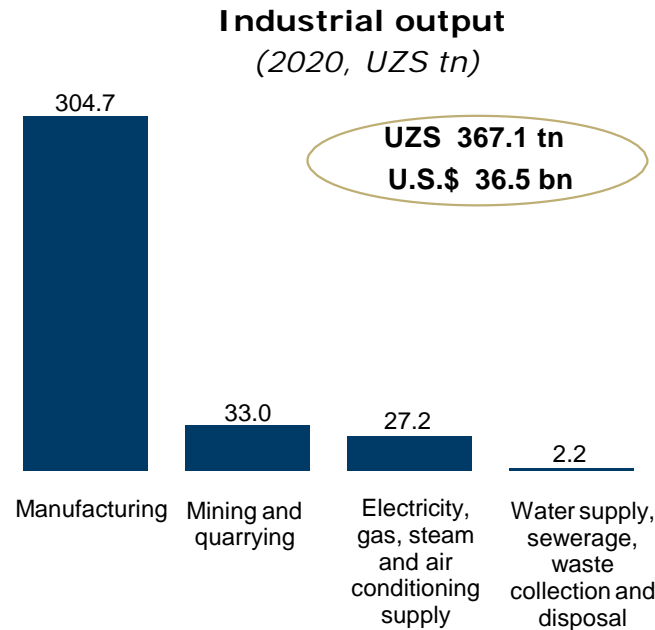
Source: State Committee of the Republic of Uzbekistan on Statistics

## 4. Macroeconomic Environment

### Industry statistics

In **2020**, the volume of the industrial products amounted to **UZS 367.1 tn** (~U.S.\$ 36.5 bn)<sup>1</sup>, the growth rate of industrial production in 2020 amounted to 0.7% (yoy)<sup>2</sup>.

In the structure of production manufacturing amounted to UZS 304.3 tn (~U.S.\$ 30.3 bn)<sup>1</sup>, mining and quarrying UZS 33.0 tn (~U.S.\$ 3.3 bn)<sup>1</sup> electricity, gas, steam and air conditioning UZS 27.2 tn (~U.S.\$ 2.7 bn)<sup>1</sup> and water supply, sewerage, waste collection and disposal UZS 2.2 tn (~U.S.\$ 0.2 bn)<sup>1</sup>.

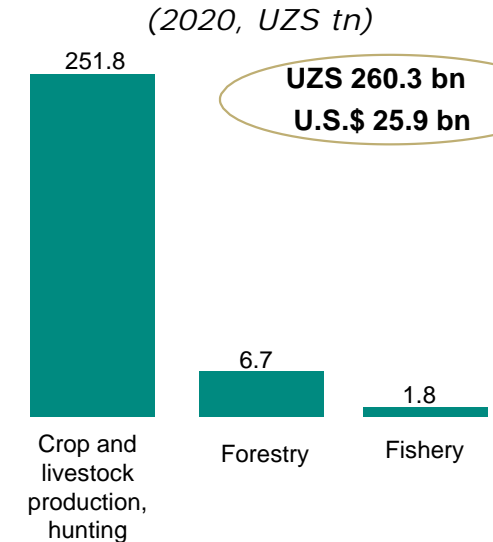


### Agriculture, forestry and fisheries statistics

The volume of products in **2020** reached **UZS 260.3 tn** (~U.S.\$ 25.9 bn)<sup>1</sup> with a growth rate of 3.0% (yoy)<sup>2</sup>.

In 2020, the growth rates of products (services) in areas of plant growing, animal husbandry and hunting amounted to 2.9%, forestry - 1.7% and fisheries - 19.8%.

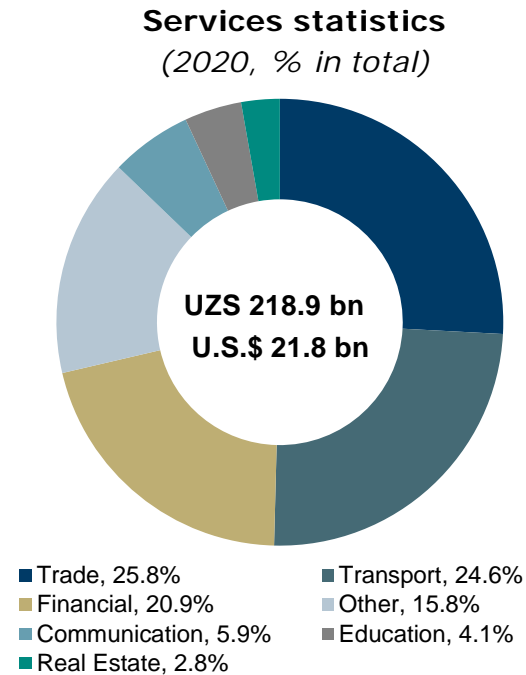
### Agriculture, forestry and fisheries statistics



### Service statistics

The volume of market services in **2020** reached **UZS 218.9 tn** (~U.S.\$ 21.8 bn)<sup>1</sup> with a growth rate of 2.3% (yoy)<sup>2</sup>.

The largest share in the structure of market services falls on trade services (25.8%), transport (24.6%), financial services (20.9%), communication and information services (5.9%).

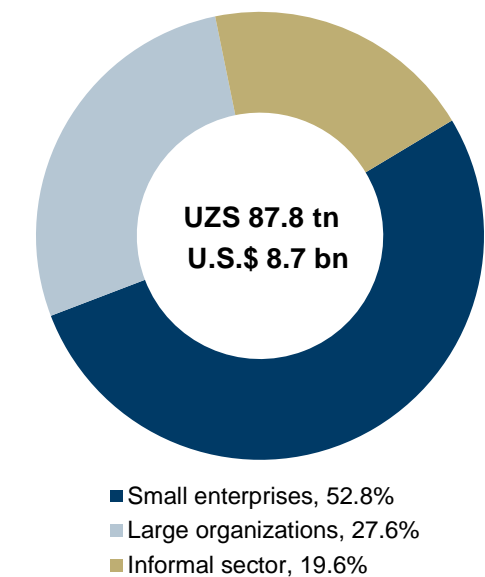


### Construction statistics

In **2020**, the construction works amounted to **UZS 87.8 tn** (~U.S.\$ 8.7 bn)<sup>1</sup> with a growth rate of 9.1% (yoy)<sup>2</sup>.

As of January 1, 2021, the number of enterprises and organisations in the construction sector amounted to **40.9 thousand units** with the 4.7 thousand units increase compared with the last year.

### Construction works



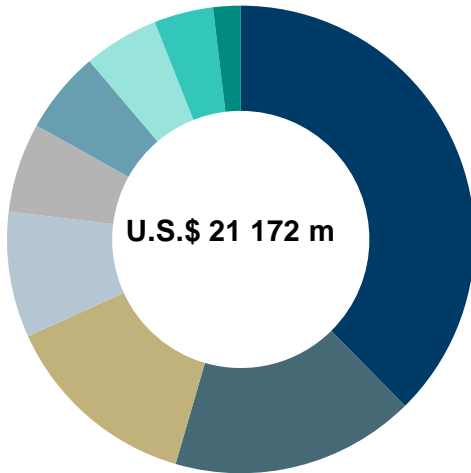
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Note 2: The information provided in service, industry and construction section is preliminary, the growth rates in these sectors are calculated based on comparative price level indices that are relative indicators that characterize the change in the volume of products (goods and services) in the compared periods

# 5. Foreign Trade Turnover

**Structure of Imports**  
(2020, % in total)

- Machinery and transport equipment, 37.6%
- Manufactured goods, 16.9%
- Chemicals and similar products, 13.7%
- Food and live animals, 8.7%
- Various finished goods, 6.2%
- Services, 5.7%
- Mineral fuels and similar materials, 5.2%
- Non-food raw materials, 4.1%
- Other goods, 1.9%



**Foreign Trade Turnover**

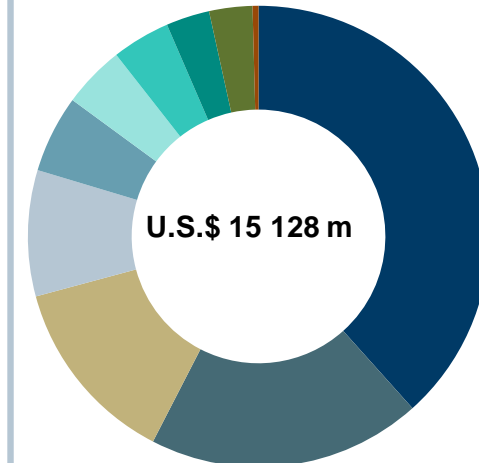
In 2020, the foreign trade turnover (FTT) constituted **U.S.\$ 36 299 m**, a decrease by U.S.\$ 5 452 m, compared to the same period last year. Negative balance of foreign trade in the amount of U.S.\$ 6 044 m was recorded.

At the end of 2020, exports reached **U.S.\$ 15 128 m**, while the total number of exporting entities amounted to 6 109 units.

Imports amounted to **U.S.\$ 21 172 m**, the main share of which is occupied by machinery and transport equipment (37.6%), industrial goods (16.9%), as well as service (5.7%).

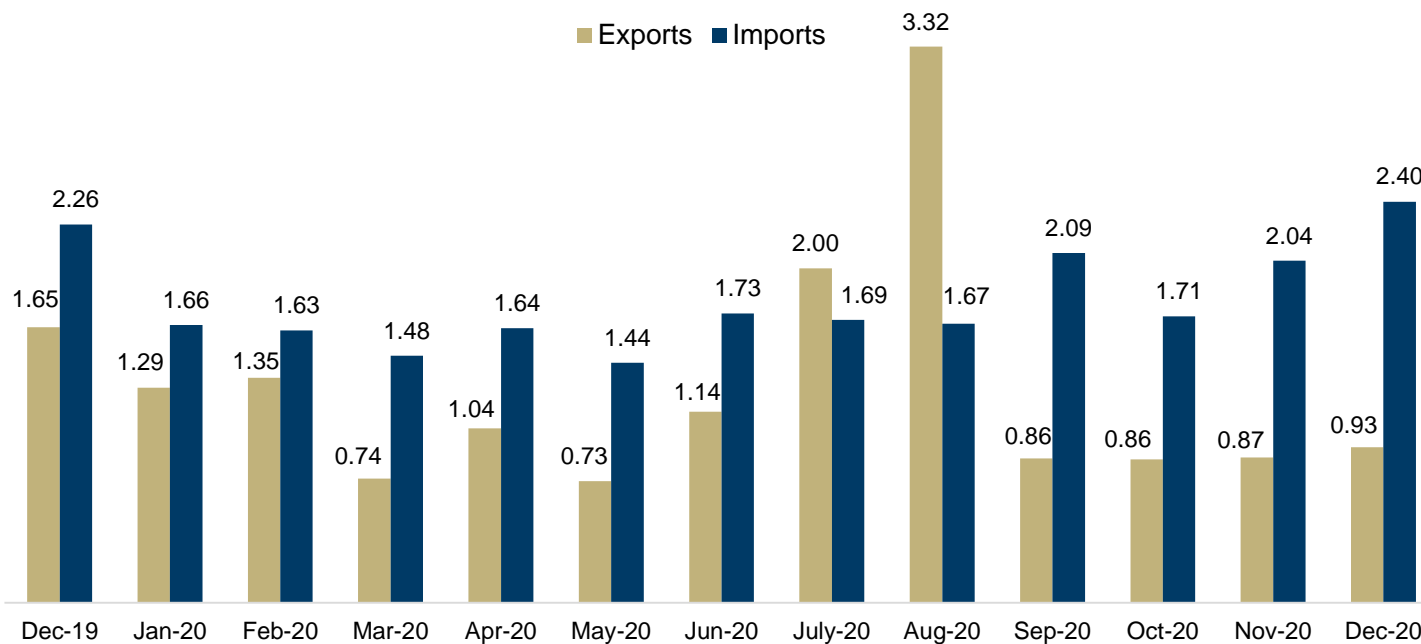
**Structure of Exports**  
(2020, % in total)

- Gold, 38.4%
- Manufactured goods, 19.2%
- Services, 13.2%
- Food and live animals, 8.8%
- Chemical products, 5.4%
- Mineral fuels, 4.4%
- Various finished products, 4.1%
- Non-food raw materials, 3.0%
- Machinery equipment, 3.0%
- Other goods, 0.4%

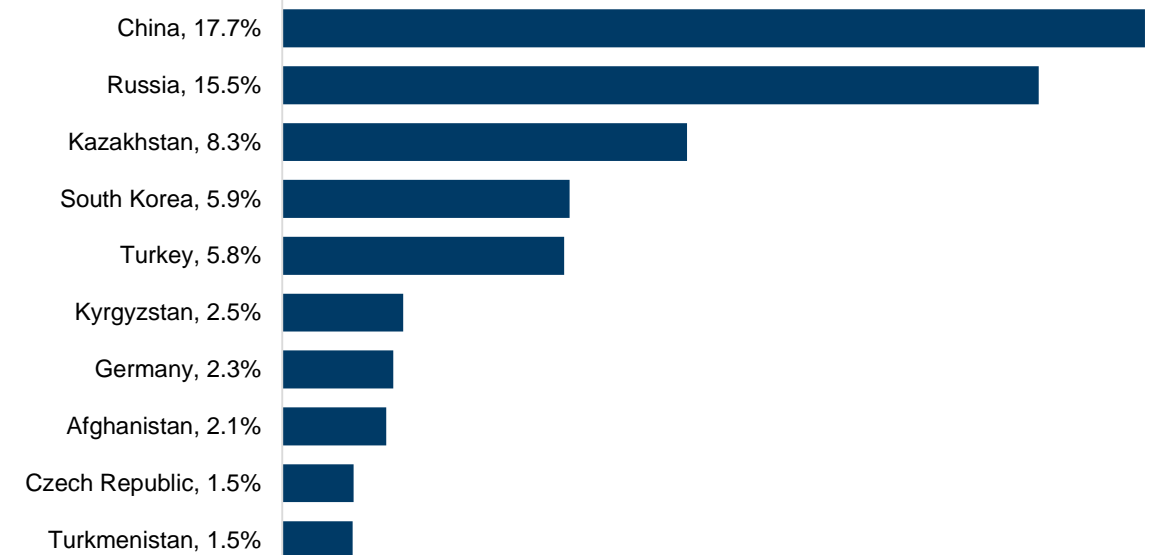


**Exports and Imports of goods and services**  
(U.S.\$, bn)

■ Exports ■ Imports



**Top 10 countries in foreign trade with Uzbekistan**  
(2020, % share in total FTT)





## 6. Balance of payments

### Balance of payments

U.S.\$, m

	3Q2019	3Q2020 <sup>1</sup>
Current account balance	-1776.8	-434.2
Capital account (excluding reserve assets)	246.8	25.2
Financial account	-4 012.1	-2 379.1
Net Errors and Omissions	-1 819.9	-345.6
Overall Balance	-662.1	-1 624.4
Reserves and Related Items	662.1	1 624.4

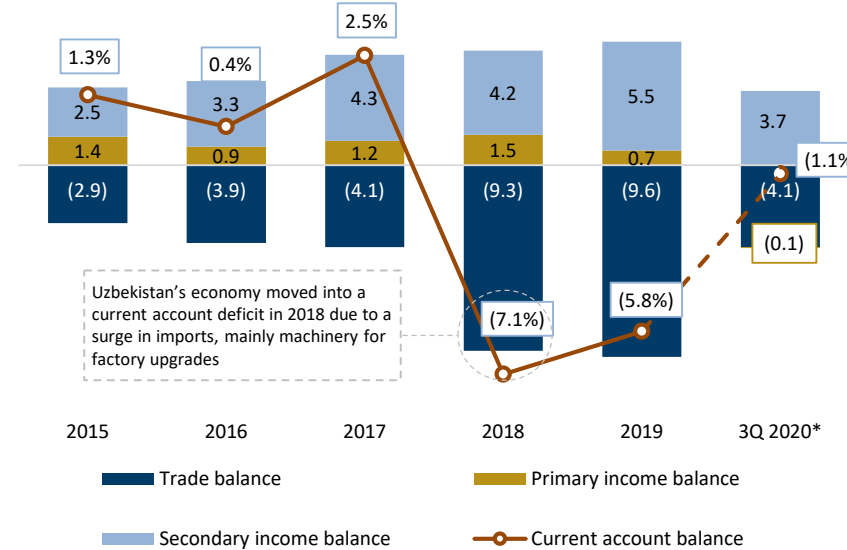
### Balance of payments

In 3Q2020 the current account had a deficit which amounted to U.S.\$ 0.4 bn in comparison to U.S.\$ 1.8 bn for 3Q2019. It was observed that there was a reduction in the negative current account balance which is explained by a more intensive recovery of imports under the influence of pandemic, a decrease in primary income, as well as the preservation of the volume of cross-border remittances at the level of the corresponding period of previous year.

For the 9 months of 2020, foreign trade in goods (including trade of precious metals (gold) and adjustments) amounted to U.S.\$ 24.3 bn (U.S.\$ 26.2 bn for 3Q2019). Volume of exports and imports amounted to U.S.\$ 10.8 bn and U.S.\$ 13.6 bn, respectively. Thus, the negative trade balance of goods amounted to U.S.\$ 2.8 bn year.

### Current account balance

(U.S.\$, bn)



The deficit in international trade with services recorded a decrease by 24% compared to 3Q2019 and amounted U.S.\$ 1.3 bn, mainly due to a decrease in the total volume of foreign trade turnover in international services. Transport and travel-related services remained historical dominant in the structure of exports and imports of services.

Deficit balance of primary income for 3Q2020 was equal to U.S.\$ 0.05 bn in comparison to U.S.\$ 1.0 bn for 3Q2019. The reduction in the balance of primary income is associated with a decrease in the amount of short-term workers and an increase in the income of non-residents on external loans and investments.

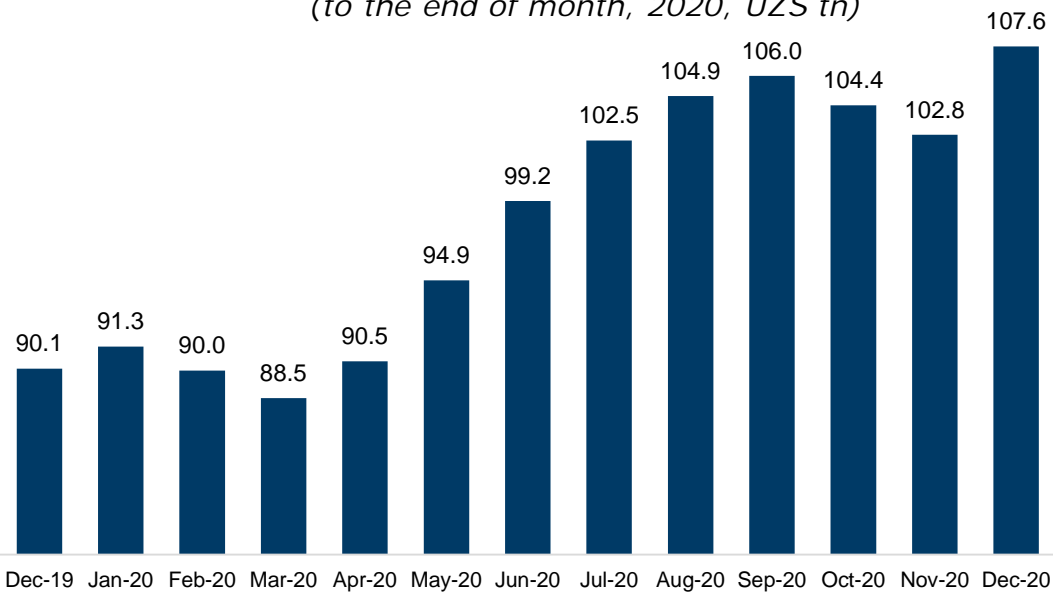
The positive balance of secondary income amounted to U.S.\$ 3.7 bn, while this figure constituted U.S.\$ 3.9 bn for 3Q2019. The positive balance remains stable mainly due to cross-border remittances of long-term workers.

The positive balance of the capital account for 3Q2020 amounted to U.S.\$ 0.03 bn (U.S.\$ 0.25 bn for 3Q2019) as a result of large transfers.

In 3Q2020, the negative balance of the financial account amounted to U.S.\$ 0.8 bn (reduction accounted for U.S.\$ 2.6 bn in comparison with the previous year). The main reason for the continued deficit of the financial account is the growth of liabilities on loans and borrowings in the amount of U.S.\$ 4.3 bn (of which U.S.\$ 2.6 bn falls on the government sector) and FDI - by U.S.\$ 1.1 bn. In operations of international reserve assets for 9 months of this year there was a significant increase in the foreign exchange component in the amount of U.S.\$ 2.0 bn.

**Broad Money (M2)**

(to the end of month, 2020, UZS tn)

**Broad Money (M2)**

As of January 1, 2021, broad money constituted **UZS 107 604 bn** (~U.S.\$ 10.7 bn)<sup>(1)</sup>, while the growth rate equaled **17.9%** compared to the same period of last year. The volume of money supply in national currency constituted UZS 73 098 bn (~U.S.\$ 7.3 bn)<sup>(1)</sup>, of which currency in circulation and transferable deposits in national currency amounting to respective UZS 24 869 bn (~U.S.\$ 2.5 bn)<sup>(1)</sup> and UZS 25 410 bn (~U.S.\$ 2.5 bn)<sup>(1)</sup> and other deposits in national currency UZS 22 768 bn (~U.S.\$ 2.3 bn)<sup>(1)</sup>. As of January 1, 2021, foreign currency deposits in national currency equivalent reached to UZS 34 506 bn (~U.S.\$ 3.4 bn)<sup>(1)</sup>.

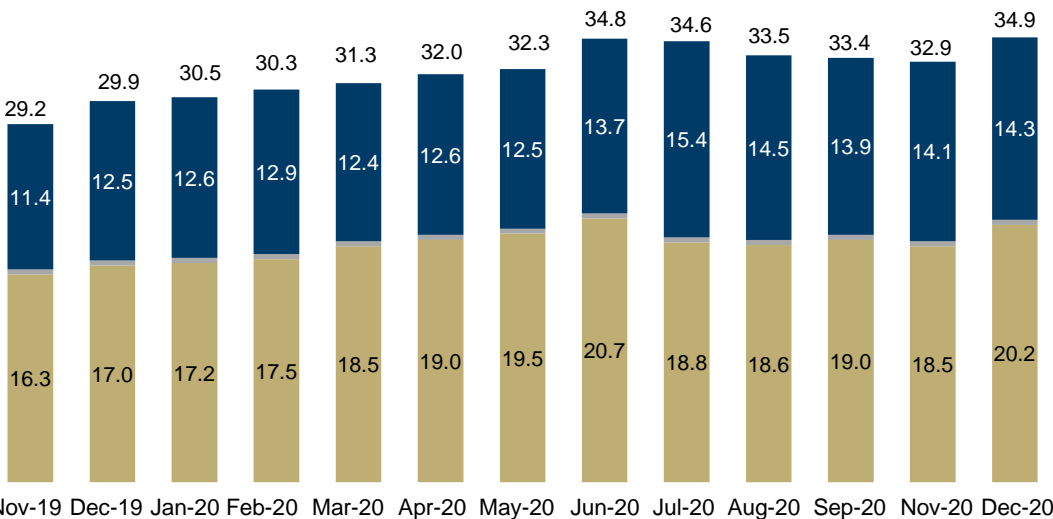
**Liquidity in the banking system**

Indicators	Jan 1, 2020	Dec 1, 2020
Highly liquid assets (bn UZS)	30 874	38 576
Immediate liquidity ratio (minimum: 25%)	47.8%	60.6%
Liquidity coverage ratio (minimum: 100%)	208.5%	224.1%
Net stable funding ratio (minimum: 100%)	112.8%	108.0%
Ratio of highly liquid assets to total assets (in %)	11.3%	11.4%

**Official Reserve Assets**

(as of January 1, 2021, U.S.\$ bn)

■ Monetary gold ■ SDRs ■ Foreign currency reserves

**Official Reserve Assets**

As of January 1, 2021, official reserve assets constituted **U.S.\$ 34 904 m** with an increase of **19.6%** in comparison to the previous year.

In the composition of official reserve assets, foreign currency reserves constituted U.S.\$ 18.5 bn, gold U.S.\$ 14.1 bn and SDRs U.S.\$ 0.4 bn.

**Banking system stability indicators UZS bn**

Indicators	2019	11M2020
Regulatory Tier 1 capital to RWA	19.57%	15.36%
Regulatory Tier 1 capital	43 659	47 822
Risk weighted assets	223 041	311 372
Liquid assets to total assets	13.89%	12.87%
Liquid assets	37 887	45 091
Total assets	272 727	350 474
Capital to risk-weighted assets	23.52%	18.44%
Capital at the end of period	52 467	57 422
Risk-weighted assets	223 041	311 372
NPL to total gross loans	1.48%	4.47%
Non-performing loans	3 169	2 568
Total gross loans	211 581	270 716

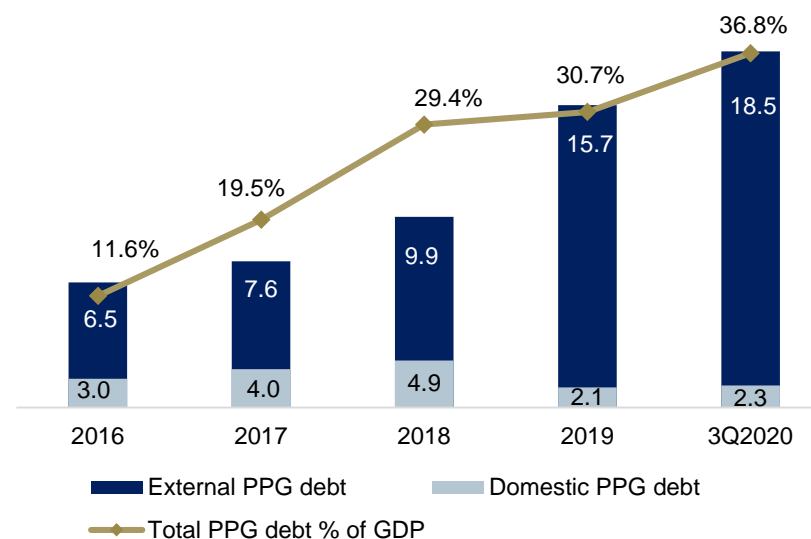
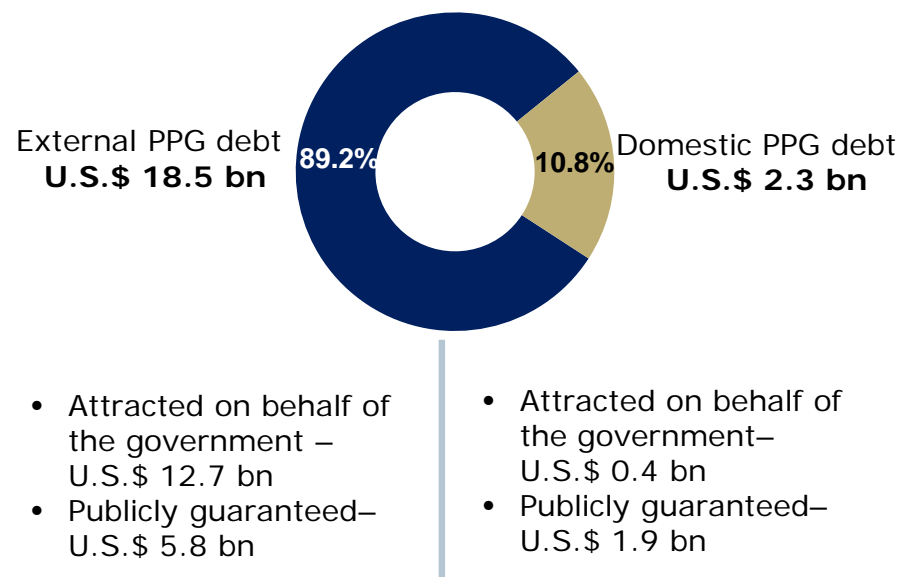
Note 1: Average official exchange rate for January-December 2020, USD/UZS = 10 054

# 8. Borrowing Statistics

## Sources of financing of external PPG debt<sup>1</sup> (as of October 1, 2020)

	Asian Development Bank - U.S.\$ 4.5 bn
	The Export-Import Bank of China and China Development Bank -U.S.\$ 4.0 bn
	The World Bank - U.S.\$ 3.1 bn
	Japan International Cooperation Agency and Japanese Bank for International Cooperation - U.S.\$ 2.2 bn
	Islamic Development Bank - U.S.\$ 0.9 bn
	Other IFIs and foreign government financial organisations - U.S.\$ 2.8 bn
	Sovereign Eurobonds - U.S.\$ 1.0 bn
<b>Total external PPG debt - U.S. \$ 18.5 bn</b>	

## Total PPG debt - U.S.\$ 20.8 bn (36.8% of GDP) (as of October 1, 2020)



## Use of proceeds of external PPG debt<sup>1</sup> (as of October 1, 2020)

	Energy - U.S.\$ 5.3 bn
	Budget support & Financial Sector – U.S.\$3.2 bn
	Transport & Transport Infrastructure – U.S.\$ 2.3 bn
	Housing & communal services - U.S.\$ 2.0 bn
	Agriculture - U.S.\$ 2.0 bn
	Sovereign Eurobonds <sup>(2)</sup> - U.S.\$ 1.0 bn
	Chemistry - U.S.\$ 1.0 bn
	Education & healthcare - U.S.\$ 0.6 bn
	Telecommunication - U.S.\$ 0.2 bn
	Others - U.S.\$ 0.9 bn
<b>Total external PPG debt - U.S. \$ 18.5 bn</b>	

Note 1: Public PPG debt statistics are constantly being improved with the help of IFIs and lending institutions

Note 2: Proceeds of 5Y and 10Y sovereign Eurobonds (maturing in 2024 and 2029, respectively) were allocated as deposits to commercial banks, subordinate debt and budgetary loans. In 4Q2020, the MoF has issued sovereign Eurobonds in the amount of U.S.\$ 555 m (10-years at 3.7%) and UZS 2 tn (~U.S.\$ 192.5 m)

## 9. Domestic Treasury Securities

### Auction results of Outstanding Domestic Treasury Securities

As of January 1, 2021 the Ministry of Finance had outstanding treasury bills and bonds amounting to **UZS 4.0 tn** (~U.S.\$ 0.4 bn)<sup>1</sup>. In 2020 the total number of auctions conducted reached 22. The total volume of issuance of T-bills and bonds in 2020 reached **UZS 5.0 tn** (~U.S.\$ 0.5 bn)<sup>2</sup>, the figure increased more than 3 times compared to the issuance of 2019 (~U.S.\$ 0.2 bn)<sup>3</sup>. In the long term, Ministry of Finance aims at remaining committed to the development of the domestic government debt market, continuous diversification of debt instruments in terms of both tenor and tranche amount, and gradually widening the investor base by working in collaboration with the Central Bank of Uzbekistan.

Date of auction	Maturity date	Announced volume, (UZS bn) <sup>3</sup>	Fixed coupon rate	Aggregate amount of bids submitted, (UZS bn) <sup>3</sup>	Volume of securities issued, (UZS bn) <sup>3</sup>	Weighted average YTM	Outstanding amount, (UZS bn) <sup>3</sup>
26 Dec 2018	26 Jun 2019	200.0	zero-coupon	239.3	197.1	14.15%	Redeemed
27 Dec 2018	27 Dec 2019	200.0	16%	225.8	200.0	14.22%	Redeemed
28 Dec 2018	24 Dec 2021	200.0	16%	216.5	200.0	14.87%	200.0
<b>Total for 2018</b>		<b>600.0</b>		<b>681.5</b>	<b>597.1</b>		
19 Feb 2019	19 Feb 2020	60.0	15%	122.0	60.0	13.33%	Redeemed
27 Feb 2019	27 Feb 2020	40.0	15%	82.0	40.0	12.98%	Redeemed
5 Mar 2019	4 Mar 2020	30.0	15%	30.0	30.0	14.94%	Redeemed
12 Mar 2019	11 Mar 2020	40.0	15%	109.3	40.0	14.54%	Redeemed
19 Mar 2019	18 Mar 2020	80.0	15%	140.5	80.0	12.94%	Redeemed
8 May 2019	7 May 2020	100.0	15%	494.1	100.0	11.02%	Redeemed
15 May 2019	14 May 2020	100.0	15%	463.9	100.0	10.47%	Redeemed
22 May 2019	18 Nov 2020	100.0	15%	283.4	100.0	10.04%	Redeemed
4 Jun 2019	1 Dec 2020	100.0	15%	231.4	100.0	9.82%	Redeemed
12 Jun 2019	9 Jun 2021	100.0	15%	315.0	100.0	8.93%	100.0
19 Jun 2019	16 Jun 2021	100.0	15%	479.0	100.0	7.73%	100.0
5 Jul 2019	1 Jul 2022	100.0	15%	375.0	100.0	10.11%	100.0
12 Jul 2019	8 Jul 2022	100.0	15%	176.3	100.0	10.41%	100.0
17 Jul 2019	24 Dec 2019	200.0	zero-coupon	202.1	200.0	12.72%	Redeemed
19 Jul 2019	26 Dec 2019	300.0	zero-coupon	435.0	300.0	14.89%	Redeemed
<b>Total for 2019</b>		<b>1550.0</b>		<b>3 938.9</b>	<b>1 550.0</b>		

Note 1: Official exchange rate for 1 January 2021, USD/UZS = 10 449

Note 2: Average official exchange rate for January – December 2020, USD/UZS = 10 054

Note 3: Nominal value of each bill and bond is equal to UZS 1.0 m. All calculations are derived based on the nominal value of the securities issued

Source: Ministry of Finance of the Republic of Uzbekistan

# 9. Domestic Treasury Securities

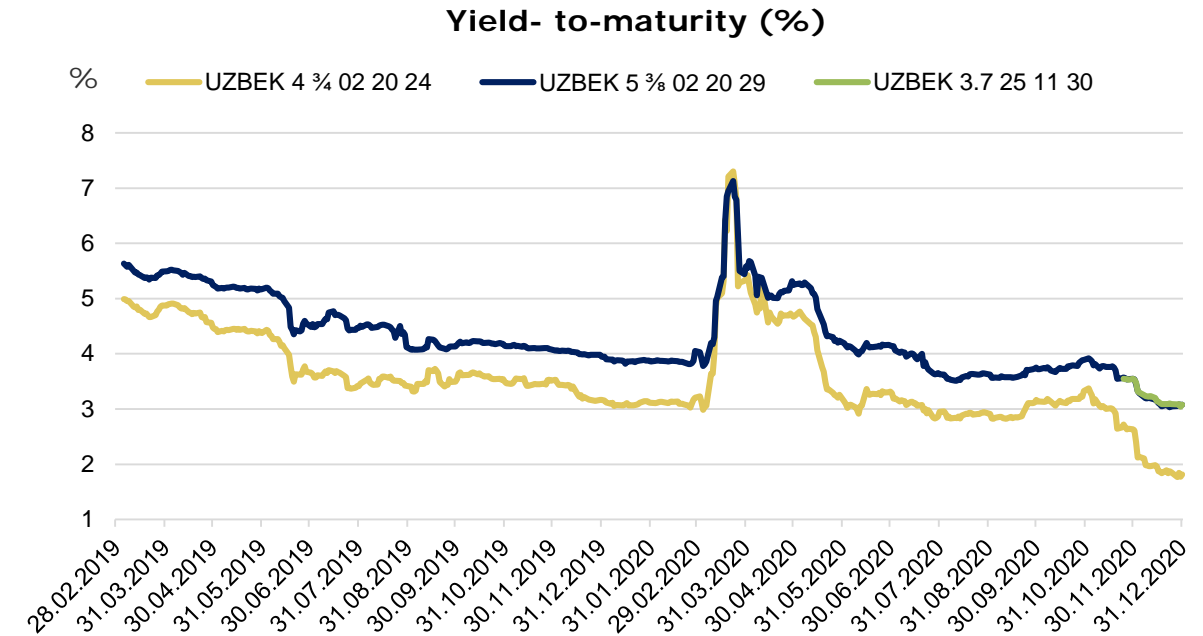
## Auction results of Outstanding Domestic Treasury Securities

Date of auction	Maturity date	Announced volume, (UZS bn) <sup>1</sup>	Fixed coupon rate	Aggregate amount of bids submitted, (UZS bn) <sup>1</sup>	Volume of securities issued, (UZS bn) <sup>1</sup>	Weighted average YTM	Outstanding amount, (UZS bn) <sup>1</sup>
17 Jan 2020	16 Jan 2021	200.0	16%	628.0	200.0	12.98%	200.0
20 Jan 2020	19 Oct 2020	300.0	zero-coupon	368.0	300.0	14.18%	Redeemed
20 Jan 2020	17 Jan 2022	200.0	16%	453.2	200.0	14.87%	200.0
6 Apr 2020	6 Apr 2021	750.0	16%	770.0	750.0	15.97%	750.0
9 Apr 2020	9 Apr 2021	250.0	16%	360.0	250.0	15.95%	250.0
10 Apr 2020	10 Apr 2021	300.0	16%	310.0	300.0	15.97%	300.0
13 Apr 2020	11 Oct 2021	150.0	16%	89.8	89.8	15.97%	89.8
6 May 2020	4 Nov 2020	500.0	15%	550.0	500.0	14.91%	Redeemed
8 May 2020	7 Aug 2020	100.0	zero-coupon	241.0	100.0	14.39%	Redeemed
11 May 2020	8 Sep 2020	100.0	zero-coupon	141.0	100.0	14.39%	Redeemed
14 May 2020	21 Sep 2020	100.0	zero-coupon	241.5	100.0	14.61%	Redeemed
28 May 2020	26 Nov 2020	470.0	15%	570.0	470.0	14.93%	Redeemed
12 Jun 2020	9 Nov 2020	100.0	zero-coupon	261.0	100.0	14.17%	Redeemed
8 Sep 2020	05 Feb 2021	100.0	zero-coupon	296.0	100.0	14.39%	100.0
17 Sep 2020	18 Mar 2021	300.0	zero-coupon	350.0	300.0	13.90%	300.0
21 Sep 2020	18 Feb 2021	100.0	zero-coupon	104.0	100.0	13.78%	100.0
28 Sep 2020	29 Mar 2021	235.0	zero-coupon	285.0	235.0	13.87%	235.0
8 Oct 2020	8 Apr 2021	235.0	zero-coupon	305.0	235.0	13.77%	235.0
9 Oct 2020	9 Apr 2021	300.0	zero-coupon	397.0	300.0	13.92%	300.0
20 Oct 2020	20 Jul 2021	300.0	zero-coupon	97.2	97.2	13.92%	97.2
18 Nov 2020	18 May 2022	100.0	14%	138.0	100.0	13.56%	100.0
1 Dec 2020	31 May 2022	100.0	14%	97.0	97.0	13.81%	97.0
<b>Total for 2020</b>		<b>5 290.0</b>		<b>7 052.7</b>	<b>5 024.0</b>		
<b>Total</b>		<b>7 440.0</b>		<b>11 673.2</b>	<b>7 171.1</b>		<b>3 954.0</b>

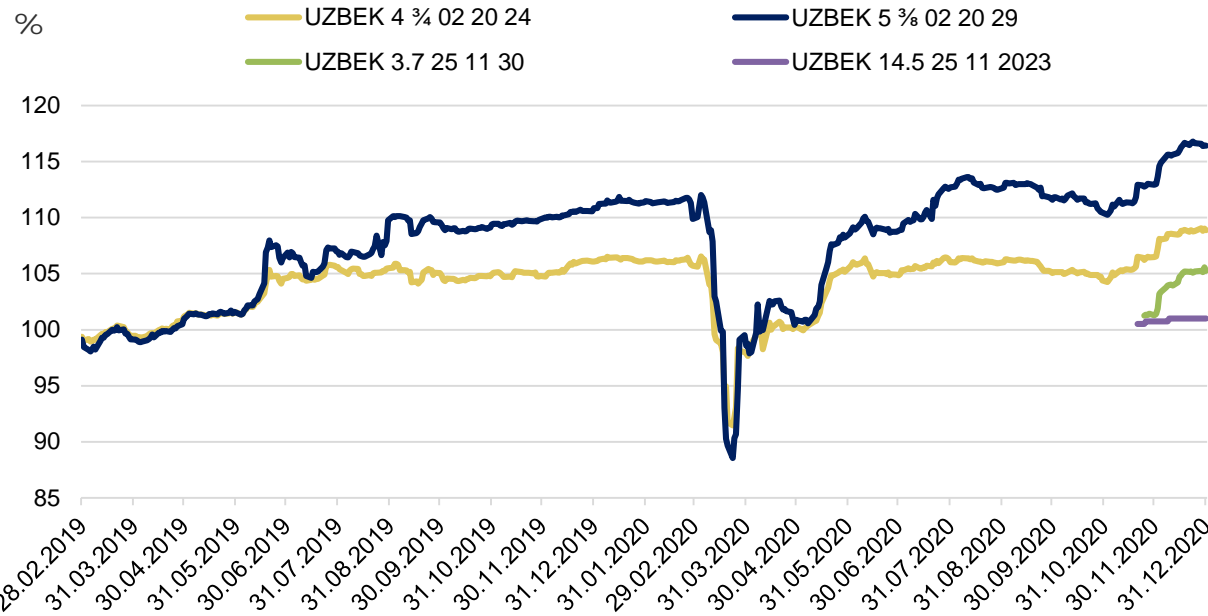
Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m. All calculations are derived based on the nominal value of the securities issued

# 10. Sovereign Eurobonds

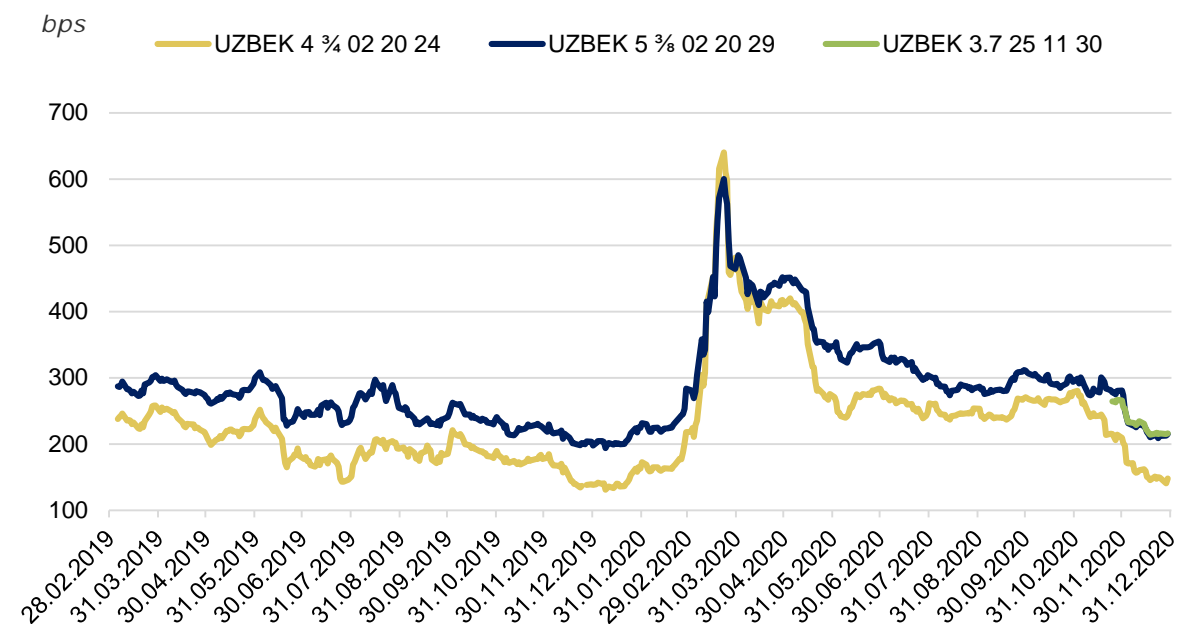
Settlement Date	Issuer	S&P	Fitch	Coupon(%)	Volume	Maturity
20 Feb 2019	Uzbekistan	BB-	BB-	4.750	U.S.\$ 500 m	20 Feb 2024
20 Feb 2019	Uzbekistan	BB-	BB-	5.375	U.S.\$ 500 m	20 Feb 2029
25 Nov 2020	Uzbekistan	BB-	BB-	3.700	U.S.\$ 555 m	25 Nov 2030
25 Nov 2020	Uzbekistan	BB-	BB-	14.500	UZS 2.0 tn (~U.S.\$ 192.5 m) <sup>(1)</sup>	25 Nov 2023



**Price (% , relative to the nominal value)**



**Spread-over-the-benchmark (bps)**

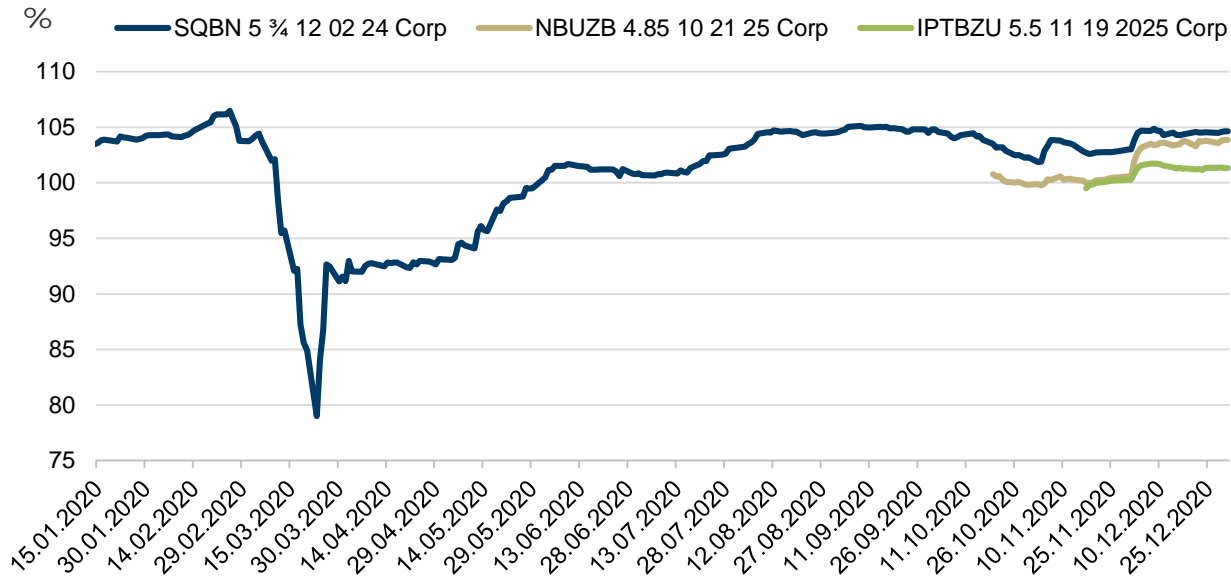


Note 1: Official exchange rate for 19 November 2020, USD/UZS = 10 391

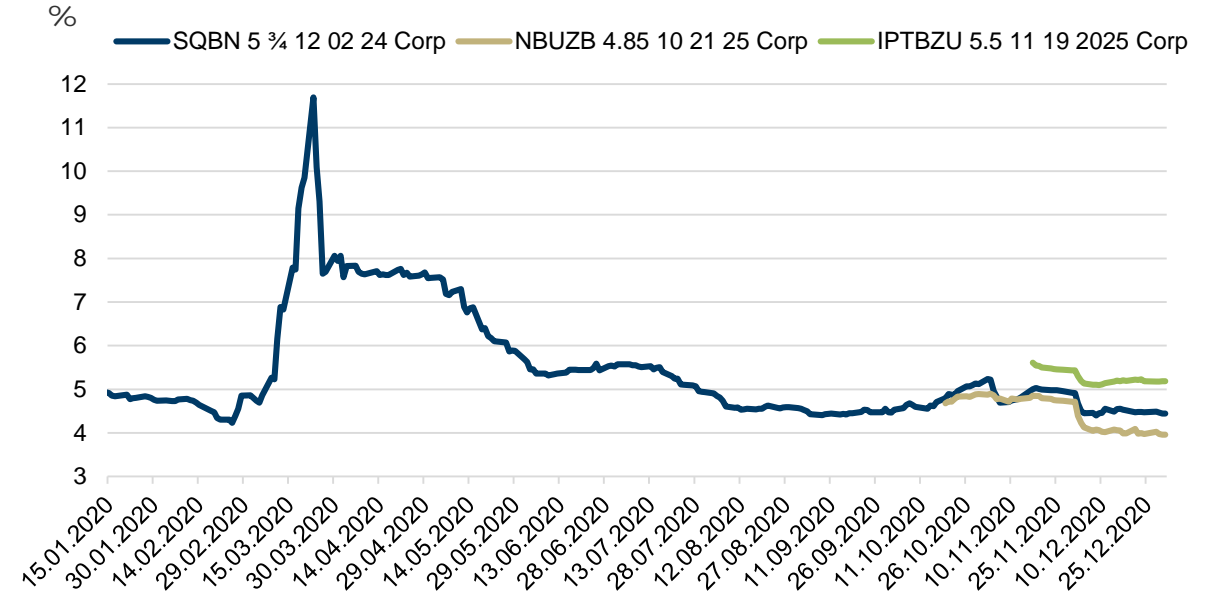
Source: Bloomberg Terminal

# 11. Uzbek corporate Eurobonds

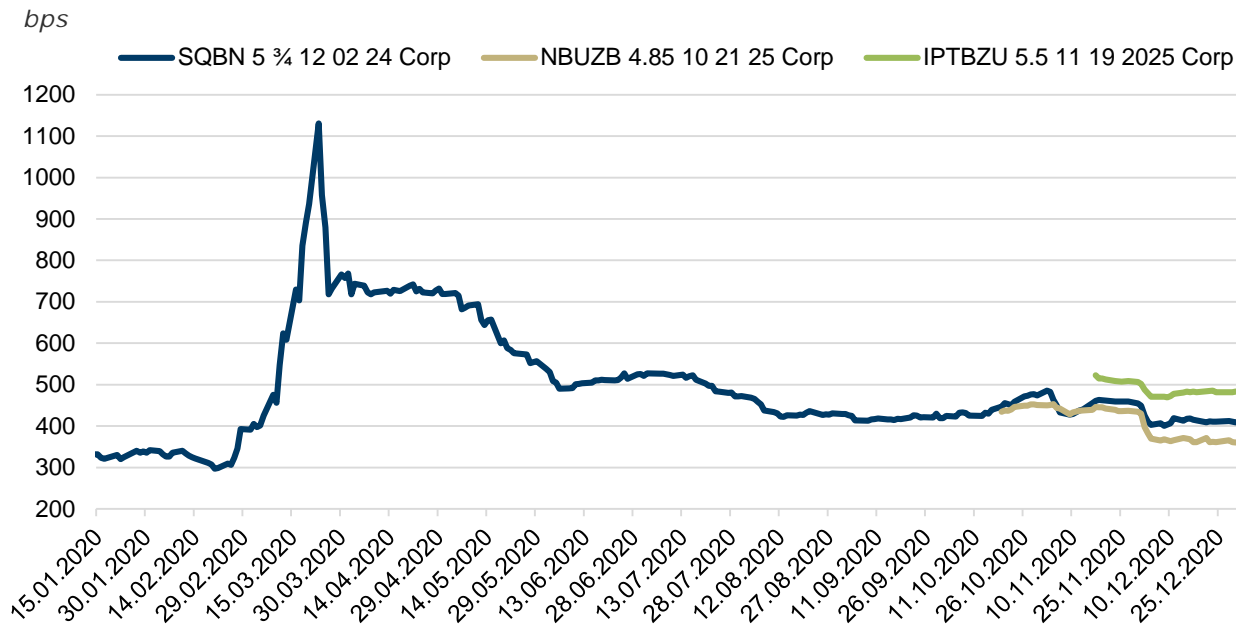
Price (% , relative to the nominal value)



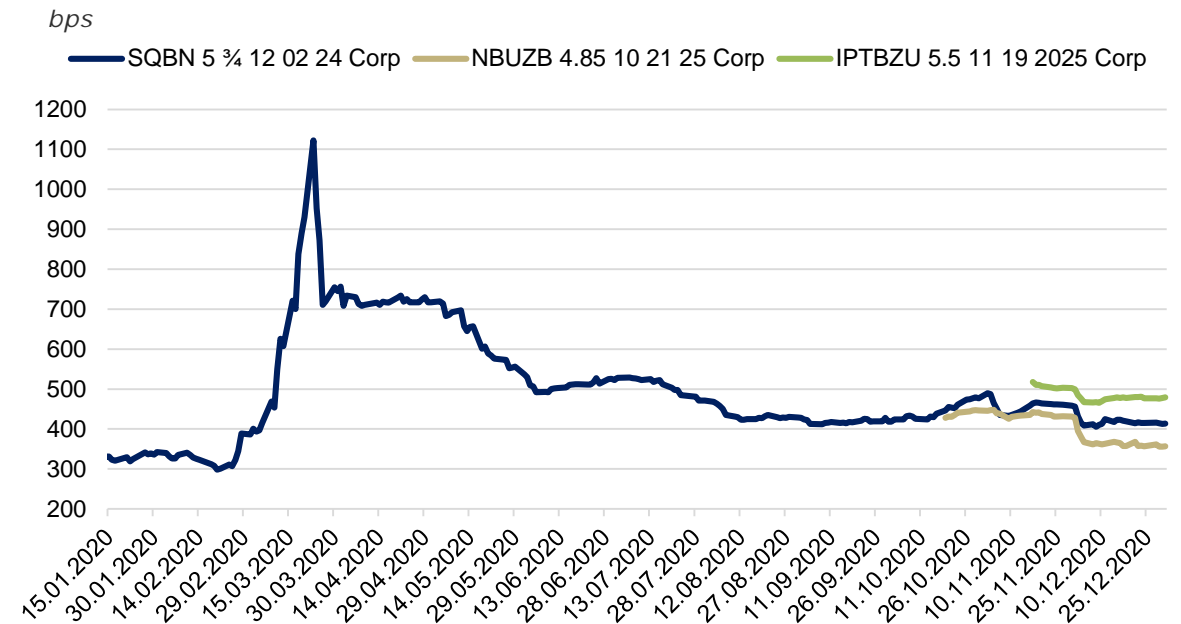
Yield- to-maturity (%)



Spread-over-the-benchmark (bps)



Z-Spread (bps)



10 December 2020



On December 10, 2020, the Ministry of Finance in cooperation with the Ministry of Justice held the **II International Forum "The importance of international rankings and indices for the ongoing reforms in the Republic of Uzbekistan"**.

The International Forum was attended by more than 300 participants, including the UN, OECD, WHO, World Bank, US-Uzbekistan Chamber of Commerce, International Finance Corporation, EBRD, Representatives of JP Morgan, JICA, Fitch Ratings, S&P Global Ratings, White & Case, USAID, German Economic Team and more than 40 foreign governments, international financial institutions, rating agencies, international investment banks, foreign ambassadors to Uzbekistan, officials from foreign countries and local representatives.

The Forum was organised into two parts: 1. Plenary session; 2. Sections describing economic, social, political and legal reforms in international rankings. Presentations and challenges of the heads and experts of relevant government agencies, as well as foreign, local and independent experts in the field were discussed during the sessions.



Source: <http://ratings.gov.uz/en/video-post>

15 December 2020



## Human Development Report 2020

*The Next Frontier*

*Human Development and the Anthropocene*

### Uzbekistan improved its position in UNDP Human Development Index

The United Nations Development Program (UNDP) has released the next edition of the Human Development Report 2020, titled **"The Next Frontier - Human Development and Anthropocene"**.

The Republic of Uzbekistan ranked 106th among 189 ranked countries with an index value of 0.720 (out of a maximum 1.000), having improved its result from the 2019 report by +2 positions and +0.01 index value.

It should be noted that despite the pandemic measures, economic growth in Uzbekistan in January-September this year amounted to 0.4% and is expected to reach an average of 1.4% by the end of the year. This figure is a positive increase compared to many other developed and developing countries.

### Uzbekistan's performance in Human Development Index and its components

No.	Indicators	2019 report	2020 report	Change
1	Life Expectancy at birth (years)	71.6	71.7	+0.1
2	Mean years of schooling	11.5	11.8	+0.3
3	Expected years of schooling	12.01	12.1	+0.09
4	Gross National Income per capita	\$6,462 (2011 PPP\$)	\$7,142 (2017 PPP\$)	+ \$680

Source: <http://hdr.undp.org/en/2020-report>



28 January 2021

### Uzbekistan improved its position in Corruption Perceptions Index 2020

*"Intolerance towards any manifestation of corruption should become an integral part of our daily life"*

*Shavkat Mirziyoyev,  
President of the Republic of Uzbekistan*

Transparency International has released the new edition of the "Corruption Perceptions Index 2020" on January 28, 2021.

The Republic of Uzbekistan ranked 146<sup>th</sup> among 180 countries with an index value of 26 (out of a maximum 100), having improved its result from the 2019 report by **+7 positions** and **+1.0 index value**.

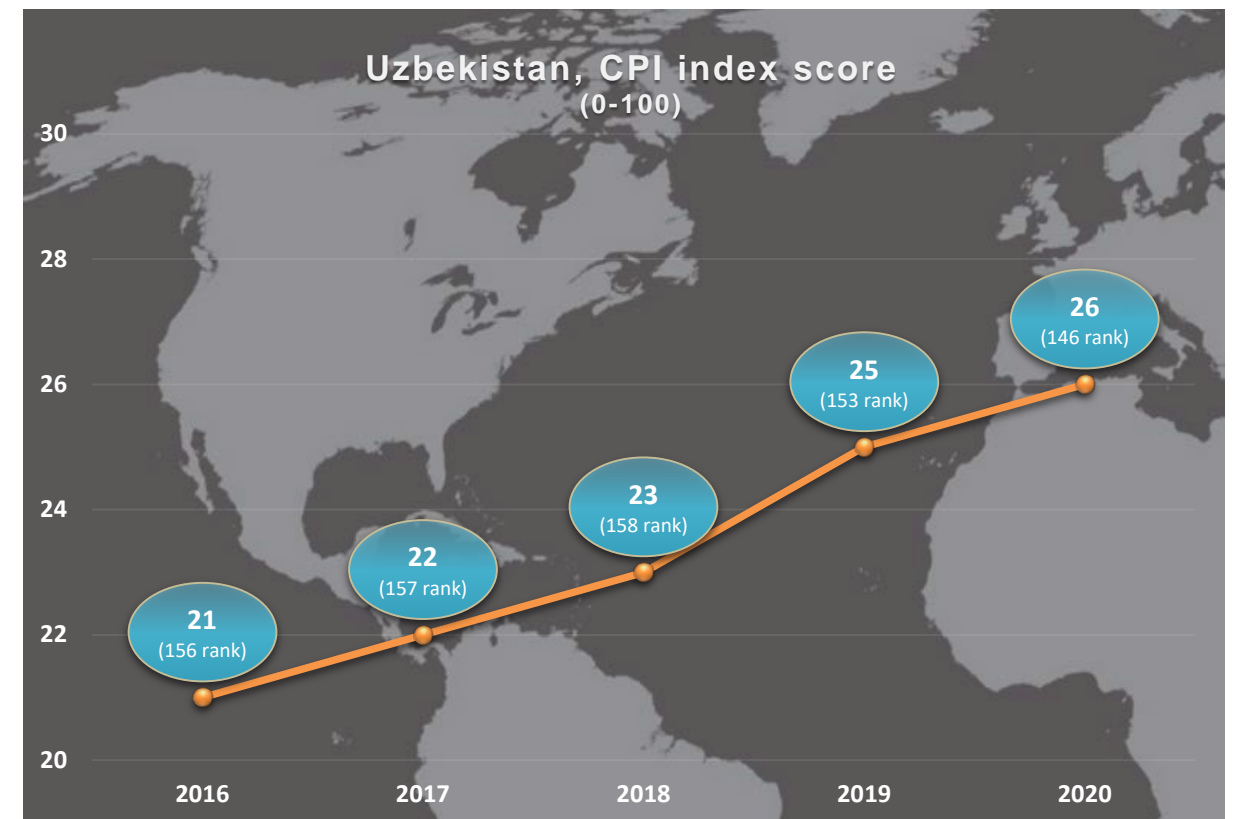
The index, which ranks 180 countries and territories by their perceived levels of public sector corruption according to experts and businesspeople, uses a scale of 0 to 100, where zero is highly corrupt and 100 is very clean.

It should be noted that, in 2020 the Anti-Corruption Agency of the Republic of Uzbekistan has been established. Agency is responsible for the formation and implementation of state policy to prevent and combat corruption. The Agency focused firstly to implement internal anti-bribery and corruption policies ("**compliance control**") and other international anti-corruption tools within the Government and state owned enterprises, including banks.

To support anti-corruption efforts following will be implemented soon:

- ✓ The electronic platform "**E-Anticor.uz**", to monitor and evaluate the performance of public authorities and management in combatting corruption;
- ✓ **Special mobile app** that allows people to inform the Agency on bribery intends;
- ✓ Development of **draft laws** "On the Agency for Corruption Combating of the Republic of Uzbekistan", "On the Declaration of Income, Property and Conflict of Interests of Civil Servants" and "On the Anti-Corruption Expertise of Legal Acts and their Drafts".

Source: <https://www.transparency.org/en/cpi/2020/index/uzb>



Source: <http://hdr.undp.org/en/2020-report>



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