



Ministry of Finance
of the Republic of Uzbekistan

April, 2021

NEWSLETTER № 20

Ministry of Finance of the Republic of Uzbekistan



Corporate Eurobonds

- ❖ On 16 April, 2021, subsequently after local currency denominated sovereign Eurobond issuance that opened up new borrowing opportunities for Uzbek banks, **JSCMB “Ipoteka-bank”** privately placed **UZS 785 mn** (~U.S.\$ 75 mn) 3-year RegS Eurobonds denominated in local currency;
- ❖ On 27 April, 2021, **JSC “UzAuto Motors”** successfully accessed the international debt capital markets and priced an inaugural **U.S.\$ 300 mn** 5-year RegS/144A Eurobond offering. The transaction represents the first ever corporate deal out of Uzbekistan. **(page 15)**

Treasury bonds

- ❖ On 27 April, 2021, Treasury securities with **5 years** maturity were placed for the first time with **14%** coupon rate. **(page 12)**

Public procurement

- ❖ The following changes have to be implemented with the new edition of the Law of the Republic of Uzbekistan «On public procurement» which was developed by applying UNCITRAL and OECD recommendations as well as the international best practices:
 - ✓ Legal entities with a state share of more than **50%** are included in the list of **corporate customers**;
 - ✓ Maintaining list of corporate customers on **a special information portal** in cooperation with the SAMA;
 - ✓ **The Anti-Corruption Agency** is included in the list of public procurement control bodies;
 - ✓ Restrictions on the participation of entities included in the single register of dishonest executors in public procurement are reduced from three to **two years**;
 - ✓ It is possible to make purchases **in a simplified manner** on the basis of direct contracts without the participation of the procurement commission. **(page 3)**

Reports

- ❖ IMF Executive Board Concludes 2021 **Article IV** Consultation with the Republic of Uzbekistan:
 - ✓ Growth is expected to pick up to **5 percent** in 2021;
 - ✓ Inflation is projected to continue to gradually decline, to just under **10 percent** by end-2021;
 - ✓ Uzbekistan remains at a low risk of debt distress. With a gradual fiscal consolidation, PPG debt is projected to peak at 44% of GDP in 2022, before gradually declining to around **40 percent of GDP**; **(page 18)**
- ❖ JP Morgan Development Finance Institution reflected **Uzbekistan’s local currency Eurobond transaction** in its 2020 annual report. **(page 19)**

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Economic Statistics

- ❖ As of May 1, 2021, the inflation rate constituted **10.7%** (yoy) in comparison to 14.5% (yoy) of the same period last year;
- ❖ In 1Q2021, GDP at current prices amounted to **UZS 128.6 tn** (~U.S.\$ 12.2 bn)¹ (for 1Q2020 – U.S.\$ 11.8 bn) and, compared to 1Q2020, increased in real terms by **3.0%**. According to the Central Bank of Uzbekistan, at the end of 2021, real GDP growth is forecasted to be in the range of **4.5-5.5%**;
- ❖ As of April 1, 2021, official reserve assets of the country reached **U.S.\$ 32.7 bn**, an increase of U.S.\$ 2.4 bn compared to the same period in the previous year;
- ❖ In the first quarter of 2021, the total foreign trade turnover amounted to **U.S.\$ 7.1 bn**, a decrease of U.S.\$ 0.9 bn;
- ❖ In January-March 2021, the volume of industrial products equaled **UZS 91.5 tn** (~U.S.\$ 8.7 bn)¹ with a real growth rate of 3.8%(yoy);
- ❖ In January-March 2021, the volume of provided services equaled **UZS 61.0 tn** (~U.S.\$ 5.8 bn)¹ with a real growth rate of 5.8%(yoy);
- ❖ In January-March 2021, the volume of construction amounted to **UZS 19.5 tn** (~U.S.\$ 1.9 bn)¹ with a real growth rate of 0.5%(yoy);
- ❖ As of May 1, 2021 MoF had outstanding treasury bills and bonds equal to **UZS 2.8 tn** (~U.S.\$ 0.3 bn)³. In January-April, 19 auctions were conducted and the total volume of issued T-bills and bonds reached **UZS 1.6 tn** (~U.S.\$ 0.15 bn)⁴.

Note 1: Average official exchange rate for January – March 2021, USD/UZS = 10 506

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

Note 3: Official exchange rate for 1 May 2021, USD/UZS = 10 509

Note 4: Average official exchange rate for January – April 2021, USD/UZS = 10 505

Indicators	As of Apr 1, 2020	As of Apr 1, 2021
Inflation, % (yoy) ¹	14.5	10.7
Gross Domestic Product	11.8	12.2
Industry statistics, UZS tn	81.9	91.5
Service statistics, UZS tn	52.7	61.0
Construction works, UZS tn	15.5	19.5
Official Reserve Assets, U.S.\$ bn	30.3	32.7
Foreign trade turnover, U.S.\$ bn	8.0	7.1
Broad money, U.S.\$ bn	9.5	10.0
State domestic debt, U.S.\$ bn ²	2.1	2.2
State external debt, U.S.\$ bn ²	15.7	21.1

¹ As of May 1, 2020 and May 1, 2021













² As of January 1, 2020 and January 1, 2021

Sovereign Eurobonds	Currency	Price ³	YTM ³
UZBEK 4 ¾ 02 20 24	USD	106.72%	2.26%
UZBEK 5 ¾ 02 20 29	USD	112.06%	3.59%
UZBEK 3.7 25 11 30	USD	99.79%	3.73%
UZBEK 14 ½ 11 25 23	UZS	101.00%	14.01%

³ As of April 30, 2021

Source: Bloomberg BVAL pricing

Exchange rates as of April 1, 2021

 USD/UZS = 10 485.66	+10.68	
 RUB/UZS = 138.66	+0.66	
 EUR/UZS = 12 298.63	+2.05	
 GBP/UZS = 14 451.34	+35.67	
 CNY/UZS = 1 600.01	+4.58	
 CHF/UZS = 11 121.83	+5.43	

Source: Central Bank of the Republic of Uzbekistan

The new edition of the Law of the Republic of Uzbekistan №684 «On public procurement»

(22 April 2021)

- ❖ The procurement system is being improved by **corporate customers and strategically important companies and enterprises**:
 - ✓ In the charter, legal entities with **a state share of more than 50%** are included in the list of **corporate customers**;
 - ✓ In cooperation with the State Assets Management Agency, it is planned to maintain a list of corporate customers **on a special information portal**;
 - ✓ In order to provide opportunities for business entities, as well as to ensure transparency and impartiality, it is planned to **fully apply the requirements of the law to business entities and enterprises of strategic importance**.
- ❖ **Measures to prevent corruption and ensure transparency** are being identified:
 - ✓ **The Anti-Corruption Agency** is included in the list of public procurement control bodies;
 - ✓ The participation of the participant of the procurement procedure and his **affiliate** in one auction, the vote of the member of the procurement commission in the case of **affiliation with the participants** is limited;
 - ✓ It is planned that the Accounts Chamber will conduct **an audit of public procurement** and annually submit the results to the Legislative Chamber of the Oliy Majlis and publish them in open sources;
 - ✓ The Ministry of Finance and other participants are responsible for **publishing trade results, violations and analytical data in open sources**;
 - ✓ The special information portal systematizes the processes of planning public procurement, implementation of procurement procedures, conclusion of contracts, monitoring and control of public procurement;
 - ✓ Restrictions on the participation of entities included in **the single register of dishonest executors** in public procurement **are reduced from three to two years**;
 - ✓ Many other changes are planned to further develop the public procurement system, attract more businesses to the sector and ensure openness and transparency.
- ❖ In order to increase the responsibility of the state customer and other participants, the following is established:
 - ✓ By creating a training system in the Ministry of Finance, **the professionalism** and qualifications of the procurement staff of customers will be improved;
 - ✓ The requirement to include representatives of the Ministry of Investment and Foreign Trade and the Institute of "UzEngineering" in the composition of **the Public Procurement Commission** has been abolished and will consist of **the representatives of the customer**.
- ❖ In order to increase the responsibility of the state customer and other participants, the followings are established:
 - ✓ Procurement procedures are being simplified in order to create convenience for government customers and entrepreneurs;
 - ✓ Government customers have the opportunity to independently choose the types of procurement procedures:
 - At the request of the state customer, public procurement can be up to six thousand times the basic calculation amount by budget customers (up to two thousand five hundred times in e-shops) and up to twenty five thousand times the basic calculation amount by corporate customers. mining can be done by auction or selection;
 - ✓ It is possible to make purchases **in a simplified manner** on the basis of direct contracts without the participation of the procurement commission;
 - ✓ In the implementation of procurement procedures, the period of placement of announcement is reduced to a minimum:
 - 5 working days for selective procurement;
 - 12 working days for procurement by tender.

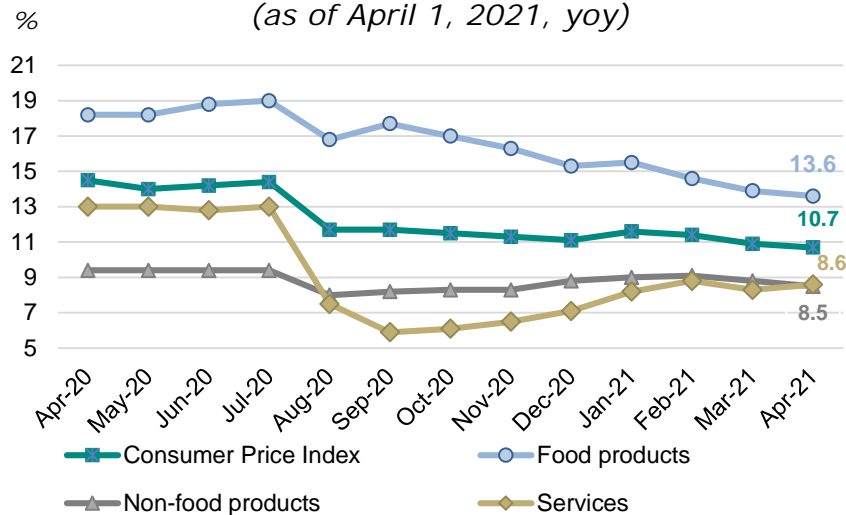
Inflation rate

Inflation rate settled **10.7% (yoy)** in April, 2021, following 0.2% decline compared to March, 2021 (from 10.9% to 10.7%). This decline was associated with a reflection of the strong anti-inflationary commitment conducted to curb inflation levels and to establish a permanent inflation target of 5% from 2023.

The Central Bank forecasts that inflation rate will remain at the range of 9.0-10.0% in 2021, taking into account that impact of changes in foreign markets and basic food supply on inflation will be kept.

Inflation rate

(as of April 1, 2021, yoy)



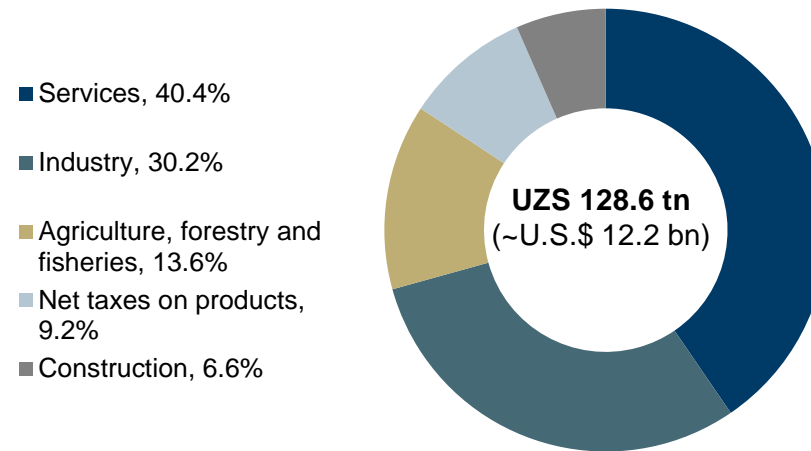
Gross Domestic Product

In January-March 2021, the gross domestic product in current prices amounted to **UZS 128.6 tn** (~U.S.\$ 12.2 bn)¹ (for January-March 2020 – U.S.\$ 11.8 bn) and, compared to January-March 2020, increased in real terms by **3.0%**.

The GDP deflator index, in relation to the prices of January-March 2021, amounted to 111.0%. down from 115.6% in January-March 2020 and 120.9% in January-March 2019.

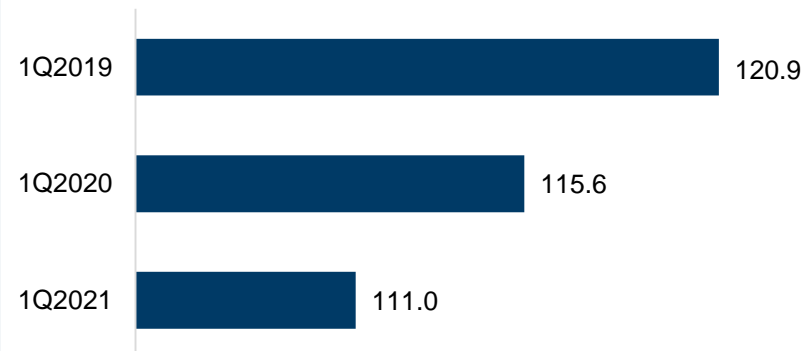
Gross Domestic Product

(January-March 2021, in %)



GDP deflator index

(January-March 2021, in %, yoy)



GDP growth rate by type of economic activity

(in %)

	1Q2019	1Q2020	1Q2021
GDP	6.0	4.6	3.0
<i>including:</i>			
Gross value added of the industries	6.1	4.6	3.0
Agriculture, forestry and fisheries	2.4	3.9	3.1
Industry	5.2	1.9	3.8
Construction	21.5	7.8	0.5
Services	5.6	6.4	2.8
Trade, accommodation and catering services	7.2	7.8	3.0
Transportation and storage, information and communication	6.5	7.0	0.2
Other service industries	4.7	5.7	3.5
Net taxes on products	5.3	4.9	2.8

Note 1: Average official exchange rate for January - March 2021, USD/UZS = 10 506

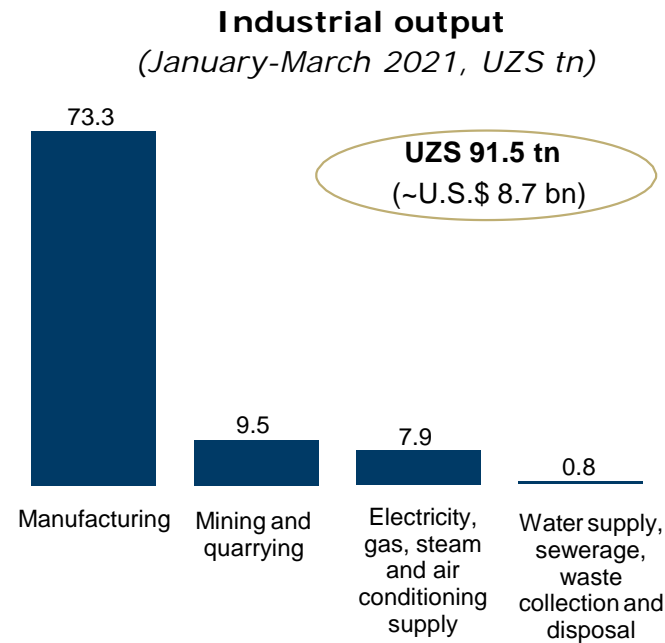
Note 2: GDP figures are based on preliminary estimate

4. Macroeconomic Environment

Industry statistics

In **January-March 2021**, the volume of the industrial products amounted to **UZS 91.5 tn** (~U.S.\$ 8.7 bn)¹, the index of physical volume of industrial production in January-March 2021 amounted to 3.8 % (yoy)².

In the structure of production manufacturing amounted to UZS 73.3 tn (~U.S.\$ 7.0 bn)¹, mining and quarrying UZS 9.5 tn (~U.S.\$ 0.9 bn)¹ electricity, gas, steam and air conditioning UZS 7.9 tn (~U.S.\$ 0.8 bn)¹ and water supply, sewerage, waste collection and disposal UZS 0.8 tn (~U.S.\$ 0.1 bn)¹.



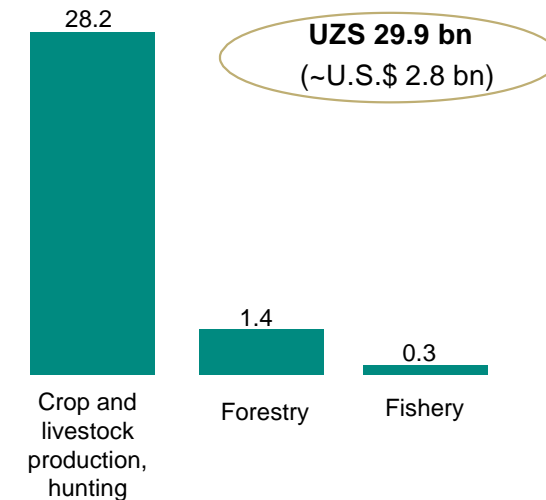
Agriculture, forestry and fisheries statistics

In **January –March 2021** volume of products (services) in agriculture, forestry and fisheries amounted to **UZS 29.9 tn** (~U.S.\$ 2.8 bn)¹ with a real growth rate of 3.1%(yoy)².

In January-March 2021, the growth rates of products (services) in areas of plant growing, animal husbandry and hunting amounted to 3.1%, forestry – 1.5% and fisheries – 2.7%.

Agriculture, forestry and fisheries statistics

(January-March 2021, UZS tn)



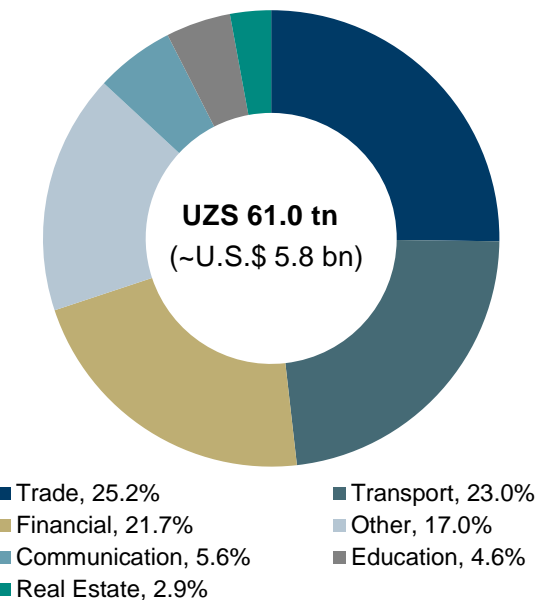
Service statistics

Market services in **January-March 2021** reached **UZS 61.0 tn** (~U.S.\$ 5.8 bn)¹ with a real growth rate of 5.8 % (yoy)².

As of April 1, 2021 the largest share of enterprises and organisations operating in the service sector constituted 65.4% of the total number of organisations. In the structure of market services falls on trade services (25.2%), transport (23.0%), financial services (21.7%), communication and information services (5.6%).

Services statistics

(January-March 2021, % in total)



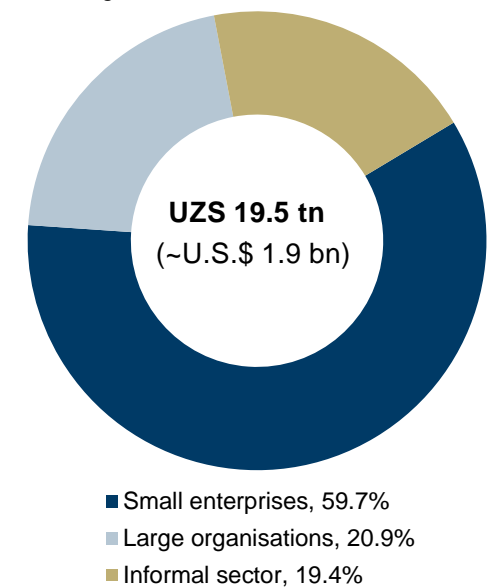
Construction statistics

In **January-March 2021**, the construction works amounted to **UZS 19.5 tn** (~U.S.\$ 1.9 bn)¹ with a real growth rate of 0.5% (yoy)².

As of April 1, 2021, the number of enterprises and organisations in the construction sector amounted to **42 190 thousand units** with 4 674 thousand units increase compared with the last year.

Construction works

(January-March 2021, % in total)



Note 1: Average official exchange rate for January - March 2021, USD/UZS = 10 506

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

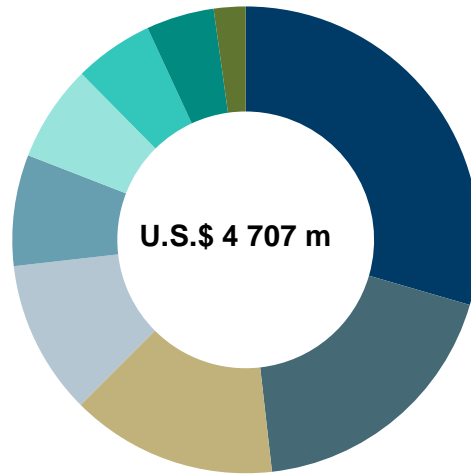
Source: State Committee of the Republic of Uzbekistan on Statistics

5. Foreign Trade Turnover

Structure of Imports

(January-March 2021, % in total)

- Machinery and transport equipment, 29.5%
- Manufactured goods, 18.7%
- Chemicals and similar products, 14.3%
- Food and live animals, 10.7%
- Services, 7.7%
- Various finished goods, 6.7%
- Mineral fuels and similar materials, 5.5%
- Non-food raw materials, 4.7%
- Other goods, 2.2%



Foreign Trade Turnover

In January-March 2021, the foreign trade turnover (FTT) constituted **U.S.\$ 7 105 m**, a decrease by U.S.\$ 930.0 m, compared to the same period last year. Negative balance of foreign trade in the amount of U.S.\$ 2 309 m was recorded.

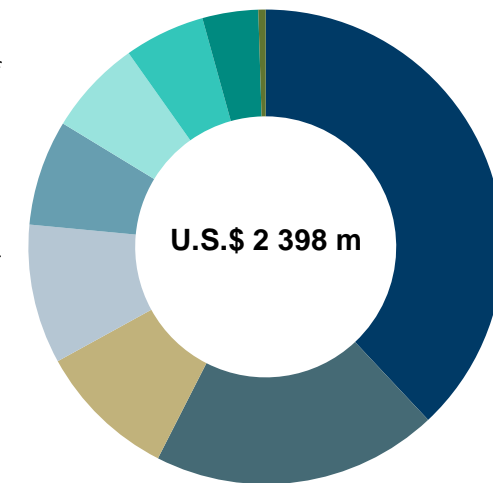
As of April 1, 2021, exports reached **U.S.\$ 2 398 m**, while the total number of exporting entities amounted to 3 410 units.

Imports amounted to **U.S.\$ 4 707 m**, the main share of which is occupied by industrial goods (18.7%), food and live animals (10.7%) and services (7.7%).

Structure of Exports

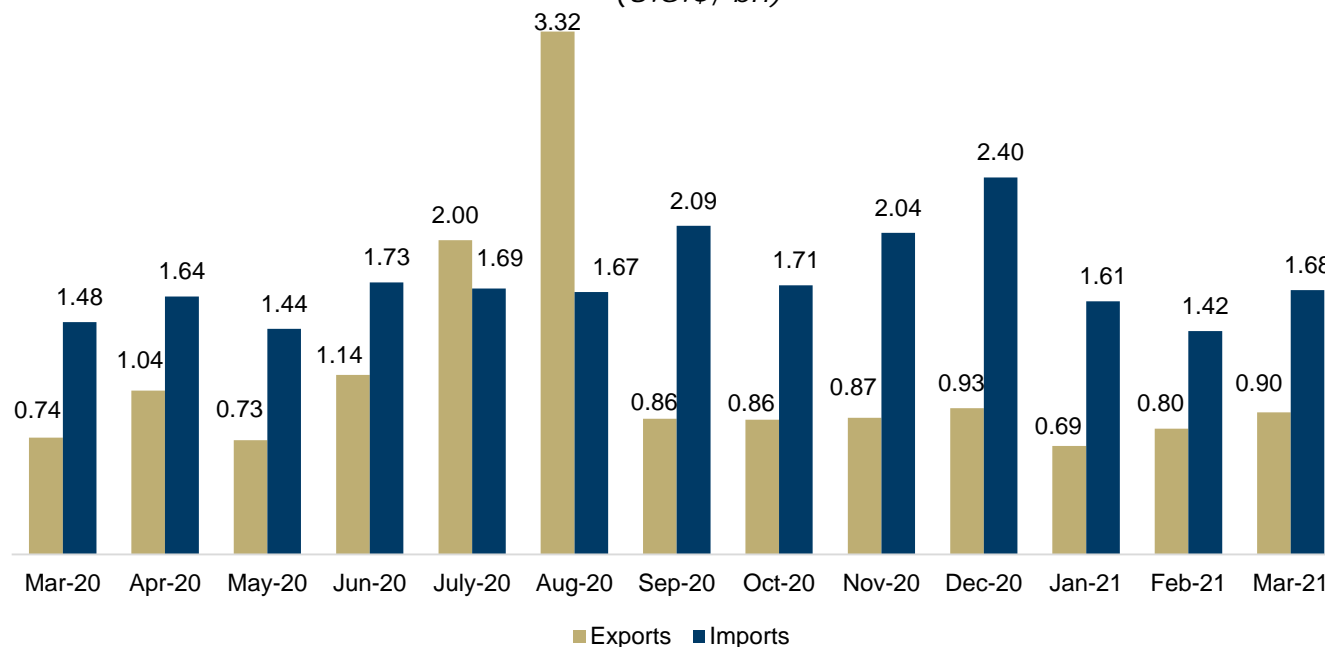
(January-March 2021, % in total)

- Manufactured goods, 38.0%
- Services, 19.5%
- Food and live animals, 9.5%
- Chemical products, 9.5%
- Various finished products, 7.2%
- Machinery equipment, 6.5%
- Non-food raw materials, 5.5%
- Mineral fuels, 3.8%
- Other goods, 0.5%



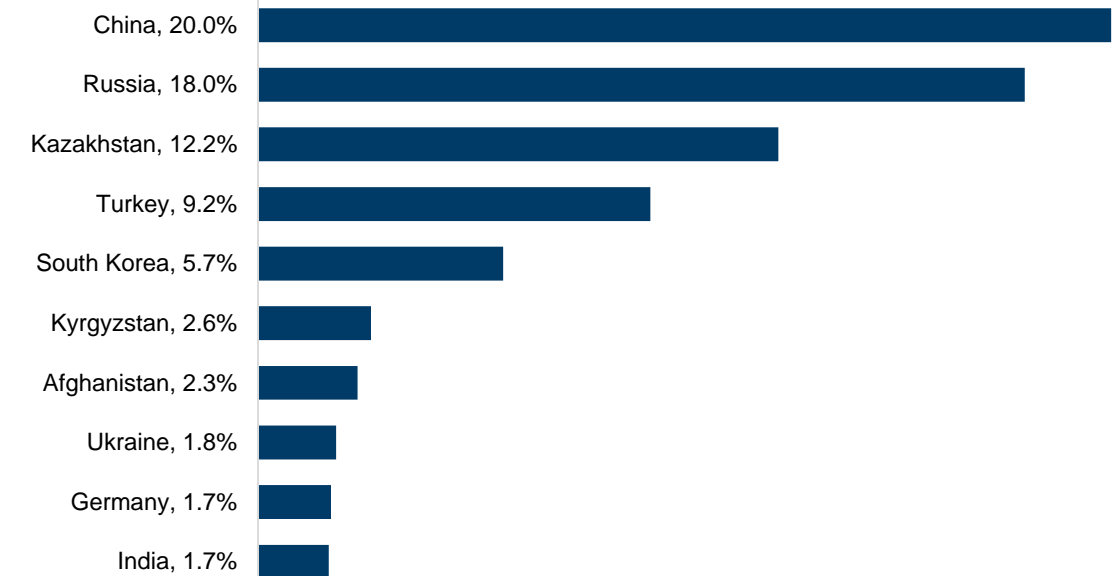
Exports and Imports of goods and services

(U.S.\$, bn)



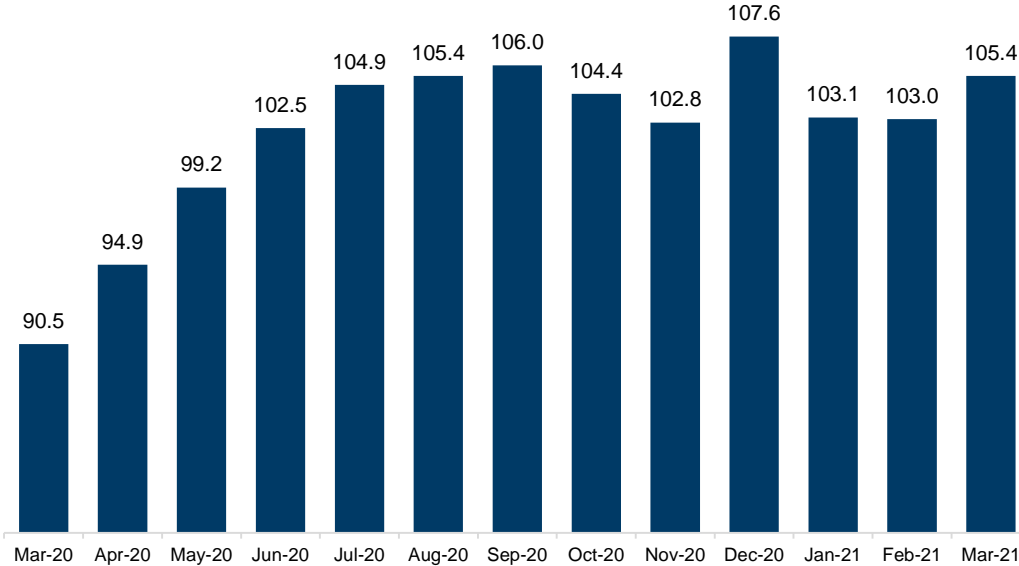
Top 10 countries in foreign trade with Uzbekistan

(January-March 2021, % share in total FTT)



Broad Money (M2)

(to the end of month, UZ\$ tn)



Broad Money (M2)

As of April 1, 2021, broad money constituted **UZ\$ 105.4tn** (~U.S.\$ 10.0 bn)⁽¹⁾, while the growth rate equaled **16.5%** compared to the same period of last year.

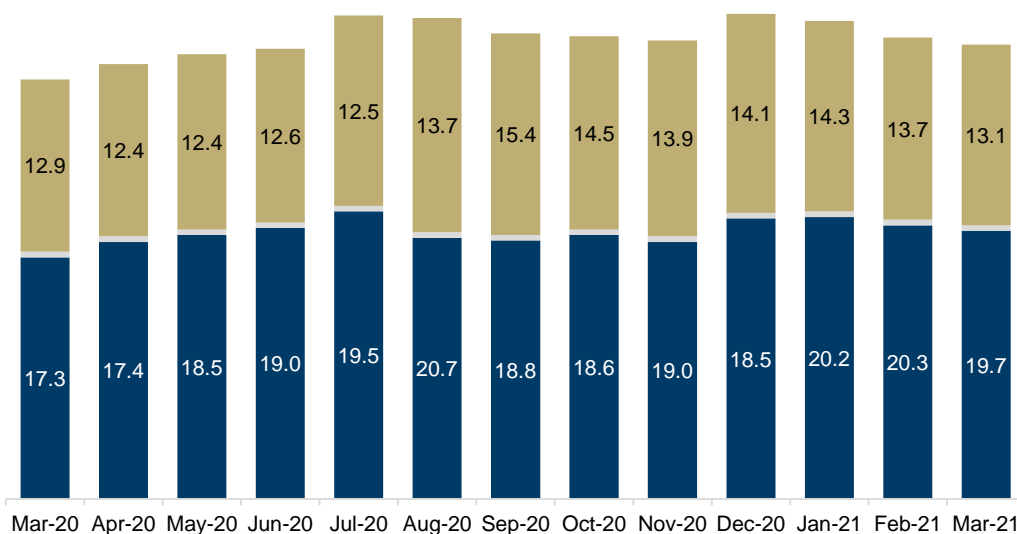
The volume of money supply in national currency constituted UZ\$ 68.7 tn (~U.S.\$ 6.5 bn)⁽¹⁾, of which currency in circulation and transferable deposits in national currency amounting to respective UZ\$ 22.5 tn (~U.S.\$ 2.1 bn)⁽¹⁾ and UZ\$ 23.0 tn (~U.S.\$ 2.2 bn)⁽¹⁾ and other deposits in national currency UZ\$ 23.2 tn (~U.S.\$ 2.2 bn)⁽¹⁾.

As of April 1, 2021, foreign currency deposits in national currency equivalent reached to UZ\$ 36.6 tn (~U.S.\$ 3.5 bn)⁽¹⁾.

Official Reserve Assets

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

■ Monetary gold ■ SDRs ■ Foreign currency reserves



Official Reserve Assets

As of April 1, 2021, official reserve assets constituted **U.S.\$ 32.7 bn** with an increase of **8.0%** in comparison to the previous year.

In the composition of official reserve assets, foreign currency reserves constituted U.S.\$ 13.1 bn, gold U.S.\$ 19.7 bn and SDRs U.S.\$ 0.4 bn.

Liquidity in the banking system

Indicators	Apr 1, 2020	Apr 1, 2021
Highly liquid assets (bn UZ\$)	32 608	49 640
Immediate liquidity ratio (minimum: 25%)	48.7%	71.6%
Liquidity coverage ratio (minimum: 100%)	189.8%	152.0%
Net stable funding ratio (minimum: 100%)	109.2%	111.8%
Ratio of highly liquid assets to total assets (in %)	11.3%	13.8%

Banking system stability indicators

UZ\$ bn

Indicators	2020	1Q2021
Regulatory Tier 1 capital to RWA	15.20%	16.42%
Regulatory Tier 1 capital	43 143	53 857
Risk-weighted assets	316 811	327 962
Liquid assets to total assets	15.37%	15.04%
Liquid assets	56 264	55 853
Total assets	366 121	371 351
Capital to risk-weighted assets	18.36%	18.43%
Capital at the end of period	58 164	60 436
Risk-weighted assets	316 811	327 962
NPL to total gross loans	2.06%	3.54%
Non-performing loans	5 785	10 178
Total gross loans	280 728	287 504

Source: Central Bank of the Republic of Uzbekistan

Sources of financing of State external debt¹ (as of January 1, 2021)

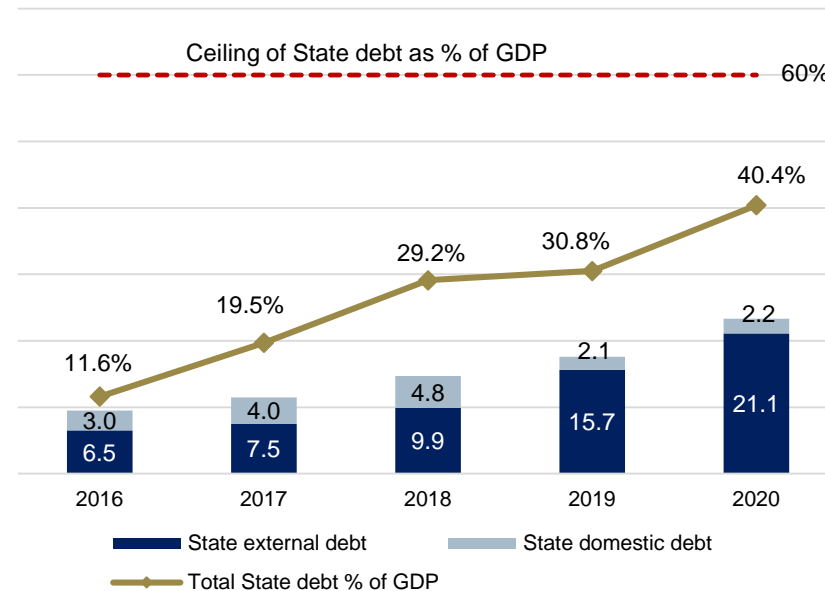
	Asian Development Bank - U.S.\$ 5.0 bn
	The Export-Import Bank of China and China Development Bank - U.S.\$ 4.0 bn
	The World Bank - U.S.\$ 3.7 bn
	Japan International Cooperation Agency and Japanese Bank for International Cooperation - U.S.\$ 2.4 bn
	Sovereign Eurobonds - U.S.\$ 1.7 bn
	Islamic Development Bank – U.S.\$ 0.9 bn
	Other IFIs and foreign government financial organisations - U.S.\$ 3.4 bn
Total State external debt - U.S. \$ 21.1 bn	

Total State debt

As of January 1, 2021, State to **U.S.\$ 23.3 bn** or **40.4 % GDP**. In particular, by the end of 2020, the country's external increased by **U.S.\$ 5.4 bn** or **34.4%** compared to the beginning of the year, and accounted for **U.S.\$ 21.1 bn** or **36.5 % of GDP**. Of which, external State debt on behalf of the government – **U.S.\$ 15.1 bn** and guaranteed by the government – **U.S.\$ 6.0 bn**.

State domestic debt accounted to **UZS 23.3 tn** (~U.S. \$ 2.2 bn) or **3.9% of GDP**. Of which, Treasury bills and bonds **UZS 4.0 tn** (~U.S.\$ 0.4 bn) and guaranteed by the government – **UZS 19.3 tn** (~U.S.\$ 1.8 bn).

Total State debt (as of January 1, 2021)



Use of proceeds of State external debt¹ (as of January 1, 2021)

	Energy - U.S.\$ 5.7 bn
	Budget support & Financial Sector – U.S.\$ 4.0 bn
	Transport & Transport Infrastructure – U.S.\$ 2.4 bn
	Agriculture - U.S.\$ 2.3 bn
	Housing & communal services - U.S.\$ 2.0 bn
	Sovereign Eurobonds ⁽²⁾ - U.S.\$ 1.7 bn
	Chemistry - U.S.\$ 1.0 bn
	Education & healthcare - U.S.\$ 0.7 bn
	Telecommunication - U.S.\$ 0.2 bn
	Others - U.S.\$ 1.1 bn
Total State external debt - U.S. \$ 21.1 bn	

Note 1: State 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)

Source: Ministry of Finance of the Republic of Uzbekistan

8. Domestic Treasury Securities

Auction results of Domestic Treasury Securities

As of May 1, 2021 the Ministry of Finance had outstanding treasury bills and bonds amounting to **UZS 2.8 tn** (~U.S.\$ 0.3 bn)¹. In January – April 2021, the total number of 19 auctions conducted reached and the total volume of issuance of T-bills and bonds reached **UZS 1.6 tn** (~U.S.\$ 0.15 bn)². 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) ³	Fixed coupon rate	Aggregate amount of bids submitted, (UZS bn) ³	Volume of securities issued, (UZS bn) ³	Weighted average YTM	Outstanding amount, (UZS bn) ³
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
Total for 2018		600.0		681.5	597.1		200.0
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
Total for 2019		1550.0		3 938.9	1 550.0		400.0

Note 1: Official exchange rate for 1 May 2021, USD/UZS = 10 505

Note 2: Average official exchange rate for January – March 2021, USD/UZS = 10 506

Note 3: Average official exchange rate for January – April 2021, USD/UZS = 10 505

Note 4: 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

8. Domestic Treasury Securities

Date of auction	Maturity date	Announced volume, (UZS bn) ¹	Coupon rate	Aggregate amount of bids submitted, (UZS bn) ¹	Volume of securities issued, (UZS bn) ¹	Weighted average YTM	Outstanding amount, (UZS bn) ¹
17 Jan 2020	16 Jan 2021	200.0	16%	628.0	200.0	12.98%	Redeemed
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%	Redeemed
9 Apr 2020	9 Apr 2021	250.0	16%	360.0	250.0	15.95%	Redeemed
10 Apr 2020	10 Apr 2021	300.0	16%	310.0	300.0	15.97%	Redeemed
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%	Redeemed
17 Sep 2020	18 Mar 2021	300.0	zero-coupon	350.0	300.0	13.90%	Redeemed
21 Sep 2020	18 Feb 2021	100.0	zero-coupon	104.0	100.0	13.78%	Redeemed
28 Sep 2020	29 Mar 2021	235.0	zero-coupon	285.0	235.0	13.87%	Redeemed
8 Oct 2020	8 Apr 2021	235.0	zero-coupon	305.0	235.0	13.77%	Redeemed
9 Oct 2020	9 Apr 2021	300.0	zero-coupon	397.0	300.0	13.92%	Redeemed
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
Total for 2020		5 290.0		7 052.7	5 024.0		584.0
2 Feb 2021	1 Feb 2021	200.0	zero-coupon	483.7	200.0	12.51%	200.0
9 Feb 2021	11 May 2021	50.0	zero-coupon	165.0	50.0	11.67%	50.0
9 Feb 2021	10 Aug 2021	50.0	zero-coupon	180.5	50.0	11.42%	50.0
16 Feb 2021	17 Aug 2021	50.0	zero-coupon	220.0	50.0	12.13%	50.0
23 Feb 2021	24 Aug 2021	50.0	zero-coupon	156.5	50.0	12.42%	50.0
23 Feb 2021	23 Feb 2023	200.0	14%	229.6	200.0	13.35%	200.0

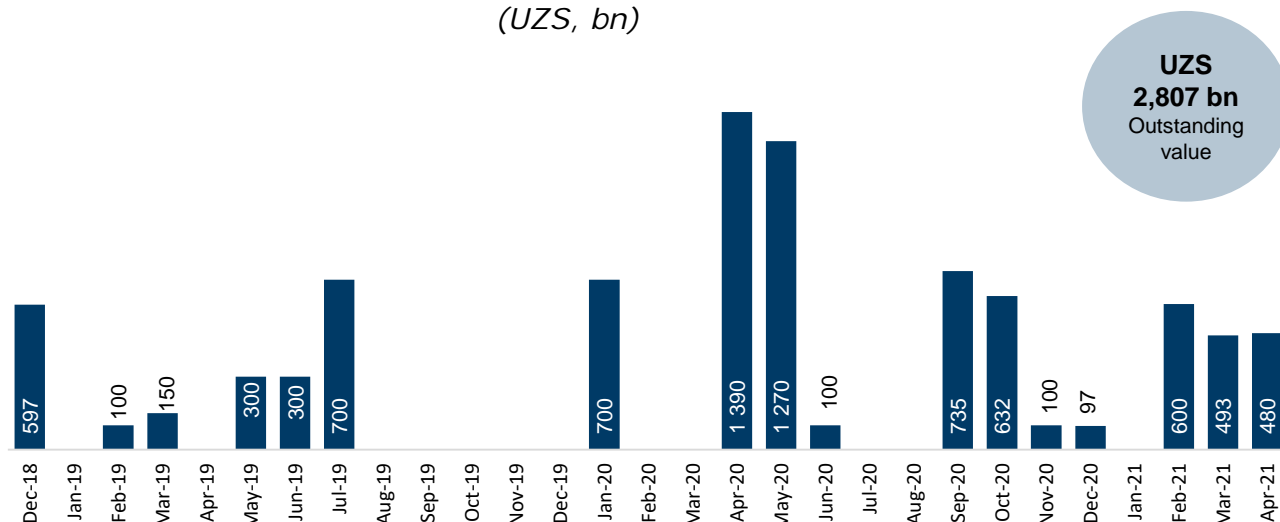
Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m.
 All calculations are derived based on the nominal value of the securities issued

Source: Ministry of Finance of the Republic of Uzbekistan

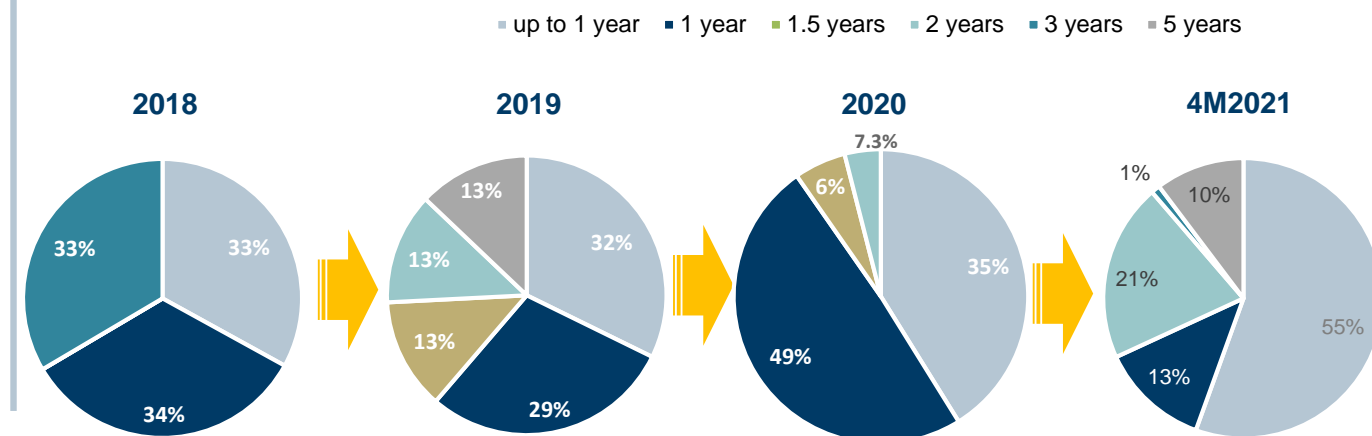
8. Domestic Treasury Securities

Date of auction	Maturity date	Announced volume, (UZS bn) ¹	Coupon rate	Aggregate amount of bids submitted, (UZS bn) ¹	Volume of securities issued, (UZS bn) ¹	Weighted average YTM	Outstanding amount, (UZS bn) ¹
2 Mar 2021	31 Aug 2021	50.0	zero-coupon	111.9	50.0	13.46%	50.0
2 Mar 2021	1 Mar 2022	200.0	zero-coupon	213.7	200.0	14.00%	200.0
9 Mar 2021	7 Sep 2021	50.0	zero-coupon	235.3	50.0	12.44%	50.0
16 Mar 2021	14 Sep 2021	30.0	zero-coupon	85.6	30.0	12.70%	30.0
23 Mar 2021	21 Sep 2021	30.0	zero-coupon	42.3	30.0	12.79%	30.0
30 Mar 2021	29 Mar 2022	200.0	zero-coupon	162.4	100.0	14.00%	122.6
30 Mar 2021	31 Mar 2024	100.0	14%	10.0	10.0	14.00%	10.0
6 Apr 2021	5 Oct 2021	30.0	zero-coupon	108.5	30.0	13.14%	30.0
13 Apr 2021	12 Oct 2021	50.0	zero-coupon	287.2	50.0	12.01%	50.0
20 Apr 2021	19 Oct 2021	50.0	zero-coupon	261.1	50.0	11.11%	50.0
27 Apr 2021	30 Apr 2026	100.0	14%	166.0	100.0	12.65%	100.0
27 Apr 2021	26 Apr 2022	200.0	zero-coupon	497.2	200.0	12.00%	200.0
27 Apr 2021	26 Oct 2021	50.0	zero-coupon	160.1	50.0	12.37%	50.0
Total for 2021		1 790.0		3 863.6	1 513.1		1 622.6
Total		9 230.0		15 536.8	8 593.7		2 806.6

Domestic issuance volume dynamics
(UZS, bn)



Treasury bills and bonds by maturity
(% of total issuance)

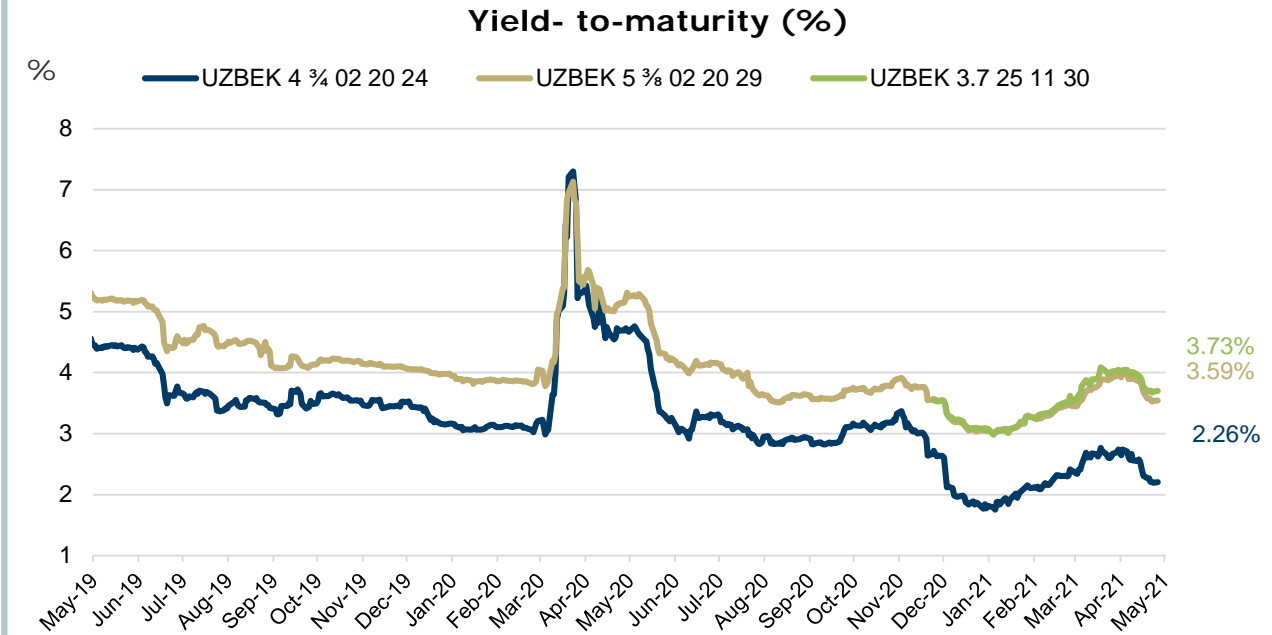


Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m.
All calculations are derived based on the nominal value of the securities issued

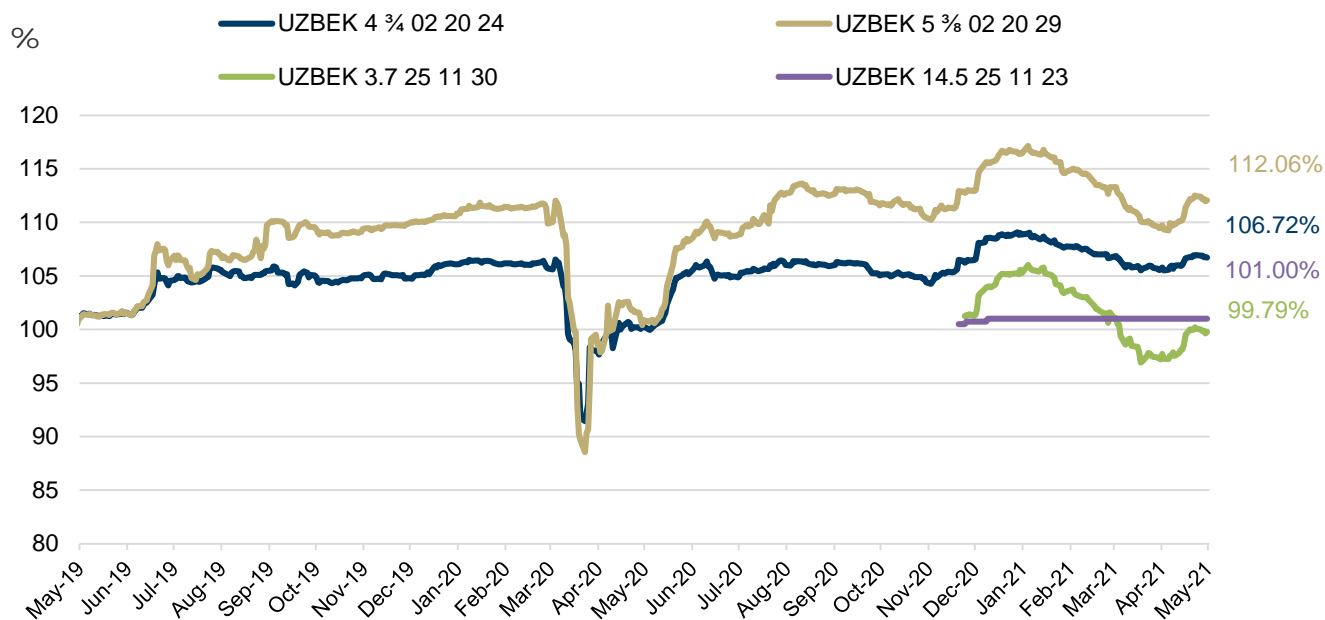
Source: Ministry of Finance of the Republic of Uzbekistan

9. Sovereign Eurobonds

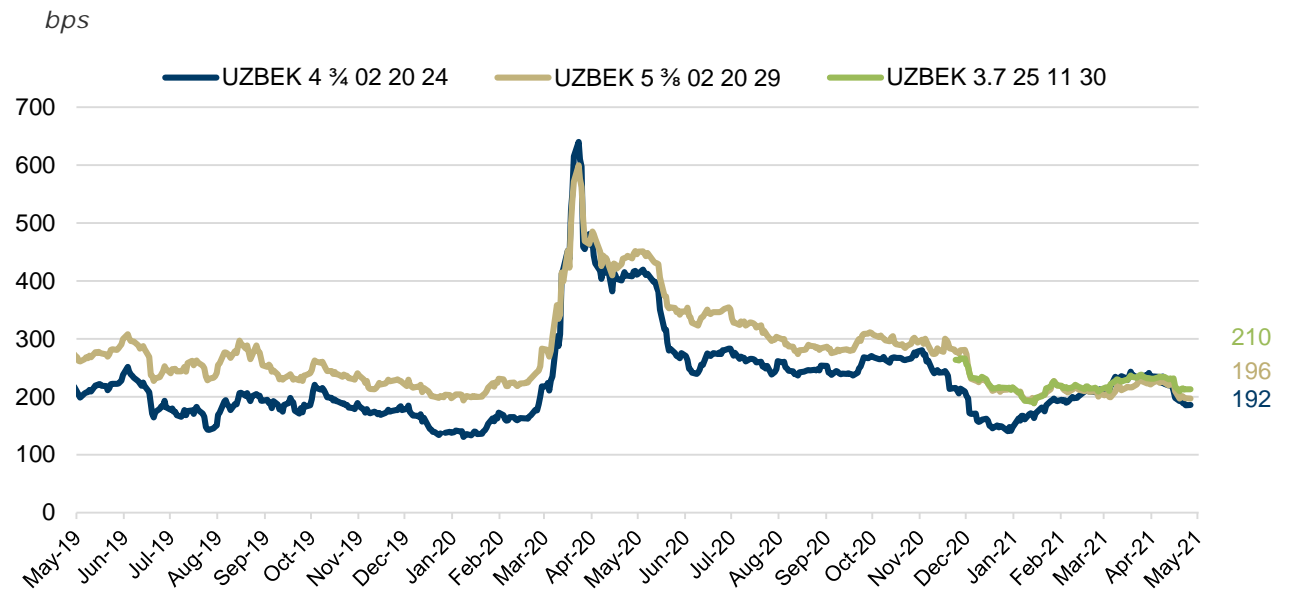
Settlement Date	Issuer	S&P	Fitch	Coupon(%)	Volume	Maturity
20 Feb 2019	Uzbekistan	BB-	BB-	4.750	U.S.\$ 500 m	20 Feb 2024
20 Feb 2019	Uzbekistan	BB-	BB-	5.375	U.S.\$ 500 m	20 Feb 2029
25 Nov 2020	Uzbekistan	BB-	BB-	3.700	U.S.\$ 555 m	25 Nov 2030
25 Nov 2020	Uzbekistan	BB-	BB-	14.500	UZS 2.0 tn (~U.S.\$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



Price (% , relative to the nominal value)



Spread-over-the-benchmark (bps)

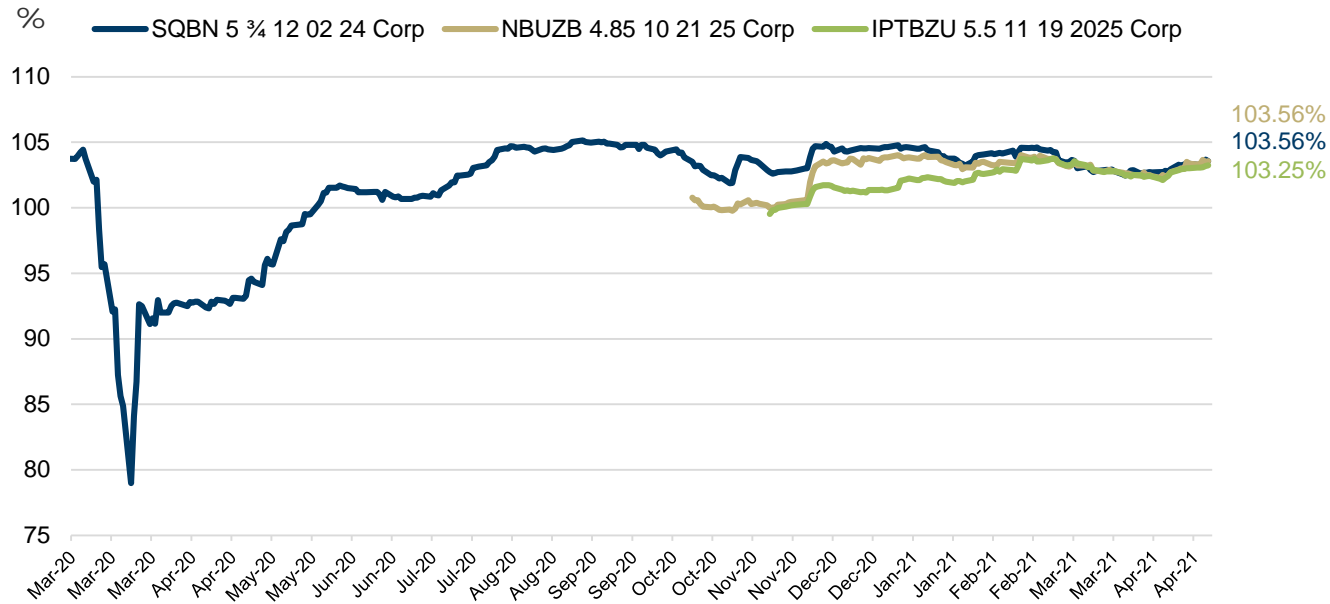


Note 1: Official exchange rate for 19 November 2020, USD/UZS = 10 391

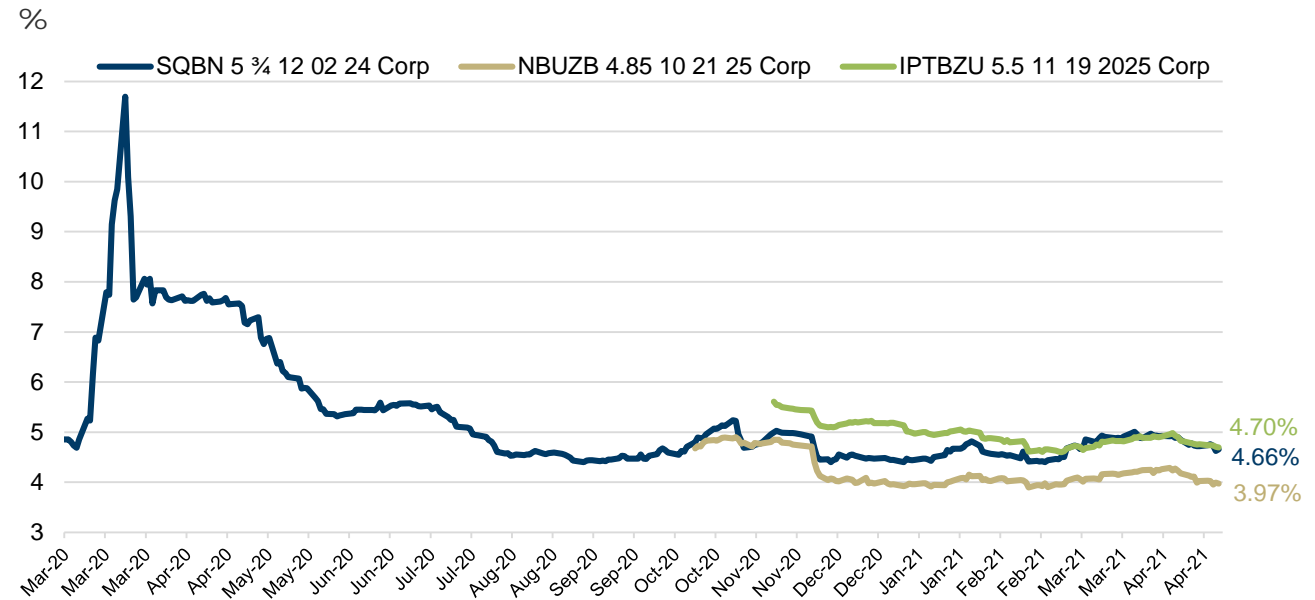
Source: Bloomberg Terminal

10. Uzbek corporate Eurobonds

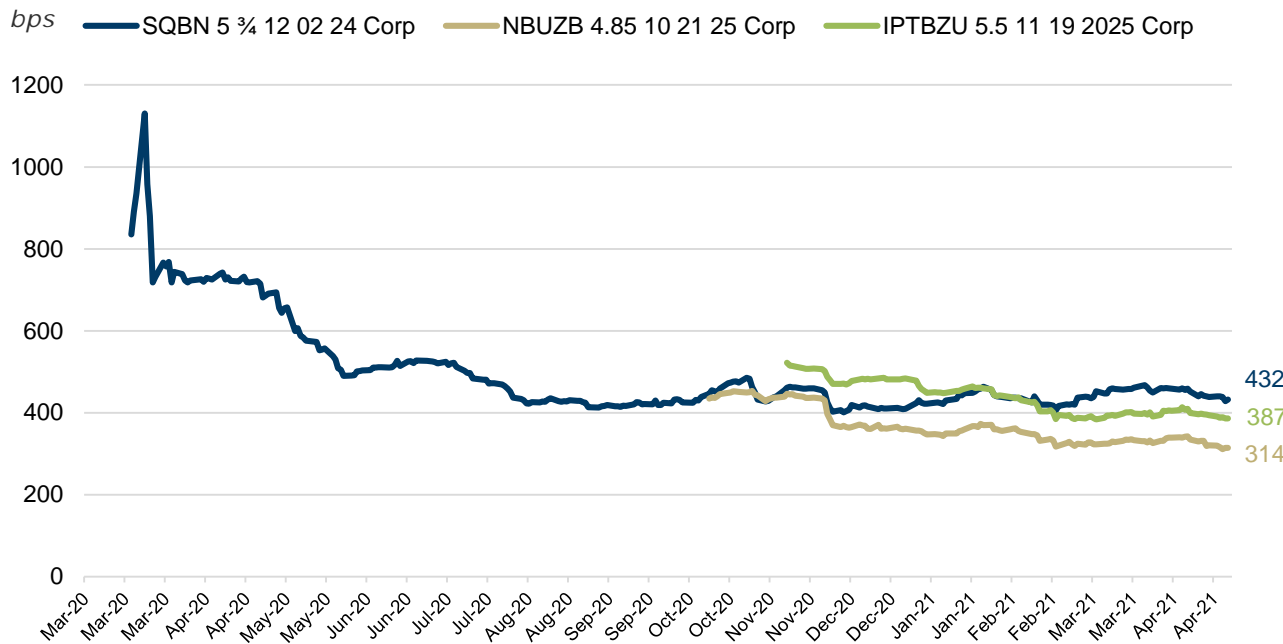
Price (% , relative to the nominal value)



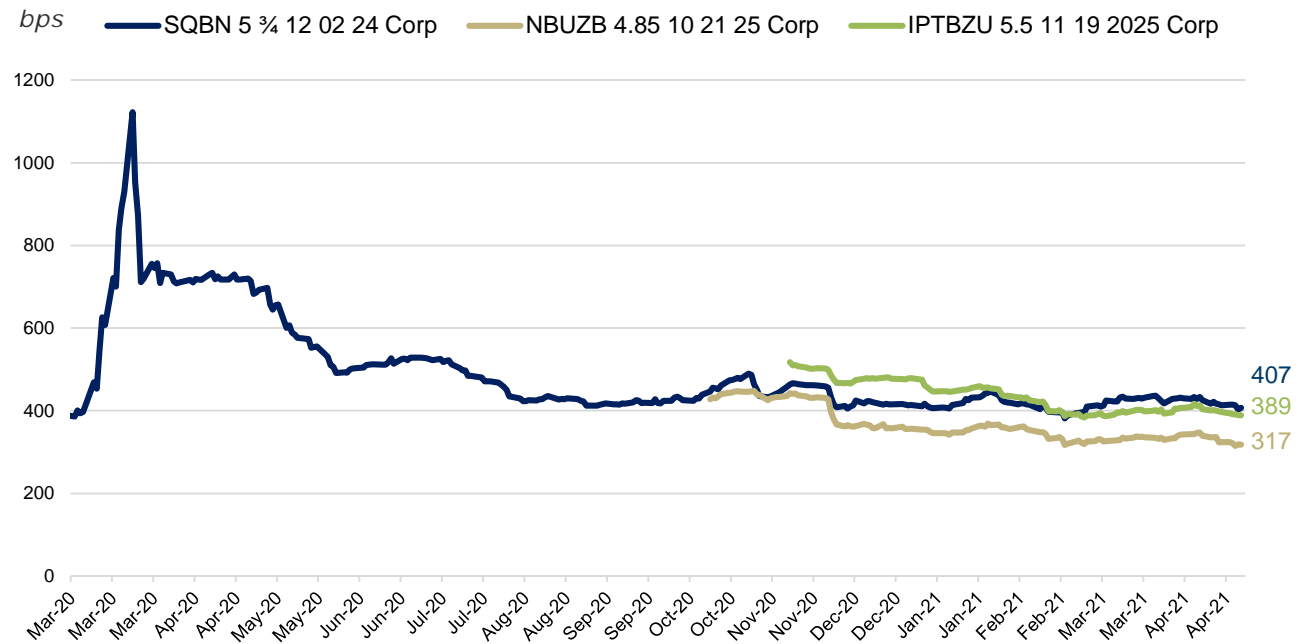
Yield- to-maturity (%)



Spread-over-the-benchmark (bps)



Z-Spread (bps)



Key Transaction Achievements

- ✓ Inaugural international public transaction for “UzAuto Motors” and first ever Uzbek Corporate Eurobond issuance;
- ✓ First non-sovereign bond issued in 144A/RegS format out of Uzbekistan;
- ✓ Impressive tightening of 52.5bps from IPT to landing on the back of strong investor response;
- ✓ Near 5x oversubscription at peak and the largest orderbook by an Uzbek SOE ever;
- ✓ Lowest coupon for non-IG EM Auto producer since 2014.

Key Transaction Summary

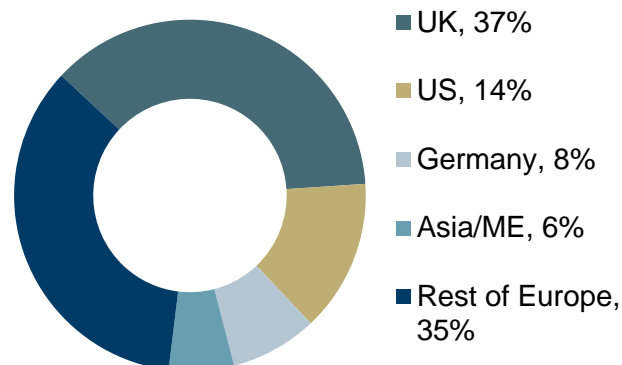
- ✓ On the 22nd April on the back of a conducive market window, UzAuto Motors, the largest automotive manufacturer in Central Asia operating in strategic alliance with GM and 100% owned by the Ministry of Finance of Uzbekistan, announced the intention to issue an inaugural US\$ 144a/RegS 5-year Eurobond offering;
- ✓ The Company completed a focused 2.5-day virtual roadshow including a Global Investor Call on the 23rd April and several small group investor calls taking place between the 22nd and the 26th April. The marketing exercise covered more than 50 top international accounts across Europe, US and Asia;

- ✓ The size of the orderbook alongside the high-quality institutional demand resulted in UK, US and Continental Europe taking the largest share in the final allocations.

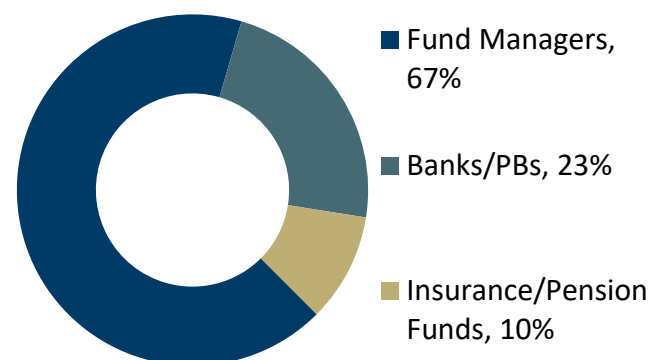
Key Terms Summary

Issuer:	JSC “UzAuto Motors”
Issue ratings:	B+ (S&P) / B+ (Fitch)
Status:	Senior Unsecured
Format:	144a / RegS
Principal Amount:	U.S.\$ 300 m
Maturity date:	4 May 2026 (5 years)
Coupon:	4.850%, Fixed, Semi-annual, 30/360
Use of Proceeds:	General Corporate Purposes
Re-offer Price:	100.00
Re-offer Yield:	4.850%
Denominations	U.S.\$ 200k+1k
Spread vs UST / MS	+398bps / +391bps
Orderbook	U.S.\$ 1.4 bn + orderbook, 130+investors
Law / Listing	English / London Stock Exchange (Regulated Market)
Sole Global Coordinator	Citi
Joint Bookrunners	Citi, MUFG, Natixis, Raiffeisen Bank

Allocation by Geography



Allocation by Investor type





9 April 2021

Uzbekistan joins the European Union special agreement GSP +

On 10 April 2021, a special system of preferences of the European Union (EU) for sustainable development and good governance (GSP +) comes into force for Uzbekistan, where Uzbekistan was admitted as a beneficiary country under the Generalized Scheme of Preferences (GSP).

As a member of the GSP + system, Uzbekistan will receive additional economic benefits compared to the standard GSP due to the complete cancellation of tariffs for two-thirds of the product lines covered by the GSP, which, in turn, can promote export growth and attract additional investment to the country.

GSP +'s commitment to sustainable development further strengthens Uzbekistan's position as a reliable and forward-looking economic partner.

The product segments that benefit the most from reduced incentives are textiles and clothing, plastic products, and fruits, nuts and vegetables, indicating that Uzbekistan's export structure is already more diverse than its Central Asian neighbors.

Source: <https://www.mift.uz>



21 April 2021

Times Higher Education Impact Ranking 2021 ranked 12 higher education institutions of the Republic of Uzbekistan

Times Higher Education Impact Rankings (Impact Ranking) are the only global performance tables that assess universities against the United Nations' Sustainable Development Goals (SDGs). The ranking provides comprehensive and balanced comparison across four broad areas: research, stewardship, outreach and teaching.

No.	Name of higher education institution	Rank	Score
1.	Tashkent State University of Law	401 – 600	56.6 – 66.2
2.	Bukhara state medical institute	801 – 1000	36.5 – 47.5
3.	International Islamic Academy of Uzbekistan	801 – 1000	36.5 – 47.5
4.	Tashkent Institute of Irrigation and Agricultural Mechanization Engineers	801 – 1000	36.5 – 47.5
5.	Tashkent Medical Academy	801 – 1000	36.5 – 47.5
6.	Tashkent Pediatric Medical Institute	801 – 1000	36.5 – 47.5
7.	Tashkent Pharmaceutical Institute	801 – 1000	36.5 – 47.5
8.	National University of Uzbekistan	801 – 1000	36.5 – 47.5
9.	AKFA University	1000+	9.2 – 36.4
10.	Samarkand State University	1000+	9.2 – 36.4
11.	Tashkent State Agrarian University	1000+	9.2 – 36.4
12.	Tashkent State University of Economics	1000+	9.2 – 36.4

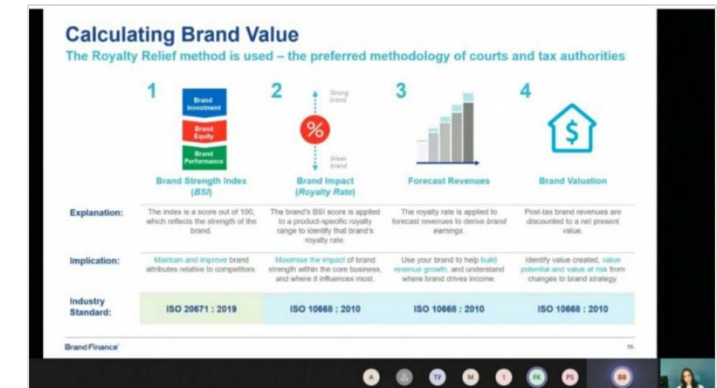
Source: <https://www.timeshighereducation.com>

23 April 2021

Issues of improving the position of Uzbekistan in the Global Innovation Index discussed

Negotiations were held between Brand Finance (Great Britain) and the Department for Work with International Ratings of the Ministry of Innovation in an expanded format with the participation of representatives of the Ministry of Economic Development and Poverty Reduction and the Chamber of Commerce and Industry of the Republic of Uzbekistan.

The meeting was devoted to the discussion of issues related to the increase in the position of Uzbekistan in the indicator 7.1.2 "World value of brands" in the Global Innovation Index. The Uzbek side got acquainted with the main activity of Brand Finance, a leading private consulting company in the field of business valuation, which has existed on the market for over 25 years.



The parties reached an agreement to continue a constructive dialogue on the inclusion of the largest national companies of Uzbekistan in the indicator, as well as attracting advisory support from the company in carrying out further work and preparing high-quality information.

Source: <https://www.mininnovation.uz>

10 May 2021

A Collaborative Workshop on Projecting Public Debt and Fiscal Adjustment Paths

The IMF's Caucasus, Central Asia, and Mongolia Regional Capacity Development Center (CCAMTAC), Singapore Training Institute (STI), and Institute for Capacity Development (ICD) joined forces with the Joint Vienna Institute (JVI) to deliver a virtual workshop on projecting public debt and fiscal adjustment paths during March 15–24, 2021. CCAMTAC is the newest addition to the IMF's global network of capacity development centers delivering technical assistance, TA-related training and peer-learning activities. CCAMTAC will complement the training and other capacity development activities offered by the JVI (Caucasus and Central Asia) and the STI (Mongolia), with its focus on technical assistance. Close coordination and collaboration between these institutions, like during this first joint workshop, will help unlock synergies between training and technical assistance and move towards more integrated capacity development support.

The substantial increase in public debt in many countries due to the COVID-19 pandemic raises important questions related to the outlook for debt dynamics, associated fiscal risks, and the appropriate medium-term



economic policy response. To analyze debt dynamics and fiscal adjustment strategies thus was highly topical for the 36 participants from central banks and ministries of finance of Armenia, Georgia, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan and Uzbekistan.

Source: <https://www.jvi.org/news/detail/article/a-collaborative-workshop-on-projecting-public-debt-and-fiscal-adjustment-paths.html>

April 2021

"www.b-advice .uz" – Advice for Business

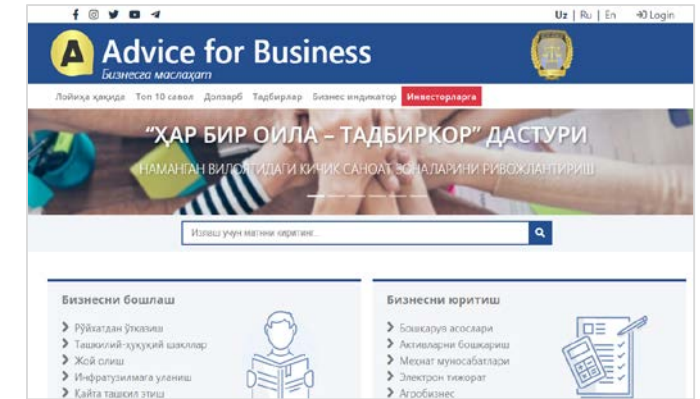
A new interactive information portal "Business Advisory", designed to provide comprehensive support for your business, has been launched. The portal was developed with the initiative of the Ministry of Justice of the Republic of Uzbekistan based on the studies of experience of advanced foreign countries such as the United Kingdom, Singapore, Australia and New Zealand.

Main facilities the portal offers to users:

- Extensive legal database and tips related to business and entrepreneurship;
- Samples of necessary documents and forms;
- tips to use various public services;
- online applications for business-related matters.

Furthermore, mobile application of the portal is also developed to be more convenient for potential users.

Source: <https://www.uza.uz>



April 2021

"www.transport.uzex.uz" - Logistics portal

JSC "UzEX" jointly with the Ministry of Transport of the Republic of Uzbekistan updated the logistics portal transport.uzex.uz.

The portal is a single information resource for automobile transporter licensed to carry out cargo transportation by automobile road, where contracts concluded between customers and automobile transporters are recorded, as well as information is collected in electronic form for organizing electronic interactive tenders for the provision of transport logistics services.

Interactive negotiations with the client can be conducted and commercial offers from automobile transporters received online. After entering an offer for the delivery of goods and choosing a transport company, a lot is formed in the electronic system, which is confirmed by the automobile transporter.





INTERNATIONAL MONETARY FUND

2021 ARTICLE IV CONSULTATION—PRESS RELEASE;
AND STAFF REPORT

26 April 2021

**IMF Executive Board Concludes 2021 Article IV Consultation with
the Republic of Uzbekistan**

- ❖ Uzbekistan entered the COVID-19 crisis with **relatively strong macro-economic fundamentals**;
- ❖ Growth is expected to pick up to **5 percent in 2021**, but uncertainty remains high. The recovery will depend especially on vaccine rollout, and could be delayed by a resurgence of infections, slower growth in Uzbekistan's trading partners, and fluctuations in commodity prices;
- ❖ To mitigate the impact of the pandemic, the authorities quickly put in place a large and targeted support package. The 2020 budget was amended to provide large additional spending, totaling almost **4 percent of GDP**, on healthcare, social assistance, and investment, as well as support for businesses, including through tax relief and financial support;
- ❖ The approved budget envisages an overall fiscal deficit of **5½ percent of GDP** and ensures that healthcare systems and vaccine rollout are adequately resourced, while social assistance is further expanded, and some investment is carried over from 2020;
- ❖ The overall fiscal deficit remained well below the budget projection, reaching **4½ percent of GDP in 2020**;
- ❖ The authorities have started **vaccinating the population** and expect to complete this by mid-2022;
- ❖ The authorities plan to adopt a debt law this year that would cap **PPG debt at 60 percent of GDP**;
- ❖ Uzbekistan remains at a low risk of debt distress. With a gradual fiscal consolidation, PPG debt is projected to peak at 44 percent of GDP in 2022, before gradually **declining to around 40 percent of GDP**;
- ❖ Monetary policy will continue to focus on further reducing inflation, to build credibility and better anchor inflation expectations. With the current relatively tight monetary stance, inflation is projected to continue to gradually decline, to just under **10 percent by end-2021**.

Uzbekistan: Selected Economic Indicators, 2018-22

			Est.	Proj.	Proj.
National income					
Real GDP growth (percent change)	5.4	5.8	1.6	5.0	5.3
GDP per capita (in U.S.\$)	1,543	1,736	1,702	1,780	1,922
Population (in millions)	32.7	33.3	33.9	34.4	35.0
Prices (Percent change)					
Consumer price inflation (eop)	14.3	15.2	11.1	9.8	10.6
GDP deflator	27.5	18.6	11.9	9.8	11.5
External sector (Percent of GDP)					
Current account balance	-7.1	-5.8	-5.4	-6.4	-5.9
External debt	34.3	43.9	58.4	62.3	63.8
Government finance (Percent of GDP)					
Budget balance	-2.1	-3.9	-4.4	-5.5	-4.0
Consolidated fiscal balance	1.7	-0.3	-3.3	-3.5	-2.8
Money and credit (Percent change)					
Reserve money	-1.9	17.8	15.4	10.0	12.1
Broad money	13.2	13.8	17.9	15.7	17.2

ILLUSTRATIVE TRANSACTION

J.P.Morgan UZBEKISTAN LOCAL CURRENCY BOND ISSUANCE



Uzbekistan local currency bond issuance

- ❖ In November 2020, J.P. Morgan underwrote the Republic of Uzbekistan's dual-tranche bond issuance worth approximately \$750 million, which included an approximately \$200 million tranche denominated in its national currency, the Uzbek sum.
- ❖ J.P. Morgan was appointed Development Finance Structuring Agent for the Uzbek sum tranche of the issuance. This was the first local currency bond issued by the Central Asian nation and it represented an opportunity to disclose the anticipated development impact of the transaction.
- ❖ The offering memorandum disclosed the following anticipated development outputs during the maturity of the bond: building 15 new schools, constructing three new health institutions, constructing new transportation and utility infrastructure and funding social welfare programs to support women and children. Based on these factors, the
- ❖ JPM DFI's Development Finance Qualification (DFQ) assigned the transaction an overall Development Intensity Score of High. The DFQ was published by Uzbekistan's Ministry of Finance, which intends to report progress toward the targets on an annual basis.

The JPM DFI mapped the issuance to relevant SDGs and associated targets, including:



TARGET 1.4 Ensure equal rights to economic resources



TARGET 3.8 Achieve universal health coverage



TARGET 4.A Build and upgrade inclusive education facilities



TARGET 5.4 Recognize and value unpaid care and domestic work

TARGET 5.A Give women equal rights to economic resources

TARGET 5.C Adopt legislations to promote women empowerment



TARGET 6.1 Achieve universal and equitable access to safe and affordable drinking water

TARGET 6.2 Achieve access to adequate and equitable sanitation and hygiene



TARGET 8.3 Promote policies that support growth of micro-, small- and medium-sized enterprises

TARGET 8.5 Achieve full and productive employment and decent work for all



TARGET 9.1 Develop quality, reliable, sustainable and resilient infrastructure

Ministry of Finance of the Republic of Uzbekistan
Debt Management Office

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