



UZBEKISTAN
ECONOMIC
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August-September, 2021

NEWSLETTER № 24

Ministry of Finance of the Republic of Uzbekistan



Ministry of Finance
of the Republic of Uzbekistan

1. Key developments



Uzbekistan Economic Forum 2021 (September 29-30, Tashkent, Uzbekistan)

- The Forum “**Uzbekistan: Achievements of economic reforms and outlook**” will be held with the support and high level participation of the World Bank and the Asian Development Bank and will bring together in an in-person setting around 300 participants - including high level representatives of the Uzbek Government, international business and financial communities, international and regional multilateral development institutions, policy makers, NGOs and international media. (for detailed information: <https://economic-forum.uz/>) (page 15)



Exporting enterprises are further financially supported

- U.S.\$ 200 mn allocated to Export Promotion Agency for export-related trade operations and export financing loans. (page 3)



Catering and tourism sector are provided tax benefits

- From September 1, 2021, public catering establishments will be exempt from land tax and property tax for legal entities until December 31, 2021;
- From September 1, 2021, the calculation and payment of tourist (hotel) fees will be suspended until September 1, 2023.
- Public catering enterprises are given the right to pay the existing debt (as of August 15, 2021) in equal amounts without interest only by notifying the tax authorities without submitting an application to local authorities from January 1, 2022 to July 1, 2022 accrued from turnover tax, profit tax, water-use tax, land tax, property tax from legal entities and fees, as well as fines and penalties.



Funds will be allocated for infrastructure development and health sector modernisation

- Loan agreement has been signed with IsDB in the amount of U.S.\$ 200 mn for 20 years with 5-year grace period within the framework of “Sustainable development of rural areas” project;
- 20-year loan agreement has been signed with IsDB in the amount of U.S.\$ 80 mn with 5-year grace period within the framework of “Modernisation of Oncology Institutions of the Republic of Uzbekistan (Phase II)” Project.

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2. Statistics at a glance



Economic Statistics

- ❖ The inflation rate for August of this year declined to **11.1%** (yoy). The decrease for the same month has been observed for the third consecutive year 11.1% (2021), 11.7% (2020) and 16.5% (2019);
- ❖ Official reserve assets of the country amounted to **U.S.\$ 35.1 bn** as of August 1, showing an increase of U.S.\$ 0.2 bn from the beginning of the year;
- ❖ In January-July 2021, the total foreign trade turnover amounted to **U.S.\$ 21.6 bn**, an increase of U.S.\$ 2.0 bn;
- ❖ In January-July 2021, the volume of industrial products equaled **UZS 233.8 tn** (~U.S.\$ 22.2 bn)¹ with a real growth rate of 8.9%(yoy);
- ❖ In January-July 2021, the volume of provided services equaled **UZS 150.7 tn** (~U.S.\$ 14.3 bn)¹ with a real growth rate of 18.3%(yoy);
- ❖ In January-July 2021, the volume of construction amounted to **UZS 57.2 tn** (~U.S.\$ 5.4 bn)¹ with a real growth rate of 0.6%(yoy);
- ❖ As of July 1, 2021, total state debt amounted to **U.S.\$ 24.2 bn** (38.5% of GDP), of which, external state debt – **U.S.\$ 21.8 bn** (34.7% of GDP), and domestic state debt – **U.S.\$ 2.4 bn** (3.8% of GDP). Apparently, state debt-to-GDP ratio declined for the three quarters in a row, being 38.9% for 4Q2020, 1Q2021 - 38.6% and 2Q2021 for 38.5%, as a reflection of macro-prudential approach and fiscal rules in debt management since 2020.
- ❖ As of September 1, 2021 MoF had outstanding treasury bills and bonds equal to **UZS 3.7 tn** (~U.S.\$ 0.35 bn)². According to planned schedule, in January-August 2021, auctions were conducted and the total volume of issued T-bills and bonds reached **UZS 3.1 tn** (~U.S.\$ 0.29 bn)³.

Note 1: Average official exchange rate for January – July 2021, USD/UZS = 10 539

Note 2: Official exchange rate for 1 September 2021, USD/UZS = 10 653

Note 3: Average official exchange rate for January – August 2021, USD/UZS = 10 592

Indicators	As of Aug 1, 2020	As of Aug 1, 2021
Inflation, % (yoy) ¹	11.7	11.1
Industry, UZS tn	194.9	233.8
Services, UZS tn	116.6	150.7
Construction works, UZS tn	48.9	57.2
Official Reserve Assets, U.S.\$ bn	34.8	35.1
Foreign trade turnover, U.S.\$ bn	19.5	21.6
State domestic debt, U.S.\$ bn ²	2.1	2.4
State external debt, U.S. \$ bn ²	17.3	21.8

¹ For August 2020 and 2021











² As of July 1, 2020 and July 1, 2021

Sovereign Eurobonds	Currency	Price ³	YTM ³
UZBEK 4 ¾ 20 02 24	USD	110.90	2.32
UZBEK 5 ¾ 20 02 29	USD	105.66	3.69
UZBEK 3.7 25 11 30	USD	99.67	3.74
UZBEK 3.9 19 10 31	USD	100.16	3.88
UZBEK 14.0 19 07 24	UZS	100.59	13.73
UZBEK 14 ½ 25 11 23	UZS	101.01	13.92

³ As of September 1, 2021

Source: Bloomberg BVAL pricing

Exchange rates as of August 1, 2021

Currencies	Changes from 01.07.2021
 USD/UZS = 10 625.00	+34.00 
 RUB/UZS = 145.21	+0.43 
 EUR/UZS = 12 616.13	+20.25 
 GBP/UZS = 14 822.94	+146.99 
 CNY/UZS = 1 644.94	+3.22 

Source: Central Bank of the Republic of Uzbekistan

Administrative regulations for the provision of land for permanent use for state and public needs have been approved

(27 August 2021)

- ✓ Land plots for state and public needs are allocated on the basis of the right of permanent use to state bodies, institutions, enterprises, self-government bodies of citizens in accordance with the Decree of the Council of Ministers of Karakalpakstan, khokims of regions and the city of Tashkent.
- ✓ Agricultural land is not allocated for state and public needs. If the land plot planned for allocation belongs to the category of agricultural land, the issue of transferring these lands to another category is decided in accordance with the procedure established by the Land Code.
- ✓ Documents on the allocation of land plots for state and public needs are prepared by the Cadastral Agency under the State Tax Committee.
- ✓ To prepare the documents, the customer, determined by the decision of the local executive body, submits an application to the Council of Ministers of Karakalpakstan, the regional and Tashkent city administrations for the allocation of a land plot. The specified bodies, within 1 working day after receiving the application, send it to the territorial subdivision of the relevant Cadastral Agency.
- ✓ The territorial subdivision of the Cadastral Agency within 5 working days prepares contractual documentation on the basis of the application and concludes an agreement with the customer for the preparation of materials for the allocation of a land plot.
- ✓ For the preparation of materials for the allocation of a land plot by the territorial department of Cadastral Agency, a fee is charged in accordance with the standards of time spent on design and survey work on land management, state land cadastre and land monitoring.

Incentives have been given for export enterprises

(7 September 2021)

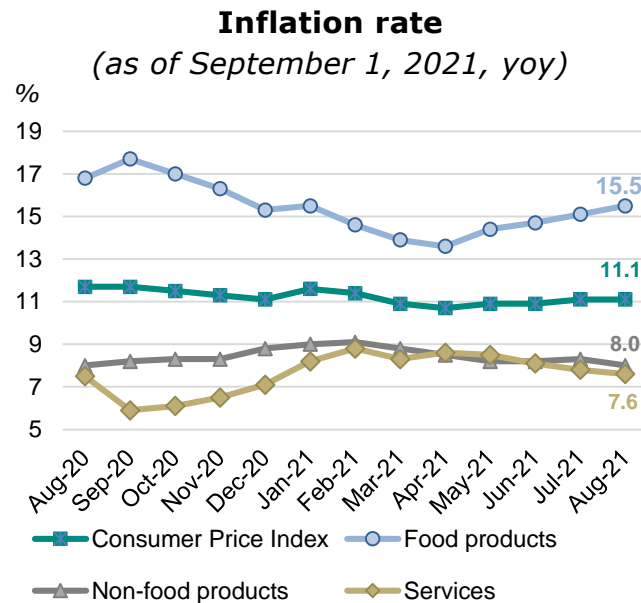
- ✓ Export Promotion Fund under the Export Promotion Agency is provided with U.S.\$ 200 mn funds for export-related trade operations and export financing loans;
- ✓ The Export Promotion Agency provides one-time financial resources up to U.S.\$ 5 mn for one-year period for export-related trade operations through commercial banks and pre-export financing loans to enterprises whose annual export volume is more than U.S.\$ 20 mn;
- ✓ The opportunity is given for deferring the payment for 120 days without accrual of interest and payment of customs duties on the import of components, raw materials and supplies for the production of primary and auxiliary products to enterprises that have exported more than U.S.\$ 1 mn of finished textile products in the last 12 months (in installments) payment;
- ✓ The imposition of penalties on business entities for overdue receivables on foreign trade operations, as well as the fines imposed before the entry into force of this Decree will be suspended until December 31, 2021;
- ✓ From October 1, 2021, the requirement to obtain a national certificate for the import of certified and declared equipment, components, raw materials, measuring instruments, chemical reagents, lifting equipment and vehicles from countries with high quality and control systems will be abolished;
- ✓ A system of compensation of 50% of transportation costs for the export of high value-added products to European countries will be introduced for a period of one year.

4. Macroeconomic Environment

Inflation rate

The inflation rate for August of this year declined to **11.1%** (yoy). The decrease for the same month has been observed for the third consecutive year 11.1% (2021), 11.7% (2020) and 16.5% (2019).

CBU has been conducting the strong anti-inflationary policy to curb inflation level and establish a permanent inflation target of 5% from 2023.



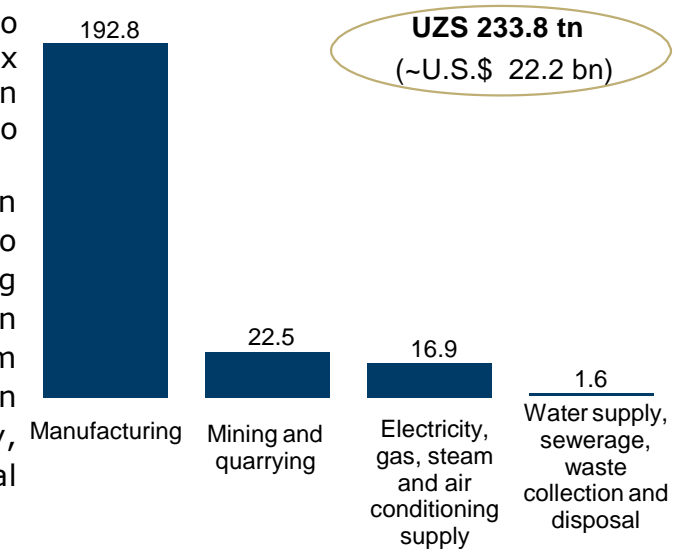
Industry statistics

In **January-July 2021**, the volume of the industrial products amounted to **UZS 233.8 tn** (~U.S.\$ 22.2 bn)¹, the index of physical volume of industrial production in January-July 2021 amounted to 8.9% (yoy)².

In the structure of production manufacturing amounted to UZS 192.8 tn (~U.S.\$ 18.3 bn)¹, mining and quarrying UZS 22.5 tn (~U.S.\$ 2.1 bn)¹ electricity, gas, steam and air conditioning UZS 16.9 tn (~U.S.\$ 1.6 bn)¹ and water supply, sewerage, waste collection and disposal UZS 1.6 tn (~U.S.\$ 0.2 bn)¹.

Industrial output

(January-July 2021, UZS tn)



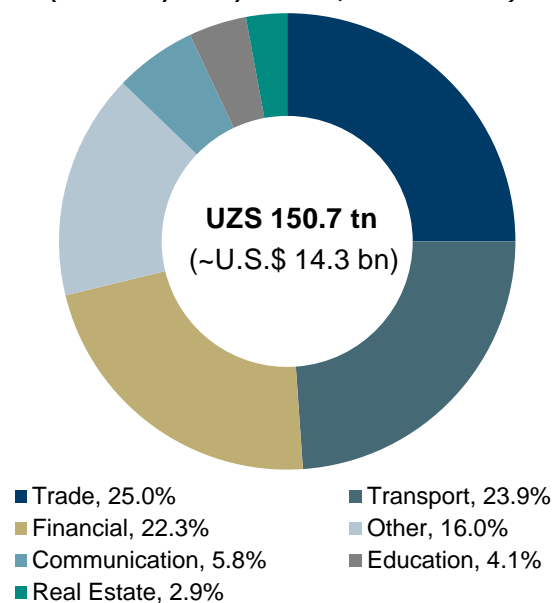
Service statistics

Market services in **January-July 2021** reached **UZS 150.7 tn** (~U.S.\$ 14.3 bn)¹ with a real growth rate of 18.3% (yoy)².

As of August 1, 2021 the largest share of enterprises and organisations operating in the service sector constituted 65.2% of the total number of organisations. In the structure of market services falls on trade services (25.0%), transport (23.9%), financial services (22.3%), communication and information services (5.8%).

Services statistics

(January-July 2021, % in total)



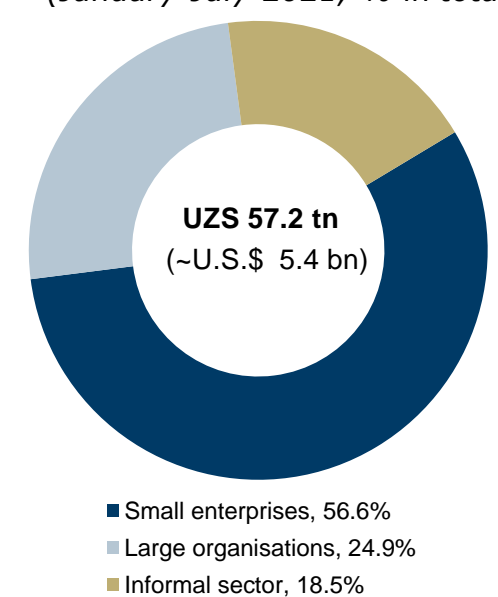
Construction statistics

In **January-July 2021**, the construction works amounted to **UZS 57.2 tn** (~U.S.\$ 5.4 bn)¹ with a real growth rate of 0.6% (yoy)².

As of August 1, 2021, the number of enterprises and organisations in the construction sector amounted to **44.1 thousand units** with 5.0 thousand units increase compared with the last year.

Construction works

(January-July 2021, % in total)



Note 1: Average official exchange rate for January – July 2021, USD/UZS = 10 539

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

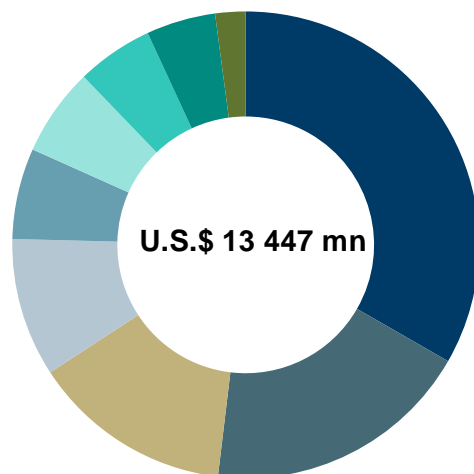
5. Foreign Trade Turnover



Structure of Imports

(January-July 2021, % in total)

- Machinery and transport equipment, 33.3%
- Manufactured goods, 18.6%
- Chemicals and similar products, 13.9%
- Food and live animals, 9.6%
- Services, 6.3%
- Various finished goods, 6.1%
- Non-food raw materials, 5.3%
- Mineral fuels and similar materials, 4.8%
- Other goods, 2.1%



Foreign Trade Turnover

In January-July 2021, the foreign trade turnover (FTT) constituted **U.S.\$ 21 564 mn**, an increase by U.S.\$ 1 982 m, compared to the same period last year.

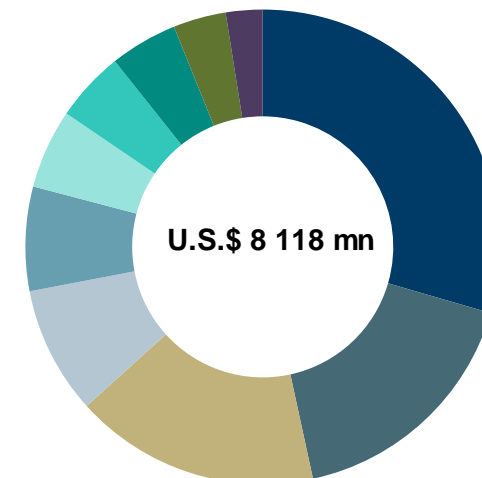
As of August 1, 2021, exports reached **U.S.\$ 8 118 mn**, while the total number of exporting entities amounted to 4 885 units. Uzbekistan has a very diversified export structure including manufactured goods, gold, service, foods, animals and other goods.

Imports amounted to **U.S.\$ 13 447 mn** with the dominance of investment goods. In the structure of imports, the main share is occupied by machinery and transport equipment (33.3%) that serves for the long-term growth in the future.

Structure of Exports

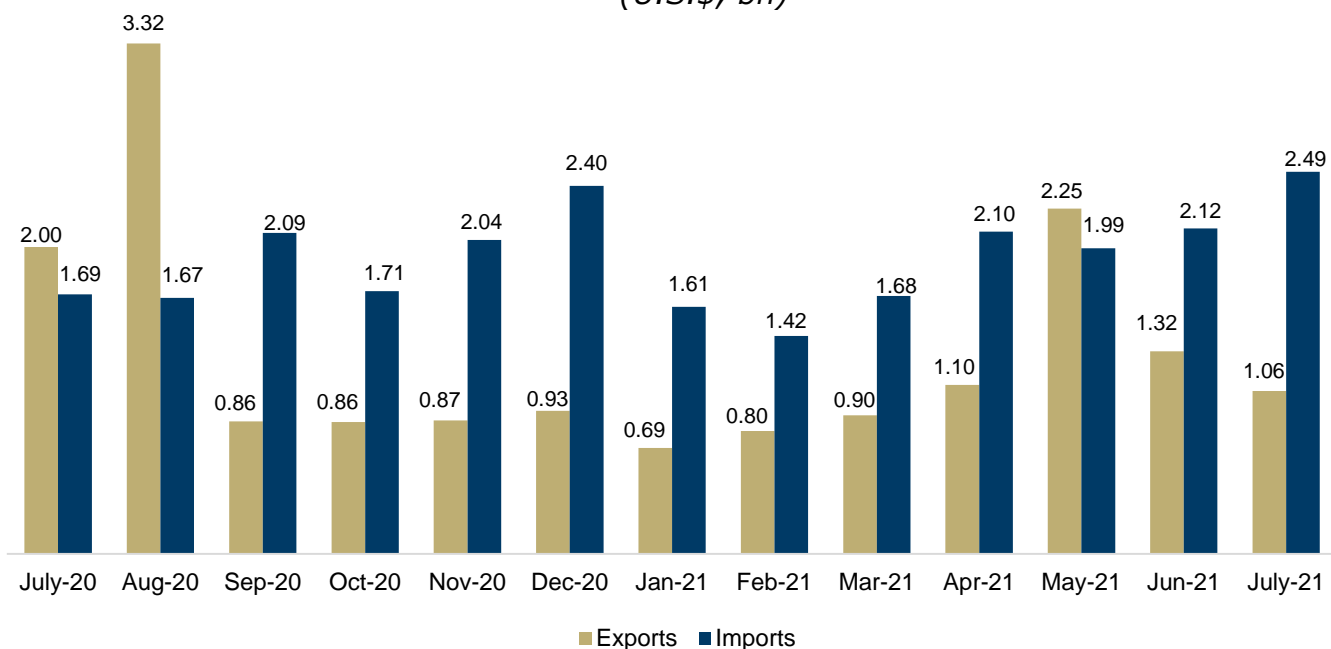
(January-July 2021, % in total)

- Manufactured goods, 29.5%
- Gold, 17.1%
- Services, 16.7%
- Food and live animals, 8.7%
- Chemical products, 7.1%
- Various finished products, 5.4%
- Machinery equipment, 4.8%
- Mineral fuels, 4.6%
- Non-food raw materials, 3.6%
- Other goods, 2.5%



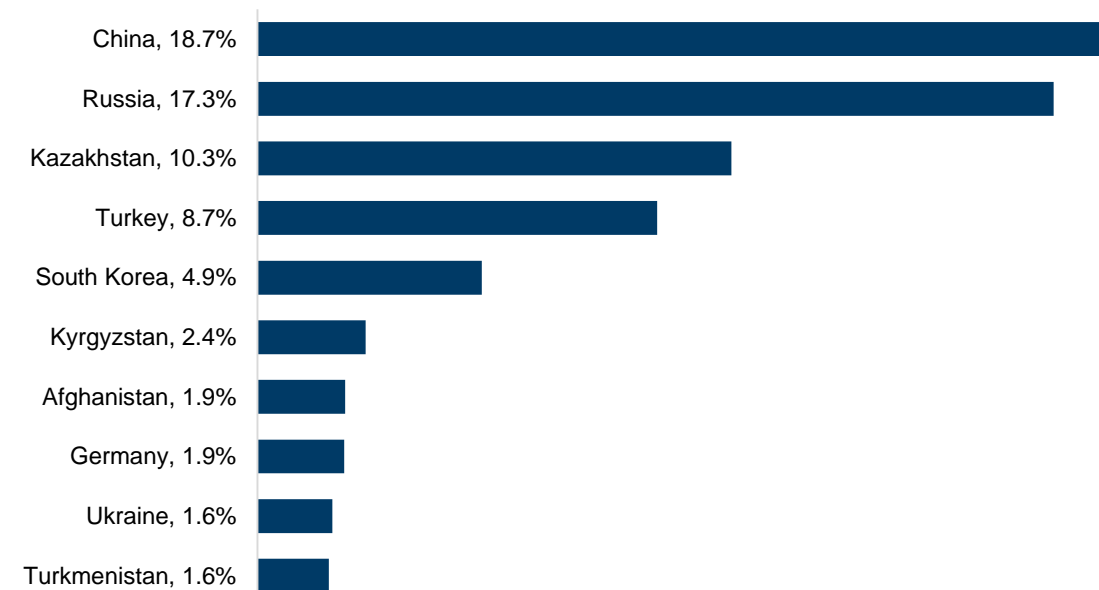
Exports and Imports of goods and services

(U.S.\$, bn)



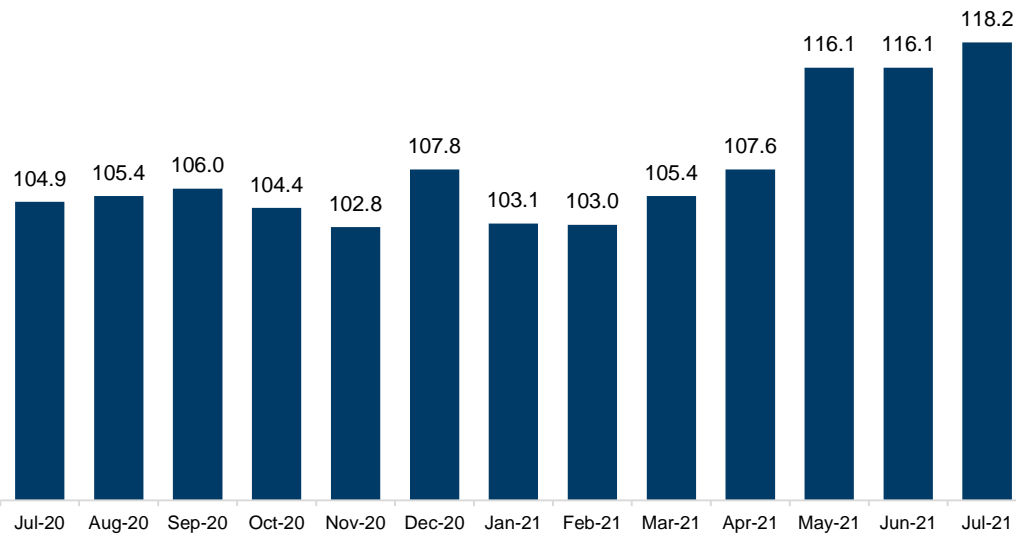
Top 10 countries in foreign trade with Uzbekistan

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



Broad Money (M2)

(to the end of month, UZS tn)



Broad Money (M2)

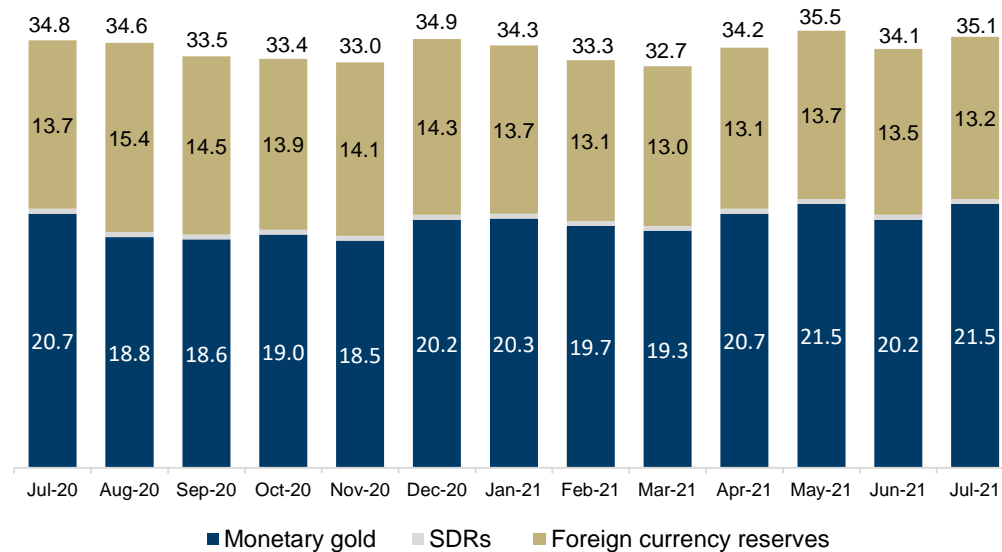
As of August 1, 2021, broad money constituted **UZS 118.2tn** (~U.S.\$ 11.2 bn)⁽¹⁾, while the growth rate equaled **12.8%** compared to the same period of last year.

The volume of money supply in national currency constituted UZS 79.9 tn (~U.S.\$ 7.6 bn)⁽¹⁾, of which currency in circulation and transferable deposits in national currency amounting to respective UZS 27.1 tn (~U.S.\$ 2.6 bn)⁽¹⁾ and UZS 26.1 tn (~U.S.\$ 2.5 bn)⁽¹⁾ and other deposits in national currency UZS 26.7 tn (~U.S.\$ 2.5 bn)⁽¹⁾.

As of August 1, 2021, foreign currency deposits in national currency equivalent reached to UZS 38.4 tn (~U.S.\$ 3.6 bn)⁽¹⁾.

Official Reserve Assets

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



Official Reserve Assets

Official reserve assets of the country increased to U.S.\$ 35.1 bn as of August 1, 2021 from **U.S.\$ 34.8 bn** as of January 1, 2021 – an increase of U.S.\$ 0.2 bn, compared to a U.S.\$ 0.3 bn increase in the previous year.

In the composition of official reserve assets, foreign currency reserves constituted U.S.\$ 13.2 bn, gold U.S.\$ 21.5 bn and SDRs U.S.\$ 0.4 bn.

Liquidity in the banking system

Indicators	Aug 1, 2020	Aug 1, 2021
Highly liquid assets (bn UZS)	31 998	56 551
Immediate liquidity ratio (minimum: 25%)	61.5%	89.2%
Liquidity coverage ratio (minimum: 100%)	188.9%	155.7%
Net stable funding ratio (minimum: 100%)	107.5%	115.1%
Ratio of highly liquid assets to total assets (in %)	10.3%	14.6%

Banking system stability indicators

UZS bn

Indicators	7M2020	7M2021
Regulatory Tier 1 capital to RWA	16.73%	14.97%
Regulatory Tier 1 capital	47 907	54 466
Risk-weighted assets	286 326	363 879
Liquid assets to total assets	11.97%	16.25%
Liquid assets	38 442	65 077
Total assets	321 241	400 455
Capital to risk-weighted assets	19.42%	17.47%
Capital at the end of period	55 617	63 552
Risk-weighted assets	286 326	363 879
NPL to total gross loans	2.30%	6.16%
Non-performing loans	5 887	18 889
Total gross loans	255 815	306 696

Source: Central Bank of the Republic of Uzbekistan

Creditors of State external debt¹ (as of July 1, 2021)

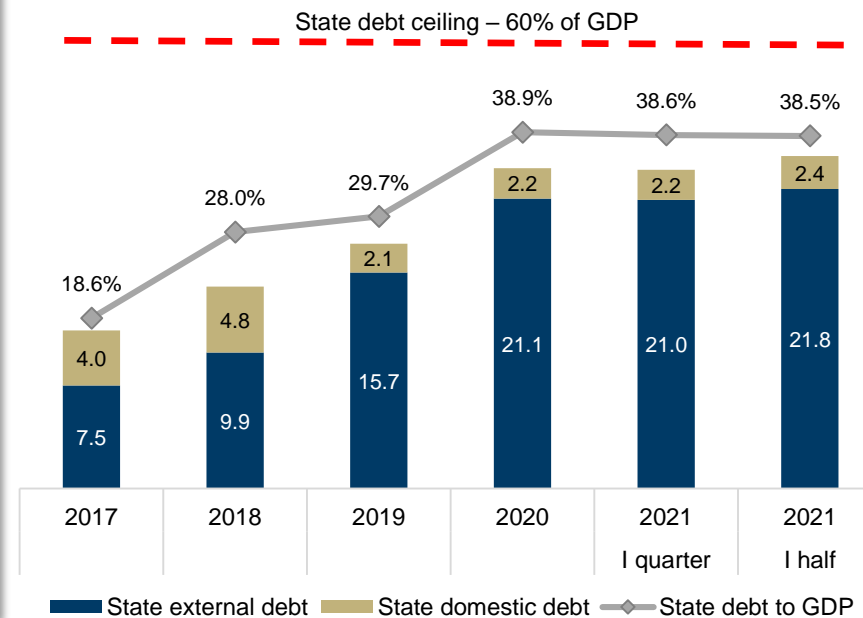
	Asian Development Bank - U.S.\$ 5.0 bn
	World Bank - U.S.\$ 3.8 bn
	China Development Bank – U.S.\$ 2.2 bn
	Japan International Cooperation Agency – U.S.\$ 2.2 bn
	Export-Import Bank of China – U.S.\$ 2.0 bn
	International investors - U.S.\$ 1.7 bn
	Islamic Development Bank – U.S.\$ 0.9 bn
	Japanese Bank for International Cooperation - U.S.\$ 0.6 bn
	Economic development and cooperation fund and others - U.S.\$ 1.0 bn
	Other IFIs and foreign government financial organisations - U.S.\$ 2.4 bn
Total State external debt - U.S. \$ 21.8 bn	

Total State debt

As of July 1, 2021, the State debt² of Uzbekistan amounted to **U.S.\$ 24.2 bn** equivalent or **38.5%** of GDP. Apparently, state debt-to-GDP ratio declined for the three quarters in a row, being 38.9% for 4Q2020, 1Q2021 - 38.6% and 2Q2021 for 38.5%. Maintenance of the ratio at sustainable levels is reached due to the effective debt management measures.

Specifically, debt ceiling is set on external debt attraction, debt sustainability analysis has been conducted, the MTDS is being updated annually, state guarantees provision on domestic obligations has been suspended, SOEs and SOBs started independently finance their investment projects.

Total State debt (as of July 1, 2021, U.S.\$ bn)³



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

	Budget support – U.S.\$ 4.7 bn
	Electric power - U.S.\$ 3.1 bn
	Energy (oil and gas) - U.S.\$ 2.7 bn
	Transport & Transport Infrastructure – U.S.\$ 2.5 bn
	Agriculture - U.S.\$ 2.3 bn
	Housing & communal services - U.S.\$ 2.0 bn
	Commercial banks - U.S.\$ 1.3 bn
	Chemical industry - U.S.\$ 1.2 bn
	Education & healthcare - U.S.\$ 0.7 bn
	Telecommunications - U.S.\$ 0.2 bn
	Others - U.S.\$ 1.1 bn
Total State external debt - U.S. \$ 21.8 bn	

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

Note 2: Debt borrowed on behalf of the Republic of Uzbekistan and under its guarantee

Note 3: Debt-to-GDP ratios have been revised reflecting GDP revision for 2010-2020 years

Source: Ministry of Finance of the Republic of Uzbekistan

8. Domestic Treasury Securities

Auction results of Domestic Treasury Securities

As of September 1, 2021 the Ministry of Finance had outstanding treasury bills and bonds amounting to **UZS 3.7 tn** (~U.S.\$ 0.35 bn)¹. In January – August 2021, the total number of 42 auctions conducted reached and the total volume of issuance of T-bills and bonds reached **UZS 3.1 tn** (~U.S.\$ 0.29 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.

Type of Government Securities	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
6-months	26 Dec 2018	26 Jun 2019	200.0	zero-coupon	239.3	197.1	14.15%	Redeemed
12-months	27 Dec 2018	27 Dec 2019	200.0	16%	225.8	200.0	14.22%	Redeemed
3-years	28 Dec 2018	24 Dec 2021	200.0	16%	216.5	200.0	14.87%	200.0
12-months	19 Feb 2019	19 Feb 2020	60.0	15%	122.0	60.0	13.33%	Redeemed
12-months	27 Feb 2019	27 Feb 2020	40.0	15%	82.0	40.0	12.98%	Redeemed
12-months	5 Mar 2019	4 Mar 2020	30.0	15%	30.0	30.0	14.94%	Redeemed
12-months	12 Mar 2019	11 Mar 2020	40.0	15%	109.3	40.0	14.54%	Redeemed
12-months	19 Mar 2019	18 Mar 2020	80.0	15%	140.5	80.0	12.94%	Redeemed
12-months	8 May 2019	7 May 2020	100.0	15%	494.1	100.0	11.02%	Redeemed
12-months	15 May 2019	14 May 2020	100.0	15%	463.9	100.0	10.47%	Redeemed
18-months	22 May 2019	18 Nov 2020	100.0	15%	283.4	100.0	10.04%	Redeemed
18-months	4 Jun 2019	1 Dec 2020	100.0	15%	231.4	100.0	9.82%	Redeemed
2-years	12 Jun 2019	9 Jun 2021	100.0	15%	315.0	100.0	8.93%	Redeemed
2-years	19 Jun 2019	16 Jun 2021	100.0	15%	479.0	100.0	7.73%	Redeemed
3-years	5 Jul 2019	1 Jul 2022	100.0	15%	375.0	100.0	10.11%	100.0
3-years	12 Jul 2019	8 Jul 2022	100.0	15%	176.3	100.0	10.41%	100.0
160-days	17 Jul 2019	24 Dec 2019	200.0	zero-coupon	202.1	200.0	12.72%	Redeemed
160-days	19 Jul 2019	26 Dec 2019	300.0	zero-coupon	435.0	300.0	14.89%	Redeemed

Note 1: Official exchange rate for 1 September 2021, USD/UZS = 10 653

Note 2: Average official exchange rate for January – August 2021, USD/UZS = 10 592

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

8. Domestic Treasury Securities

Type of Government 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
12-months	17 Jan 2020	16 Jan 2021	200.0	16%	628.0	200.0	12.98%	Redeemed
9-months	20 Jan 2020	19 Oct 2020	300.0	zero-coupon	368.0	300.0	14.18%	Redeemed
2-years	20 Jan 2020	17 Jan 2022	200.0	16%	453.2	200.0	14.87%	200.0
12-months	6 Apr 2020	6 Apr 2021	750.0	16%	770.0	750.0	15.97%	Redeemed
12-months	9 Apr 2020	9 Apr 2021	250.0	16%	360.0	250.0	15.95%	Redeemed
12-months	10 Apr 2020	10 Apr 2021	300.0	16%	310.0	300.0	15.97%	Redeemed
18-months	13 Apr 2020	11 Oct 2021	150.0	16%	89.8	89.8	15.97%	89.8
12-months	6 May 2020	4 Nov 2020	500.0	15%	550.0	500.0	14.91%	Redeemed
3-months	8 May 2020	7 Aug 2020	100.0	zero-coupon	241.0	100.0	14.39%	Redeemed
4-months	11 May 2020	8 Sep 2020	100.0	zero-coupon	141.0	100.0	14.39%	Redeemed
130-days	14 May 2020	21 Sep 2020	100.0	zero-coupon	241.5	100.0	14.61%	Redeemed
12-months	28 May 2020	26 Nov 2020	470.0	15%	570.0	470.0	14.93%	Redeemed
150-days	12 Jun 2020	9 Nov 2020	100.0	zero-coupon	261.0	100.0	14.17%	Redeemed
150-days	8 Sep 2020	05 Feb 2021	100.0	zero-coupon	296.0	100.0	14.39%	Redeemed
6-months	17 Sep 2020	18 Mar 2021	300.0	zero-coupon	350.0	300.0	13.90%	Redeemed
150-days	21 Sep 2020	18 Feb 2021	100.0	zero-coupon	104.0	100.0	13.78%	Redeemed
6-months	28 Sep 2020	29 Mar 2021	235.0	zero-coupon	285.0	235.0	13.87%	Redeemed
6-months	8 Oct 2020	8 Apr 2021	235.0	zero-coupon	305.0	235.0	13.77%	Redeemed
6-months	9 Oct 2020	9 Apr 2021	300.0	zero-coupon	397.0	300.0	13.92%	Redeemed
9-months	20 Oct 2020	20 Jul 2021	300.0	zero-coupon	97.2	97.2	13.92%	Redeemed
18-months	18 Nov 2020	18 May 2022	100.0	14%	138.0	100.0	13.56%	100.0
18-months	1 Dec 2020	31 May 2022	100.0	14%	97.0	97.0	13.81%	97.0
12-months	2 Feb 2021	1 Feb 2022	200.0	zero-coupon	483.7	200.0	12.51%	200.0
3-months	9 Feb 2021	11 May 2021	50.0	zero-coupon	165.0	50.0	11.67%	Redeemed
6-months	9 Feb 2021	10 Aug 2021	50.0	zero-coupon	180.5	50.0	11.42%	Redeemed
6-months	16 Feb 2021	17 Aug 2021	50.0	zero-coupon	220.0	50.0	12.13%	Redeemed
6-months	23 Feb 2021	24 Aug 2021	50.0	zero-coupon	156.5	50.0	12.42%	Redeemed
2-years	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

Type of Government 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
12-months	2 Mar 2021	31 Aug 2021	50.0	zero-coupon	111.9	50.0	13.46%	Redeemed
6-months	2 Mar 2021	1 Mar 2022	200.0	zero-coupon	213.7	200.0	14.00%	200.0
6-months	9 Mar 2021	7 Sep 2021	50.0	zero-coupon	235.3	50.0	12.44%	50.0
6-months	16 Mar 2021	14 Sep 2021	30.0	zero-coupon	85.6	30.0	12.70%	30.0
6-months	23 Mar 2021	21 Sep 2021	30.0	zero-coupon	42.3	30.0	12.79%	30.0
12-months	30 Mar 2021	29 Mar 2022	200.0	zero-coupon	162.4	122.6	14.00%	122.6
3-years	30 Mar 2021	31 Mar 2024	100.0	14%	10.0	10.0	14.00%	10.0
6-months	6 Apr 2021	5 Oct 2021	30.0	zero-coupon	108.5	30.0	13.14%	30.0
6-months	13 Apr 2021	12 Oct 2021	50.0	zero-coupon	287.2	50.0	12.01%	50.0
6-months	20 Apr 2021	19 Oct 2021	50.0	zero-coupon	261.1	50.0	11.11%	50.0
5-years	27 Apr 2021	30 Apr 2026	100.0	14%	166.0	100.0	12.65%	100.0
12-months	27 Apr 2021	26 Apr 2022	200.0	zero-coupon	497.2	200.0	12.00%	200.0
6-months	27 Apr 2021	26 Oct 2021	50.0	zero-coupon	160.1	50.0	12.37%	50.0
6-months	4 May 2021	2 Nov 2021	50.0	zero-coupon	87.1	50.0	12.69%	50.0
6-months	11 May 2021	9 Nov 2021	50.0	zero-coupon	342.7	10.0	11.87%	10.0
6-months	18 May 2021	16 Nov 2021	30.0	zero-coupon	86.4	30.0	11.90%	30.0
6-months	25 May 2021	23 Nov 2021	30.0	zero-coupon	85.0	30.0	11.67%	30.0
12-months	25 May 2021	24 May 2022	200.0	zero-coupon	433.5	200.0	12.15%	200.0
2-years	25 May 2021	25 May 2023	200.0	14%	343.9	200.0	13.14%	200.0
6-months	1 June 2021	30 Nov 2021	30.0	zero-coupon	65.3	15.3	13.80%	15.3
6-months	8 June 2021	7 Dec 2021	30.0	zero-coupon	106.5	30.0	11.90%	30.0
6-months	15 June 2021	14 Dec 2021	30.0	zero-coupon	11.3	11.3	13.99%	11.3
6-months	22 June 2021	21 Dec 2021	30.0	zero-coupon	5.3	5.3	13.99%	5.3
12-months	22 June 2021	21 June 2022	300.0	zero-coupon	40.9	40.9	14.00%	40.9
3-years	29 June 2021	30 June 2024	300.0	14%	45.5	45.5	14.00%	45.5

**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

Type of Government 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
6-months	13 Jul 2021	11 Jan 2022	30.0	zero-coupon	60.0	30.0	13.94%	30.0
12-months	19 Jul 2021	18 Jul 2022	300.0	zero-coupon	186.7	186.7	13.96%	186.7
5-years	27 Jul 2021	30 Jul 2026	200.0	14%	45.1	45.1	14.00%	45.1
6-months	27 Jul 2021	25 Jan 2022	100.0	zero-coupon	88.4	88.4	13.99%	88.4
6-months	3 August 2021	1 February 2022	100.0	zero-coupon	130.0	100.0	13.63%	100.0
6-months	10 August 2021	8 February 2022	100.0	zero-coupon	55.6	55.6	13.99%	55.6
12-months	17 August 2021	16 August 2022	300.0	zero-coupon	62.8	62.8	14.00%	62.8
6-months	17 August 2021	15 February 2022	100.0	zero-coupon	82.0	82.0	13.99%	82.0
6-months	24 August 2021	22 February 2022	100.0	zero-coupon	73.0	73.0	13.97%	73.0
6-months	31 August 2021	1 March 2022	100.0	zero-coupon	16.0	16.0	13.99%	16.0
2-years	31 August 2021	31 August 2023	200.0	14%	81.0	81.0	14.00%	81.0

Already undertaken measures:

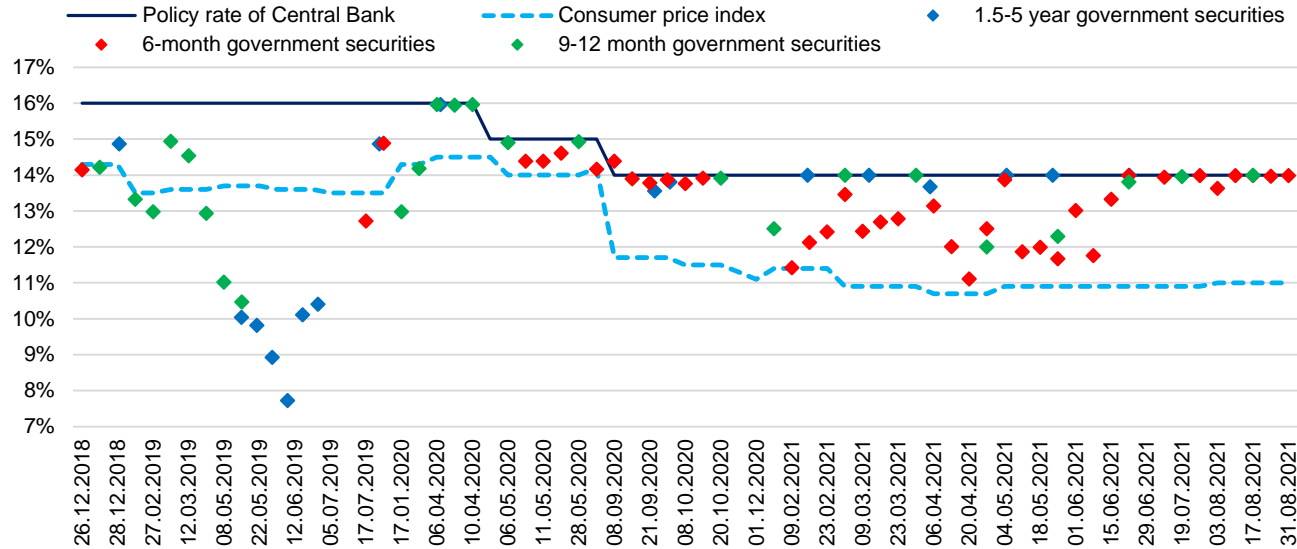
- ❖ From 2021, the practice of pre-announcement of government securities auctions on a schedule basis has been introduced;
- ❖ Government securities auctions are scheduled for every Tuesday;
- ❖ The following regime has been introduced on the issuance of government securities:
 - 6-month government securities in every week;
 - 1-year government securities in every 4 weeks;
 - 2-5-year government in a quarter.

Plans for foreseeable future:

- ❖ Creating opportunities for residents and non-residents of the Republic of Uzbekistan to purchase government securities, as well as the introduction of the market-maker institute;
- ❖ Introducing a primary dealer institution and expanding the investor base;
- ❖ Transferring of settlements on the results of the auction of Government securities to the international standard "T+1" or "T+2";
- ❖ Issuing inflation linked bonds and government securities for targeted financing of infrastructure development.

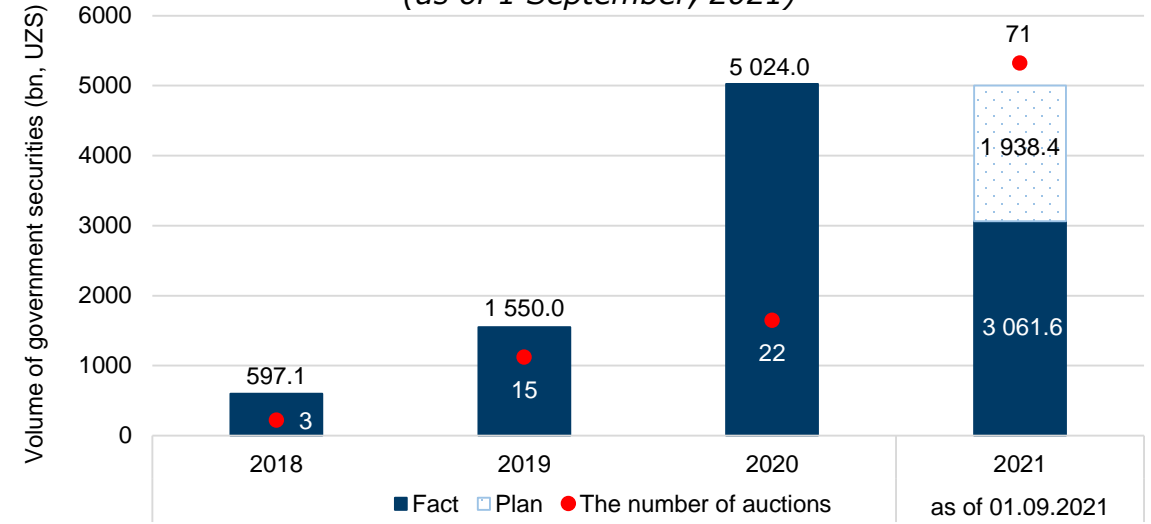
8. Domestic Treasury Securities

Yield of government securities issued in 2018-2021

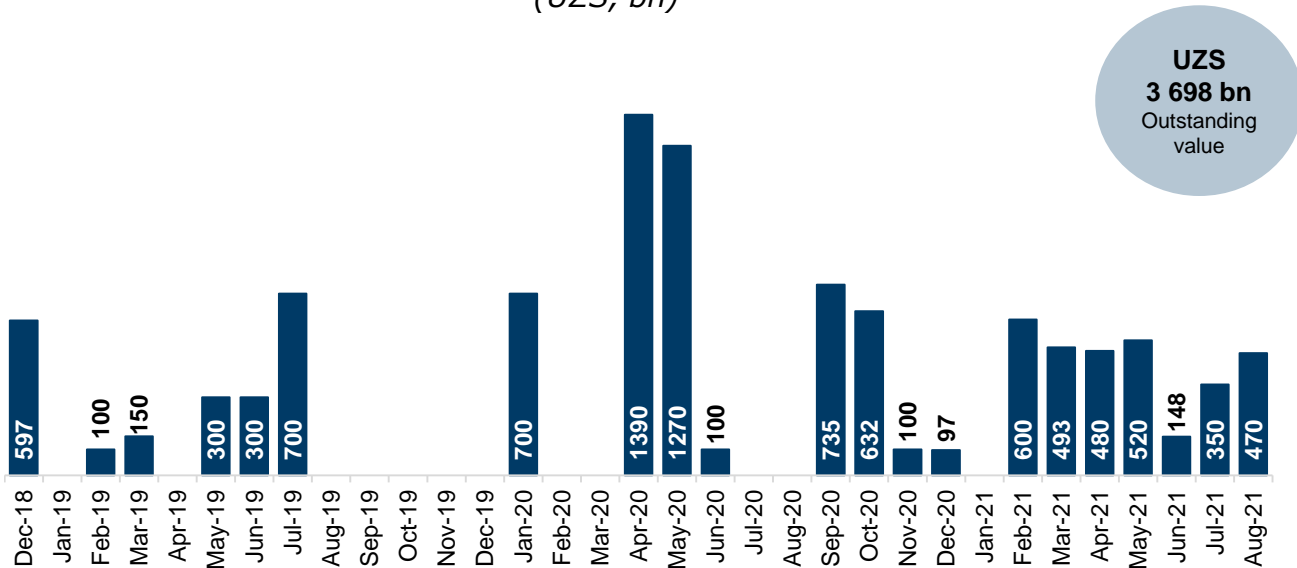


Information on conducted auctions and placed government securities in 2018-2021

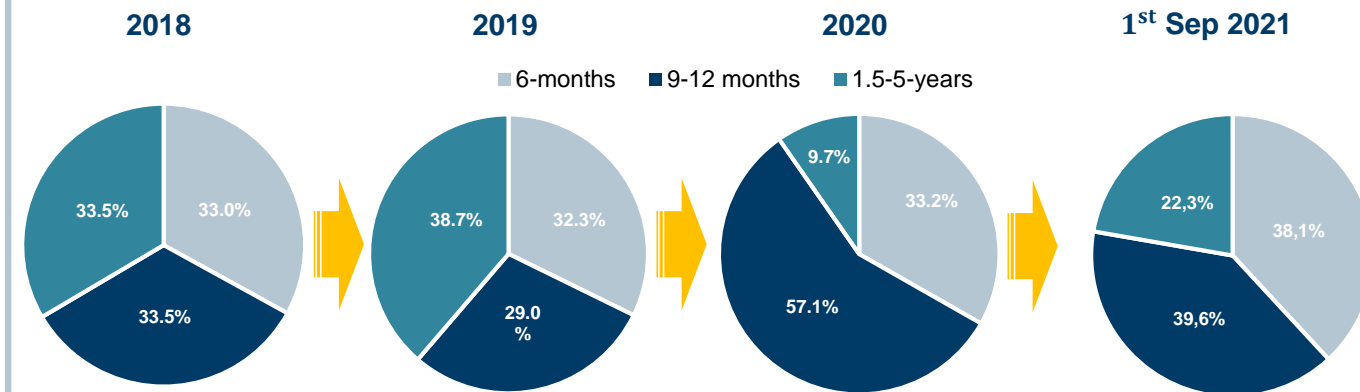
(as of 1 September, 2021)



Domestic issuance volume dynamics (UZS, bn)



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

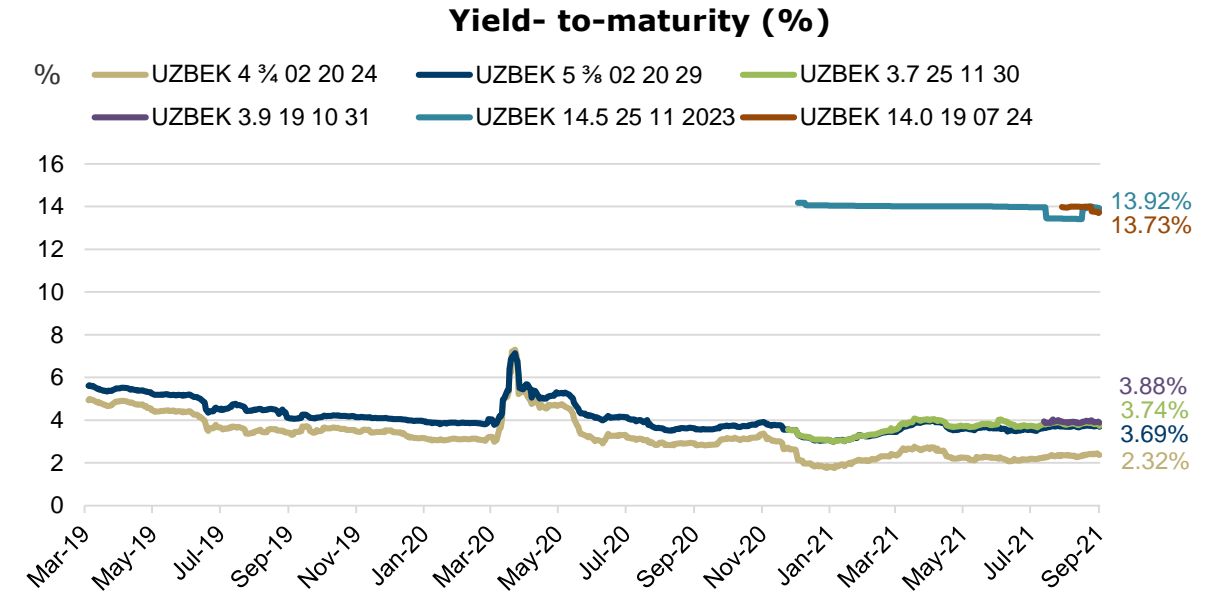


Note 1: Nominal value of each bill and bond is equal to UZS 1.0 m. All calculations are derived based on the nominal value of the securities issued

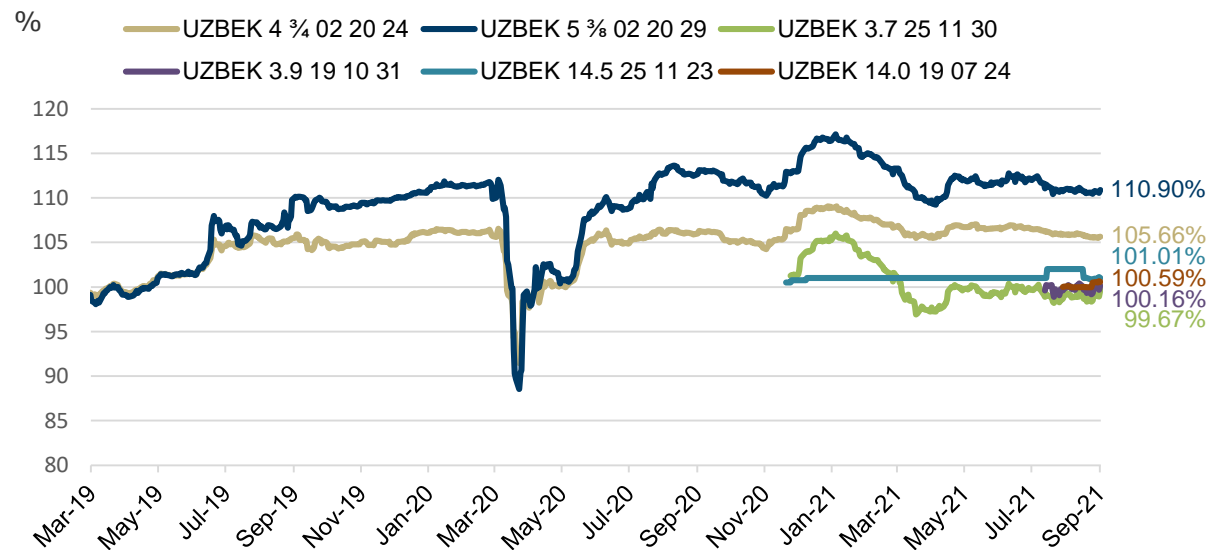
Source: Ministry of Finance of the Republic of Uzbekistan

9. Sovereign Eurobonds

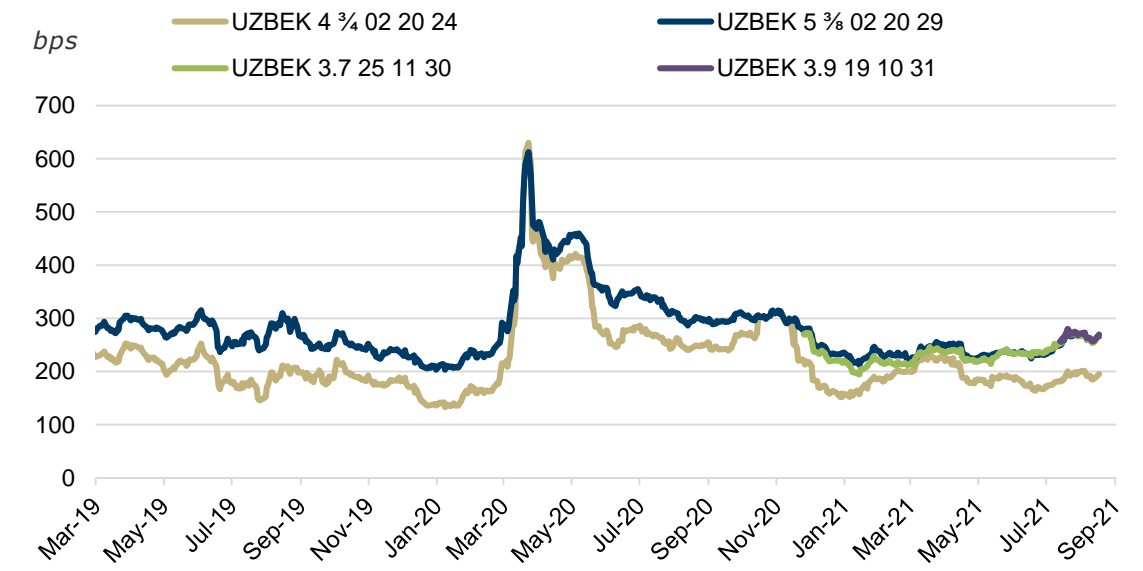
Settlement Date	Issuer	S&P	Fitch	Coupon(%)	Volume	Maturity
20 Feb 2019	Uzbekistan	BB-	BB-	4.75	U.S.\$ 500 m	20 Feb 2024
20 Feb 2019	Uzbekistan	BB-	BB-	5.375	U.S.\$ 500 m	20 Feb 2029
25 Nov 2020	Uzbekistan	BB-	BB-	3.7	U.S.\$ 555 m	25 Nov 2030
25 Nov 2020	Uzbekistan	BB-	BB-	14.5	UZS 2.0 tn (~U.S.\$ 192.5 m) ¹	25 Nov 2023
19 July 2021	Uzbekistan	BB-	BB-	3.9	U.S.\$ 635 m	19 Oct 2031
19 July 2021	Uzbekistan	BB-	BB-	14.0	UZS 2.5 tn (~U.S.\$ 235.4 m) ²	19 July 2024



Price (% , relative to the nominal value)



Spread-over-the-benchmark (bps)

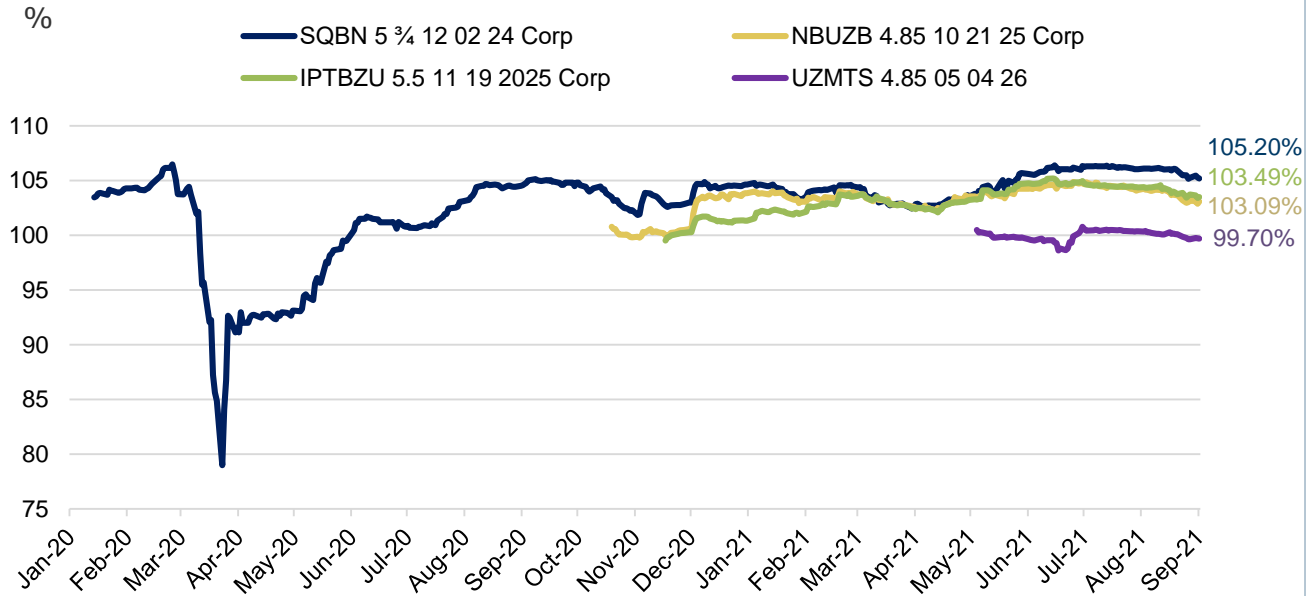


Note 1: Official exchange rate for 19 November 2020, USD/UZS = 10 391
 Note 2: Official exchange rate for 12 July 2021, USD/UZS = 10 621

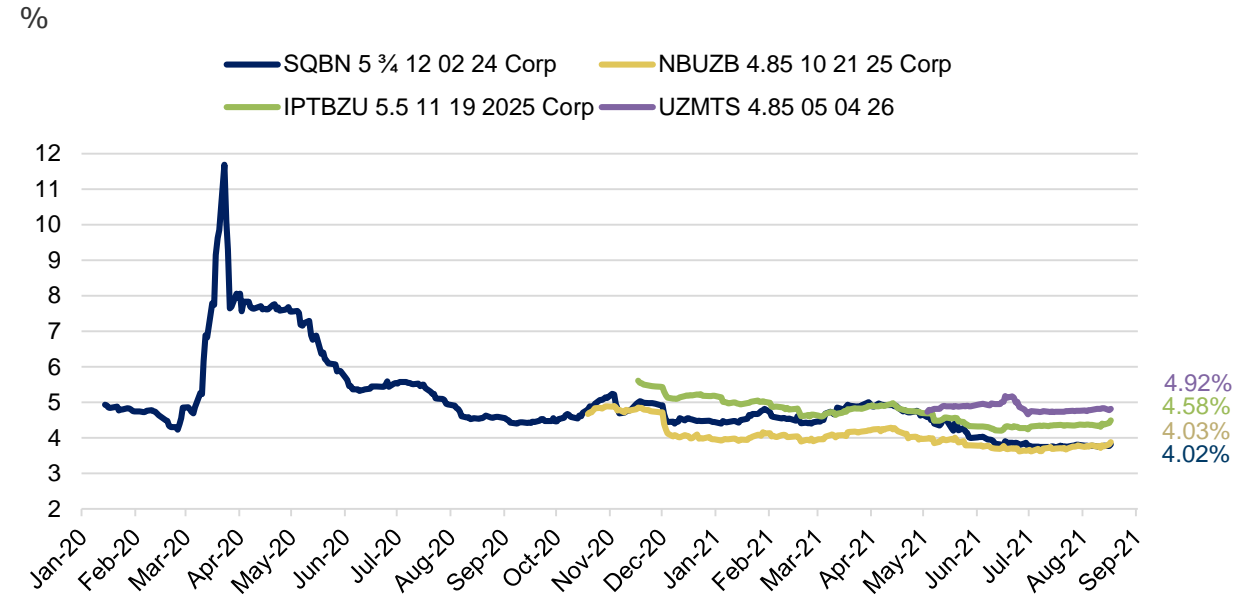
Source: Bloomberg Terminal
 (As of September 1, 2021)

10. Uzbek corporate Eurobonds

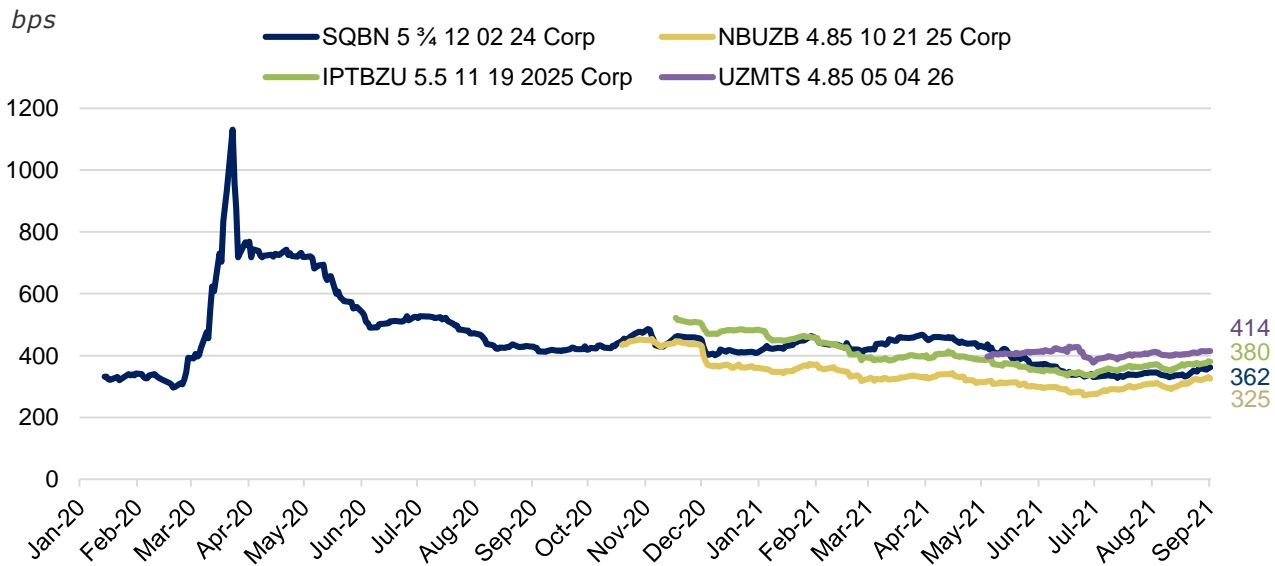
Price (% relative to the nominal value)



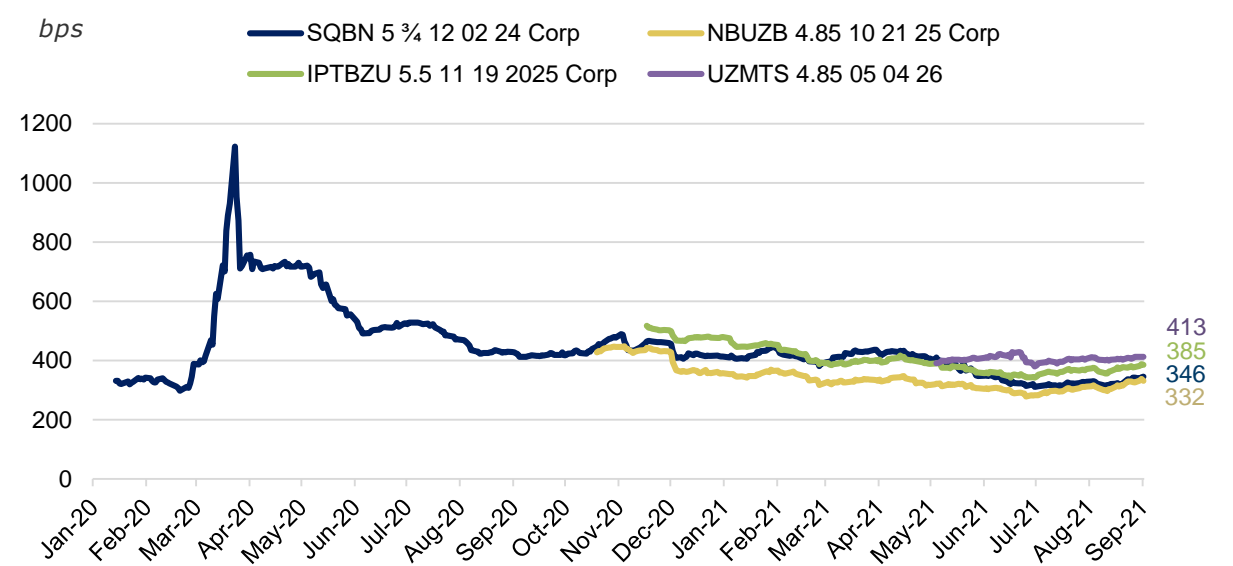
Yield-to-maturity (%)



Spread-over-the-benchmark (bps)



Z-Spread (bps)



29-30 September, 2021



Uzbekistan Economic Forum 2021 will be held in Tashkent on September 29-30

The Forum is held with the support and high level participation of the World Bank and the Asian Development Bank that brings together around 300 in-person participants, including high level representatives of the Uzbek Government, international business and financial communities, international and regional multilateral development institutions, policy makers, NGOs and international media.

While economies the world-over continue to grapple with COVID-19 pandemic and its socio-economic consequences, Uzbekistan has demonstrated economic resilience, responding to the crisis with a host of support measures. These emergency measures signal Uzbekistan's unwavering commitment to continue its reform agenda, launched in 2017.

The Forum offers a unique occasion to discuss and deliberate plans to maintain the economic liberalization course and build a more open, internationally integrated and competitive market economy. Moreover, participants will have the opportunity to engage policymakers about initiatives to improve the investment climate and maintain macroeconomic stability with the aim of bettering living standards and fostering sustainable, inclusive economic growth.

Source: www.economic-forum.uz

10 August, 2021



A meeting of the Republican Council for working with the International Ratings and Indices was held

On August 10, regular quarterly meeting of the Republican Council for working with the International Ratings and Indices was held. It was chaired by the Chairman of the Senate, Tanzila Narbayera (*the Chairman of the Council*). The meeting agenda:

- the implementation of the action plan for 2021 to improve the positions of the Republic of Uzbekistan in the priority international ratings and indices in the socio-economic and political-legal spheres for the first half of the year;
- the implementation of the Action Plan to reflect the position of the Republic of Uzbekistan in the World Economic Forum's Global Competitiveness Index;
- the Presidential Decree dated January 14, 2021 "On measures to introduce an effective mechanism for determining the rule of law in the Republic of Uzbekistan".



Source: www.ratings.gov.uz

20 August, 2021



Virtual capacity building workshops were held in cooperation with UNDP on Uzbekistan's SDG bonds

On August 17-18, Ministry of Finance in close cooperation with UNDP organised two-day seminars in order to build capacity in Sustainable Development Goal (SDG) bonds, as well as specifications, principles and compliance criteria. These seminars were attended by the UNDP experts, representatives of the Ministry of Finance, relevant ministries and agencies.

During the two-day workshops aimed at capacity building, participants got acquainted with the Uzbekistan's SDG Bond Framework, discussed the use of proceeds, placement, tracking and management of bond proceeds in accordance with international standards, as well as the positive aspects of issuing SDG bonds and considered possible further steps of the country towards sustainable development. SDG bonds of the Republic of Uzbekistan are one of the innovative mechanisms for attracting international private capital to finance projects aimed at achieving the SDGs until 2030. The Ministry of Finance, together with the UNDP, directly cooperates in the implementation of the following goals:

- Preparation of reports the Allocation report and "Impact reporting";
- Monitoring the impact on progress and quantifying results based on indicators within the SDG impact framework;
- Conducting spot-checks for selected projects;
- Increasing transparency and accountability to the public and investors in the coordination of issued sovereign international bonds with the SDGs and the use of state-raised funds.

These seminars serve representatives of relevant ministries and departments to share the knowledge necessary for the implementation of the SDG goals.

Source: www.mf.uz



Ministry of Finance of the Republic of Uzbekistan
Debt Management Office

Contact us

29, Istiqlol, Yunusobod distr., Tashkent city, 100017, the Republic of Uzbekistan

Phone: (+99871) 239-48-12, E-mail: DMO@mf.uz

Web-site: www.mf.uz