



Covid-19: Anti-Crisis Measures

The Republic of Uzbekistan

The Presidential Decree 5969

The Decree of the President of the Republic of
Uzbekistan from March 19, 2020 No. PD-5969
"On priority measures to mitigate the negative impact of
the coronavirus pandemic and global crisis on the
economy"

The Republican Anti-Crisis Commission is formed to prompt
operative solutions and implement measures for the provision of
macroeconomic stability, uninterrupted operation in the sectors
of the economy and social protection of citizens during the crisis

Preventative measures



The special hospital with 20,800 beds is being constructed in the Upper Chirchik District, another one with 10,000 beds is at Zangiata District. Likewise, modular hospitals and quarantine stations with capacity of one thousand people each are Surkhandarya, Namangan and Navoi regions

Private medical hospitals and clinics are permitted to provide medical services to patients infected with COVID-19 and all expenses will be covered by special Anti-Crisis Fund



The Ministries of Health and Finance are to purchase 300,000 express tests and 500 artificial ventilators and to set up mobile laboratories in high-risk areas



Production of medical masks is set to increase to 5 million pieces a day





Anti-Crisis Fund

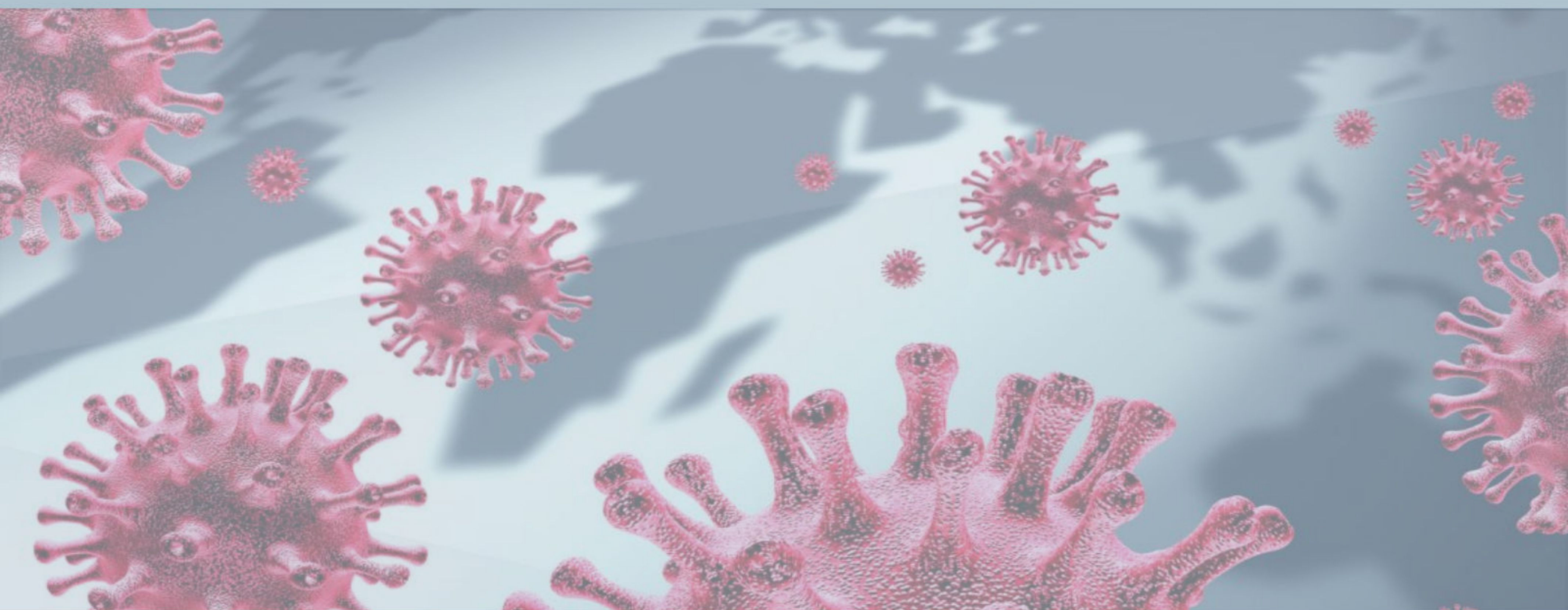
**10
trillion
soums**

~USD 1.05 bn

Anti-Crisis Fund has been created at the Ministry of Finance and will be financed by State Budget

**USD 1.0
billion**

Cabinet of Ministers to attract USD1.0 bn of external borrowing to finance the State Budget



How will the Fund money spent?

Mitigating coronavirus infection
financing measures to combat the spread of coronavirus infection

1 trn soums

~USD104.6 m

8.3 trn soums

~USD868.5 m

Stabilizing economic activity

supporting entrepreneurship, employment, infrastructure projects, investment program and sustainable functioning of key sectors of the economy

Social support
expansion of social support including the protection of low income households

0.7 trn soums

~USD73.2 m



- Mitigating coronavirus infection (10%)
- Stabilizing economic activity (83%)
- Social support (7%)

Tax preferences



The minimum amount of **social tax** has been reduced by 50% of the basic estimated amount per month for individual entrepreneurs

The amount of deductions from the proceeds of **wholesalers of alcoholic beverages** is reduced from 5% to 3%



The **tax rate for the usage of water resources** on agricultural irrigated land is reduced by 50% of the current rates for 2020

The 6 months **interest free deferrals** of property tax, land tax and the usage of water resource tax



Medicines, substances, medical equipment and other necessary goods imported to Uzbekistan are exempted from **customs duties and VAT**

Reduced rates of property tax and land tax to be applied for unused facilities of the entrepreneurs until October 1, 2020

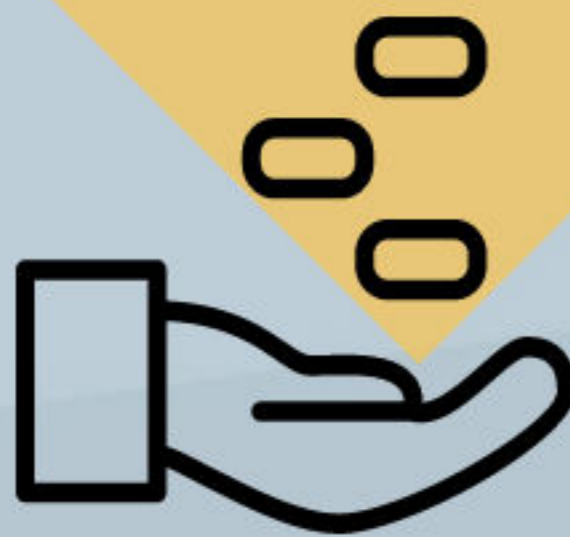


Zero rent policy has been introduced for businesses using 3,600 government-owned properties

Social protection



- The number of recipients of social benefits will increase by 10%
- Extra UZ\$5 m to UZ\$25.0 m (USD500-2600) to be paid as additional salary to doctors, nurses, laboratory assistants and other employees in quarantined hospitals



- 1.04 million employees of state educational, sports and cultural institutions that have suspended their activities will continue to receive salaries
- Employers are prohibited to lay off quarantined employees or their family members



- 100% of the average salary to be paid to workers taking cares of their children during quarantine period
- Employees, especially pregnant women, elders, people with disabilities and chronic diseases can be transferred to a distant working method with flexible working hours



- Employees over the age of 60 and with chronic illnesses should stay at home and would be given 100 per cent paid leave
- Government agencies and non-governmental organizations are taking at least 50 per cent of their employees on paid leave, and the rest are being transferred to remote work.

Supporting business through new loans and deferrals

Revolving credit facilities to businesses

Up to 30trn soums of renewable RCFs to made available for private sector businesses to avoid liquidity gap and ensure continued production of essential consumer and medical products

30 trn soums

~USD3.14 bn

5 trn soums

~USD523.2 m

Debt service deferrals

Business in tourism, hospitality, transport and logistics sectors to benefit from zero fees debt service deferrals on 5trn soums of loans by October 1, 2020

Rescheduling of JSC "Uzbekistan Airways" loans

Within one months JSC "National Bank of Uzbekistan", as the main financing bank of JSC "Uzbekistan Airways", to revise a new debt repayment schedule for its maturing debt of USD111 m in 2020

USD111m

1 trn soums

~USD104.6 m

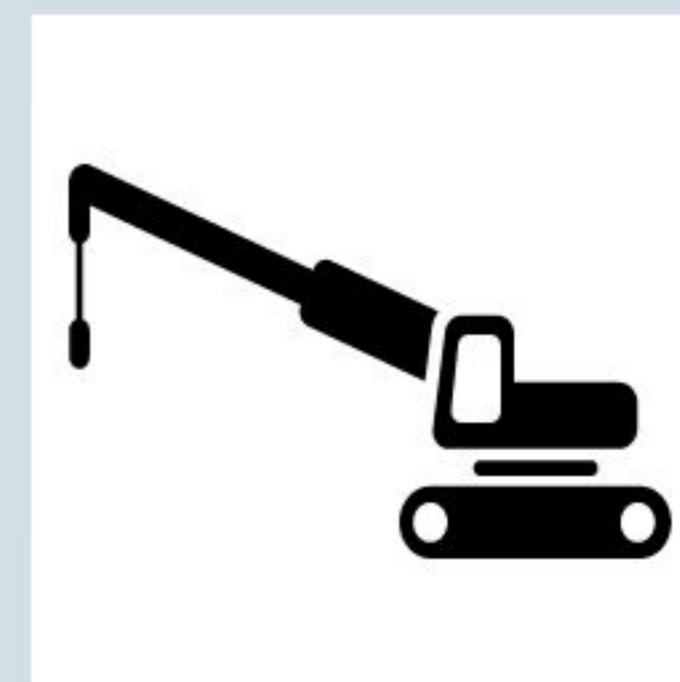
Additional liquidity provision

The Central Bank of Uzbekistan to ensure monthly liquidity provision of UZS1 trn through Repos – 500 billion soums and Swap – 500 billion soums. Additionally, total of 5000 ATMs are being constantly supplied with a sufficient amount of cash and another 2000 ATMs will be established by the end of 2020

Additional measures

Revision of Investment Program

Revising the Investment Program with the redirection of funds for the implementation of the priority infrastructure projects that provide opportunities for entrepreneurship and employment, including engineering communications in industrial zones



Price stability through sufficient supply and close monitoring

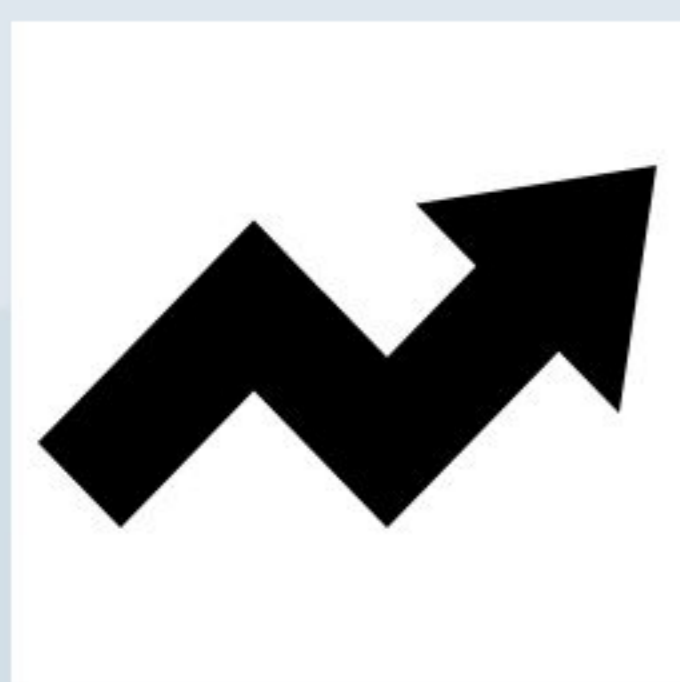
Essential consumer goods and medical equipment to be produced and imported to avoid shortages and unnecessary price increases. When necessary, government reserves to be utilized

Stimulating exports

Businesses to export goods without payment guarantee
Remaining barriers to export to be removed



Supporting strategies



Terms of investment commitments to be extended by another 6 months within the framework of project implementation

Banks cannot suspend the bank accounts during the quarantine period despite extended lack of activity

Licensing requirements for supply and transport of the goods to be abolished during the quarantine period