



Ministry for Foreign Economic
Relations, Investments and Trade
of the Republic of Uzbekistan



MINISTRY OF FOREIGN ECONOMIC RELATIONS, INVESTMENTS AND TRADE OF THE REPUBLIC OF UZBEKISTAN
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INVEST IN UZBEKISTAN





Sustainable flows of foreign investments to our economy convincingly prove efficiency of economic policy, which we carried out towards renovation and modernization of our economy, and in the first place, creation of favorable business environment and reliable guarantees for foreign investors in our country.

*Islam Karimov
President of the Republic of Uzbekistan*

尊敬する日本ウズベキスタン経済合同会議の参加者の皆様！

日本の一流企業の関係者の皆様！親愛なるご友人の皆様！

日本ウズベキスタン経済合同会議の開催に合わせて作成されたウズベキスタン共和国と日本の貿易・経済協力発展の展望に関する冊子の中で、このように皆様にご挨拶申し上げることができ、心よりうれしく思います。

ウズベキスタンと日本は、友好関係と戦略的パートナーシップにより緊密につながっています。実り多い相互関係を保ってきた年月の中で、両国間の協力は、質的にも新しく、多角的で相互互恵的な性質を持つようになりました。また、要人の相互訪問により、ウズベキスタンと日本のさらなる関係発展のための堅固な基盤が築かれ、貿易と投資を促進する政府間協定が締結されました。

日本は、ウズベキスタンにとり最も重要な経済のパートナーであります。現在、我が国では、住友商事や伊藤忠商事、三菱商事、三井物産、丸紅、いすゞ、トヨタなど、その他多くの日本の一流企業の事業が展開されています。これらの企業が参画して、ウズベキスタンで多くの大規模な投資事業、インフラ事業が実施され、また、現在も実施されています。

ウズベキスタンは、特に、ナヴォイ自由産業経済特区やアングレン産業特区の先例のない条件や可能性を広く活用して、新しいハイテクノロジーの生産拠点を共同で作るなどして、日本のビジネスがウズベキスタンで拡大していくことに関心を抱いています。

私たちは、日本企業との投資協力において有望な分野は、化学工業（エチレン、スチロール、ポリスチロール、家庭用化学製品等の生産）、製薬産業（腫瘍や心臓血管、眼病などの疾患の治療薬の生産）、エレクトロニクスや電気工業（さまざまな家電製品の生産）、食品の生産（離乳食やインスタント食品、冷凍食品など）、繊維産業（衣料品の生産）、天然資源の採掘などであると考えています。

日本企業との投資協力は、私たちにとり、財源という意味よりもむしろ最新の技術や先端を行く経験、近代的な経営方法と品質規格などを取り入れるという意味で重要であります。

日本との関係を活性化していくのに重要になり得るものとして、観光関連団体の交流を拡大することによって観光分野における協力関係を強化し、ウズベキスタンの観光インフラの発展とともに携わることがあげられます。

ウズベキスタンと日本には、二国間の経済関係に新しい中味を持たせるためにまだ活用されていない大きな可能性があります。その意味からも両国の政府や経済界の定期的な対話は、貿易や投資の相互作用の強化において極めて重要な役割を果たすものであります。

私たちは、今回の日本ウズベキスタン経済合同会議が両国の相互互惠経済関係のさらなる発展と拡大を促進するものと確信しています。

ウズベキスタン共和国対外経済関係投資貿易省



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CHAPTER 1

Business Sectors



Uzbekistan possesses considerable economic potential. Over the years of independence such sectors as automobile manufacturing, agricultural machinery, oil and gas, chemical, light, pharmaceutical and food industries gained new development impetus.

Oil and Gas Industry

The history of the oil and gas industry of Uzbekistan dates back to 1885. Today, the country is one of the largest suppliers of energy resources to foreign markets.

Oil and gas industry is represented by National Holding Company (NHC) "Uzbekneftegaz". It consists of six major joint stock companies, comprising more than 190 enterprises of the complex. They perform exploration, exploratory drilling and production drilling of oil and gas wells, oil and gas fields development, oil, gas and gas condensate production, natural gas processing, transportation and gas underground storage, management of the facilities that transport natural gas from Uzbekistan to national consumers and abroad, as well as providing transit of the natural gas from neighboring countries, design works,



capital construction and improvement of production, transport, oil and gas processing facilities, oil products are realized to economy sectors and population of the country, the production of engineering products for businesses and organizations of oil and gas and gas chemical complexes. The state is the major stakeholder of the NHC “Uzbekneftegaz”.

The main oil and gas bearing region of the country can be divided into five districts. These are Ustyurt, Bukhara-Khiva, Gissar, Surkhandarya and Fergana regions. Nowadays, there are more than 243 discovered deposits of oil, gas and gas condensate. Out of them, 104 are being developed, 71 – ready to develop and 68 are in the process of study.

The country has an extensive gas transportation system. The total length of gas pipeline is more than 13 thousand km. More than 250 compressor stations are located on their way.

Current Trends in Oil and Gas Industry

Over the years of independence Uzbekistan performed great deal of work to rehabilitate existing facilities, build new plants, booster compressor stations, gas underground storages. Currently, NHC operates two oil refineries – Ferghana and Bukhara oil refineries, Mubarek gas processing plant, Shurtan gas processing plant Shurtan gas chemical complex and others.

Nowadays more over 20 joint ventures are operating within “Uzbekneftegaz”. As for newly-established joint ventures, they include “Asia trans Gas”, “Uz-KorGas Chemical”, “Uzbekistan GTL”, “Uz Prista”, “Uz Dresser-rand”, etc.

A few production sharing agreements are implemented with “Gazprom” and “Lukoil” companies, as well as with the International Consortium of investors.

In accordance with the agreements to conduct exploration work carried out cooperation with companies such as “Gazprom” and “Lukoil” (Russia), “CNPC International” (China), “Korea National Oil Corporation”, “Korea Gas Corporation” (South Korea) and “PetroVietnam” (Vietnam) are involved.



The industry develops in accordance with the Decree of the President of the Republic of Uzbekistan “On the priorities of industrial development of Uzbekistan in 2011-2015 years”, according to which NHC “Uzbekneftegaz” will implement 37 investment projects of total value of 19.39 billion USD and 41 projects worthy about 9.2 billion USD are on development stage.

And also in accordance with the Decree of the President of the Republic of Uzbekistan “About investment program of the Republic of Uzbekistan in 2014 year”, NHC “Uzbekneftegaz” implements 34 investment projects of total value of 25.7 billion USD.



Also on the stage of development are 19 projects with a total cost 4.33 billion USD.

Future Developments in Oil and Gas Industry

“Uzbekneftegaz” together with foreign partners prepares a number of important investment projects, whose realization will have a significant impact on the fuel market pattern, both nationally and in the region. For instance:

- project on construction of Ustyurt Gas chemical complex for Surgil deposit. The main foreign partner is a Consortium comprising “KOGAS”, “Lotte Chemical” and “STX energy” South Korean companies. The project is implemented through international project financing. In accordance with the approved Decree of the President of the Republic of Uzbekistan Feasibility Study from 2013, June 24 “About approving of the feasibility study of the investment project “Construction of Ustyurt GCC at Surgil deposit with the arrangement of the field” Design capacity – 3.8 billion cubic meters of gas, as much as 387 thousand tons of polyethylene and nearly 83 thousand tons of polypropylene per year. The process Licensors is “KBR”, “Ortloff” and “UOP” (USA);

This project of construction of Ustyurt Gas Chemical Complex on the basis of Surgil gas field was awarded as a deal of the year on oil and gas-chemical sector in 2012 by “project Finance International” of “Thomson Reuters”. Prize presentation ceremony took place on January 30, 2013 in London, Great Britain.

Moreover, recently one of the worlds authoritative rating agencies – British “Dealogic” in association with leading US newspaper – “the Wall Street Journal” included the project of construction of Ustyurt Gas Chemical Complex to top ten investment projects of the world in 2012 along with projects on oil-gas, mining, transport and communication spheres, which are implemented in Australia, USA, France, Great Britain, Singapore and Germany;

- project on construction of a plant to produce synthetic liquid fuels near Shurtan Gas Chemical Complex in Kashkadarya region. The main international partners are “Petronas Carigali” and “Sasol” companies. GTL production process based



the SASOL's own process, will allow to annually process approximately 3.5 billion cubic meters of purified methane of the Shurtan Gas Chemical Complex and produce 1.5 million tones of highly liquid products (diesel fuel, jet fuel, naphtha, liquefied petroleum gas).

Today only five similar commercial projects are realized in the world. Uzbek project will be another one.

Available Industry Benefits

- Organization of production of polymers (polycarbonate, polystyrene, ABS plastics, etc.) on the basis of deep processing of hydrocarbons;
- Organization of production of liquefied natural gas (LNG);
- Extension booster station on South Urtabulak field (with Samantepa mine);
- Exploration work in Akdzharskom Chimbay and investment blocks of the Republic of Uzbekistan;
- Exploration work in oil and gas investment units (Khorezm and Meshekli-Tuzkoysky investment blocks) of the Republic of Uzbekistan;
- Realization of projects to increase oil production from long-developed fields with hard-recoverable reserves (use of new methods of oil recovery);
- Exploration works and production of hydrocarbons at Baisun and Surkhan investment blocks of the Republic of Uzbekistan;
- Conducting exploration in the fields of Kuanish Akchalak group and Ustyurt region;
- Construction of 28 wells group of fields and construction of a booster compressor station Northern Nishan.

Chemical industry

The chemical industry of Uzbekistan is the sector, including enterprises producing mineral fertilizers, plant protection agents, chemical fibers and yarns, synthetic resins, polymer products and other.



This sector is represented by Uzkimyosanoat State Joint-Stock Company (SJSC). It brings together 13 industrial enterprises, 13 regional distribution organizations that sell chemical products to the agricultural sector, a design and a research institutes, transportation organizations, as well as a broker company.

Currently, Uzkimyosanoat enterprises are producing the following products:

- Mineral fertilizers and inorganic products (nitrogen, phosphorus and potassium fertilizers, ammonia, caustic soda, soda ash);
- Organic chemistry, synthetic threads and polymer materials (cellulose diacetate, acrylic fibre, acetate threads, polyethylene products);

— Chemicals for energetic and chemical industries, as well as for gold-mining (sodium cyanide, thiourea, polyacrylamides, nitric, sulphuric, hydrochloric acid, catalysts, acetic acid, acetylene, etc.);

— Chemical plant protection agents (herbicides, insectoacaricides, seed protectants, fungicides, chlorate magnesium defoliant.

Current Trends In Chemical Industry

Through output diversification and foreign markets development, new productions, such as methanol, ammonium chloride, monoammonium phosphate etc. were established. Presently, chemical products are exported to more than 30 countries.

The total output volume in 2013 comprised 1 655,3 M sums (equivalent to 752,4 thousand USD). The production of mineral fertilizers reached 1 192 thousand tones in 100 % useful substance. Production of large range of chemical products, such as fodder ammonium phosphate, urea-ammonium nitrate, cosmetic items and others has been developed.

Furthermore, the following joint ventures were established in Navoi Free Industrial Economic Zone:

- Navoi Beauty Cosmetics LLC JV, established in partnership with DK Cosmetics (South Korea) to produce 24 types of cosmetics; production capacity – over 3 M pieces per year;
- Navoi Hunan Pulp LLC JV, established in partnership with Hunan Aloft (China) to produce of baby diapers and other hygienic items; production capacity – 120 M pieces per year;

Jizzakh Plastmassa OJSC started production of haberdashery, toys and consumer goods; annual production capacity is 582 tonnes;

Maxam-Chirchiq OJSC began producing low-density (porous) ammonium nitrate with the annual production capacity of 60 000 tonnes.

Future Developments in Chemical Industry

The program on development of the industry of the Republic of Uzbekistan in 2011-2015, includes 30 chemical projects to the total value of 2,8 bn USD, of which:

- 7 projects to the total value of 1 632,1 M USD (on-going);
- 9 projects to the total value of 421,5 M USD (being developed);
- 14 projects to the total value of 813,5 M USD (prospective).

At the same time, the program for production expansion and development of new types of competitive products covers 14 projects to the total value of 528,8 M USD, among them:

- 7 projects on competitive products output expansion at existing enterprises to the total value of 171,3 M USD;
- 4 projects on production of import-substituting assemblies, raw materials and materials to the total value of 79,0 M USD;

— 3 projects subject to accelerated implementation by shortening periods of preparation and implementation of the construction and installation works to the total value of 278,5 M USD.

12 investment projects to the total value of 2 413,9 M USD are being implemented within the Investment Program of the Republic of Uzbekistan for 2014. Also, 17 prospective investment proposals to the total value of 587,6 M USD are planned to be worked at within the Investment program.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a broad package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties for the investment's security;
- Stable growing demand in Central Asia, Middle East, Southeast Asia and Eastern Europe and etc.





Automobile Manufacturing and Agricultural Machinery Industry

Automotive industry of Uzbekistan is represented by the “Uzavtosanoat” Joint-Stock Company, which is a direct founder of 51 enterprises and organizations, including a higher education institution – a branch of the Turin Polytechnic University in Tashkent city. Today more than 24 thousand people are employed in “Uzavtosanoat” system.

Current Industry Trends

Production structure of “Uzavtosanoat” is presented by four blocks:

1. Production of passenger cars under brand “Chevrolet” such as Malibu, Captiva, Lacetti, Cobalt, Nexia, Spark, Matiz, Damas and Orlando models are organized in association with General Motors on the basis of “General Motors Uzbekistan” CJSC. Annual production capacity – 250.000 cars.

2. Commercial vehicles sector of “Uzavtosanoat” include Uzbek-Japan

“SamAvto” JV LLC which produces small buses and trucks and Uzbek-German “MAN Auto Uzbekistan” JV on manufacture of heavy duty trucks. Annual production capacity – 1.200 MAN trucks, as well as 3.000 ISUZU trucks and buses.

3. “GM Powertrain Uzbekistan” JV CJSC, which was established in association with GM on December 2008 produces engines for passenger cars. Annual production capacity – 250.000 units. Major exporting markets are South Korea, China and Indonesia.

4. Production of spare parts at 20 major and 160 small automotive suppliers

Localization level of passenger cars makes up more than 80%, however “Uzavtosanoat” continue works on organization of new production.

Production of agricultural machinery includes following enterprises:

1. “UzCLAAS Agro” JV, established in association with German CLAAS KGaA mbH and produces Dominator 130, Tucano 430 grain harvesters, Axos 340, Arion 630c, Axion 850 universal tractors, Jaguar 850 forage harvesters and Markant 55 balers.

2. “UzCase Tractor” JV, established in association with CNH (USA) and produces TS 6070 and TL 100 universal tractors.

3. “Tashkent Tractor Plant” OJSC (TTP), which produces TTZ80.10, TTZ80.11, TTZ60.10, TTZ60.11, TTZ100.10, TTZ100.11, TTZ-82P universal and cotton growing tractors, MX-1.8 cotton picker, as well as 2PTS-793A-03A and 2PTS-793A-04A tractor trailers.





4. “Lemken Chirchiq” JV, established in association with Lemken GmbH & Co. KG (Germany) and produces “Euro Oral 73+1” universal mounted reversible plows, “Zirkon 8/250” rotary harrows, “Smaragd 9/300” rotary tillers and “VarioPack 110 WDP70” soil sealants.

Future Industry Developments

Production of new modern car models that meet international safety, quality and environmental standards performance is one of the main priorities of the Uzbekistan’s automotive industry development.

In order to better meet the demand for automotive products in the domestic market and to increase the country’s export potential a number of projects for the development of new cars models based on the advanced high-throughput technologies are implemented.

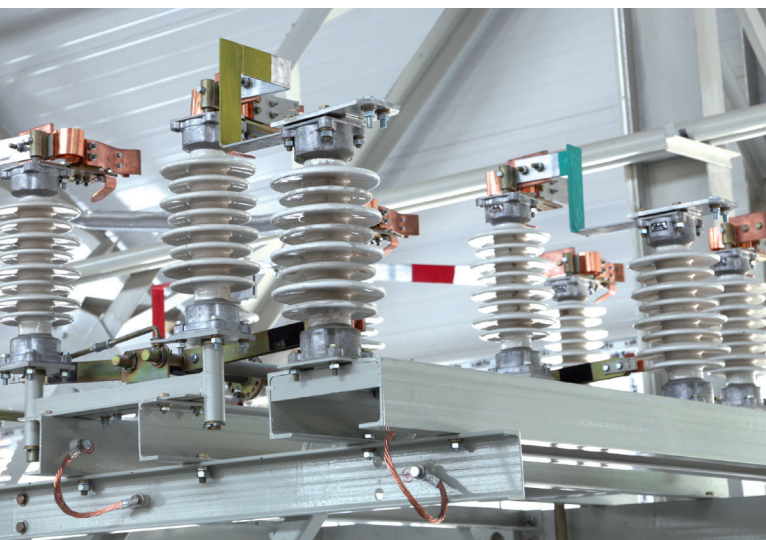
Moreover, mini-tractors for gardening, front loaders and DISCO mowing machines are scheduled to produce.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a broad package of benefits and privileges;



- Political and macroeconomic stability in the country, that guaranties the investment's security;
- Market access to CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan;
- Convenient geographical location of the country;
- Skilled professionals and quality educational institutions;
- Relatively cheap energy.



Electrical Industry

Electrical Industry in Uzbekistan is represented by 37 companies of various forms of ownership, including with foreign investment and 30 of them are members of “Uzeltekhsanoat” Association.

Electrical industry enterprises are focused on the following areas:

- processing of copper resources (production of cables and wires);
- production of industrial and technical products (production of transformers, substations, distribution panels, elevators, various accessories and key components for other industries);

- production of complex household and radio technical products (TV sets, household and industrial refrigerators, air conditioners, electric kettles and irons);
- maintenance and repair services.

Current Trends in Electrical Industry

For the recent times, production of over 40 items of household and industrial outputs has been launched by the enterprises of “Uzeltechsanoat” Association. Currently, electrical industries of Uzbekistan are closely cooperating with a lot of foreign companies on various fields. The main trends of cooperation are:

- joint implementing of investment projects in order to establish joint ventures with foreign investors' share;
- production of electrical goods in association with top-ranked electrical manufactures, including in terms of license contract;
- attracting state-of-the-art technologies and technologic now-how.

At the present time production of high-quality import substituting electric products of consumer goods was achieved by electrical industries in Uzbekistan, including with share of foreign investments. In particular:

- “UZCABEL” JV, “ANDIJANCABLE” JV, “DEUTHECABLE” JV and “RAV EXPRESS” JSC – production of cable and wire products from copper, aluminum, painting products, lubricants, steel products and copper tubes;
- “UZELECTROAPPARAT-ELECTROSHIELD” JV, “CHIRCHIK TRANSFORMER PLANT” JV, “SAMARKAND ELEVATOR PLANT” JSC – production of power transformers, transformer substations, switchgears and elevators;
- “NEO SUN LIGHT” JV, “UZKOR LIGHTING” JV, “WHITE MACHINE TECHNOLOGY” JV, “ZENITH ELECTRONICS” JV, “ECO ELECTRON” JV, “FOTON” JSC, “ALGORITM” JSC and “SINO” JSC – production of energy saving lamps , air conditioners,

microwave ovens, LCD TV sets, electric vacuum cleaners, refrigerators and freezers, washing machines gas cookers, electric cookers, wind ovens, electronic balance, semiconductors;

Future Industry Developments

Additional activities on implementation of long-term investment projects, aimed at development of import-substituting, production of competitive electrical products due to 2015 and the expansion of production volumes are conducted by the association's enterprises to advance the electrical industry through establishing new production facilities and development of new types of consumer electronic products.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties for the investment's security;

- Market access to CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan;
- Convenient geographic location of the country;
- Skilled professionals and quality educational institutions;
- Relatively cheap energy;
- Access to the unused buildings and structures under the zero value on the condition of mandatory investment.





Light Industry

Uzbekistan's light industry is represented by "O'zbekyengilsanoat" State Joint Stock Company, which currently includes 300 enterprises. They are specialized on textile, silk, knitting industries. To date they perform yarn and cotton fabrics, knitted fabrics, knitwear and hosiery, as well as the threads of raw silk and health products production.

Current Trends in Light Industry

Currently, 75% of Uzbek textile products are produced by joint ventures and international enterprises equipped with tools from the world's leading textile machinery companies such as "Tryuchler", "Schlafhorst",

"Tsinzer" (Germany), "Rieter" (Switzerland) "Toyota", "Murata" (Japan), "Savio", "Orizio", "Martsoli" (Italy).

Large foreign investors such as the "Daewoo International", "Daishin textile", "Shindong Enerkom" (South Korea), "Indorama Industries PTE. Ltd." (Singapore), "Bayteks Tigaret", "Tekfen", "Bo Group", "Mert iplik" (Turkey), "Vayreks", "Osborne Trading", "Tagus" (Great Britain) and other are operating in the country.

To date foreign investments worth over 2.0 billion USD have been attracted to the industry. More than 150 companies established with share of foreign investors from Germany, Switzerland, South Korea, Japan, Turkey, USA, India, etc. More than 150 projects specialized on clothing production (sportswear, clothing for adults, children's clothes, underwear, etc.) are implemented.

In the recent years exports of products of the enterprises "Uzbekyengilsanoat" SCJC have been significantly increased, not only the volume but, the number of countries have been also increased as well as exporters number. Company's enterprises goods export has increased to more than 850 million U.S. dollars. At the present, by the company's enterprises have been established more than 50 dealerships exporters offices in the EU, the CIS and Asia. The main



exported product of the company are: cotton yarn, mélange yarn, compact yarn, finished knitted fabric, a wide range of sewing and knitting and hosiery as well as silk products. Each year new types of exported products are increasing, in 2012-2013 main exported product was mélange yarn, compact and dyed ones terry cloth, shirts, poplin, men's and children's shirts, satin, gabardine, costume and linens, baby diapers and labels, home textile, ready-made garment, jerseys of new models and styles and etc. Taking into account the demand of textile products in the global market, the company's enterprises independently as well as with "Uzbekyengilsanoat" SJSC, developing the geography export production and new market. In the period of 2011-2013, by the enterprises of SJSC "Uzbekyengilsanoat" new markets of 48 countries have been opened. During 2012-2013 it has been discovered such distant countries as Argentina, Brazil, Venezuela, Colombia, Peru, Chile and South Africa.

Future Developments in Light Industry

The program of priority measures to improve production and development of new types of competitive products describing implementation of 81 projects in 2013-2015 was approved by the Resolution of the President of the Republic of Uzbekistan dated April 30, 2013, No. PR-1961. The

total value of the projects is 262 million USD (including foreign investments), where 98 million – own funds, 164 million – commercial bank loans.

According calculations in case of above mentioned projects successful implementation annual increase of cotton yarn production will be achieved for 42 thousand tons, of finished fabrics for 5 million running meters, ready knitted for 26 thousand tons, of finished production for 74.6 million units, hosiery for 23.2 million pairs.

In addition to this, in 2014, it is expected realization of 22 projects which was approved by Resolution of the President of Republic of Uzbekistan dated November 18, 2013, No. PR-2069. The total value of the projects is 393.40 millions USD, where direct foreign invested are expected to be 105.9 million USD.

Available Industry Benefits

- Necessary legal framework contributing to creation of enabling environment for business and providing foreign investors with a package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties for the investment's security;
- Necessary and relatively cheap raw materials such as cotton and silk;



- Market access to CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan;
- Convenient geographic location of the country;
- Skilled professionals and quality educational institutions;
- Relatively cheap energy;
- Access to the unused buildings and structures under the zero value on the condition of mandatory investment.

Pharmaceutical Industry

Pharmaceutical Industry of Uzbekistan represented by 138 enterprises, including 22 joint ventures. They are mainly specializing on production of pharmaceuticals, medical devices, diagnostic aids and other items.

Current Trends in Pharmaceutical Industry

In Pharmaceutical Industry 70 pharmacological groups of medicines are being manufactured in Uzbekistan including cardiovascular drugs, vitamins, biostimulants, analgetics and anesthetics, antibiotics, antituberculosis drugs, antiseptics, anti-parasitic drugs, diagnostic products, vaccines, sera, bactericides, and other substances.

The total number of medical drugs registered in Uzbekistan reached 6,599 items and 1,127 of them are being produced by local companies. Today the pharmaceutical market of Uzbekistan totals more than 1 bln U.S. dollars and features quite high growth rates, average annual growth rate in the previous two years amounted to about 30%.

Companies with foreign participation are actively working on pharmaceutical market of Uzbekistan, among them “Nobel Pharmsanoat” LLC JV, “Ultra health Care” JV, “Jurabek Laboratories” LLC JV, “Remedy Group” LLC JV, “Novo Pharm” LLC, “Samsuntoshkentpharm” LLC and others.



Future Developments in Pharmaceutical Industry

The development strategy of the pharmaceutical industry envisages that the following objectives are met:

- Promoting national medical drug security. Its key aspect is guaranteed production of a number of drugs from substances to finished medical drugs;
- Increase in number of high-quality domestic medicines, covering market for at least 45-50%. To this end, investments for implementation of specific manufacturing projects are being promoted;
- Promoting innovative domestic drugs into the market.

It is planned in prospect to focus efforts on production of universal generics in all forms, including tablets, capsules, injectable drugs, infusion fluids, unctures and other, as well as immunological and psychotropic drugs, insulin, anti-cancer drugs, medicines from plant material.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties for the investment's security;
- Market access to CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan. Moreover, only Central Asian countries annual demand is more over 15.4 million of standard units;
- Existence of research institutions, highly skilled professionals and availability of educational institutions;
- Rich natural plant world of Uzbekistan: 138 families, 1023 genera, and 4,500 species, of which 1,150 species are considered to be medical plants. Officially more than 100 medicinal plant species are included in the Pharmacopea, which enables to produce original medications and biologically active additives using local raw materials;
- Relatively cheap energy;



- Access to the unused buildings and structures under the zero value on the condition of mandatory investment;
- Growing domestic market (with 29.5 million population). Total annual domestic demand is 6.6 million standard units of drugs.



Leather and Footwear Industry

Leather and footwear industry in Uzbekistan is represented by “Uzbekcharimpoyabzali” Association, which includes 66 production enterprises operating in production of leather, footwear, leather haberdashery goods and so on.



Current Trends in Leather and Footwear Industry

As for 2014, members of the association exported leather goods for 27.8 million USD. Besides neighboring states, goods were exported to European and Asian countries such as Spain, Italy, Turkey China, India, Pakistan and etc. The volume of attracted FDI worth 33.8 million USD in 2013.

Future Developments in Leather and Footwear Industry

In order to study footwear market trends, develop and launch production of new models of leather products Footwear Design Center has been established under the “Uzcharpoyabzali” Association,. Also, the work is underway on production of products consistent with international standards and to improve quality management systems in enterprises on an ongoing basis.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a broad package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties the investment's security;
- Market access to CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan.
- Convenient geographical location of the country;
- Relatively cheap energy and raw materials;
- Access to the unused buildings and structures under the zero value on the condition of mandatory investment;
- Potential domestic market in Uzbekistan with a population of 29.7 million people. Annual demand – 25.0 million pairs of shoes.



Food Industry

Food industry in Uzbekistan is represented by the Association of food industry enterprises of the country. More than 350 food manufacture companies are operated in Uzbekistan. They mainly specialized on production of confectionery, canned foods and beverages, meat and dairy products, vegetable oils, margarines and soaps, also provision of services to other companies in the industry.

Current Trends in Food Industry

Currently, large-scale modernization and technical upgrading of oil and fat, meat and dairy and food processing industries, introduction of modern high-tech innovations according to the international best practices are underway in food industry. The key to success was the attraction of foreign partners who have experience, design, technology and who brought investments. According to the last year results, the country's food production has increased by 13.8% exceeding 6.6 trillion soums. Significantly increased production of margarine products – by 19.3%, bread and bakery products – 45.5%, flour – 19.3%, and sugar – 12.8%.

Currently, 17 joint ventures operate within association of food industry. These include, for instance the

enterprises established together with world famous companies, such as “Nestle Uzbekistan” JV, “Coca-Cola Bottlers Uzbekistan” JV, “International Beverages Tashkent” LLC (“Pepsi-Cola”), “British American Tobacco Uzbekistan” JV.

Annual Uzbek market demand, based on the minimal medical standards of per capita consumption (6 kg per year) is about 180,000 tons of confectionery.

Annual actual level of production is 40 000 tones, or 18% of demand rate. The rest of the demand is met through imported products. The need of the Uzbek market, based on the minimum amount of demand is about 40 000 tons in a year (in sublimations). As imports and the range of such products coming from Korea, China, Russia, Turkey increase, demand for a universal nutrition form grows as well.

Future Developments in Food Industry

Food industry of Uzbekistan is now at a new stage of its development. According to the approved program of measures on expanding and developing the food industry for the period 2012-2015, Uzbekistan will significantly increase the production of major food products.

Overall, Uzbekistan plans to increase production of 16 ready products. According to experts, about 33



investment projects for 74.8 million U.S. dollars will be implemented in the industry in next five years.

Uzbekistan plans to launch production of fast food with use of sublimated products. During this period, Uzbekistan plans to start production of fast food, using freeze-dried pieces of fruit and vegetables, confectionery plant for processing cocoa beans, production of dry baker's yeast, iodized salt, and sugar.

Also, Uzbekistan plans to construct 44 milk processing enterprises, reconstruction, modernization and construction of 90 meat-processing industries, as well as reconstruct and modernize 26 plants and construct 78 plants on processing fruits and vegetables with total capacity of 40,700 tones.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a broad package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties the investment's security;
- Market access to CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan;
- Convenient geographical location of the country;
- Relatively cheap energy;
- Access to the unused buildings and structures under the zero value on the condition of mandatory investment;
- Potential domestic market in Uzbekistan with a population of 29.7 million people;
- Raw materials based on the climatic and environmental conditions, provide a unique opportunity for fruit and vegetable processing. For instance, from vegetables and fruits processing waste (bagasse, sludge) can be organized production of different pectins, that are able to remove harmful metals (lead, cobalt, copper, mercury) from human body and are widely used not only in the food industry, but also in pharmaceutical, textile, paper, leather, perfume industry, film industry, metallurgy, agriculture and medicine.



Building Materials Industry

Building materials industry is represented by “Uzstroyateriali” Joint Stock Company, which brings together more than 110 enterprises (except for branches and subsidiary enterprises).

They produce construction-related products, such as cement, slate, asbestos-cement pipes, concrete mixtures and mortars, lime, reinforced concrete and structures, gypsum, mineral-cotton products, “Skorlupa” pipes heat insulating sheath, BIKROM, dry mix – POLIIZOL,

glassware, expanded polystyrene heat insulated facade elements, chipboard, sandwich panels, marble, granite and other natural stones, bricks, electrodes, and nails.

Current Trends in Building Materials Industry

Currently more than 100 enterprises with the share of foreign investments are operated in Uzbek building materials market. Over 50 investment projects in the field of building materials industry have been implemented for recent times.

In particular in association with Chinese “Wenzhou Jinsheng Trade Co Ltd” the project on manufacture of ceramic tiles was implemented by

establishing “Peng Sheng” JV in Sirdarya region. Annual production capacity of the factory – 4.0 million square meters. Total amount of attracted foreign investments made up 20 million USD.

With share of German “Knauf” Company “Knauf Gips Bukhara” LLC JV was established in Bukhara region. Within the framework of new plant projects aimed at production of dry mix and gypsum board with total worth of more than 53 million USD were implemented. Annual production capacity of JV makes up 48000 tons of dry mix and 20 million square meters of gypsum board.

Moreover, in 2013 a new product line on manufacture of cement clinker by dry method has been launched at the “Bekabadcement” OJSC in association with Chinese “China CAMC Engineering Co.LTD”. Production capacity is 850 thousand tons of cement per year. Total amount of attracted foreign investment made up 63 million USD.

Another project - construction of cement grinding station for processing of the cement clinker, which producing by “Bekabadcement” OJSC with total worth of 33.2 million USD and annual production capacity of 1 million tons has been implemented in Yangiyul district of the Tashkent region with the share of capital of “Caspian recourses Ltd” (Kazakhstan).

Moreover, manufacture of 1 million square meters of foam polystyrene facing slabs and sandwich slabs at the “BML Group” LLC in Tashkent city, as well as 5 million square meters of soft roofing materials at the “Silk Road Ceramic” JV and 200 thousand cubic meters of gas concretes at the “Stroy Max Invest” JV LLC has been organized in Taskent region in 2013.

Future Developments in Building Materials Industry

The main priorities of building materials industry are diversification of production, expansion of assortment of building materials, export promotion and developing local market of construction materials with innovative characteristics.



Currently, the project on construction of the plant for production of ceramic tiles at the “EMG” FE is implemented in association with “Ehsan Maybod Manufacturing Group” (Iran). Cost of the project – 11.0 million USD and production capacity is 2.0 million square meters per year.

Also, the issues of implementing joint investment projects in the field of building materials industry with leading manufacturers of South Korea, China, Spain, Italy and etc., in Uzbekistan, in particular within the framework of Angren and Jizzakh SIZ are studied now.

Available Industry Benefits

- Legal framework contributing to creation of enabling environment for business and providing foreign investors with a package of benefits and privileges;
- Political and macroeconomic stability in the country, that guaranties the investment's security;
- Market access CIS whose population is over 300 million people, and also the existence of an agreement on free trade zone with Russia, Ukraine, Belarus, Kazakhstan, Georgia, Armenia, Azerbaijan, Moldova, Kyrgyzstan;
- Potential domestic market in Uzbekistan with a population of 29.7 million people;
- More that 500 deposits for production of building materials are available in Uzbekistan, including deposits of bricks, cement, haydite raw materials, cutting stone, gypsum, limestone, facing stone and other;
- Convenient country's geographic location;
- Relatively cheap energy;
- Access to the unused buildings and structures under the zero value on the condition of mandatory investment.

Tourism

Tourism in Uzbekistan is a national priority for sustainable development. Country has great potential for increasing export of tourism services.

Current Trends in Tourism Industry

More than one and half million of tourists, including over 600 thousand international tourists, which is 17.3% more compared to 2012, have been served by Uzbek tourism sector in 2013.

“Uzbektourism” NC board has summarized tourism sector development results for 2013, and according to its figures during this period, total number of tourists has increased by 12.4% compared to 2012, foreign tourists services – by 19.7%, domestic tourism – by 2.7%, tourist services volume – by 14.5%.





Tourism services exports reached 214.0 million USD with a growth rate 119.7% compare to 2012.

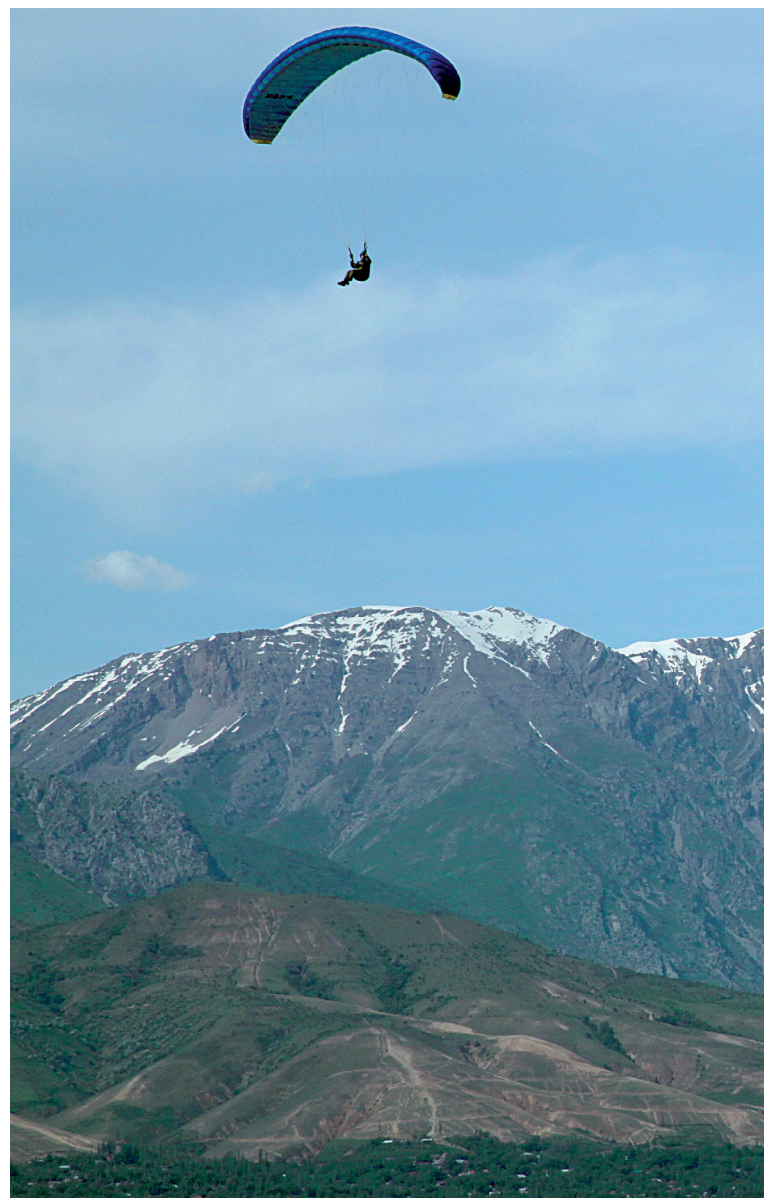
Today more than 1031 organizations are involved in tourism sector of Uzbekistan, including 531 tour operators and over 500 hotels.

Special attention is given to expansion of cooperation with foreign partners in development of domestic tourism industry. a number of marketing project as Mega-info-tours have been organized by “Uzbektourism” to widely present our country’s tourism potential and to increase number of tourists visiting Uzbekistan. Close cooperation ties with more than 200 travel agencies from different countries, such as Great Britain, Hungary, Italy, Spain, the Netherlands, Russia, Singapore, France, China and Japan are established.

Future Developments in Tourism Sector

In 2013, three state programs on the developing tourism and tourism services export potential in regions, according to which works on route, infrastructure development, project documentation preparation, land allocation, hotels construction completion and other measures for region’s tourism potential development are to be carried out by responsible local authorities during 2013 and 2015, were adopted by the government. Within their frameworks the followings are planned:

- construction of new hotel complex with all necessary amenities (2152 rooms) in regions;
- modernization of hotel buildings (801 rooms) and new furniture procurement;



- restaurants and other entertainment centers construction and reconstruction;
- procurement of modern tourist buses;
- investments attraction (over 266.0 million U.S. dollars, out of which around 24 million U.S. dollars foreign direct investments) for tourism and its infrastructure development.

Moreover, it's planned to expand scope of work to make advertising shots to show the country's cultural and historical heritage and tourism potential. In particular, leading TV channels and television companies around the world are planned to be engaged to this project within cooperation agreements with foreign mass media. Videos prepared with their assistance will be shown to international audiences.

Efforts are taken to promote the country's tourist potential; this includes include necessary information on camp sites, recreation areas, resorts, sanatorium-resort, therapeutic, sport and health, recreation and ecotourism organizations and institutions activities in the regions.

Today the country's most prospective tourism areas are as follows:

Sports tourism. Uzbek Mountains are attractive to those who love active recreations such as mountain climbing, mountaineering and rock climbing fans. Chimgan Mountains with Bolshoy (Big) Chimgan peak, which is nearly 3309 m high is the country's most popular mountain area.

This area is the beginning of many alpine trails, hiking trails, rock climbing, horse riding trails, ski slopes. Popular rafting river route is Chatkal River



that is flowing into Charvak water storage basin and has several difficulty categories rifts.

Baysuntau range with Boy-Bullock deep caves (amplitude of 1415 m), Festival-Ledopadnaya (-580 m), Urals (-565 m), Kiev Cave (-990 m) at Kyrktau plateau; Zaydman cave (-506 m) in Chatkal range and others are of cavers interest.

Winter tourism. It should be emphasized that climate in Uzbek mountains, is distinguished by “warm”, but rather sharp continental, which is an important detail for skiing fans, as slope is “holding ski” here and you don’t need to sharpen skis edges. If it is getting too frosty in the night, then, anyway, the flank will get “loosen” in the morning. In general, temperatures below 20 degrees are rare here.

Winter recreations in Uzbek mountains take place in Chimgan and Beldersay. Several modern hotel-like recreational centers, hotels and hostels are located here.

Scientific tourism. Annual migration of more than 400 species of birds allows arranging scientific excursions for local and foreign ornithologists in “Aydarkul” lake that in Farish district in Jizzakh region. Moreover it is a great opportunity to conduct “Avicenna” festival, which includes medicinal plants and folk remedies exhibition,

unconventional treatment methods presentation, master classes on medicinal products preparation from natural plants, as well as “ancient Khorezm culture” festival in which national games, “Lazgi” dance of 17 kinds, population historical and cultural life scenarios performances are carried out.

Eco-tourism. Attractive for ecotourism fans unique nature, landscapes (steppes, deserts, mountains, and plateaus), various rare flora and fauna species, globally significant archaeological, paleontological remains, rare geological deposits, numerous nature monuments exist in Uzbekistan.

The country’s fauna is represented by 97 herbivore species, 424 bird species, 58 reptile species and 83 fish species. 24 herbivore species, 48 bird species, 10 reptile species, 18 fish species and 78 invertebrate species of them are included to the “red Book of the republic of Uzbekistan”. As for the flora, according to the Institute of Botany of the academy of Sciences of the republic of Uzbekistan, country has more than 4,100 species of plants today. Of these more over 3,000 are top wilding, and 9% endemic plants.

One of the factors of environmental stability in Uzbekistan is the ecosystems which did not experience strong man made impact and preserved self-recovery ability. Protected areas system in Uzbekistan covers 5.57% of country and includes 9 state preserve parks, 2 national parks, 9 nature reserves and 2 state natural monuments.

The Republic of Karakalpakstan, whose central part is located in the Amu Darya River’s delta, is of special interest for ecotourism. Adjacent to it Kyzyl Kum desert in the east, Ustyurt plateau in the west and Aral Sea residuals in the north are forming a truly unique landscape.

Available Industry Benefits

Favorable climatic conditions. Uzbekistan, being a warm and sunny country, has unique climatic conditions, compared to other Central Asia countries. Average annual temperature in Tashkent



is 5-8 degrees higher than in Almaty (located 808 km north-east of Tashkent) in Kazakhstan and 8-10 degrees lower than in the Ashgabat (located 1294 km to the south -west of Tashkent) in Turkmenistan.

Temperate climate and the availability of water resources are contributing to Uzbek land fertility. For instance, Tien Shan and Pamir mountain ranges that are barren steppe and deserts are alternated with oases, where cotton, figs, rice and grape are cultivated. Green plains are surrounded by mountain ranges, covered with eternal snow. Many streams and rivers are flowing down from mountains, merging into Amu Darya and Syr Darya major rivers in Central Asia.

Kyzyl Kum desert fauna includes many rare wildlife species. In turn, Kyzylkum Reserve, located in Amudarya riparian forests is an attractive natural park with many valuable species. “Djeýran” eco-center, located 40 km south to Bukhara is of no little interest. Here experts are engaged in endangered and rare animal species rehabilitation.

Aydar lake picturesque lakesides and other water bodies are traditionally comfortable places for recreational fishing. In addition, tourists can ride

on camels and engage in other romantic activities, that creates nomads life representation.

Uzbek people hospitality. Uzbek people always welcome guests with warmth and cordiality. Since ancient times country was considered as a bridge between countries and nations, a crossroad for ancient caravan routes as well as a meeting place of languages, cultures and civilizations.

Unique sights. Uzbekistan is a country of greatest cities, where you can see hundreds ancient and unique architectural monuments created in various periods. Many cities such as Bukhara, Tashkent, Samarkand, Shahrissabz, Karshi, Khiva, Termez and Kokand have centuries and millenniums history. They lived and worked in the Greatest East thinkers and masters, invaluable contributed to culture, art and science development each in his time lived and worked in that cities.

These cities were part of powerful states, as well as most important points for caravan trade along the Silk Road in ancient times. More than 4000 architectural and archeological monuments are located in the country and four of them are inscribed to UNESCO World Cultural Heritage list.



Transport and Communications

Transport and communication system development, of course, is one of important factors to advance country's international business. In this regard, transport and communication sector and foreign trade cargo routes diversification are of primary importance for Uzbekistan which is a land lock country.

For several years, integration into global transportation links, effective international routes for foreign trade and transit goods transportation development, transport system modernization, logistics centers network formation and transit capacity increase are remaining the main areas for the country's transport strategy.

Currently, a targeted policy to further improve and increase the transportation capacities is implemented in Uzbekistan. New railways and highways construction running in the country, main transit rail lines and international importance roads are being rehabilitated, the international airports is being modernized, specialized international transport terminals are being built, appropriate legal and regulatory framework is being developed.

Railway transport. Uzbek railways, whose international goods transportation share is 93% are playing special role in transport sector in Uzbekistan.

Total developed railways length is 6 479.65 km, including operational length of 229.7 km, station tracks of 1 883.05 km. railways average density in Uzbekistan is 13.5 km per 1000 sq. km. of country's area. In the total cargo turnover by all types of transport modes the share of rail transport reaches 53.0% (excluding pipelines), and in passenger traffic – 3.8%.

Uzbekistan is a member-state to more than 44 international conventions, treaties and agreements in railway transport and transit field.

National Integrated railways network had been built over past 20 years. For instance, “Navoi – Uchkuduk – Nukus”, “tashguzar – Boysun – Kumkurgan” new lines are commissioned, thereby integrated transport network with country's northern and southern regions was created, also this allowed to begin development of new mineral deposits and industrial enterprises as well as to create additional jobs and to provide direct access to other countries.

For the period 2000-2010, “Tukimachi – Angren” line have been electrified, combined rail-road bridge across Amu Darya river have been built, rail line rehabilitation have been undertaken at the area of “Tashkent – Samarkand – Bukhara” track section, fiber-optic communication lines continue down to



over 600 km construction have been finished at “Keles – Bukhara” track section.

During the past period railways rolling equipment is significantly updated. For instance, high-speed and highly comfortable trains “Registan”, “Nasaf”, “Shark”, linking Tashkent with Samarkand, Karshi and Bukhara are started running. high-speed “Talgo-250” trains, bought in Spain, are started running between Tashkent and Samarkand from 2011. Currently, its planned to procure new hybrid train running on electric and diesel traction and produced by “Talgo” Spanish company to be used at “Marokand – Karshi” route.

Road transport. Road transport is a key element in the country’s transport system and uniting economy’s sectors, connecting country’s major industrial centers and providing connection between country’s cities, regions and rural areas, it plays major role for economic growth and social development. Its share in international cargo transportation is run up to 4.8%.

The roads total length in Uzbekistan is over 180 thousand kilometers including 3.2 thousand kilometers of international importance roads. In terms of competitiveness road transport has a number of advantages over other transport types, for instance, by high flexibility and mobility. Road transport in republic

includes public transport vehicles, governmental cars and privet cars.

Currently, 3 million tons of economic cargoes and about 16 million passengers are transported by public transport daily.

Significant progress in further road transportations development can be achieved through large distribution hubs high-quality operation, through services quality improvement, as well as transportation cost cargo transshipment decrease. Increasing competition among transportation organizations is an additional motivating factor.

Uzbekistan has acceded to 9 international conventions and 2 international agreements, in addition, has signed 27 intergovernmental and 1 interdepartmental agreements in international road transportation field.

The country has 36 transit routes for foreign vehicles. Number of routes will increase by 8, which will run to Central Asian countries and Afghanistan borders after Kungrad – Beineu motorway completion.

Air transport. Air transport share in international cargo transportation is 2.13%. “Uzbekistan airways” NAC is a national air carrier and is a backbone of the country’s civil aviation infrastructure. The air line company comprises the air carrier, airports, air repair





facility, air traffic control facilities, agricultural and special aviation, etc.

Considering the passenger traffic volume, “Uzbekistan airways” NAC, among CIS countries airlines, is second only to Russia and Ukraine total air transportations.

Currently, “Uzbekistan Airways” NAC aircraft fleet has long and medium-haul and regional passenger aircrafts, such as “Boeing 767”, “Airbus A-320”, “Boeing-757” and “IL-114”. Airline has also “IL-76” and “Airbus A-300-600F” cargo aircraft. Country has a program on aircraft fleet renovation and unification in 2010-2016. Thus, it’s planned to purchase two modern passenger aircrafts “Boeing 787 Dreamliner” in 2014-2016.

“Uzbekistan airways” NAC has 11 airports located in national regional centers, 7 of which have international status.

Transport Corridors

Uzbekistan has signed about 50 agreements and conventions relating to international transport in order to adopt international legal framework.

Currently, Uzbek foreign trade cargo transportations are carried out along the following major transportation corridors:

- in Klaipeda (Lithuania), Riga, Liepaja, Ventspils (Latvia), Tallinn (Estonia) Baltic countries ports direction;
- in EU countries direction (in transit through Chop (Ukraine) and Brest (Belarus) border crossings); to Illichevsk Ukrainian port with further access to Black Sea;
- by Europe-Caucasus-Asia corridor (TRASECA), passing through Turkmenistan, Kazakhstan, Azerbaijan, Georgia with access to Black Sea;

– to Bandar Abbas Iranian port (in transit through Turkmenistan) with access to Persian Gulf;

– in East direction through “Dostyk / Alalshankou” Kazakh-Chinese border crossing to China eastern ports as well as through Nakhodka and Vladivostok Far eastern ports.

With settlement the situation in Afghanistan new prospects on development of alternative southern corridors to Iranian and Pakistani ports Bandar Abbas, Chahbahar (Iran), Gwadar and Karachi (Pakistan) through Afghanistan are revealed.

Tejen-Saraks-Mashhad railway with 320 km length (with wheel sets change from 1520 mm to 1435 mm gauge at Saraks station) operation start in May 12, 1996 under Uzbekistan active participation became significant achievement in international transport corridor development, that opened new Trans-Asian corridor for Central Asia countries to enter world market through Iran and Turkey.

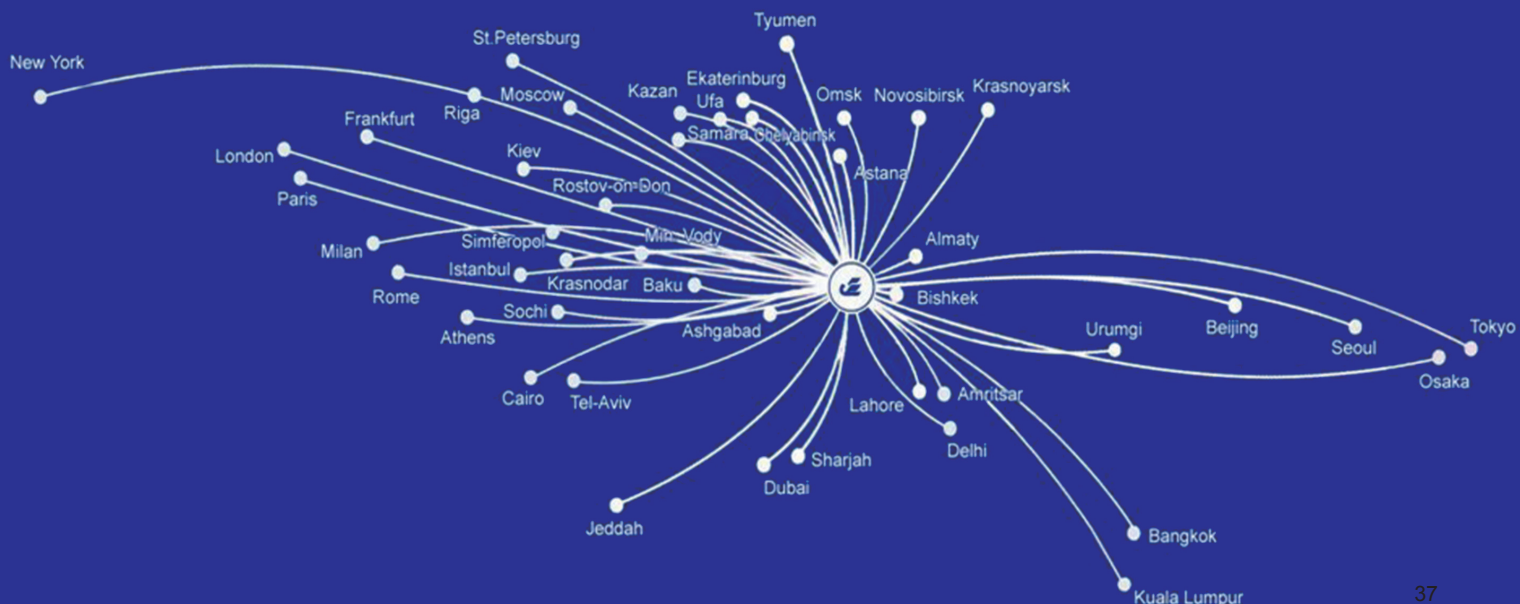
In September of 1998 “TraCeCa – historical Silk road restoration” International conference has been carried out in Baku by Azerbaijan, Georgia and Uzbekistan initiative as well as with European Union support. This conference important outcome was signing, by 12 countries, including Uzbekistan, “Multilateral agreement on Development of Europe-Caucasus-Asia International transport Corridor” as well as agreement on International rail transport,

International road transport, International trade shipping, customs and Documentation procedures technical annexes.

Transport corridor “Europe-Caucasus-Asia” (TRASECA) is a network of land and sea routes, which are running from the Black Sea to Europe through Caucasus and Caspian Sea to Central Asian republics. Considering TRASECA route in the context of trade development between Europe and Asia, and location of major producers in Asia and consumers in Europe on the one hand, and cargo traffics possible origin from large countries-cargo owners, on the other hand, it's can be concluded that goods delivery to Europe using transport TRASECA corridor is very attractive. Distance in main transoceanic direction from Yokohama to the largest western European ports (Rotterdam, Hamburg, Antwerp, etc.) is more than 2 times longer than by TRASECA route.

June 18, 2003 in Tehran (Iran), the leaders of the Republic of Uzbekistan, Islamic republic of Afghanistan and Islamic Republic of Iran has signed “Agreement on building international trans-afghan transport corridor”, which reduces republic's foreign goods transportation distance to the Iran ports to 1500 km.

With its entry into force in March 2011, “Agreement between Pakistan and Uzbekistan on cooperation in goods transportation and transit field” and in case of Afghanistan's situation stabilization, new



opportunities emerge to use afghan territory for the transit of Uzbek goods , which positively contributes to foreign trade cargo routes diversification in Iranian and pakistani ports direction. 75 km length “Hayraton – Mazari-Sharif” fi rst railway that was put into operation in November 2010 in afghanistan has landmark value for whole Central Asian region. This project was implemented by State Joint-Stock railway Company “Uzbekistan railways” with ADB support.

April 25, 2011 “agreement on the use of wagons between Uzbekistan and turkey railway authorities” came into force; this makes cargo transportation on railway to turkey more attractive.

Rapid completion of “Baku – Tbilisi – Akhalkalaki – Kars” railway route construction and the application of a through tariff will allow to use this route to access Southern and Central Europe markets, and through Mediterranean Mersin port to the Middle East.

In order to promote international trade and large-scale cooperation between regions, Uzbekistan initiated signing intergovernmental agreement on the establishment of a new transport corridor “Uzbekistan – Turkmenistan – Iran – Oman – Qatar”, on April 25, 2011 in Ashgabat.

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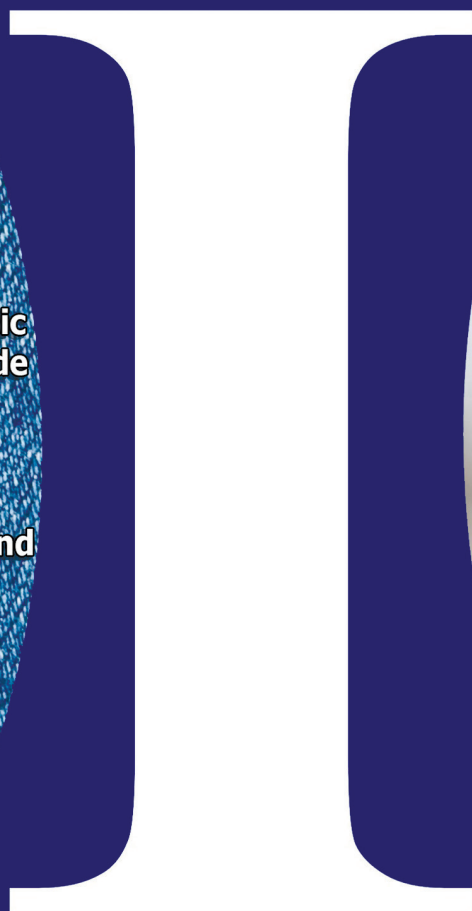
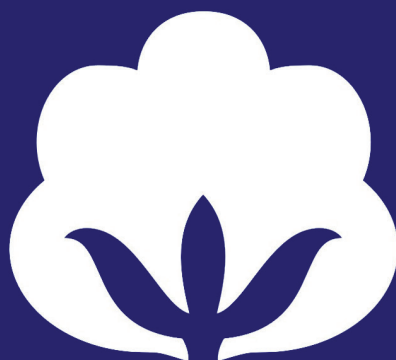
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Our experience is your success!



The State Joint Stock Foreign Trade Company "Uzinterimpex" was established in 1991 and operates in the system of the Ministry for Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan.

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MARKAZSANOATEXPORT

STATE JOINT STOCK FOREIGN TRADE COMPANY

MARKAZSANOATEKSPORT



"Markazsanoateksport" was established in 1992 to carry out foreign trade activities in following spheres:

- exporting goods of leading domestic manufacturers;
- providing assistance in importing of the processing equipment and agricultural machinery according to needs of domestic enterprises;
- promotion of progressive ideas of scientific potential of Uzbekistan to foreign markets;
- attraction of foreign investments for implementation of perspective projects in Uzbekistan.

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Reliability

Stability

Quality

CHAPTER 2



Investment Attractiveness



Political and Economic Stability

Uzbekistan, first of all, is a political stability, as well as confidence for tomorrow and consistency of reforms in all areas of public and political life. It is a state, where representatives of more than hundred ethnic groups and dozens of religious creeds live in peace and harmony.

The strategy adopted by the Republic of Uzbekistan to fight against the crisis and eliminate its negative effects allowed the country, among the few other states, to provide the stable economic growth. As expected, the actual GDP growth in 2012 was 8.2%. This rate makes Uzbekistan a fastest growing economy in the world.

In 2012 the consistently high growth rates were in industrial production (7.7%), agricultural production

(7%), construction works (11.5%), retail trade volume (13.9%) and paid services for the population (14.2%). The state budget is executed with a surplus of 0.4% to GDP. The inflation rate did not exceed 7%.

The economic growth was accompanied by further strengthening of the macroeconomic stability, characterized by low inflation, state budget surplus and a positive trade balance of the country (more than 1.6 billion U.S. dollars in ten months of 2012).

Against the background of the continuing problems of the growing national debt in many countries, suspended policy of external borrowing, pursued in Uzbekistan enables to hold a relatively low level of external debt and steadily maintain the established image of the country, which meets its obligations in full.



Thus, as of January 1, 2013 the total amount of external debt of Uzbekistan does not exceed 16.0% of GDP that according to international criterion is classified as “less than moderate” debt.

Financial and banking system is also operated stably and safely and continues to show high indicators. In 2012, the total capital of the banking system increased by 24.3%, and for the last three years – 2 times.

Now, the capital adequacy ratio makes up 24.0% that 3 times more than the accepted international standards. The liquidity of the banking system on the outcomes of 2012 exceeds 65.0 percent that over 2 times more than required minimum.

If in 2010 only 13 commercial banks of the country have the positive international ratings, now their number has reached 28.

Substantially increased export (by 11.6 percent) and significant positive trade balance was secured. The share of manufactured goods in the structure of non-basic goods exceeded 70%.

The key source of sustained high growth rates of the economy was increasing amount of

investment in fixed capital, which made up 22.9% of GDP in 2012.

There have been attracted domestic and foreign investments in the equivalent of 11.7 billion USD, or with increase by 14 % as against previous year. At that more than 22% of all investments or more than 3.4 billion USD were foreign investments, over 79% of which foreign direct investments.

In 2012 about 74% of all investments have been focused on industrial construction, particularly on implementing of programs and projects, aimed at modernize and upgrade of works. Thus, construction of 205 major facilities with developed capital investment, worth over 1.6 billion USD was completed.

Investor-friendly Environment

During the years of Independence, the Republic of Uzbekistan has formed a favorable investment environment, broad system of legal guarantees and privileges for foreign investors, developed integral system of measures on encouragement of activity of the enterprises with foreign investments.



The investment legislation of the Republic of Uzbekistan is one of advanced amongst legislations of the CIS countries; it comprise major provisions of the international investment law, in particular, regulations on guarantees of the rights of foreign investors, certain preferences for investors and others.

The following laws form the basis of regulatory framework of foreign investments in the Republic of Uzbekistan:

Law: "On Foreign Investments";

Law "On Investment Activities";

Law "On Guarantees and Measures of Protection of Rights of Foreign Investors",

as well as several legal acts adopted in the form of resolutions of the President of the Republic of Uzbekistan and government regulations.

The Republic of Uzbekistan has no restrictions with regard to the form of investments. Foreign investors are entitled to establish enterprises within the country in any legal form permitted by the legislation.

Government measures on the improvement of the investment environment increased the volume of foreign direct investments, attracted to the country's economy.

It should be noted that the President of the Republic of Uzbekistan issued a decree to further improve business environment and create favorable conditions for business activity "On measures on radical reduction of statistics, tax, financial reporting, of licensable businesses as well as permit issues procedures" on July 16, 2012. This document provides a number of preferences, in particular, the reduction of several statistical, financial, tax and other reporting, the frequency of its submission, and removal of 80 licensing procedures and licensing of 15 types of business activity.

Favorable Geographical Location

Uzbekistan is at the crossroads of Central Asia; this creates favorable conditions for the development of regional cooperation, participation in regional and transnational projects of transport corridors development. It is a free trade zone with CIS countries.

Proximity to the vast trade markets and developed transportation infrastructure of Uzbekistan, integrated into the multimodal Eurasia communication system, also designate

Most-favored Nation status

1. Austria	16. Ireland	31. Singapore**
2. Bangladesh	17. Spain	32. Slovenia
3. Belgium	18. Italy	33. Romania
4. Bulgaria	19. Jordan	34. Slovakia
5. UK	20. Cyprus	35. USA
6. Hungary	21. Korea	36. Turkey
7. Vietnam	22. China	37. Finland
8. Germany	23. Latvia	38. France
9. Greece	24. Lithuania	39. Czech Republic
10. Denmark	25. Malta	40. Switzerland
11. Egypt	26. Luxembourg	41. Sweden
12. Israel	27. Netherlands	42. Estonia
13. India	28. Portugal	43. Japan
14. Indonesia	29. Pakistan	44. Saudi Arabia
15. Iran*	30. Poland	45. Malaysia

*) Only with regard to goods indicated in the Annex №2 of the Executive protocol to the Memorandum of Understanding on providing preferences in mutual trade between the Government of the Republic of Uzbekistan and the Government of the Islamic Republic of Iran of June 17, 2003 signed on January 4, 2005 in Tashkent.

**) Only with regard to goods indicated in the Annex A to the Agreement between the Government of the Republic of Uzbekistan and the Government of the Republic of Singapore on the main directions of economic and humanitarian cooperation signed on January 25, 2007 in Singapore.

the prospects of investment, trade and economic cooperation. Investing in Uzbekistan, foreign companies are able to enter the five largest and fastest growing markets: CIS (with a market of over 300 million people), Central and Eastern Europe, South and South-East Asia, Middle East.

The developed multimodal network significantly saves time and costs of delivery from Uzbekistan and as transit through the territory of our country.

The favorable geographical location of the country at the crossroads of all trade routes between abovementioned regions, developed multimodal network, covering markets, located far from Central Asia, including eastern part of the Middle East, Northern India and Western China, are an important competitive advantage, which can significantly save time and costs of delivery from Uzbekistan and as transit through the territory of our country.

As noted above, today the Republic of Uzbekistan has all conditions for the further development and improvement of the transit capacity. The

country builds new railways and highways, reconstructs main transit railways and highways of international importance, updates international airports, creates specialized international transport terminals and develops appropriate legal regulations.

In addition, agreements on the establishment of the most-favored trading concluded with 45 countries, such as Japan, China, Korea, USA, the EU countries, and the Free trade zone, established within the CIS, significantly improve the competitiveness of products, made in Uzbekistan, in foreign markets.

At the same time agreements on mutual protection of investments are signed with 51 countries, such as Japan, Korea, Germany, France and others.

Energy Independence

The most important benefit of the country is that Uzbekistan is one of the few countries, which is completely independent in energy supply.



The Republic of Uzbekistan is among the top ten countries by oil and gas, coal and uranium deposits and is a net exporter thereof. Aggregate energy reserves in Uzbekistan are sufficient to meet the country's needs for many years.

Electricity, produced in the country, fully meets the growing needs of the country and its cost is 4 times lower than the average price paid by the industrial consumers in developed countries. The cost of one kilowatt of electricity is about four cents.

In addition, one ton of coal in the domestic market costs about 20 US dollars and 1,000 m³ of natural gas to wholesale customers cost 55 US dollars.

Rich Mineral Resources

Access to a wide range of raw materials optimizes the product prime cost by significant reduction of the transporting costs of raw materials, and provides an opportunity of advanced processing and the production of goods with high added value and localization level of over 30%.

Currently, 1644 deposits are explored on the territory of Uzbekistan, including 240 hydrocarbon deposits, 119 metal deposits, 3 coal deposits, 32 deposits of metal mining raw, 26 deposits of chemical mining raw and 30 deposits of semiprecious raw, 612 deposits of building materials for various purposes and 582 deposits of fresh and mineral underground waters.



The Republic of Uzbekistan is among the top five countries of the world by the confirmed gold reserves and among the top ten countries of the world by gold mining. Uzbekistan is among the top ten countries of the world by uranium reserves and mining.

Major gold mining bases are deposits of Kyzylkum, Samarkand and Near Tashkent mining areas.

The largest iron ore deposits are the following:

- Tebinbulak titanium-magnetite deposit with reserves of 3.5 billion tons of ore;
- Temirkan hematite-magnetite and magnetite deposits with reserves of 105 million tons of ore;
- Syurenatin skarn-magnetite deposit with reserves of 25.3 million tons of iron.

The most studied manganese ore deposits are bedded deposits of Dautash, Kyzylbayrak, Takhtakaracha.

Currently, 703 of non-metallic raw material deposits are recorded in Uzbekistan, 372 of them are not developed yet. Their time will come

Construction materials. The country has about 600 explored deposits of brick, cement, expanded clay, sawed stone, gypsum, limestone, building and facing stones, which are the basis for the production of various types of cement, light and heavy concrete, heat-insulating, binding and roofing materials, as well as ceramics, glass and asbestos-cement pipes. Marble, granite, gabbro are very popular decorative facing stones and are famous for their beauty and durability.

Hydromineral raw materials. Underground waters constitute a significant part of the country's water resources and their importance in drinking water and agricultural water supply is hard to overestimate. Highest-quality fresh waters run in highly-permeable quaternary sediments of river valleys of Akhangaran, Chirchik, Zarafshan, in the Fergana Valley and in the Kitab-Shakhrisabz depression.

Oil shales. Forecast studies of shale accumulation within the Syr Darya and Amu Darya rivers, including the areas of Tajikistan, Turkmenistan and Kazakhstan indicate significant resources, previously valued at 93 billion tons with 47 billion tons located in Uzbekistan. Currently, Boysun, Jam, Urtaulak, Sangruntau, Aktau, Uchkyr and Kulbeshkak outcrops are explored and studied in southern and western parts of the country.

The main raw material bases of rare metals are the outcrops of Sulatsay, Mangit, Gatcha, Nauka, Bayankara. Explored concentrations of tantalum, niobium, beryllium, rubidium, cesium and lithium require further investigation to assess their industrial importance¹.

¹ According to the State Geology and Mineral Resources Committee





Intellectual Potential

The key factor of investment attractiveness of Uzbekistan is availability of highly qualified human resources and education system that meets international standards. Currently, the country has 65 higher education institutions where more than 300 thousand students are studying in 611 different fields. Including branches of leading international universities such as Westminster International University in Tashkent (since 2002), branches of the Russian Economic University after G.V. Plekhanov (since 1995), Moscow State University named after M.V. Lomonosov (since 2006), Russian State University of Oil and Gas named after I.M. Gubkin (since 2008), Singapore Institute of Management (since 2007), Turin Polytechnic University (since 2009) and the University of Nagoya, Japan (since 2010).

Best Place to Live

Uzbekistan is a great climate, natural scenery, hospitality, multinational culture, infrastructure for tourism and recreation (hotels, world-class airports). It is a country where the quality of life is provided by the minimum cost of living.

Uzbekistan has a great potential in the tourism sphere and can surprise and delight its guests. The Great Silk Road left rich heritage in this country. Uzbekistan is famous for its unique ancient architectural monuments concentrated in the historic cities of Samarkand, Khiva, Bukhara, Shakhrisabz and Tashkent, richness and diversity of nature, ancient traditions of craftsmanship, wise customs and traditions as well as holidays of the people.

Guests of the country have an opportunity to explore the homeland of the prominent statesman and general Amir Temur, the country, glorified

by the famous poet and statesman Zakhiriddin Mukhammad Babur, walk on a flourishing oasis in the desert and great spaces of the Golden Valley, see the ever-burning light of ancient castles, and more. In turn, it will allow guests to feel the identity of every corner of our country, and see the single beautiful image of this ancient and modern country, and assess its contribution to the world civilization. Certainly, it is hardly possible to imagine a trip to Uzbekistan without exploration of the local cuisine, which will undoubtedly leave unforgettable impressions to the guests of the country.

Modern hotels and tourist agencies provide high-quality services, which meet the international standards.

Moreover, recreational centers of the country can receive visitors year-round. Uzbekistan offers a wide range of services both for fans of cultural and adventure tourism, and for extreme seekers. Today, Uzbekistan develops business, ecological, mountain, health, folklore-ethnographic, historical, architectural, religious and other types of tourism.





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***Trusted Global Partner
for Uzbek cotton***



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CHAPTER 3



Legislative Acts on Investments and Trade



On April 10, 2012 the President of Uzbekistan issued a decree “On additional measures to stimulate foreign direct investment.”

In accordance with this decree, the newly established enterprises with foreign investment, where

contribution of foreign investors is an equivalent to at least USD 5 million, where modification are made to the tax laws, have the right, within 10 years from the date of official registration, to apply those rules and regulations to pay corporate income tax, value added tax (turnover on the sale of goods, works and services), property tax, tax on the improvement and development of social infrastructure, unified social tax, single tax, as well as mandatory contributions to the Republican Road Fund and the Fund for the reconstruction, refurbishment and equipping of educational and medical institutions that were in force on the date of registration.

Within investment projects worthy more than USD 50 million and where the the share of foreign investors of at least 50%, construction of the necessary external, outside the production site, engineering and communication networks is financed from the national budget and other domestic sources of financing.

Enterprises attracting direct private foreign investment and specializing in production of radio electronic devices and production of computers’ components, light industry, silk industry, industry of building materials, industrial production of poultry meat and eggs, food industry, meat and milk industry, processing and preserving of fish and fish products, chemical and petrochemical industry, medical industry and production of medicals for veterinary use, production of packaging materials, construction of power plants based on alternative sources of energy, coal industry, production of electrical ferroalloys and hardware for production purposes, machinery and metalworking, machine tool and instrument industry, glass and porcelain



industry, microbiological industry, toy industry are exempted from payment of profit tax imposed on legal entities, property tax, tax imposed on improvement and development of social infrastructure, unified tax payment imposed on micro companies and small enterprises, as well as from mandatory contributions to the Republic Road Fund.

Abovementioned tax privileges are granted when the volume of direct foreign investment is as follows:

- from USD 300 thousand to USD 3 million – for 3 years;
- over USD 3 million to USD 10 million – for 5 years;
- over USD 10 million – for 7 years.

Abovementioned tax-related privileges apply in the following cases:

- location of the said enterprises in all cities and villages of the Republic of Uzbekistan, with the exception of Tashkent and Tashkent region;
 - direct private foreign investment by foreign investors without providing a guarantee of the Republic of Uzbekistan;
 - share of foreign investor in the authorized capital of the enterprise should be not less than 33 per cent;
 - foreign investment made in hard currency or as up-to-date manufacturing equipment;
 - reinvestment of at least 50 percent of the proceeds generated from the preferences received during their effective term for into further development of the company.

When selling state property to foreign investors to set up an enterprises with foreign investments, the right is provided to sell low liquidity assets, that belong to the local government at zero redemption cost, without bidding but through direct contracts with the investor under specific investment obligations.

Per the request of the ministries, departments, business associations the right is granted to issue 12 months entry and multiple visas to the managers and professionals of foreign companies

involved in the implementation of investment projects.

Enterprises with foreign investment, that are specialized in consumer goods production, where the share of foreign capital of over 50 percent are exempted from the mandatory sale of proceeds in foreign currency for 5 years from the date of registration thereof. These enterprises shall be deemed to be specialized in the production of consumer goods, when the share of domestic production of these products is more than 60 percent of total revenues from business activities.

Foreign companies engaged in the prospecting and exploration of oil and gas, as well as foreign contractors and subcontractors, recruited by them are exempted from the payment of:

- all kinds of taxes and mandatory contributions to extra-budgetary funds for the period of exploration works;
- customs duties (except customs clearance fees) for the import of equipment, material and technical resources and services required to carry out prospecting, exploration and other associated works.

Oil and gas production JV with foreign companies that carried out prospecting and exploration of oil and gas, are exempted from income tax for the period of 7 years from the beginning of oil or gas.

The following is exempted from custom duties:

- property imported by foreign investors and enterprises with foreign investments with the share of foreign investments in the authorized capital of at least 33 percents, into the Republic of Uzbekistan for own manufacturing needs;
- property imported for the personal needs of foreign investors and foreign nationals residing in the Republic of Uzbekistan in accordance with labor contracts, signed with foreign investors;
- goods imported by foreign legal entities, which made direct investments into economy of the Republic of Uzbekistan for a total amount of over

USD 50 million provided that the imported goods are their own products;

– process equipment imported to the Republic of Uzbekistan in accordance with the legally approved list as well as spare parts provided that their delivery is stipulated by the terms and conditions of the process equipment delivery contract.

Enterprises with foreign investment, apart from the relevant tax and customs privileges and incentives, may also enjoy all kinds of tax and custom privileges stipulated for legal entities of the Republic of Uzbekistan, for instance, in the production of export-oriented and import-substituting products, production of consumer goods of high demand,

The document is aimed at radical improvement of business environment, creation of more favorable conditions for business, reduction, simplification and improvement of the transparency of all procedures related to the enterprises operations, introduction of internationally accepted system of evaluation criteria of the business environment and further improvement of international rating of business and investment climate of the country.

In accordance with the Decree of January 1, 2013, Uzbekistan shall establish procedures, where the business entities have right, at their own discretion,



export of goods (works, services), import of process equipment, transfer of property as investment obligations, etc.

On July 18, 2012 the President of the Republic of Uzbekistan issued a decree “On measures on further radical improvement of business environment and providing more freedom to entrepreneurship”.

to carry out, electronically, following operations for the relevant state administration and economic governance bodies:

- payment of taxes and other mandatory payments via remote service for bank accounts, including Internet Banking;
- declaration of goods by the business entities at the custom clearance of goods;
- registration of ownership of legal entities for real estate through “one-stop shop” approach;

– submission of claims and applications of business entities to economic courts.

In accordance with the document, commercial banks are recommended to reduce, by at least 20%, the fees charged for the account management of small businesses, which make payments electronically.

On July 16, 2012 the President of the Republic of Uzbekistan issued a decree “On measures on radical reduction of statistics, tax, financial reporting, of licensable businesses as well as and permit issues procedures”.

licensable activities (20%) will be abolished in Uzbekistan since August 1, including through their cancellation and integration.

In addition, licenses for a number of activities will be granted for the unlimited term since August 2012, including that previously issued licenses for these activities will also be considered as unlimited.

The Decree prohibits denial of to issue licenses and permits for new reasons in the case the business entities re-submit applications with the removal where previously found error have been eliminated. Moreover, in accordance with this document a monthly tax report for all types of taxes and other mandatory payments will be



The purpose of this document is to significant radically improve business environment, creation of the most favorable conditions for business activity by eliminating bureaucratic barrier, reduction and simplification of the licensing procedures, radical improvement of the reporting system and the submission procedures in accordance with the requirements of the market economy and international standards.

In accordance with the Decree, 80 licensing procedures (26% of the total number) and 15

cancelled from January 1, 2013, except for the tax on profit.

From 2013 micro companies will annually present statistical reports quarterly sample surveys conducted by statistical agencies in the relevant areas and fields.

On April 7, 2014 the Decree of the President of the Republic of Uzbekistan No.PD-4609 “On follow-up actions on further improvement of investment climate and business environment in the Republic of Uzbekistan” has been adopted.

This Decree approves the Program of follow-up actions on further improvement of investment climate and business environment, raise of efficiency of encouragement of the development of entrepreneurship in 2014-2015.

The Decree establishes that from June 1, 2014 using of charges to business entities for breach of normative-legal documents and other acts of public and economic service bodies, as well as local authorities, which are regulating interrelations with business entities and not published in their websites are prohibited.

Normative and legal acts providing for complication of procedures of entrepreneurial activity and impose business entities new legal obligations, as well as establishing new legal liability measures for business entities are put into effect not earlier to three months since the moment of their official publication.

The moratorium on tax control of financial and economic activity of small business entities, which pay taxes and other mandatory payments in timely manner, as well as ensure sustainable growth rates and production profitability (with the exception of unscheduled inspections in liquidation of legal entities within the framework of criminal prosecutions, as well as related to use of budgetary and centralized resources) is extended to January 1, 2017.



CHAPTER 4



Special Industrial Zones and Logistic Centers



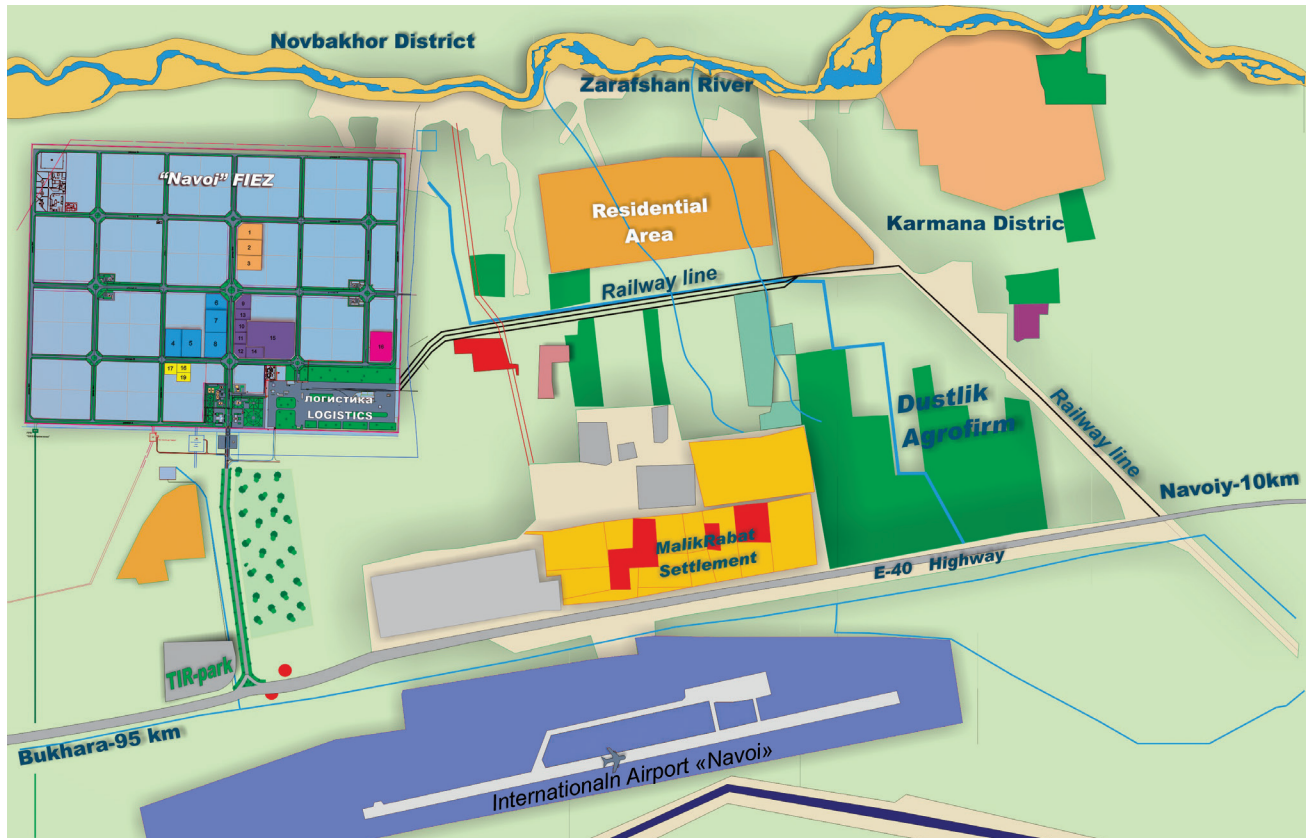
Navoi Free Industrial Economic Zone

Why to invest in Navoi FIEZ?

1. Preferential tax and customs regime.
2. Simplified regime of entry and stay in Navoi FIEZ.
3. Modern infrastructure and business services.
4. Advantages of multimodal transport and logistics hub.
5. Advantageous geographic location.
6. Free access to the market of CIS counties

On December 2, 2008 in accordance with Decree of the President of the Republic of Uzbekistan the Navoi Free Industrial Economic Zone (Navoi FIEZ) has been established on the territory of one of the most developed industrial centers of Uzbekistan, in Navoi region. Offering foreign investors a wide range of opportunities for doing business and initially endowing them with important competitive advantages, the Navoi FIEZ provides all the necessary conditions for establishment of industrial complexes with full production cycle from raw materials to manufacturing finished goods.





Types of activities

The priority is given to establishment of a wide range of facilities for manufacturing of high-tech and globally competitive products by introduction of modern high-performance equipment and machinery, manufacturing lines and modules as well as innovative technologies in the following industries and sectors:

- production of electrical goods and telecommunication equipment;
- production of machinery and instrument-making products and component parts for cars;
- production of pharmaceutical products and medical equipment;
- foodstuff processing and packaging;
- production of plastic and polymeric goods.

The body, which coordinates and regulates the activity of the Navoi FIEZ., is the Administrative Board. Operative management of the Navoi FIEZ is carried out by the Directorate, incorporated as the State Unitary Enterprise.

The area of the Navoi FIEZ is 564 thousand hectares. Operation period of the Navoi FIEZ is 30 years but the term can be extended in future. Throughout the FIEZ operation period

a wide range of benefits and preferences is provided.

Special Tax Regime

Enterprises in the Navoi FIEZ are exempted from the land tax, property tax, income tax, social infrastructure development tax, unified tax payment (for small enterprises), as well as compulsory contributions to the Republican Road Fund and off-budget Republican School Fund.

These tax preferences are available depending on the volume of foreign direct investments:

- from 3 to 10 million Euros – for 7 years;
- from 10 to 30 million Euros – for 10 years. For the following 5 years rates of income tax and unified tax payment are fixed at the level of 50 percent of current rates;
- more than 30 million Euros – for 15 years. For the following 10 years rates of income tax and unified tax payment are fixed at the level of 50 percent of current rates.

Uzbek tax law provisions that disadvantage taxpayers, shall not be applied to business entities registered in the Navoi FIEZ, with the

exception of acts regulating the taxation of excisable goods.

Special Customs Regime

Enterprises, registered in the Navoi FIEZ, are exempted from customs payments for imported equipment, as well as for raw materials, materials and component parts for the production of exportable goods for the entire period of operation of the free industrial economic zone.

Equipment, raw materials, materials and component parts for the production of exportable goods, being imported into the territory of Navoi FIEZ by the residents of the free industrial economic zone, regardless of the country of origin shall be registered in the customs regime of free customs zone. In addition, customs payments (excluding customs clearance duties) and measures of economic policy shall not apply to the goods imported for production needs.

Special Currency Regime

Business entities registered in the Navoi FIEZ are permitted to exercise payments in foreign currencies within the FIEZ in accordance with the agreements and contracts concluded between them, as well as to pay in hard currency for the supply of goods, works and services, performed by other business entities – residents of the Republic of Uzbekistan.

Visa Regime. Individuals involved into the business and members of their families, foreign citizens and stateless persons, recruited for work within the Navoi FIEZ, shall enjoy the simplified regime of entrance, departure, stay and employment.

The issuance and extension of validity of visa documents, temporary registration in the Republic of Uzbekistan, as well as permission to recruit foreign workforce and work permit to the participants of the Navoi FIEZ shall be undertaken without any state duties and other payments.

Entrance visas for foreign citizens, recruited for work within the Navoi FIEZ, are issued based on the written request of the Directorate of the Navoi FIEZ to be submitted to the Ministry of Foreign Affairs of the Republic of Uzbekistan and to be





considered during the established period, but not more than two business days from the date of its submission. If the Republic of Uzbekistan provides different, more favorable regime of visas execution for citizens of certain countries, than the one stipulated by these Regulations, the more favorable regime shall be applied.

Infrastructure and Business Services

Offices. Offices meet today's requirements, with a wide working space and high level of convenience. Offices pre-fitted with all utilities such as water, electricity, air – conditioning, telecommunications and the Internet. According to demands of customers the possibility of flexible planning is also foreseen.

Land. In compliance with client's request, ready infrastructure plots are granted for rent. These are completed sites with all necessary infrastructures of various sizes where manufacturing facilities, warehouses and offices can be constructed.

Residence. Employees of the companies operating in the Navoi FIEZ have an opportunity to live in a special residential complex Hanjin Navoi (www.hjnavoicomplex.com). The close proximity and all the necessary facilities, including a business and fitness center, swimming pool, sauna, restaurant and bar provide the perfect accommodation for you and your employees.

Also, your employees can benefit from the hotels in the immediate vicinity of the FIEZ Navoi:



www.silkroadpalace.uz;
www.hotel-zarafshan.com;
www.grandm-hotel.uz.

One stop services. Navoi FIEZ offer all the services necessary to establish and conduct a business in Navoi FIEZ, thus saving time, effort and cost, and enabling you to focus primarily on the business.

All the conditions have been created to operate a business without going outside Navoi FIEZ. They are:

- Financial and banking services;
- Tax services and consulting;
- Customs services;
- Logistics and transportation.

On-going Projects

Significant benefits and preferences granted to foreign investors in the FIEZ, such as tax exemptions, special customs and currency regime, as well as a simplified procedure of foreign staff residence have attracted investors from many large companies of the Republic of Korea, China, India, the United Arab Emirates and Singapore. Over the short period of time about 12 projects have been launched in Navoi FIEZ, among them:

- “Telecom Innovations” JV established with “Servetechno Pte Ltd (Singapore) and “ZTE” (China) for production of ADSL modems and DSLAM equipment;
- “UzErae Cable” JV established in partnership with “Erae Cs” (ROK) for production of automobile wires;

- “UzMinda” JV established in partnership with “Minda Capital Ltd” (India) for production of auto parts;
- “UzErae Alternator” JV established in partnership with “Erae Cs” (ROK) for production of generators and compressors for automobiles;
- “Hansang Pharm” JV for production of pharmaceuticals;
- “Navoi Hunan Pulp” JV established in partnership with “Hunan Aloft Imp&Exp.Co.Ltd” (China) for production of nappies and hygienic products for children;
- “CFM ProEnergies” JV established in partnership with “CFM Holding” (Singapore) for production of LED lamps;
- “UzKor Lighting” JV established in partnership with “Shinghwa Lighting” (ROK) for production of energy-saving lamps;
- “AgroFresh” JV established in partnership with “Kefayat General Trading Co. LLC” (UAE) for production of processed fruits and vegetables by using contemporary freezing technologies;
- “Polypropylene kuvurlar” branch establishment for production of polymers;
- “Polyethylene kuvurlar” branch establishment for production of polymers;
- “Navoi Beauty Cosmetics” JV established in partnership with “DK Cosmetics” (ROK) for production of cosmetics.

In the course of implementation of above stated investment projects 466 work places have been created. In 2011, the enterprises registered in Navoi FIEZ produced goods at the amount of UZS 36.8 billion.

Planned activities. At the same time building and assembly works are being conducted on additional 5 projects planned for launching during 2012, in particular organization of production of:

- automobile gas cylinders within “KoUNGCylinder” JV in partnership with “KOGAS” (ROK) and “KOLON” (ROK);
- electronic gas-meters within “DugasTech” JV;
- fiber optics within “Navoi Optic Cable”;
- power cables from cross-linked polyethylene within “HPC Systems” JV in partnership with “Gulf Cable Trading Company” (China);
- mobile phones, stationary wireless telephones, USB modems within “Olive Telecom” JV in partnership with “Olive Telecommunication” (India).

Besides on the two operating enterprises it is planned to organize new production of equipment for automobiles using compressed natural gas (“UzErae Alternator” JV) and accumulator wires (“UzErae Cable” JV).

Also the preparatory work is being conducted on 25 project planned for implementation in near



future in Navoi FIEZ with participation of potential partners from USA, Germany, Italy, Korea, China, India and other countries.

Navoi International Intermodal Logistics Center

Developed multimodal network is considered as important competitive advantage that allows significantly shorten the time and costs of delivery of goods from Uzbekistan and transit through territory of the country, and international transport hub established at “Navoi” airport plays the important role in this regard.

Placed in the center of the country and on the crossroads of international land and air transport corridors “North-South” and “East-West”, the “Navoi” airport represents an ideal regional centre for international freight flows management.

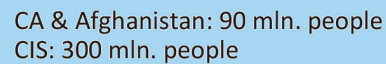
Based on agreement with “Korean air” company, the first phase of modernization of “Navoi” airport has been accomplished, including creation of international intermodal logistic center (IILC) and construction of cargo terminal with capacity of cargo handling 300 ton in 24 hours. In the



future it is planned to increase capacities of the terminal up to 1000 tons subject to increase of freight flows.

The cargo terminal has 6 work stations for cargo handling works, 20-tons and 5-tons balances, refrigerator and freezer, warming room, storage facilities for dangerous goods, perishable foodstuffs and animals. Its administrative building features necessary services such as customs clearance, sanitary control, declaring, freight service and etc.





The use of air corridors and landing in Uzbekistan provides considerable saving of time and shipping costs. For instance, the distance from South East Asia to Europe via the Navoi airport is 1 thousand km shorter than via Dubai, including saving of 1.5 hours per flight and 15 tons of fuel per aircraft.

A TIR-park for heavy vehicles is functioning near the airport. This park is capable of receiving simultaneously more than 20 freight vehicle.



Angren Special Industrial Zone

On December 13, 2012 in accordance with Decree of the President of the Republic of Uzbekistan the Angren Special Industrial Zone (ASIZ) has been established in the Tashkent region.

Offering foreign and local investors favorable conditions and wide range of opportunities for doing business, the Angren SIZ provides all the necessary conditions for establishment of modern high-tech and competitive production facilities. The proximity of Angren SIZ from the capital of Uzbekistan – Tashkent, makes it very attractive destination for investors.

The body, which coordinates and regulates the activity of the Angren SIZ, is the Administrative Board. Operative management of the Angren SIZ is carried out by the Directorate, incorporated as the State Unitary Enterprise.

The area of the Angren SIZ is 187.5 hectares. Operation period of the Angren SIZ is 30 years, but the term can be extended in future.

Throughout the SIZ operation period a wide range of benefits and preferences is provided.

Special tax regime and customs preferences apply within SIZ territory. SIZ residents exempted from:

- income tax, property tax for legal entities, social infrastructure development tax, unified tax for small businesses, as well as compulsory contributions to the Republican Road Fund;
- customs payments (except customs clearance duties) for the equipment, components and materials that are not produced in the country, imported into the Angren SIZ within the implementation of the projects in line with the list approved by the Cabinet of Ministers.

Abovementioned preferences are provided from 3 to 7 years, based on the volume of investments, including its equivalent:

- from 300 thousand to 3 million US dollars – for 3 years;
- from 3 to 10 million US dollars – for 5 years;
- more than 10 million US dollars – for 7 years.

The main criteria for the selection of business entities to provide them with the residence status of Angren SIZ include the following:

- creation of modern manufactures or carrying out of an extensive modernization of existing facilities, equipping them with high-tech equipment and technologies;
- compliance of the company's profile with the main objectives of the Angren SIZ, without including enterprises engaged in mining and primary processing of natural raw materials;
- investment of stakeholders' own funds and loans taken by them without receiving a government guarantee of the Republic of Uzbekistan;
- phased establishment of manufactures with full production cycle, to produce import-substituting and export-oriented competitive products highly demand on market;
- reinvestment into the company of at least 50 percent of the proceeds generated from the preferences received during their effective term.

Certificate issued to the resident of the Angren SIZ, is the evidence of its right to exercise a special tax regime and customs preferences within the Angren SIZ.

Although this new industrial zone has been established quite recently, some agreements to set up large industries have already been made here. For instance, 1000 daily tons capacity sugar plant is planned to be built here. Singapore companies "Welton International Enterprises Pte. Ltd.", "Kito Investment Pte. Ltd." and the Austrian company "Seid Nandelsgesellschaft m.b.H." will become the partners of Uzbek side in the implementation of the project. The total project cost exceeds 108.45 million US dollars.

Another project within the zone is aimed to create a modern production of base engine oils with a complete technological cycle of collection and recycling of waste industrial oils with the participation of Bulgarian investors. It is planned that investors will invest 15 million US dollars to conduct design and construction works, delivery and installation of modern technological equipment, which will process up to 43 thousand

tons of waste industrial oil per year and produce base oils.

Angren International Logistics Center

Angren International Logistic Centre (Angren ILC) was founded in 2009 at Ablyk railway station in Angren and currently is one of the largest transshipment centers in Uzbekistan. Its founders with equal shares of 16.66% are “Uzavtosanoat” JSC, “Uzbekistan Railways” SJSRC, “Uzbekneftegaz” NHC, “Uzkimesanoat” SJSC, “Uzstroyateriali” JSC and the Association of Food and oil industry.

Angren ILC is located in transport network node with a large cargo turnover, having hundred hectares of area, at the place where several transport types paths are intersected. Here are located storages, combined terminal, access roads and maneuvering areas, road transport fleet, expertise and financial institutions (banks and insurance companies), post office, hotels and security structures. Very wide range of services can be provided to companies in logistic park. For foreign economic activity participants built customs post “Angren-FEA”.

Transit-cargo terminal covers area of 8.6 hectares and has railway track for loading and unloading. Simultaneous served volume is 22 containers with 60 containers storage and up to 1,500 tons processing at storage spaces.



In early 2009, Angren ILC started to offer freight forwarding, cargo handling and cargo storage services, for one quarter of the year has been transported and processed more than 707 thousand tons of cargo. To stimulate traffic through new logistics center “Uzbekistan Railways” SJSRC has reduced by 50% of intra-republic goods delivery tariff from all over the country to Ablyk station.

In 2010, 4.2 million tons of cargos were transported through the center, including automobile spares and “GM Uzbekistan” JV automobile plant finished products and Fergana oil refinery oil products. For Angren ILC’s fleet development in 2010 was acquired 250 haulers of 36.5 million U.S. dollar value made at “MAN Auto-Uzbekistan” JV. Logistics center expansion project approved by Uzbekistan government.

Capacity expansion concerned with increase in spares supply for “GM Uzbekistan” automobile plant.

“Angren” logistic center allows faster and more efficient process of goods turnover, to improve processing quality and reduce shipping component cost in their price.



Jizzakh Special Industrial Zone

According to the Decree of the President of the Republic of Uzbekistan No. 4516 dated March 18, 2013, the Jizzakh Special Industrial Zone (SIZ) has been established.

Jizzakh SIZ is a practical step within the framework of the memorandum of mutual understanding on implementing of project aimed to establish of the Uzbek-Chinese Industrial Park in order to form favorable environment for both foreign and local investments, to launch up-to-date high-end industries, which promote manufacture of high value-added competitive products.

Establishment of new industrial zone with the branch in Sirdarya district of Sirdarya region is also aimed at complex and efficient use of productive and resource capacity of Jizzakh and Sirdarya regions, as well as creation of new jobs and increase of people's income.

The main objectives and work areas of Jizzakh SIZ are followings:

- attraction of FDI in order to create and efficient work of the up-to-date high-end and innovative manufactures of high value-added goods, which are competitive in both domestic and foreign markets;
- providing of complex and efficient use of productive and resource capacity of the regions, which included to Special Industrial Zone, as well as creation of new manufactures, aimed at deep processing of minerals and raw materials and farm products;
- extending of processes of localization of the high-end goods manufacture by using local raw materials on

the basis of partnership and development of industrial cooperation between the companies in SIZ and in the country as a whole;

- providing of the priority development and efficient use of the transport, engineering-communication and social infrastructure in Jizzakh SIZ.

Operation period of the Jizzakh SIZ is 30 years, but the term can be extended in future.

Throughout this period a special tax treatment and customs benefits are effective in the territory of SIZ. The status of the Jizzakh Special Industrial Zone residents is granted by Administrative Board of SIZ.

Jizzakh SIZ residents exempted from:

- income tax, property tax for legal entities, social infrastructure development tax, unified tax for small businesses, as well as compulsory contributions to the republican road Fund;
 - customs payments (except customs clearance duties) for the equipment, components and materials that are not produced in the country, imported into the Jizzakh SIZ within the implementation of the projects in line with the list approved by the Cabinet of Ministers.
- Abovementioned preferences are provided from 3 to 7 years, based on the volume of investments, including its equivalent:
- from 300 thousand to 3 million US dollars – for 3 years;
 - from 3 to 10 million US dollars – for 5 years;
 - more than 10 million US dollars – for 7 years.



CHAPTER 5



Success Stories





Kaheer Kazem

President and Managing Director,
General Motors Operations Uzbekistan

General Motor's operations in Uzbekistan since 2008, has been building and selling world-class vehicles and is the platform for growth for expansion in Eastern Europe and Central Asia. GM's products continue to remain popular in both export and domestic markets where in Uzbekistan, GM vehicles command the highest share of GM market.

GM partnership with UzAvto-sanoat: GM Uzbekistan and most recently GM Powertrain Uzbekistan that now is producing world class engines and components for GM vehicles are placing GM in a solid position for long term growth in the region.

Significant investment in advanced technology and rapid growth in the Automotive Supplier industry continues to

build capability, strengthening the Automotive manufacturing sector.

GM along with its partner, UzAvto-sanoat, is committed to the training and education of the people of Uzbekistan by developing strong relationship with local educational Colleges. Students are being equipped with the best education in the latest engineering and automotive technology and manufacturing systems, securing the needs for the industry for sustained growth well into the future.

The great support of the Uzbek Government and our partner UzAvto-sanoat, which clearly recognizes the fundamental role car manufacturing can make to a nation's economy, has ensured GM's continued growth and success.



Jörg Mommertz

The Chief Executive Officer of MAN Truck&Bus RUS and is in charge of the CIS Region

FOR MTB CIS region is one of the most important markets in the world. According to the company's development strategy, not only sales and service offices are being opened here but production facilities also. For example, joint company "JV MAN Auto-Uzbekistan" has been launched in August, 2009 and despite its short history we can already say that it is a success story.

The plant started with truck assembly on rented facilities of SamAvto Company. Couple of months ago, 30th of July 2012, new assembly plant has been launched near Samarkand.

The plant has area of 15 000 sq m and it capable to produce 3000 trucks per year working in one shift. There is a possibility to mount second assembly line to raise production to 8000 trucks per year.

The production complex creates around 1000 working places.

Development plan includes in the future launch of a plant for trailers and mounted equipment with the aim to produce dump bodies and

trailers, container and car carriers, tent and isothermal semi trailers and other special bodies and vehicles.

The plant will be a full cycle of metal processing and profile sheet metal, welding, painting, assembly mounted and trailed equipment with subsequent testing.

The following production is mastered or scheduled to be mastered till the end of 2012: tent semi trailers and bodies, isothermal semi trailers and bodies, truck-mounted cranes 16,18,25,35 and 50 tons, bitumen, tankers, grain and cotton carriers, mixers, car carries, cement trucks, heavy-duty low-bed trailers, etc.

The commercial vehicles market in Uzbekistan is on growing stage for the moment and has big potential for development. This is facilitated by factors such as:

- Major part of total fleet is heavily worn and there is strong demand for renovation;
- Special financial programs for purchasing new vehicles are available and currently supported by the Government.

Leasing and credit market is developing fast.

- GDP is rising, small and middle businesses are very active, new projects in strategic economic fields are being launched with the support of the Government and international financial institutes.
- Oil and gas companies are developing very dynamically, as well as mining, construction, transport and trade.

Thanks to active development, high quality of vehicles and services, MAN grows stable on the market and has won clients' confidence. For example, we can highlight such partners of "JV MAN Auto-Uzbekistan" as "Angren" logistics center buying TGS 26.400 tractors and tippers, State Joint Stock company "Uzavtoyol", Road fund Ruz and Fergana's refinery (both of these companies buying more than 200 trucks), mining and metallurgical complexes Almalykskiy and Navoiyskiy, "Uzbekiston temir yullari", GM Uzbekistan, Coca-Cola and many others.



CLAAS

Michael Beier

Regional Director CLAAS KGaA mbH

CLAAS is one of the world's leading manufacturers of agricultural machinery. The company, which has its corporate headquarters in Harsewinkel, Westphalia, is the European market leader in combine harvesters. CLAAS is the global market leader in its second main product group of self-propelled forage harvesters.

CLAAS is also a world-wide top performer in agricultural technology, producing tractors, agricultural balers and field harvesting machinery at four German companies and at another seven international locations. The CLAAS product portfolio also includes state-of-the-art farming information technology. The subsidiary CLAAS Industrietechnik supplies components both within the group and to customers outside the agricultural machinery industry.

Overall, the CLAAS Group has experienced an extraordinary growth phase in the last two decades. Turnover increased from approximately €500 million at the start of the 1990s to the current level of approximately €3.4 billion (2012). CLAAS employs about 9,000 employees around the world. The company earns approximately 75 % of its revenues on international markets.

Affiliate companies of the concern take part in developing and producing of component parts and manufacturing equipment. Quality is a cornerstone for CLAAS on all stages of manufacturing machines. It begins from application of materials and supply of components. Strict quality norms are applied in all plants of the concern. The Company has available most up-to-date software for automatic designing (CAD). CLAAS products are distinguished from other manufacturers' ones by high productivity, safety and quality.

According to Decree of the President of the Republic of Uzbekistan dated March 19, 2010 "Uz CLAAS Agro" joint venture was launched. According to its development plan the Company together with other local enterprises plans to localize 50% of CLAAS machines' components till the end of 2014 that are to be supplied by local manufacturers.

Nowadays, our plant manufactures such machines as DOMINATOR 130, TUCANO 430 grain harvesters, universal tractors of such makes as AXOS 340, ARION 630C, AXION 850, JAGUAR 850 forage harvesters and MARKANT 55 balers. The following machines as mini-tractors for gardening, front loaders and DISCO mowing

machines are planned to be manufactured by the joint venture in the near future.

By a decree of the President of the Republic of Uzbekistan "UZ CLAAS Service" Affiliate Company was launched to provide guaranteed after-sales service to CLAAS machines. It has its central office and storage in Tashkent and regional service centers in such provinces as Andijan, Bukhara, Djizak, Kashkadarya, Navoi, Namangan, Samarkand, Surkhandarya, Sirdarya, Khorezm and the Republic of Karakalpakstan. In a harvesting season movable spare parts storages are established in every region.

Due to favorable investment climate and a wise system of privileges created in Uzbekistan for enterprises with foreign investments, fast grows and development of farm enterprises under the support of the Government, our Company develops very fast and is going to further expand its production volumes.

As key factors of doing business in Uzbekistan can be stated favorable geographical location in the middle of enormous regional markets, scientific and human potential, hospitable and diligent people and many others.



Kosuke Hirata,

Manager, Isuzu Business
Section ITOCHU Corporation

History of ITOCHU Corporation starts more than 150 years ago, as a small textile retail store. Today, being one of the Fortune 500 companies, with a worldwide network of offices and subsidiaries, uniting more than 62,000 people as employees, ITOCHU Corporation is giving huge priority to development.

With approximately 130 bases in 66 countries, ITOCHU, one of the leading trading companies, is engaging in domestic trading, import/export, and overseas trading of various products such as textile, information and communications technology, machinery, energy, metals, minerals, chemicals, forest products, general merchandise, food, construction, realty, insurance, and logistics services, as well as arrangement of finance and investment in Japan and overseas.

ITOCHU established its representative office in 1996. To the present day, ITOCHU Corporation keeps strong confidence in continuing development of business in Uzbekistan. To this day, ITOCHU Corporation has long term relationship with many Uzbek organizations and companies,

such as “Samarkand Automobile Factory” LLC, Navoi Metallurgical Mining Company, textile industry, electronics industry and others.

Particularly, ITOCHU Corporation is a shareholder of “Samarkand Automobile Factory” LLC and since 2007, has been supplying assembly parts of Isuzu Motors Ltd. These assembly parts are used by “SamAuto” LLC to produce trucks and buses, supporting vital lines of logistics and transportation of the Republic. In 2011, “SamAuto” LLC has produced a 10,000th vehicle and is planning to increase production volumes annually.

Since collaborating efforts in a partnership with this company, many perspective projects are being developed. These include but not limited to the following:

- Compressed Natural Gas (CNG) vehicles – a vehicle utilizing low cost natural gas as fuel, economically attractive to the potential client and ecologically saving the planet with lower-emission levels
- 8-meter bus – a modern and more sophisticated long bus, designed

to be the key logistics factor in dynamic and growing cities

- New 700P models – a new type of chassis, mastered by leading Japanese engineers of Isuzu Motors, serves as a heart for a completely new bus and trucks, designed and developed by “SamAuto” LLC

Furthermore, it is planned to implement on “SamAuto” LLC factory the traditionally Japanese Kaizen philosophy, that optimizes production and manufacturing process. This philosophy has been adapted by leading companies in various industries and allows achieving better results and saving cost without dramatic changes in the business model.

ITOCHU Corporation is aiming to keep long-term partnership in existing projects and further develop business in Uzbekistan. The aspiration for constant development is fueled with stable positive economic factors and high level of skills and education of Uzbekistan specialists.



Cho, Yong Don

Vice President Project Management Department
Korea Gas Corporation (KOGAS)

Uzbekistan is considered as one of the most reliable and time-proved foreign economic partner of Korea. Reasonable tax policy which is being carried out at the initiative of the President of the Republic, focused on the staged reduction of tax burden, wide range of privileges and preferences, provided for foreign investors, some of which can not be observed in other countries, as well as simplification of taxing procedure, promotes considerably keen interests of investors and opens up new possibilities to conduct businesses and develop new projects in this "country of opportunities".

In particular, one of these projects is "The construction of Ustyurt gas chemical complex", that comprises not only high-technological field development, but production of goods for end-users as well - polyethylene and polypropylene. Total investment to be attracted in this project is estimated as around 4 billion U.S. dollars. This ambitious new project will make enable us to produce high-quality export-oriented products, and will create lots of new stable jobs for Uzbekistan people.

Positive results in regard to both establishment of Free Industrial Economic Zone in Navoi city and introduction of most-favored-nations regime in trading relations of Korea and Uzbekistan are worth to be noted.

In general, all these measures create positive business-climate in the country, and it is no wonder that Uzbekistan shows high economic

growth over recent years, standing out significantly against the situation of other countries which go through the effects of global financial crisis.

The economies of many countries of the world faced difficulties due to the influences of financial and economic crisis. Many countries are under studying the smoothest ways to overcome this complicated situation. In these circumstances, the decision of Uzbekistan to establish Free industrial economic zone "Navoi" with its favorable privileges and conditions is of great interest to investors and is good alternative for the country to overcome negative barriers in business dealing. The project of establishing international multimodal logistics center as a transcontinental forwarding network will lead to the opening of new high-technology industries not only in Navoi region, but also in neighboring regions of the Republic.

Huge advantage from the adoption of Uzbekistan Anti-Global Financial Crisis Program should be noted as well, that allowed your country not only to secure those already achieved successes and advancement of almost all areas of economy, but also to boost economic performances further. This proved the effectiveness of reforms implemented in the country, in particular tax reforms, and promoted the acknowledgement of "economical miracle of Uzbekistan" to the world community, which made the country be one of the most attractive regions to foreign investors.

Especially, with the basis of cooperation between governments of Korea and Uzbekistan, construction and operation of Ustyurt gas chemical complex which produces 460 thousand tons per year, sell of chemical product is ongoing. With the success of project financing which raised 2.5 billion dollars, the world witnessed the result of reform in Uzbekistan. And the project of CNG station and Cylinder factory became milestone of new business model with gas resources. By realization of these outcomes, vitalization of investment of foreign company can be expected with other natural resources and expanded infrastructure.

Programs on modernization and localization of products, adopted in the country, allow the producers take additional opportunities for business development, because these programs allow allocating funds saved on taxes more to development of industry. This is an excellent point for producers to improve quality of output products and develop business thoroughly.

We are deeply interested in comprehensive strengthening of our cooperation, successful implementation of our joint projects and designing of new large-scale ones.

We hope that we can further strengthen partnership with Uzbekistan entities in a variety of opportunities to mutual satisfaction.



sasol
reaching new frontiers



Ed Cameron

Managing Director, Sasol Synfuels International (Pty) Limited

For over 60 years Sasol has used its proprietary technology to produce more than 1.6 billion barrels of liquid fuels and chemicals from coal and natural gas.

In April 2009, Sasol Synfuels International (Pty) Limited, a wholly owned subsidiary of Sasol Limited, an international integrated energy and chemical company, along with its partners the National Holding Company “Uzbekneftegaz” and PETRONAS signed a Heads of Agreement with regards to the development of a GTL plant in Uzbekistan.

The Government of Uzbekistan allocated senior resources with the necessary knowledge and mandate to swiftly progress the Uzbekistan GTL project through the various project phases. The GTL project is supported at the most senior levels of the Government of Uzbekistan, which is demonstrated by the involvement of senior ministerial and Presidential officials in the development of the GTL project. By leveraging the experiences that the Government of Uzbekistan and Uzbekneftegaz, gained from

previous investment projects in Uzbekistan, the Uzbekistan GTL project was successful in concluding several project agreements of international standard in a relatively short period of time. This included an Investment Agreement with the Government of Uzbekistan, represented by the Ministry of Foreign Economic Relations, Investment and Trade in September of 2011.

Under the Investment Agreement, the investors and Uzbekistan GTL LLC, amongst others, will enjoy various fiscal benefits, to ensure the successful development and operation of the GTL plant. The Government of Uzbekistan started the development of infrastructure at the proposed GTL plant site at Shurtan, in the south of Uzbekistan, in July 2012. This initial development is aimed at supporting the project schedule to enable a final investment decision, which is expected during the second half of 2013.

After a meeting with the President of Uzbekistan during July 2012, His Excellency Islam Karimov, the Chief Executive Officer of

Sasol Limited, David Constable commented that “Sasol is proud to be part of this strategic project, which will provide Uzbekistan with world class cleaner burning fuel, will contribute to the country’s energy security, and diversify the utilisation of its domestic gas resources. This project will significantly contribute to the economic growth of Uzbekistan by bringing billions of dollars of foreign direct investment into the country, thereby creating hundreds of skilled jobs, and additional indirect employment opportunities for the country’s population.”

The GTL project in Uzbekistan, with an estimated nominal capacity of 38,000 bpd will be called OLTIN YO’L GTL and will produce a combination of GTL diesel and GTL naphtha and, in an important development in the application of GTL fuels, GTL kerosene for the aviation sector. The successful implementation of the GTL project will demonstrate that Uzbekistan has the capability to implement a world-scale energy project and that the country has the capacity to raise significant amounts of project financing for large scale projects.



Xu Hong, General Director,

FE CNPC Silk Road Group LLC,
CNODC Representative in Uzbekistan.

China National Petroleum Corporation (CNPC) is one of the biggest oil and gas companies in the world. Currently CNPC is present in nearly 31 countries, including Uzbekistan.

China National Oil and Gas Exploration and Development Corporation (CNODC) – an overseas investment subsidiary company of CNPC entered into agreement with Uzbekneftegaz National Holding Company on June 8, 2006 for carrying out geological exploratory operations at the relevant investment blocks of Uzbekistan located within the Bukhara-Khiva, Fergana and Ustyurt oil and gas bearing regions.

Based on the above Agreement CNODC has established a Foreign Enterprise CNPC Silk Road Group LLC (CNPC SRG) as an operating company for implementation of the CNODC investment commitments in Uzbekistan.

From the very beginning of this project it found a support in the special Regulation of the President of the Republic of Uzbekistan signed on August 23, 2006 with ref # 2567 which has shown the direction for exploration

activity in the five investment blocks and specified that CNPC SRG as an Operator may enjoy privileges and incentives provided for in the Decree of the President of Uzbekistan “On measures of attraction of foreign direct investments into the oil and gas exploration and production activities” adopted on April 28, 2000, ref # 2598.

Ever since CNPC SRG has been actively working at the Karadjida-Gumkhana, Rometan, Karakul, Aralomorsk and Samsk-Kosbulak investment blocks for exploration of oil and gas reserves with application of advanced technologies in each step of operations, including seismic acquisition followed by processing and interpretation of data, drilling, well testing, well logging and others.

Along with regular exploration operations, in 2009 CNPC SRG completed the drilling of a 6596 m depth Jida-4 well, one of the deepest wells in Fergana basin.

As a result of high quality and professional approach to the specified objectives, CNPC SRG has managed to discover gas condensate fields with potential

volumes of gas reserves at the Karakul investment block of Bukhara region.

Besides the CNPC SRG project, CNODC has invested into other two projects in Uzbekistan, which include the Aral Sea Project being currently implemented under the Production Sharing Agreement (PSA) and the supplementary exploration and development of oil fields at Mingbulak field operated by JV “Mingbulakneft”.

The top priority in CNODC is given to harmonious relationship between operation and safety, energy and environment, corporate and community interests. That is way CNODC pays huge attention to the environmental issues during its activity and attaches great significance to observance of the HSE norms accepted both internationally and domestically.



INDORAMA
CORPORATION

Prakash Kejriwal,

Indorama Group Chief Representative
for Uzbekistan

Indorama started as a small textile company in the 70s and in the 90s it launched to produce polyester fibre, which was a raw material for its textile business. The organization was fortunate to see the tremendous growth opportunities for polyester and decided to focus on the polyester value chain. Today, Indorama is the largest producer of polyester and PET resins in the world. In 2006, Company diversified into the manufacture of polyolefin, which has become an important part of its business now.

Indorama has 39 manufacturing sites in 22 countries across 4 continents including Indonesia, Thailand, India, China, Sri Lanka, Netherlands, UK, Lithuania, Italy, Turkey, USA, Mexico, Egypt, and Nigeria. Indorama has a global business perspective and the decision on new investment destination is taken based on the long term business opportunities.

Indorama commissioned a state of the art cotton yarn spinning plant in Uzbekistan in September, 2010 using the most advanced compact combed technology. Uzbekistan is one of the largest exporters of cotton in the world and Indorama's plant would convert cotton fibres into high quality yarns for the textile sector in its global markets.

Uzbekistan is also one of the world's largest producers of natural gas and maintains significant reserves

as well. However, very little natural gas is being converted into petrochemical products. Indorama and Uzbekneftegaz, the state owned oil and gas Company are working on a project together to produce polyethylene from natural gas.

The first investment in any new destination is always challenging as one need to familiarise with localised business and cultural environment. Fortunately, we worked with good local partners and had active support from the Government. This helped us overcome the initial challenges and familiarise with local practices quickly. The result of this was that we could commission our green field cotton yarn facility in less than a year. After successfully commissioning the first plan in 2010, we are now constructing our second plant which we hope to commission in third quarter of 2013. This clearly reflects our confidence in the investment climate of the country.

Though the basic challenge in setting up any new venture remains very similar in most of the countries, however the Uzbek experience was different because the active support from the Government helped us ride through our initial hurdles and this left a very positive impression. The outcome has been very positive and we continue to grow our business in the country.

From our point of view, Uzbekistan has an abundance of natural resources which can be converted into higher value products within Uzbekistan itself. Secondly, even though the country is in the process of industrialization it has a relatively superior infrastructure compared to its peers. Moreover, the law and order in the country is very good and quality of life in cities is relatively comparable, which provides sense of confidence to the expatriates who work and live in the country.

The country relatively has superior infrastructure compared to many countries in the cusp of industrialisation. For example electricity is abundantly available and is competitively priced. The country has a significant young and educated population which provides a good base for technically competent local workers. If you look at Central Asia and countries surrounding Uzbekistan you will see that it has been one of the most stable countries in the region.

We would certainly recommend Uzbekistan as an investor-friendly and progressive country in the region. A new investor should tap on the strength of the country's natural resources and monetise it to export high value added products.



RIETER

Peter Gnägi

CEO, Rieter AG

On October 10, 2012 the first phase of the new Rieter production plant in Uzbekistan has officially been opened. This is a milestone for Rieter in a market, which develops dynamically and radiates into the entire region.

Uzbekistan is an important cotton producer with more than 1.2 Million tons of high quality cotton yearly. Today, this cotton is exported to a major extent. The forward looking government in Uzbekistan, supported by Uzbekengilsanoat, a State Joint Stock-Company in charge for developing of textiles and light industry, aims to increase the added value in the textile chain by supporting local investments and local manufacturing of the latest high-end spinning equipment.

According to Presidential Decree No. 1484, the path forward was set to build-up a textile machine manufacturing unit in Tashkent for the three most important machines in the spinning mill: draw frame, card and ring frame. The local Rieter unit will also serve as a sales and service station for the Uzbek customers.

Rieter customers in Uzbekistan will therefore benefit from local supply in local currency and short

delivery times, as well as local services.

Rieter is a leading supplier on the world market for textile machinery and components used in short staple fiber spinning. Based in Winterthur (Switzerland), the company develops and manufactures systems, machinery and technology components as well as service used to convert natural and manmade fibers and their blends into yarns. Rieter is the only supplier worldwide to cover spinning preparation processes as well as all four final spinning processes currently established on the market. With 18 manufacturing locations in 9 countries, the company employs a global workforce of some 4 700. Rieter is listed on the SIX Swiss Exchange.

Rieter produces all the equipment necessary for the transformation of short staple fibers into yarn. It is the only company having all four spinning technologies in the portfolio: Open end, Air-Jet, Ring Spinning and Compact Spinning. The company is a global systems supplier with the complete and most innovative product portfolio. Rieter is also the competent partner, dedicated to making customers successful by offering support from the initial investment discussions

to the successful operation of a spinning mill. This also includes delivering parts and upgrades during the whole lifetime of the mill, thus ensuring the long-term value of the investment.

The first products to be manufactured by Rieter in Uzbekistan are the draw frames SB-D 45 and RSB-D 45. Draw frames are key to good and constant yarn regularity, which is one of the important criteria used in international yarn trading.

These machines offer high quality and productivity at delivery speed of up to 1'100 m/min. Excellent scanning precision and autoleveling, combined with CLEANtube result in clean and regular sliver, from start to finish, 24 hours a day, 365 days a year.

Changes in speed are made rapidly at the push of a button on the machine display. A short-fiber drafting system is also available for short-staple cotton. This machine improves and keeps quality in spinning mills and will therefore ensure high quality yarns for international markets made in Uzbekistan.

According to the market needs, also the assembly of the card C 70 and ring spinning frames are in the scope of the project.



VimpelCom

Dmitry Kromsky,

Vice-president for the business
development in CIS VimpelCom Ltd

Today's operation bases on final assembly. With the development of the market and the possibilities in Uzbekistan for local sourcing, further localization and the build-up of local manufacturing is planned.

Rieter enjoys the support of the authorities because it not only ensures latest technology from fiber to yarn but also all the necessary services to build up know-how in spinning and processing of yarns over many years to come.

This will accelerate the progress of the Uzbekistan spinning industry, create jobs and ensure a good position in export markets. Customers with spinning machines from Rieter can become reference customers, which opens a global marketing support network.

This project is supported by the Rieter management and authorized by the Rieter Board. Rieter is proud to acknowledge the achieved results and look forward to the future development of the Uzbekistan spinning industry and Rieter in Uzbekistan.

Rieter thanks its employees, its customers and the government for their support and trust.

When it comes to the investment climate, the most interesting to know is the opinion of the companies who make these investments. Beeline in Uzbekistan is not only one of the largest taxpayers, but the investor with a long history.

I think that one of the major stabilizing factors for the telecom sector of the country is a developed legal and regulatory framework. Obviously, not only the industry regulator, but lawmakers and the government generally pay serious attention to ICT, what in its turn creates all the conditions for technological development.

By the results of the third quarter we see 50% increase of the traffic and 30% grow of the subscriber base. And we as an operator must provide them the level of service to which they are

accustomed. Beeline has always been the operator of the high-quality connection, and our main goal – to return this value to our customers.

We want to provide quality services of Beeline to all residents. Today I can say with confidence that we have done absolutely right, having carried out large-scale investments in the past two years. The total amount of our capital expenditures in 2011-2012 significantly higher than the \$300 million, and this fact has allowed us to withstand the unprecedented traffic load in the second half of 2012.



Jason Li,
Executive Director of HUAWEI

Huawei has its presence in Uzbekistan for more than 14 years. It started its business from a small representative with less than 10 employees. Nowadays Huawei has registered local subsidiary with more than 150 employees 80% of which are citizens of Uzbekistan. Moreover starting from the Year 2012 Tashkent was appointed as the regional headquarter for 10 countries in Central Asia and Caucasus.

Due to friendly neighborly relations between China and Uzbekistan as well as support and assistance of government of Uzbekistan nowadays HUAWEI became important partner for local leading telecom operators. Currently Huawei providing equipment and service solutions for National Operator Uztelecom, Unitel, Ucell, Perfectum Mobile and East Telecom.

Huawei provides one of the widest product portfolios supporting global fixed mobile convergence (FMC) environment of the telecommunications sector in regard to its All-IP vision. In Uzbekistan market we focus

on three aspects, including telecommunications operators, enterprise groups and individual consumer.

Telecommunications Infrastructure

- Wireless (LTE, HSPA/UMTS/EDGE/GPRS/GSM, CDMA2000 1X EVDO/CDMA2000 1X, WiMAX)
- Core Network (IMS, Mobile Soft Switch, NGN, Packet Switch, USC, Signalling Network)
- Network (Access, Transport, Metro Ethernet, Router & Network Security)
- Device
- Mobile Broadband Devices (USB Modems, Wireless Modems, Integrated Modules, WiMAX Devices)
- Telephony Devices (UMTS, GSM, CDMA, TD-SCDMA)
- Convergence Devices (Fixed/wireless Terminals, Wireless Gateway, Digital Frames, Set-top Box)
- Video Solutions (Telepresence Systems, Video Conference Devices)
- Enterprise
- Applications and software

- SDP, BSS, Digital Home, Rich Communication Solution, Mobile Office

- Professional Services

- Electronic Education Network

- System integration services: Mobile Network Integration, Fixed Network Integration, Data Center Solutions, Field Solutions

- Assurance Services: Management Services, Network Security Solutions

- Training Services: Information Transfers, Certification, Consultancy

We are a long-term investor in ICT. We are investing in Uzbekistan as we are confident in the economic perspectives of the country. The market of Uzbekistan plays an important role in the Central Asia and the potential of the telecommunication market's development is huge. HUAWEI is ready to make contribution to the development of private entrepreneurship, creating new jobs, providing businesses and citizens of Uzbekistan with the latest communication technologies.



KNAUF

Manfred Grundke,

General Partner Knauf Group

Uzbekistan is one of the leading industrial countries in the Central Asia and the densely-populated countries of the CIS, where the construction and the production of construction materials are one of the priority areas of the country's economic development. Certainly, country is the attractive region for foreign investors in general. As for the main factors that determined this attraction of Uzbekistan for Knauf, I could mention political stability, favorable geographical location of Uzbekistan, which is located in the heart of Central Asia, which creates favorable conditions for the development of beneficial regional cooperation. Another factor in this choice is a stable and high-quality raw material source, gypsum deposits are high in calcium. The country's population is half the population of Central Asia, which defines a significant trading area for the finished products. Foreign investors are granted privileges and preferences, which include exemption from property and

income taxes, exemption from customs duties on the import of equipment.

An additional factor was also a boom in the construction industry. And what is also important is that the trend of rapid growth of capital construction in the Uzbekistan and neighboring countries will last for the short-term.

I should mention that the total investment volume of Knauf Company in construction industry of Uzbekistan was more than 57 million USD. By now with the assistance of joint stock company "Uzstroyaterialy" and the full support of the Government of the Republic of Uzbekistan the Knauf Company has mastered the two investment projects: the production of advanced dry building mixes on the joint venture "Bukharagips" OJSC and Knauf plasterboard on the "Knauf Gips Bukhara" IC.

A year after the setting up of the plant for the production of Knauf

plasterboards, our company has become a leading manufacturer and supplier of plasterboard for builders in Uzbekistan. Furthermore more than 30% of products are exported to the countries of Central Asia, including Afghanistan. KNAUF factories that produce Knauf-boards (plasterboards) and dry mixtures in Uzbekistan are strategically important for the group. They supply rapidly growing markets in Central Asia (Uzbekistan, Turkmenistan, Tajikistan and Kirgizstan) with modern construction materials.

We have all we need – know how, local raw materials (the gypsum quarry is located 5 km from the production site) and well trained staff.

In autumn 2005, Knauf won a tender for purchase of the governmental stake in Bukharagips OJSC and, following acquisition of additional shares in the stock market, it became the majority shareholder of the enterprise.

In October 2009, Bukharagips launched production of the four most popular Knauf gypsum-based dry mixtures: Knauf Rotband, Knauf Fugen, Knauf Perlfix and Knauf Satengips. On October 06, 2009 there was an official opening of the plant. Later that year the construction of plasterboard plant was launched. By April 2, 2011 construction, installation and commissioning works had been completed and the first Knauf-board was manufactured on the new line. Since May, 2011 the plant operated in two shifts, and from mid-June, 2011 – in three shifts. By June 22, 2011, i.e. exactly three months before the official start, the first million sq. meters of Knauf-boards was manufactured on the production line.

The official opening of a Knauf-board plant took place on September 22, 2011. Production capacity of the new plant allows annual production of 20 mln sq. meters of high quality gypsum boards.

Quality, efficiency, environmental friendliness and appearance form the basis of Knauf Company's strategy in achieving competitiveness, maintaining and increasing the market share. We position our products in the

market as a high-quality and environmentally friendly, which help with least economic costs to implement the most ambitious design projects and offer the widest range of options to make the home cozy, comfortable and attractive. We aim at consumer to choose solutions based on our products. Such is the philosophy of the Knauf Group, which defines the guidelines in work and attitude towards customer and provides a leading position of Knauf in the area of construction and design.

We communicate and do much work among our customers and end-users to promote and distribute our products in the countries of Central Asia and it brings good results. 2012 we have sold 28 thousand tones made by Bukharagips OJSC. The sufficient evidence that our products are very popular are KNAUF boards sales performance data for 2012 – more than 17 million m².

For us it is important that builders put to good use of our products, comply with technique for mounting structures of dry construction, which besides plaster boards and plasters also includes metal profiles and

heat insulation. That's why the Knauf Company works closely together with the Architecture and Building State Committee of Uzbekistan, which orders in 2004 and 2009 adopted and put in force the harmonized interstate regulatory documents as national regulatory documents. These albums with production drawings of Knauf systems (partitions, coating and suspended ceilings) allow applying the modern technologies in the construction that provide the innovative methods of performing finishing works. Besides the Training and Consultation Centers of Knauf Company successfully work in Tashkent, and in February of the next year we plan to open one more training center in Bukhara as a part of our company. As famous eastern thinker As-Samarkandi said: "The knowledge is haughty and beautiful, the knowledge is more precious than the treasure of gems: the time will destroy any treasure, a wise and advised person is always of great demand."



Mark Pothast,

Nestlé S.A. Regional Manager for Eurasia

Nestlé is the largest food and beverage producer in the world, an expert in healthy nutrition and healthy life style. Nestlé credo is to make life better by providing the consumers with high quality products. The history of Nestlé goes back to 1866. Since then the product lines have been expanded regularly. For now the company has over 4,000 brands familiar to the consumers all across 6 continents. Nestlé employs around 330 000 people in over 150 countries and have 461 factories or operations in 83 countries.

Nestlé Uzbekistan MChJ was established based on Namangan Milk Plant Nafosat on February 10, 2000 (in line with the Decree of the Cabinet of Ministers of October 13, 1999). Nestlé believes in Uzbekistan's huge long-term potential, that is why it continues with investments into the development of the local market. According to the Decree establishing the Nestlé Uzbekistan MChJ planned to invest into the economy of the Republic up to 30 mln USD up to 2006. However, as of today over 60 mln USD was invested.

The factory in Namangan started in 2002. Firstly Namangan factory launched production of NESTLÉ PURE LIFE water (1,5 l, 1 l and 0,5 l), NESTLÉ SUTIM sterilized milk (2%, 2,5%, 3,2% fat content, in long-term storage package 1l). Later in 2004 Nestlé Uzbekistan Namangan factory started production of the infant cereals. In 2011 Nestlé Uzbekistan MChJ launched another factory of water manufacturing (1,5 l (sparkling), 5 l and 18,9 l) in Tashkent. In 2013 Nestlé Uzbekistan MChJ is planning the inauguration of the new milk production line in Namangan.

Nestlé Uzbekistan plants are equipped with the advanced European production lines which are upgraded regularly. In the first quarter of 2012 in Namangan plant the company launched new product Nestlé SUTIM milk in 0.2 liters long-term storage package.

On each stage of the technological process all raw materials and packaging (milk, collected from farmers and dekhans in Ferghana Valley, water that is taken from a 300 m well) are subject to

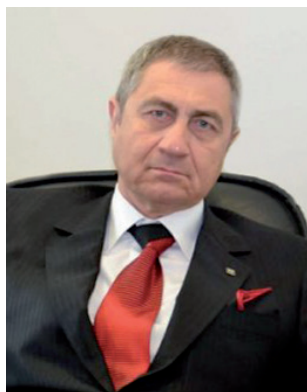
strict quality control in modern laboratories.

Today the range of products produced by the 2 plants in Tashkent and Namangan covers production of:

- Drinking water (still and sparkling) NESTLÉ PURE LIFE in plastic bottles—0.5, 1, 1.5, 5 and 18.9 liters;
- Sterilized milk Nestlé® SUTIM™ (2%, 2,5%, 3,2% fat content, in long-term storage package 1 and 0.2 liters);
- 9 types of infant cereals;
- Butter.

Nestlé Uzbekistan actively participates in rural development in Uzbekistan by supporting farmers with different educational programs (trainings), consultations (in the sphere of the veterinary, livestock feeding, sanitary etc.) and commercial means.

2012 was an anniversary for Nestlé Uzbekistan. Trademarks NESTLÉ SUTIM and NESTLÉ PURE LIFE this year celebrated their 10-th anniversary in Uzbekistan.



Hasan Ulusoy

Chairman of the Board Nobel Ilac In

Nobel Ilac In Brief. Established in 1964, Nobel İlaç constitutes the flagship subsidiary of Ulkar Holding, a leading group of vertically integrated pharmaceutical companies, headquartered in Istanbul.

The Holding's operations and expertise cover a wide spectrum including research & development, synthesis of APIs, manufacturing of pharmaceutical dosage forms, and sales and marketing activities.

With its affiliates, Nobel İlaç's mission is to develop and manufacture high quality pharmaceutical products while continuing on its path as a global player.

Nobel İlaç draws its strength from its half-a-century-experience, broad range of APIs and pharmaceutical dosage forms, research & development activities and comprehensive manufacturing facilities, under the control and performance of a dedicated team of 2500 professionals.

As of November 2012, Nobel İlaç enjoys state-of-the-art production facilities in three countries.

Thanks to the company's extensive international sales and marketing network, Nobel is a leading brand name in twenty countries, located predominantly in Central Asia, the Balkans, North East Europe and the Middle East. Furthermore, Nobel İlaç is pursuing new partnership and

investment opportunities in Asia and Europe in a continuous quest to expand its horizons.

Nobel in Uzbekistan. We are proud to say that currently, Nobel İlaç is Turkey's leading exporter of pharmaceutical products and is regarded as the leading expert on global pharmaceutical trade and cooperation. We should note that we started our path in international market in Uzbekistan, twelve years ago.

The establishment we founded in 2000 with much excitement is today a respected manufacturer of high standard pharmaceutical products. Nobel Pharmsanoat employs 250 professionals – this is 1/10 of our entire personnel – dedicated to human health, and the company's high quality production and research oriented work discipline are acknowledged and appreciated among medical circles and official bodies of our brother country Uzbekistan.

In the twelve years, we spent so far in Uzbekistan, the encouraging realities of today and bright prospects of the future of Uzbekistan have increased our dedication to our work and investment.

In this regard, one of the most reinforcing elements of our faith in the country is the Government's visionary export-oriented strategy, which transformed Uzbekistan into a regional investment hub. This policy undoubtedly played a major role in the

country's economic development since its independence.

Some of the other key factors that encouraged our investments are Uzbekistan's central location at the crossroads of intercontinental trade routes and also its demographic asset as the region's most populated country, with a young, educated and motivated human capital.

New Investment. Consequently we decided to intensify our investments in Uzbekistan, which we believe will strengthen the country's pivotal role in Nobel İlaç's expanding global structure. The construction of the second Nobel manufacturing facility is projected to amount over 10 million dollars. This investment is expected to increase the annual production capacity to five million boxes, with a view to not only amplifying domestic supplies but also multiplying export volumes. This expansion projects us to increase our team with 150 new employees, with whom we will set and achieve even bigger goals, side by side in the coming years.

Uzbekistan rightfully perpetuates its historical, economic and political significance with the realization of the country's full potential. We are proud to play a humble role in the realization of Uzbekistan's medical and economic ideals set by the country's visionary Government for an even brighter future.



Satwinder Singh

CEO, NOVA PHARM LIMITED-UZBEKISTAN

Uzbekistan “The Heart of Central Asia” is the only country in central Asia which has created a very comfortable, supportive, and attractive business models for the investors worldwide.

The government of Uzbekistan has a very transparent vision for reforming the modernization in all business sectors, Uzbekistan has a very favorable policies for macroeconomic & stable economic growth by creating a reliable financial and banking systems.

We at “JV NOVA PHARM” (Uzbek-Indian joint venture) has successfully started our operations in Termez city (Surkhandarya) with an investment plan of USD 8 million in manufacturing of pharmaceutical and healthcare products in Uzbekistan.

The first phase of company is already running its operations successfully, this all has been possible only with the support of ministry of Foreign Economic

Relations / Ministry of Health & Uzpharmsanoat.

The new programs introduced by the government of Uzbekistan concerning rebate in taxation, rebate in custom duties, and so many other operational benefits has facilitated us to run our operations successfully, not only this but so many other companies have started manufacturing locally which help us to get lot of material in Uzbekistan which saves lot of time, cost efficiency, results to fasten the manufacturing process.

Concerning other important factors like exports / infrastructure / skilled workforce I would like to add that:

1. Uzbekistan is located in a favourable geographical position which connects by road / rail to Central Asia countries / Russia / China / Eastern Europe / Gulf countries / Turkey & Afghanistan.
2. Another important factor for company's success is to get skilled workforce which also has

played a major role in running our company operations successfully.

3. The country has very favourable infrastructure which fastens the growth that leads to successfully running the operations.

Concerning healthcare & pharmaceutical products I would like to add that Uzbekistan is a rich source of naturally growing herbs which after re-processing can be used for providing herbal healthcare products worldwide.

We not only know but have experienced the potential with exists in Uzbekistan and we have experienced the support from all government & semi government organizations and can proudly quote that “Uzbekistan is a dream country for any investor”.

That is why we at JV “NOVA PHARM” – Uzbekistan hereby fully confident & committed to provide quality pharmaceutical & herbal products to the world as per international standards.



CHAPTER 6

Investment Proposals



INVESTMENT PROPOSALS FOR CHINESE COMPANIES

No.	Project	Cost (million USD)
Oil-Gas Industry		
1.	Conducting of exploration works and hydrocarbons recovery in Baysun and Surkhan investment blocks	1 500.0
2.	Conducting of exploration works in oil-and-gas bearing investment blocks (Khorezm and Meshekli-Tuzkoy investment blocks) of Uzbekistan	200
3.	Implementing of the projects on increasing of oil extraction from long-developed deposits with hard-to-recovery reserves (applying of the new oil recovery methods) in the deposits of the Bukhara-Khiva, Ferghana and Surkhandarya oil-and-gas bearing regions	151.5
4.	Modernization of the systems for conducting of exploration works in the oil-gas industry	165.0
5.	Production of equipment for automotive gas-filling stations on compressed natural gas fueling	15.0
6.	Conducting of exploration works in Akjar and Chimbay investment blocks of Uzbekistan	56.1
Chemical Industry		
7.	Establishment of gas-chemical complex on deep processing of natural gas based on technology of production of olefin from methanol	1 270.0
8.	Modernization of production of the nitric acid (HNO ₃) in Navoiyazot OJSC	210.0
9.	Production of glues and other adhesives for construction materials, footwear industry and others	2.5
10.	Production of fluids for automobile industry (antifreezes, screen washer fluids, brake fluids and hydraulic fluids)	7.0
11.	Production of chemicals for light industry (coloring agents, bleaching agents and others)	25.0
12.	Production of plastic accessories for light industry	2.0
13.	Production of household water-purification filters	1.8
14.	Production of products out of wood-polymer compositions (fitting materials, profiles for windows and doors, railings, furniture components)	2.0
15.	Production of fiber-glass goods (yarn, fabrics, tubes, bands and others)	5.0

Electro-technical Industry		
16.	Production of compressors for household appliances	30.0
17.	Production of refrigerators	13.0
18.	Production of domestic air conditioners	9.0
19.	Production of TV-sets and displays	15.0
20.	Production of clothes-washing and dish-washing machines	12.0
21.	Production of microwave ovens	7.0
22.	Production of personal computers	5.0
23.	Production of small household appliances (hairdryers, irons, electric meat-grinders, juice extractors, electric tea kettles and others)	4.0
24.	Production of power efficient LED lighting devices	5.0
25.	Production of electric lighting devices (luster, lighting fittings, stand lamps and others) in Oniks OJSC	4.0
26.	Production of electronic security systems and video-surveillance systems	2.5
27.	Production of low-voltage electro-motors, including for automobile industry	8.0
28.	Production of sound system	2.5
29.	Production of GPS-navigators	4.0
30.	Production of various kinds of electric pumps (water-pumps)	8.0
31.	Production of electric tools (electric drills, punchers, screwdrivers, circular saws)	5.0
Energy Infrastructure Development		
32.	Modernization and replacement of outmoded equipment in power network substations	166.3
33.	Modernization and renewal of low-voltage power grids in the Republic of Karakalpakstan, Navoi, Khorezm and Surkhandarya regions	220.0
In total:		4 133.2

INVESTMENT PROPOSALS ON DEVELOPMENT OF MINERAL DEPOSITS IN THE REGIONS OF THE REPUBLIC OF UZBEKISTAN

No.	Mineral	Deposit	Geologic extent of exploration	Project estimated cost	Spheres of use
Republic of Karakalpakstan (2 projects worth 13.2 million USD)					
1.	Talcum	Zinelbulak	Reserves - 6.3 million tones	7.7 million USD	- construction materials manufacture; - metallurgy industry; - chemical industry
2.	Limestone	Aktau	Reserves - 17.7 million tones	5.5 million USD	- production of cement and other construction materials; - agriculture (production of combined feeds)
Bukhara region (1 project worth 25.8 million USD)					
3.	Graphite	Taskazgan	Reserves – 0.8 million tones	25.8 million USD	- metallurgy industry; -electro-technical industry
Jizzakh region (7 projects worth 97 million USD)					
4.	Basalt	Asmansay	Reserves – 15.4 million tones	35 million USD	- construction materials manufacture
5.	Lead, Zinc and Barite (associated mineral)	Uchkulach	Reserves - 5.5 million tones	32 million USD	- nonferrous metallurgy; - oil-gas industry (drilling mud heaver); - construction materials manufacture
6.	Wollastonite	Koytash	Reserves - 4.1 million tones	14 million USD	- production of ceramics; - production of construction materials; - chemical industry;
7.	Limestone	Karulbazar	Reserves - 21.1 million tones	5 million USD	- production of cement and other construction materials; - agriculture (production of combined feeds)
8.		Bolshoe sedlo	Reserves - 7.3 million tones	4.8 million USD	

No.	Mineral	Deposit	Geologic extent of exploration	Project estimated cost	Spheres of use
9.	Marble	Sharaksay	Reserves - 6.2 million tones	3.2 million USD	- production of construction and facing materials and products
10.		Malguzar	Reserves - 0.9 million tones	3 million USD	
Kashkadarya region (5 projects worth 29.5 million USD)					
11.	Manganese	Dautash	Reserves – 1.2 million tones	16 million USD	- nonferrous metallurgy; -production of doped steel
12.	Limestone	Karatyba	Reserves - 179.8 million tones	6.4 million USD	- production of cement and other construction materials; - agriculture (production of combined feeds)
13.	Marble	Sevaz	Reserves - 3.5 million tones	2.8 million USD	- production of construction and facing materials and products
14.	Bentonitic clay	Arabdasht	Reserves - 8.9 million tones	2.3 million USD	- production of construction materials; - oil-gas industry; - food industry; - chemical industry
15.		Haudag	Reserves - 11.2 million tones	2 million USD	
Navoi region (4 projects worth 11.7 million USD)					
16.	Gypsum	Lyangar	Reserves - 13.9 million tones	3.8 million USD	- production of construction materials
17.	Marble	Oksay	Reserves - 2.5 million tones	2.7 million USD	- production of construction and facing materials and products
18.		Vaush	Reserves - 1.4 million tones	2.5 million USD	
19.		Gazgan-Nur	Reserves - 1.36 million tones	2.7 million USD	

No.	Mineral	Deposit	Geologic extent of exploration	Project estimated cost	Spheres of use
Namangan region (1 project worth 33 million USD)					
20.	Basalt	Gavasay	Reserves - 0.081 million tones	33 million USD	- production of construction materials
Samarkand region (3 projects worth 83 million USD)					
21.	Tungsten	Ingichka	Reserves - 11.6 million tones	65 million USD	- nonferrous metallurgy; -production of doped steel
22.	Manganese	Takhtakaracha	Reserves - 1.7 million tones	15 million USD	- nonferrous metallurgy; -production of doped steel
23.	Marble	Nurata	Reserves - 2.4 million tones	3 million USD	- production of construction and facing materials and products
Surkhandarya region (2 projects worth 173,8 million USD)					
24.	Limestone	Sherabadlaylik	Reserves - 3.3 million tones	3.8 million USD	- production of cement and other construction materials; - agriculture (production of combined feeds)
Tashkent region (2 projects worth 24.7 million USD)					
25.	Alunite	Gushsay	Reserves - 140.8 million tones	24.7 million USD	- production of construction materials; - nonferrous metallurgy
26.	Feldspar	Suppatash	Reserves - 1.4 million tones	TBD	- metallurgy industry; - chemical industry
In total: 26 projects worth 321.7 million USD					

CHAPTER 7



Useful Information



Hotels in Tashkent

Hotel International Tashkent

Address: Amir Temur Str., 107 A
Phone: (+998 71) 120 70 00
Fax: (+998 71) 120 6459/120 7013

Miran International Hotel

Address: Shakhrisabz passage, 4
Phone: (+998 71) 232 3000
Website: www.miranhotel.com

Tashkent Palace Hotel

Address: Buyuk Turon Str., 56
Phone: (+998 71) 120 5800
Fax: (+998 71) 232 2726/120 4401
Website: www.tashkent-palace.com

Hotel City Palace

Address: Amir Temur Str., 15
Phone: (+998 71) 238 3000
Fax: (+998 71) 238 3009

Radisson Blu Tashkent Hotel

Address: Amir Temur Str., 88
Phone: (+998 71) 120 4900
Fax: (+998 71) 120 4905

Le Grande Plaza Hotel

Address: Uzbekiston Ovozi Str., 2
Phone: (+998 71) 120 6600
Fax: (+998 71) 120 63 16/120 63 19/120 6318
Website: www.legrandeplaza.com

Shodlik Palace Hotel

Address: 5, Pakhtakorskaya Str.,
Phone: (+998 71) 120 9977/120 7292
Fax: (+998 71) 120 6933
Website: www.shodlikpalace.uz

Grand Mir Hotel

Address: Mirabad Str., 2
Phone: (+998 71) 140 20 00/140 2020
Fax: (+998 71) 140 2040



Dedeman Silk Road Tashkent Hotel

Address: Amir Temur Str., C4 No:7/8
 Phone: (+998 71) 120 3700/234 0101
 Fax: (+998 71) 234 4242
 Website: www.dedemanhotels.com

The Park Turon Hotel

Address: Abdulla Kodiriy Str., 1, Center-13 block
 Phone: (+998 71) 140 6000
 Fax: (+998 71) 140 6030
 Website: www.theparkturon.com

“Uzbekistan” Hotel

Address: Musakhanov Str., 45, Amir Temur Square
 Phone: (+998 71) 113 1111
 Fax: (+998 71) 113 1090/233 1286
 Website: www.uzbekistanhotel.uz

Grand Orzu Hotel

Address: Makhmud Tarobiy Str., 27
 Phone: (+998 71) 120 8877
 Fax: (+998 71) 120 8876
 Website: www.orzu-hotels.com

Expo Hotel

Address: Amir Temur Str., 107
 Phone: (+998 71) 234 3494
 Fax: (+998 71) 234 4340

Retro Palace Hotel

Address: V.Vakhidov Str.,65
 Phone: (+998 71) 256 31 06/256 1191
 Fax: (+998 71) 252 2340
 Website: www.retro-palace.uz

Sayokhat Hotel

Address: Byuk Ipak Yuli Str., 115
 Phone: (+998 71) 268 17 09/268 1630
 Fax: (+998 71) 268 1472
 Website: www.sayokhat.uz

Golden Valley Hotel

Address: Chinabad str.61
 Phone: (+998 71) 200 1000
 Fax: (+998 71) 200 1000
 E-mail: info@gvhotel.uz

International Airports of Uzbekistan

Tashkent International Airport

Address: Tolipov Str., 13, Tashkent city
 Phone: (+998 71) 140 2801/140 2802/140 2800

Samarkand International Airport

Address: Abdullaev Str., 1, Samarkand city
 Phone: (+998 66) 230 8659/230 86 41/
 230 8623/230 8689
 Fax: (+998 66) 230 86 59

Bukhara International Airport

Address: Bakhouddin Nakshbandi Str., 251, Bukhara city
 Phone: (+998 65) 225 6121/225 02 02/225 0909

Navoi International Airport

Address: Malikrabat community, Navoi district
 Phone: (+998 79) 539 3853/539 3523
 Fax: (+998 79) 539 8853

Urgench International Airport

Address: Urgench city
 Phone: (+998 62) 226 24 25/2264266

Termez International Airport

Address: Termez city
 Phone: (+998 76) 229 3162/229 3154

Nukus International Airport

Address: Dosnazarova Str., Nukus city
 Phone: (+998 61) 780 02 08/780 02 09

Railway stations of Uzbekistan

Tashkent Central Railway Station

Address: Turkestanskaya Str., 7, Tashkent city
 Phone: (+998 71) 299 72 6/299 1005

Samarkand Railway Station

Address: Beruniy Str., 3, Samarkand city
 Phone: (+998 66) 229 1532

Navoi Railway Station

Address: Ravshanov Str., 3, Navoi city
 Phone: (+998 79) 225 5907
 Fax: (+998 79) 225 7033

*Uzbek cotton
from first hands*



UZPROMMASHIMPEKS

STATE JOINT STOCK FOREIGN TRADE COMPANY

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