



## EMBASSY OF THE REPUBLIC OF UZBEKISTAN IN JAPAN



### INFORMATION BULLETIN

#### **In Tune with Times: President Reviews Installation of Second Combined-Cycle Plant at Navoi Heat Power Station**

On 28 March 2017, President Shavkat Mirziyoyev visited the Navoi Heat Power Station, where he laid the capsule for the construction of the second combined-cycle plant.

An agreement was signed between the consortium of Japanese Mitsubishi Corporation and Mitsubishi Hitachi Power Systems and the Uzbekenergo Joint-Stock Company on the construction of a combined-cycle plant worth 432 million dollars and with a capacity of 450 megawatts. Currently, the project is being implemented by a consortium of Mitsubishi Corporation and MHPS and the Turkish company Calik Enerji.



President Shavkat Mirziyoyev got familiar with the process of gas turbine operation of the combined-cycle plant.

At the site, the head of our state was provided information on the projected effects of the project along with technical and economic indicators of the installation. Thus, as a result of the commissioning of the combined-cycle plant, 3 billion 454 million kilowatt-hours of electricity and thermal energy will be produced annually. Calculations suggest that by reducing the fuel consumption required for the production of 1 kilowatt-hour of power, an average of 829 million cubic meters of natural gas will be saved a year.

Through to 2025, Uzbekistan plans to build a number of other modern combined-cycle plants. This, in turn, requires the training of over a thousand highly qualified specialists.

Earlier, President Shavkat Mirziyoyev ordered to organize – at the premises of Navoi Heat Power Station – a training center for fostering specialists to work with combined-cycle plants.

Accordingly, the company set up such a center with the financial assistance of the Japan International Cooperation Agency (JICA). To date, 166 specialists have been trained here.

The head of our state talked with the company's representatives and foreign investors.

#### **IMF predicts acceleration of Uzbekistan's economic growth in 2019**

Economic growth rate of Uzbekistan is expected to accelerate to 5.5% this year and 6.0% in 2020 from last year's 5.0% on the back of strong investment, the International Monetary Fund (IMF) said.

According to IMF mission chief Albert Jaeger, under President Shavkat Mirziyoyev Uzbekistan has embarked on market reforms.

«Heavy spending in areas such as construction and equipment imports should soon boost growth,» Albert Jaeger says.

«Why do we think GDP growth is going to pick up? The main answer is investment,» he told at a briefing in Tashkent. «Imports of capital goods in 2018 increased to \$7.5 billion, that's \$3 billion more than in the year before. That is a massive increase».

Inflation is set to remain relatively high, Jaeger said, around 15%, as price liberalization continues.



### **Gov't of Uzbekistan prepares for gradual privatization of banks**

The Central Bank of Uzbekistan jointly with the government, is preparing to carry out a phased privatization of banks, which will become part of the concept of developing the financial sector in the medium term. This was announced by the Chairman of the CB Mamarizo Nurmuratov.

The regulator has already divided banks with a state share into two categories. The first – banks that are ready for privatization, the second category consisting of financial institutions still needs improvement in management.

«We need to seriously improve the quality of the loan portfolio and seriously change the management. In this direction, we will designate the main tasks in the concept that we are currently working out together with the government to develop the financial sector in the medium term», Nurmuratov said.

«The state's share in the banking system is around 84%. We cannot immediately carry out mass privatization. We will do everything based on the readiness of each bank with a state share. With banks that are already ready for privatization, the work is proceeding separately. In the coming days, the government will issue relevant resolutions on the entry of private capital into them», he added.

At the same time, a representative of the regulator noted that there are certain banks to which investors show interest and «do some work with the supervisory board».

According to him, the International Finance Corporation, a member of the World Bank Group, is working in this direction with Ipoteka Bank and it is ready to enter the capital of the bank through its credit lines. Also, Asia Alliance Bank is being considered.

«The Central Bank does not intend to say that at the moment, some of the banks are ready for privatization and some are not. The investor will determine everything», chairman of the CB stressed.

### **World Bank: Uzbek citizens positively evaluate the ongoing reforms**

As of February 2019, the World Bank's investment portfolio in Uzbekistan includes 19 projects with an aggregate size of about \$3,4 billion, WB vice-president for Europe and Central Asia Cyril Muller said during a visit to the republic.

According to him, since beginning of the implementation of large-scale reforms in Uzbekistan in 2017, the scale and nature of cooperation with an international financial institution has increased. So, today the World Bank program in the republic is among the top three of its largest operations in the region covered.



Among them, there are projects implemented by the government in order to develop infrastructure and carry out structural reforms in agriculture (\$800 million), water supply (\$322 million), irrigation (\$359 million).

The volume of financing projects in the energy sector is \$614 million, transport - \$271 million, healthcare - \$241 million, education - \$92 million, urban development - \$120 million, and support in implementing macroeconomic reforms - \$500 million.

Cyril Muller also noted the importance of citizen support for reforms. In particular, referring to the results of the study «Listening to the citizens of Uzbekistan» conducted by the WB since 2018 among more than 4,000 households in all regions of the country, he said that 95% of respondents are optimistic about the country's economic future.

Most citizens positively assess key government reforms, for example, unification of the exchange rate in September 2017. About 80% of those polled said that they welcomed the increased opportunities for interaction with the authorities on significant political issues.

### **Uzbekistan becomes the fastest growing tourist destination**

Uzbekistan has become the fastest growing travel destination according to the British Wanderlust Guide Awards, whose awarding ceremony took place on February 21, the Uzbek State Committee for Tourism Development reports.

Uzbekistan was declared a winner in the nomination «The fastest growing tourist destination».

During the vote, the republic was able to get ahead of Iran thanks to the rich cultural-historical heritage of Samarkand, Bukhara and Khiva, as well as measures taken to develop the tourist market.

It is worth noting that in 2020, Uzbekistan can compete for the title of the most visited country.

The winners were selected by studying the opinions of readers in such nominations as «The most popular country to visit», «The fastest growing tourist destination», «The most popular city for tourists», «The best airline» and «The best tour operator».

