



EMBASSY OF THE REPUBLIC OF UZBEKISTAN IN JAPAN



INFORMATION BULLETIN

ADB - Uzbekistan growth to improve further to 5.2% in 2019

According to a new report by the Asian Development Bank (ADB), released on April 3, high infrastructure spending, **an improved investment climate**, **increased exports**, and expected agriculture pickup are helping Uzbekistan sustain its growth.

In the Asian Development Outlook (ADO) 2019, ADB projects gross domestic product (GDP) **growth for Uzbekistan at 5.2% in 2019 and 5.5% in 2020**, following 5.1% in 2018. ADO is ADB's flagship annual economic publication.

«The Government of Uzbekistan is on track to meet its goal of transforming to a market-driven economy. Comprehensive reforms will help the country create an enabling environment for businesses, address inequality, enhance productivity, and attain long-term sustainable growth».

Ms.Cindy Malvicini
ADB Country Director for Uzbekistan

In 2018, investments were the main driver of growth, expanding gross capital formation by 18.1%, compared with 7.1% in 2017. Higher investment in manufacturing, housing, energy, and mining was fueled by a 36.6% surge in foreign investment and lending for fixed capital. **Growth in industry**, excluding construction doubled to 10.6% in 2018, driven by increases in manufacturing, mining, and quarrying. Construction expanded by 9.9% up from 6.0% in 2017 with gains in housing and production facilities.



Investments are expected to remain the major growth driver for 2019, reflecting **further improvement of the investment climate** and government-led investments to modernize manufacturing, mining, power generation, transportation, and housing. Private consumption is expected to benefit from wage growth.

Inflation is projected to decelerate to 16% in 2019 and further to 14% in 2020 as lending growth under state programs slows and customs procedures are further streamlined resulting in increased imports.

Strong international interest in Uzbekistan's first 100MW solar tender

Uzbekistan's first competitive tender for 100MW of solar PV in Navoi region has received 23 submissions from international companies.

State-run utility Uzbekenergo issued the request for qualification (RfP) for the project on 1 February this year. This is the first phase of the government's plan, under the advice of IFC, a World Bank group, to set up 1GW of solar PV through transparent and competitive tenders to reduce the Central Asian country's dependence on gas.



«The tremendous interest and sheer number of companies demonstrate strong investor interest in Uzbekistan», said Wiebke Schloemer, IFC regional director for Central Asia and Europe. «This is a testimony to the strong commitment by the government of Uzbekistan to increasing private sector participation in the country through an open, competitive, and

transparent process that is generating confidence in the country's infrastructure program and will result in better value for the country».

«The number of companies interested in Uzbekistan's first competitively tendered solar project is a strong indication that the government's decision to develop this project in a competitive and transparent manner has been well received by investors», said Georgi Petrov, IFC PPP regional manager. «This project is helping lay the foundation for greater investor confidence and investment in the country».

To progress the procurement process, Uzbekenergo will now evaluate the qualifications of the companies to determine which meet the criteria set by the government of Uzbekistan for the project and release a shortlist of companies.

Foreign economic activity to be simplified

The Ministry of Justice, jointly with the State Customs Committee of the Republic of Uzbekistan, has studied legislation and law enforcement practice in passing permits issuance procedures, control procedures at foreign customs and border posts in foreign economic activity. Unnecessary bureaucratic procedures and requirements were identified.

The low level of the process automation during the passage of control at posts, as well as the lack of regulations, does not allow speeding up these procedures. At the same time, the absence of a risk management system in the activities of control bodies at posts (with the exception of customs authorities) necessitates the inspection of each vehicle and cargo. This leads to an increase in duration of the procedures, as well as a decrease in the effectiveness of implementation of appropriate control.

The study of foreign experience has shown that the introduction of modern information systems that allow to draw up and receive necessary documents in real time

according to the Single Window principle and pass customs, border and other control through automated systems, the elimination of unnecessary procedures and documents have allowed advanced foreign countries to significantly reduce financial and time costs for export and import.

According to the Ministry of Justice of the Republic of Uzbekistan, a survey among entrepreneurs has been organized to identify real problems in the field and to more fully cover issues in implementation of foreign economic activity on the telegram channel of the Ministry of Justice “Huquqiy axborot”. Over 100 proposals and opinions of entrepreneurs were received through “qonunchilikbot”, which were taken into account when developing a project for further improving the sphere.



The Ministry of Justice has developed a draft decision of the President of the Republic of Uzbekistan, providing for the reduction of procedures, deadlines and documents required for processing permits and passing controls at posts, developing regulations for passing control procedures at posts, as well as risk management systems and others.

Prospects of Uzbekistan – American trade-economic cooperation

Washington D.C. hosted a briefing for representatives of the American business community, which was attended by representatives of companies, NGOs and media, as well as staff of the U.S. Department of Commerce, the World Bank and the Asian Development Bank.

Ambassador of Uzbekistan to the United States Javlon Vakhobov, Chairman of the American – Uzbekistan Chamber of Commerce Carolyn Lamm, as well as renowned experts Frederick Starr, Svante Cornell and Mamuka Tsereteli addressed event.



According to Uzbekistan MFA, the participants discussed the latest achievements of Uzbekistan’s economy. Dr. Frederick Starr presented information about political reforms in Uzbekistan, the process of formation of public control mechanisms in the country through the media and public receptions network, as well as strengthening the role of parliament and political parties in the country.

Dr. Svante Cornell informed about how reforms in Uzbekistan became a catalyst of transformation in the entire region. He emphasized the importance of the initiatives of Tashkent, which contributed to strengthening friendship and mutual understanding in Central Asia.

Dr. Mamuka Tsereteli’s presentation on reforms in Uzbekistan’s economic sector aroused particular interest among U.S. business people. The expert consulted U.S. companies on the opportunities created for foreign investors in the country.

Following the briefing, an agreement was reached with the Chairman of the American – Uzbekistan Chamber of Commerce Carolyn Lamm on holding Uzbekistan – American business forum in October this year in Washington D.C., with participation of leading U.S. companies in agriculture, energy, infrastructure development, high technologies, medicine, transport and others.

The issue of organizing a trade mission of the U.S. companies to Uzbekistan in June was discussed with representatives of the U.S. Department of Commerce. U.S. companies' representatives stated that they intend to expand their presence in Uzbekistan market, and representatives of leading international banks are ready to support these aspirations.