

EMBASSY OF THE REPUBLIC OF UZBEKISTAN IN JAPAN



INFORMATION BULLETIN

Uzbekistan sets up the way to support businesses helping families in need

At times when the world is addressing coronavirus pandemic, the leader of the Republic of Uzbekistan is taking decisive measures, aimed at minimizing consequences on country's economy and social area.

Decrees of the President, developed and adopted within a short period of time, oversaw prevention of virus spread, ensuring stability of the budget, mitigation of the negative impact on economic sectors, social support of the population during COVID-19 outbreak.

Along with government, the fight however, requires engagement of civil society and business sector.

At the meeting, on April 20, President of Uzbekistan Shavkat Mirziyoyev suggested establishing **“Kindness and Support” nationwide movement**. Following that, on April 22, Uzbekistan registered “Kindness and Support” Fund.



The fund and its divisions are registered under “Mahalla” Charitable Public Fund and its territorial departments as non-legal entities.

Fund's resources will be formed based on donations, sponsorship support and other sources that do not violate the law.

Available sources will be streamlined to support individuals in need of social protection, large families, lone senior and disabled people, temporary jobless individuals who lost their income for the time for quarantine to cover grocery, medicine and necessary goods. Large enterprises and its divisions are already providing great support. In turn, the government will provide them tax, leasing, credit preferences as well as access to necessary resources.

Earlier set up “Mercy and Health of Uzbekistan” Public Fund has been receiving monetary contributions from across the world.

Uzbekistan takes practical measures to ensure employment at times of novel coronavirus

On April 22 President of Uzbekistan held a meeting devoted to issues of employment.

As stated at the event, quarantine measures impacted on the volume of production and services as well as the number of unemployed. **Tax revenues in some regions decreased by 30–40%**, in a number of districts and cities - by more than 50%.

Government is taking necessary measures to address this challenge. Particularly, a number of families with children who are entitled to benefits and financial assistance has increased. **The terms of payments on household loans extended** by 3.26 trillion soums. 141.8 thousand citizens provided with employment at the expense of the Employment Promotion Fund and the Public Works Fund.

However, changing environment requires additional measures. Entrepreneurs and farmers should help poor families do household chores in their yards, allocate plots in their lands for re-cultivating crops and promote home-based work. Such entities will be given a deferral or installment plan for taxes or loans.

President of Uzbekistan spoke on possibility of **creating 14 thousand new jobs** via setting up agricultural cooperatives and home greenhouses. Uzbek leader ordered to **cover 110 thousand people with seasonal job**; 167 thousand – community job. 52 thousand more jobs could be created by building orchards and vineyards, 785 thousand in silk industry and 75 thousand in construction and infrastructure areas.

Service industry was also on the agenda. 13 thousand catering businesses, 45 thousand in the area of trade, 19 thousand – service, 7 thousand in transportation area either suspended their work or lost profit.

Freelance workers will also be supported. Currently, people are allowed to do 24 types of jobs compared to 85 types in individual enterprises. President ordered to extend the list and introduce registration system for freelance workers.

Nowadays, handcrafting provides jobs to more than 25 thousand people and this number increases to 80 thousand, if mentees are included. During the event, the Shavkat Mirziyoyev ordered to organize remote learning courses on handcrafting for youth and women.

“Hunarmand” Association, Ministry of Investments and Foreign Trade are responsible for creating online platform to help sale handcrafting items overseas.

A plethora people in Uzbekistan are providing design, translation, programming, marking, teaching and other services through internet. These specialists are facing challenges in setting up a bank account and receiving payments. Responsible individuals are assigned to encourage young people to find profit via intellectual labor in the internet, provide benefits for them, and introduce popular foreign payment systems.

Uzbekistan allocates more than 3,5 trillion soums to support construction area for the time of pandemic

The leader of Uzbekistan raised the issue of steady removal of quarantine regime in districts, regions and cities that saw positive shift in regards to novel coronavirus outbreak while using all the possible measures to preserve jobs and prevent economic crisis. If resumed back to regular life, businesses and enterprises, nevertheless, will have to adhere to sanitary rules.

Besides, considering construction area being one of the drivers of employment and economic stability as well as high demand from citizens in accessible living, a number of measures have been taken to prevent the downfall of construction area at times of coronavirus.



Particularly, **government allocated 3,6 trillion soums** (more than 335 million dollars). Additionally, 1,5 trillion soums (147 million dollars) from Anti-Crisis Fund will go on construction of engineering and communications infrastructure. That includes 500 billion soums (around 50 million dollars) on 55 projects in the area of water supply and 1 trillion soums (98,5 million dollars) on 1,547

projects in road construction. Government creates necessary conditions to increase the income of local budgets, including building up resources for road construction and other infrastructure objects.

In the near future, construction objects will be allowed to resume their work with full compliance with quarantine rules.

“In general, the construction sector, whether it is housing or infrastructure related building, is a great reserve for creating new jobs, generating demand and supply in the market, and ultimately ensuring economic growth. If industry local leaders, aware of the responsibility assigned to them, will organize their work correctly, we will emerge from the economic crisis with minimal losses,” said President Mirziyoyev.

Thus, Uzbekistan is taking decisive measures and continuing its work to ensure country’s prosperity.

Tashkent Pharma Park pharmaceutical cluster is a territory of international standard quality

Within the implementation of Decree of the President of Uzbekistan Shavkat Mirziyoyev “On the creation of an innovative scientific and production pharmaceutical cluster” dated January 28, 2020, an agreement was reached with Economic Development Cooperation Fund of the South Korean Eximbank to

finance scientific and educational structures with a long-term loan amounting 136 million dollars.

On April 17, construction of the Tashkent Pharma Park innovative scientific and production pharmaceutical cluster kicked-off in Zangiata district, Tashkent region. It has become the first significant step in combining powers, services, resources and skills in the area.

During the videoconference held on this occasion, President of Uzbekistan got acquainted with the plans and work on project's implementation comprising innovative and high-quality indicators.

In the near future Tashkent Pharma Park will have an effective infrastructure to produce innovative medicines, medical products equipment, the training of modern personnel and the further development of the scientific potential of the pharmaceutical industry.

To this end, around **80 hectares of land have been allocated in the Zangiata district**. Thus, the implementation of 14 investment projects totaling 276 million dollars will lead to the establishment of Central Asia's only modern pharmaceutical cluster employing more than 1,700 people. The cluster will consist of a technological park (30 hectares) and an industrial zone (49 hectares).

The technological park will house sectors of academic, scientific activity and medicines development. Plans include in particular the creation of Pharmaceutical Technical University.

The new educational institution will lay the foundation for basic and applied research in the field of drug development, medical devices and equipment for the pharmaceutical, biotechnological, biopharmaceutical and pharmaceutical industries.

In the industrial zone, capacities will be built for the production of innovative drugs by leading pharmaceutical companies. Production will include drugs against oncological and cardiovascular diseases as well as the development of a novel coronavirus vaccine.



Particularly, **5 investment projects worth 80 million dollars** began the production of innovative medicines, medical devices and equipment. Partners include World Medicine (Turkey), Union Korea Pharm (South Korea), Farmak (Ukraine), Ego Zlín and ProSpon (Czech

Republic).

Notably, foreign investors involved in these projects are among the world leaders in this field. In particular, World Medicine exports its products to 35 countries and has an annual turnover of 500 million euros. The Ukrainian company Farmak produces 262 types of medicines, 9 types of medical products, and

supplements for treating diabetes. The company is a leader in the production and export of all types of medicines in Ukraine. The Czech company Ego Zlín is one of the world's largest manufacturers of personal protective equipment, work clothing, bio-boxes, mobile hospitals and their equipment for medical, natural disasters, emergencies, military targets and various epidemiological situations.

High quality pharmaceutical products will increase the export capacity of Uzbek manufacturers in the global pharmaceutical market.

The Pharmacopoeia Center, which will be created within the cluster, will coordinate injection of internationally recognized quality standards in the activities of local enterprises and establish scientific and practical cooperation with them.

The center will comprise 12 main departments and create new jobs at its first stage for around 400 qualified specialists. In the near 5-7 years, the number will increase to 600-650.

In future, foreign clinics and medical centers will be opened here, and the cluster infrastructure will be further developed.

The innovative scientific and production pharmaceutical cluster Tashkent Pharma Park is the first and unique scientific town that will lay a solid foundation for the future of the entire industry. This will contribute to the rapid development of the pharmaceutical industry in Uzbekistan by attracting foreign investment and technology, introducing innovative solutions and high technologies based on international experience.

UZIPA developed a brochure for the adopted Law on Investments and Investment Activities

20 facts about the new law: UZIPA developed a brochure about the Law on Investments and Investment Activities.

On January 27, 2020, the "Law on Investments and Investment Activities" came into force, aimed at regulating relations in the field of investments and investment activities carried out by foreign and domestic investors.

For familiarization with changes, additions and innovations in investment activity in the territory of the Republic of Uzbekistan in connection with the adoption of a new law, the Investment promotion agency developed an informational brochure in English and Russian.

The brochure is presented in the form of 20 basic facts that will help stakeholders understand how investment protection is implemented, what are the benefits, basic guarantees and rights granted to investors, what are the requirements to the developed investment projects and what new concepts in the regulation of investment activity are introduced in accordance with the new law.

Link for download the brochure
<https://bit.ly/2y50L63>.



300 million dollars will be streamlined to develop Uzbekistan's textile industry

On April 23, President of Uzbekistan Shavkat Mirziyoyev held a meeting on ensuring the stable development of textile industry and mitigating the impact of novel coronavirus.



The President ordered to extend the deadline for final payment term for cotton fiber sold before April 1, 2020 from 90 to 150 days. Besides, Uzbekistan will introduce VAT instant return mechanism that will follow after export customs clearance.

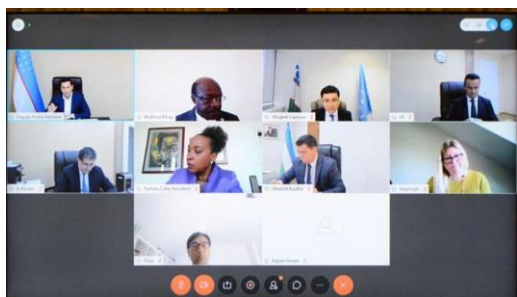
Uzbek leader instructed to enlarge finished production within the five years by 4-5 times, develop foreign masters through improving product competitiveness. At the meeting instructions were given on the organizing of large export enterprises with the participation of foreign companies, the production of popular products under well-known brands.

Namangan, Samarkand and Tashkent regions will host new enterprises on exporting manufactured goods. 300 million dollars will be allocated for these purposes within “Reconstruction and Development” Funds’ credit line.

Ministry of Investments and Foreign Trade and “Uztukimachilik sanoati” Association are responsible for obtaining GSP+ beneficiary status for duty-free trading in the European Union market. President also touched on urgency of BSI certification with the assistance of the International Finance Corporation.

Uzbekistan and UNCTAD mapped out a number of prospective directions for collaboration

Deputy Prime-Minister, Minister of Investments and Foreign Trade of Uzbekistan Sardor Umurzakov and United Nations Conference on Trade and Development (UNCTAD) Secretary-General Mukhisa Kituyi, via videoconference, discussed the prospects of bilateral cooperation that includes attracting UNCTAD’s technical assistance.



During the meeting, Mukhisa Kituyi praised Uzbekistan’s actions headed by the President of Uzbekistan Shavkat Mirziyoyev’s reform agenda to liberalize economy and introduce market principles and spoke on the growing interest of world businesses to country’s economic transformation.

In this regard, parties put forward the

initiative to prepare and publish “Investment Policy Review of Uzbekistan” and “Investment Guidebook on Uzbekistan”. Noteworthy, similar documents were only prepared once in history.

Deputy Prime-Minister and UNCTAD SG reviewed issues of improving the work of Uzbekistan’s free-economic zones (FEZ). UNCTAD will assist drafting FEZ development concept. “Khazarasp” FEZ in Khorezm region will serve as a pilot project.

Mukhisa Kituyi also expressed his support of the project aimed at developing a value chain in the fruit and vegetable sector of Uzbekistan as part of a special UNCTAD program to support landlocked states. Additionally, he expressed readiness to assist the preparation of special program for increasing the export of processed fruits and vegetables.

Uzbekistan’s plans on integration into the world economy was also on the agenda. As stated at the event UNCTAD is ready to support Uzbekistan’s candidacy for World Trade Organization (WTO) and assist in obtaining beneficiary status with Generalized Scheme of Preferences (GSP) EU’s GSP+.

Parties also tapped on joined efforts in the area of technology and digitalization. UNCTAD staff offered support in such areas as improving the national statistical system of attracted and assimilated foreign investments, introducing the ASYCUDA system in the structure of customs authorities, that oversees the complete digitalization of customs procedures and their transition to a contactless mode of operation; provision of technical consulting in the development of the functional of the investment portal of Uzbekistan and its promotion among foreign business circles.

To conclude the meeting, parties reaffirmed the readiness to actively support each other and mapped out a plan of further actions to bring joint initiatives to life.