

Economic Potential of the Republic of Uzbekistan

GDP Growth Rate

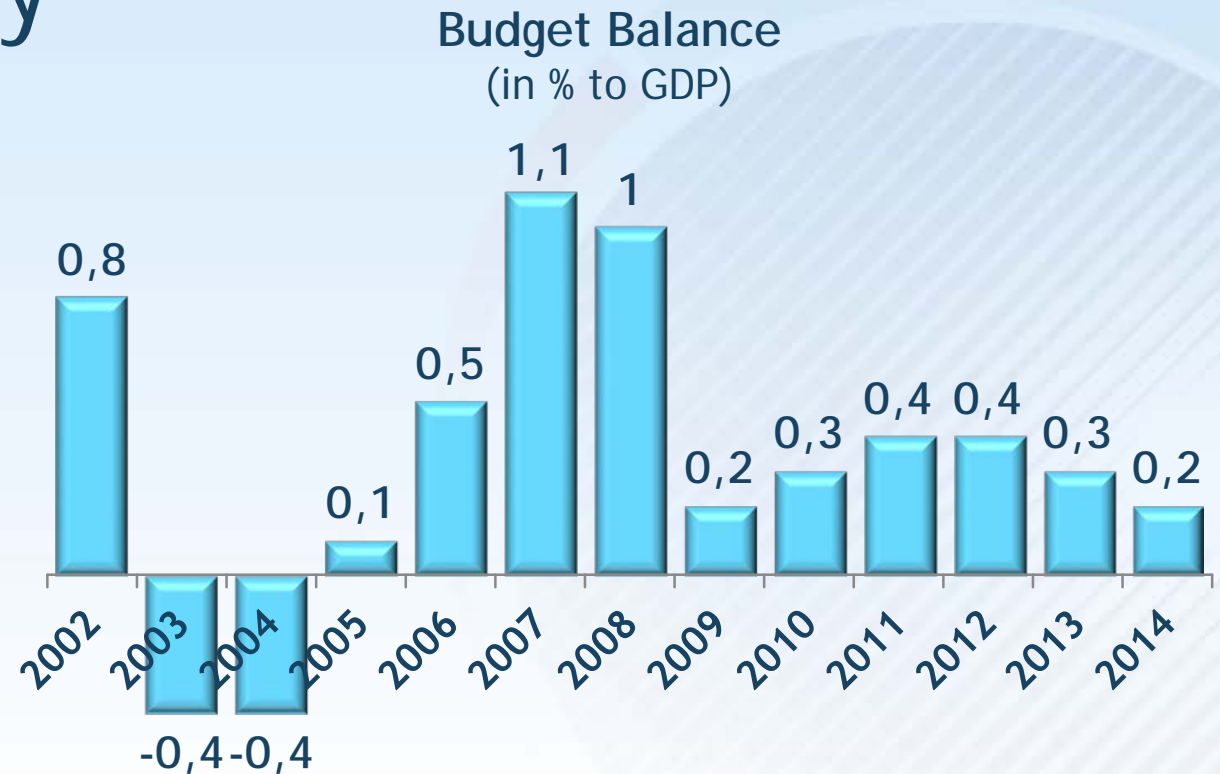
(in % to previous year)



- ▶ Over the years of independence GDP has increased 5,5 times
- ▶ Industrial output - 4 times
- ▶ Over the past 10 years average annual growth of industry has been kept at 9%

Macroeconomic Stability

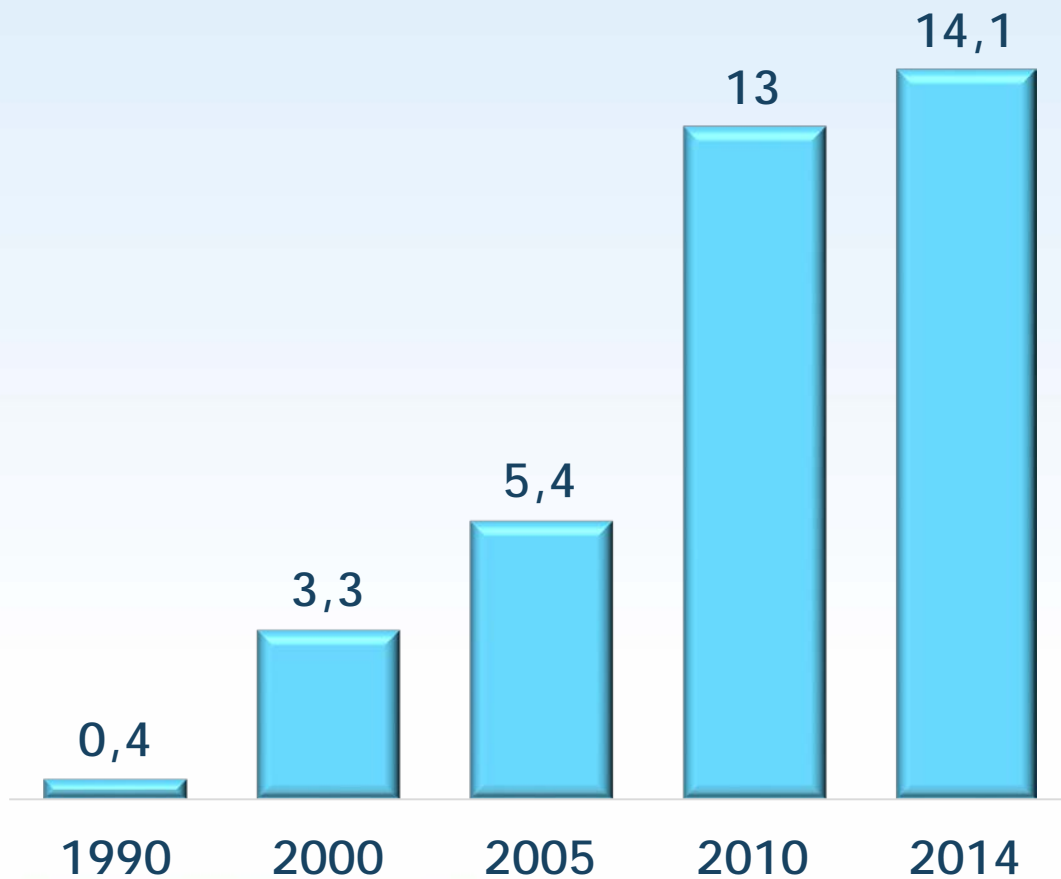
- ▶ Triple surplus:
 - ▶ Surplus of the state budget since 2005
 - ▶ Balance of payments surplus since 2003
 - ▶ External trade surplus since 2000
- ▶ Prudent monetary policy ensured inflation rate at 7%
- ▶ The total external debt does not exceed 18,5%
- ▶ Internal public debt fell from 18% in 2000 to 0% in 2014



Foreign exchange reserves continue to grow and today covers 24 months of import, whereas the level recommended by the IMF is at least 3 months

Export Growth

(in billion USD)



- ▶ Export volume for the period 1990-2014 has increased more than 30 times
- ▶ Share of finished products in export increased from 30% to 76%
- ▶ Over the past 10 years export of high value-added products sharply increased, including:
 - ▶ automobiles - 12 times,
 - ▶ textile - 4.4 times,
 - ▶ chemical products - 11.3 times.

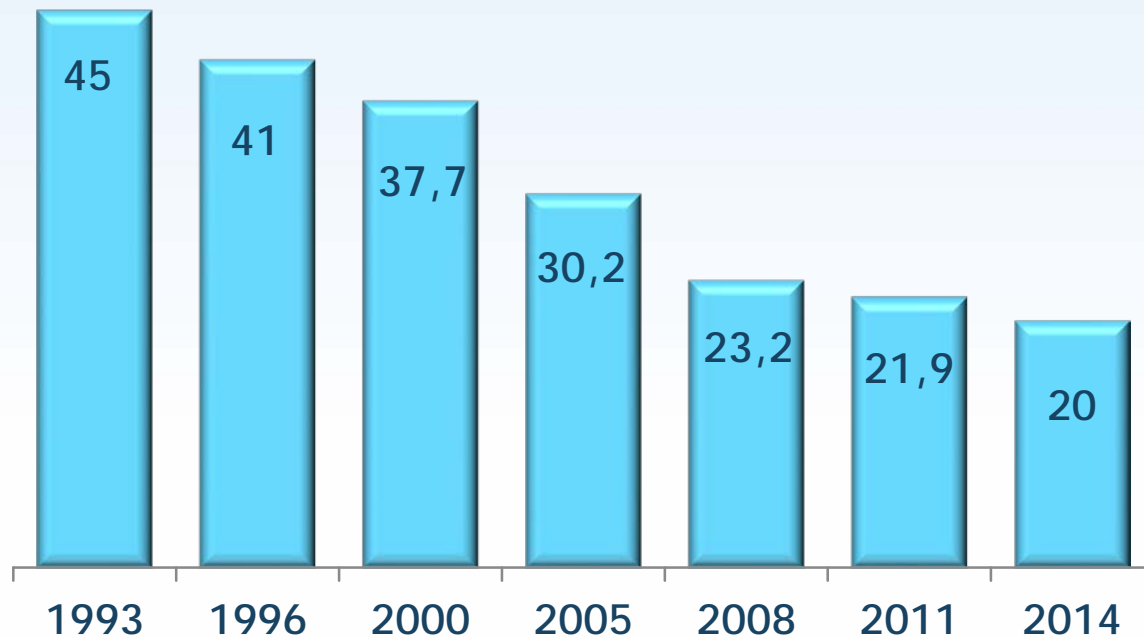
Development of Small Business & Private Entrepreneurship

- ▶ Number of small businesses increased by 2.3 times over the last 14 years
- ▶ Share of small business in the GDP increased from 1.5% in 1991 to 56% in 2014
- ▶ Small business provides jobs for 77% of the employed population
- ▶ Share of small business in total industrial output increased from 12% to 32%

Share of small business (in %)	2000	2014
in GDP	31,0	56
in manufacture	11,3	32
in construction	37,0	70,3
in commodity turnover	45,3	45,4
in employment	49,7	77
in export	10,2	26,0

Reduction of Statistical, Tax, Financial Reporting and Licensing Procedures

Steady decrease of tax burden (in % to GDP)



- ▶ Tax burden has decreased for more than 3 times during the years of independence
- ▶ Single tax payment for small enterprises in industrial sector is 5%
- ▶ 160 licensing procedures and 19 licensing activities have been cancelled in recent years
- ▶ Frequency of statistical, tax and financial reporting to Governmental authorities have been cut in half over the past years

Reviews by International Institutions



Doing Business Report - Uzbekistan made significant progress in the last 2 years:

- ▶ Facilitating trade - import & export operations
- ▶ Business-friendly environment
- ▶ Reduction of regulatory complexity
- ▶ Protecting investors

Rankings of Uzbekistan in Doing Business Report



Reviews by International Institutions



▶ Uzbekistan is in Top 5 Fastest Growing Economies in the World



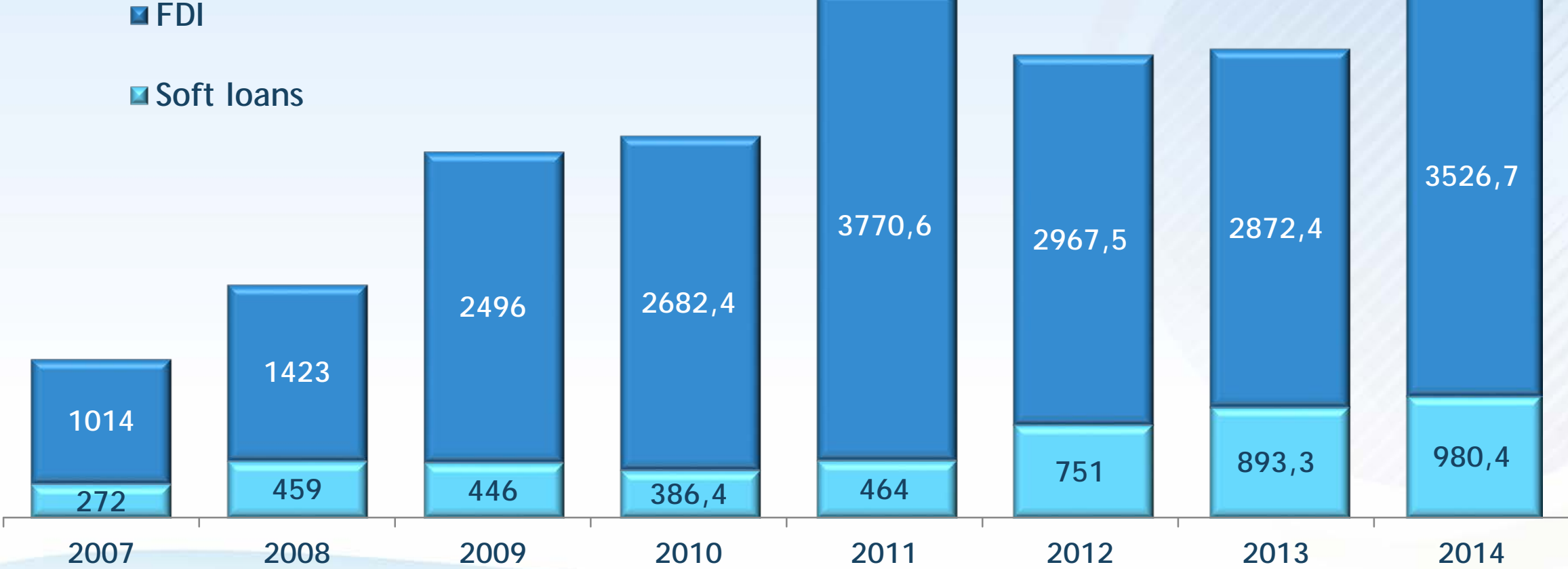
▶ Uzbekistan's banking system outlook remains stable

Top 3 in the world for law enforcement & security



Foreign Investments Growth in Uzbekistan

in million USD



Foreign Enterprises in Uzbekistan



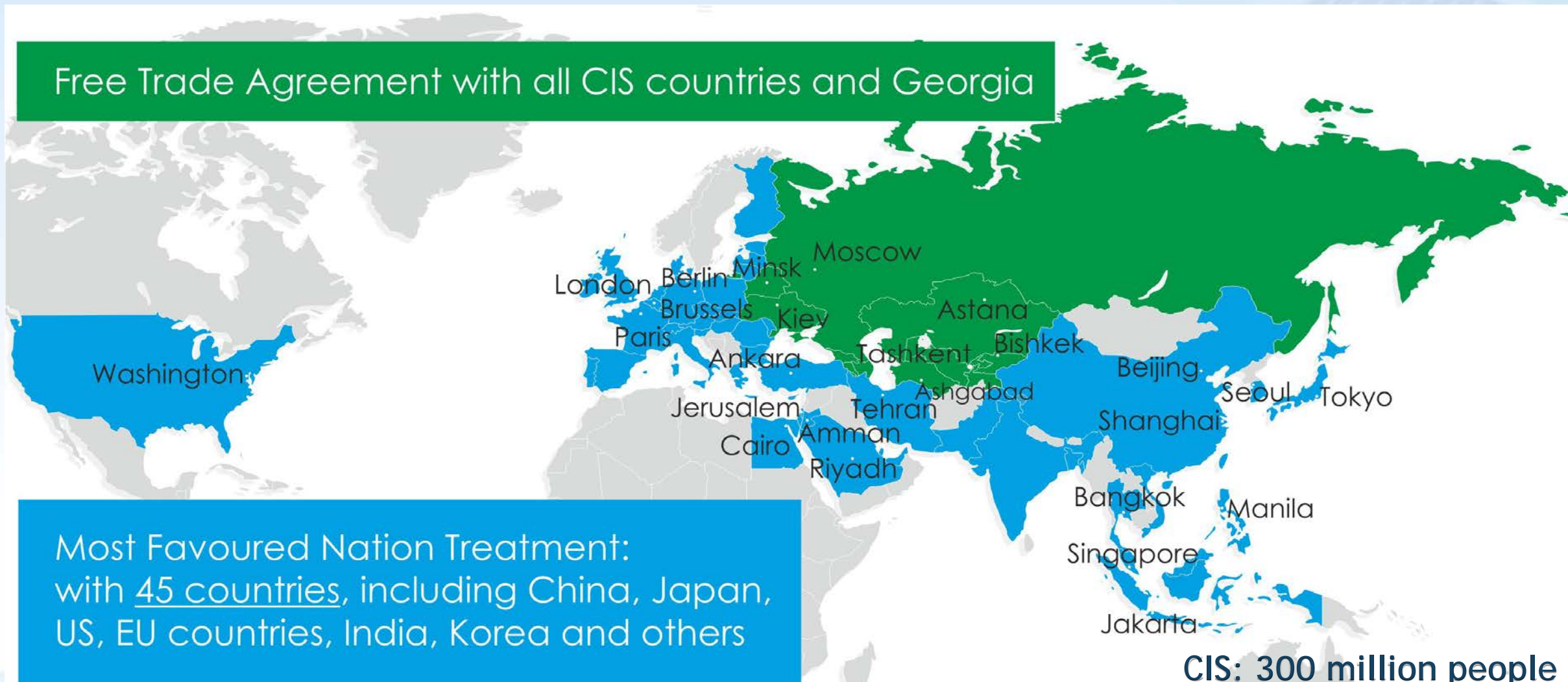
Rich Raw Materials Base

- ▶ Uzbekistan possesses unique resources:
 - ▶ Raw materials (ferrous & non-ferrous)
 - ▶ Over 1644 deposits and 100 types of mineral resources
- ▶ Average prices for:
 - ▶ Electricity - 0.06 USD per kWt/h
 - ▶ Coal - 42.5 USD per MT
 - ▶ Gas - 0.06 USD per m3



Market Access

Free Trade Agreement with all CIS countries and Georgia



Most Favoured Nation Treatment:
with 45 countries, including China, Japan,
US, EU countries, India, Korea and others

CIS: 300 million people

Central Asia & Afghanistan: 95 million people

Education

- ▶ 66 universities and scientific institutions
- ▶ 850 professions
- ▶ 300 000 students
- ▶ Branches of leading foreign universities:
 - ▶ Westminster International University
 - ▶ Polytechnic University of Turin
 - ▶ Singapore Institute of Management Development
 - ▶ South Korean Inha University



Diversified Industry



Automotive



Oil & Gas



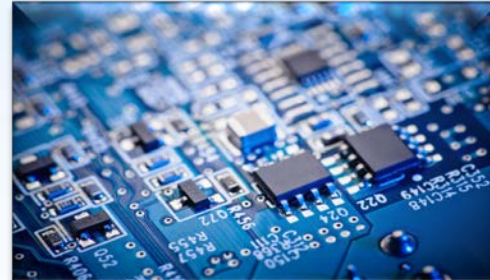
Chemical



Mining & Metallurgy



Agricultural Machinery



Electrical Engineering



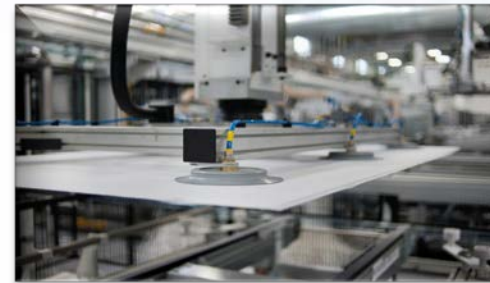
Pharmaceutical Industry



Food Processing



Textile



Construction Materials

Special Economic Zones of Uzbekistan



▶ FIEZ NAVOI

▶ SIZ DJIZAK

▶ SIZ ANGREN

FIEZ NAVOI: Tax Preferences

- ▶ FIEZ Navoi residents are exempted from all types of taxes:
Period of privileges and incentives:
If amount of FDI is:
 - ▶ 3 to 10 million Euros - 7 years;
 - ▶ 10 to 30 million Euros - 10 years and 50% reduction of profit tax for the following 5 years;
 - ▶ more than 30 million Euros - 15 years and 50% reduction of profit tax for the following 10 years.

FIEZ NAVOI

- ▶ Established in 2008
- ▶ Territory 564 ha
- ▶ 20 operating projects:
 - ▶ Automobile components;
 - ▶ Automobile wires;
 - ▶ Gas cylinders;
 - ▶ LED lams;
 - ▶ High-voltage cables ;
 - ▶ Heating boilers;
 - ▶ Cosmetic products;
 - ▶ Polyethylene pipes and etc.



NAVOI International Airport



41 flights per week:

Delhi, Mumbai, Bangkok, Frankfurt, Istanbul, Dubai, Doha, Dhaka, Hanoi, Moscow, Milan, Brussels, Zaragoza, Incheon, Tianjin, Vienna, Shanghai, Bishkek, Amsterdam, Basel, Paris.



SIZ ANGREN & DJIZAK: Tax Preferences

- ▶ SIZ ANGREN & DJIZAK residents are exempted from all types of taxes, except land tax:
- ▶ Period of privileges and incentives, if amount of investments is:
 - ▶ 0.3 to 3 million USD - 3 years;
 - ▶ 3 to 10 million USD - 5 years;
 - ▶ more than 10 million USD - 7 years.



Deep Processing of Hydrocarbon Feedstock

- ▶ Polymers: Polystyrene, ABC-plastics and etc.
- ▶ High value added products which are in high demand on external markets



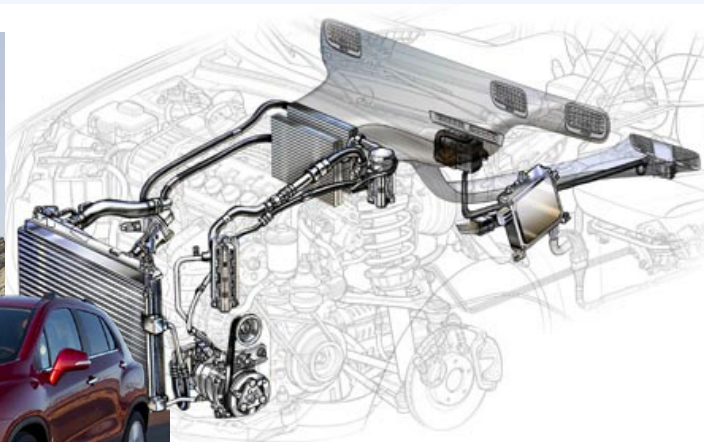
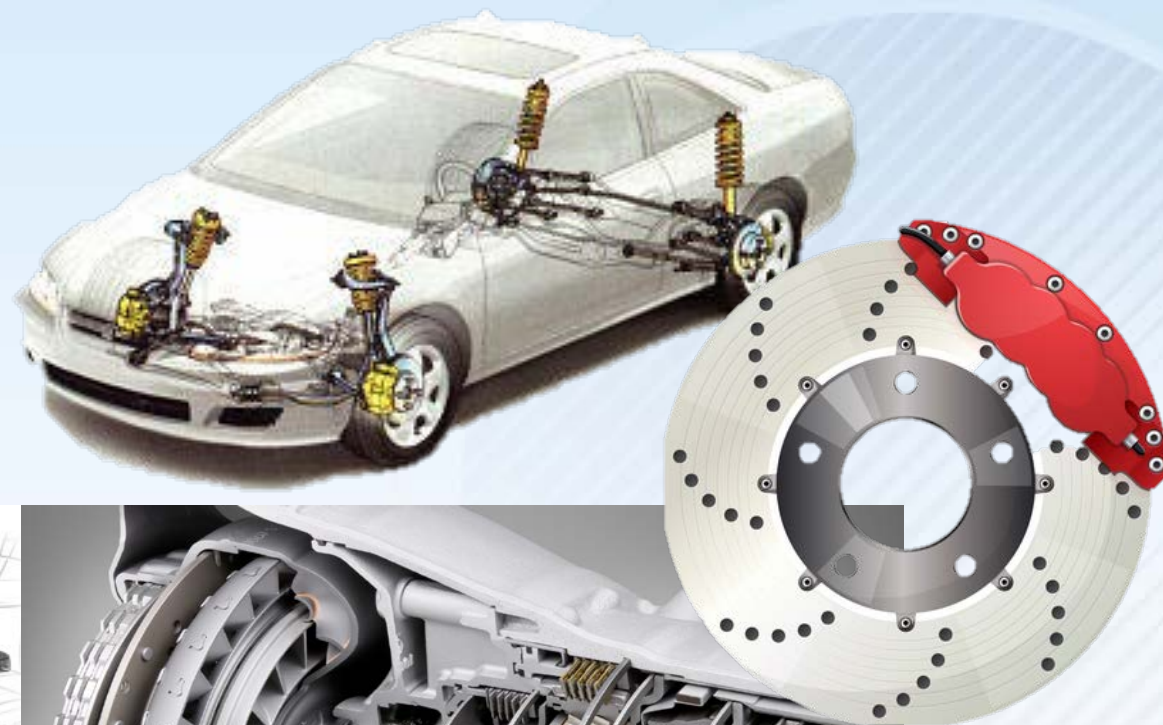
Production of Chemical Goods

- ▶ Plastic products
- ▶ Household Chemicals
- ▶ Cosmetics



Automotive Industry

- ▶ Productions of Automotive Components (Transmissions, Suspension Systems, Brake Pads, Climate Systems and etc.)



Pharmaceuticals

- ▶ Drugs for the treatment of:
 - ▶ Cardiovascular diseases
 - ▶ Cancer
 - ▶ Endocrine diseases
 - ▶ Ophthalmic and other diseases



Food Industry

- ▶ Deep processing of agricultural products
- ▶ Production of confectionary products
- ▶ Winemaking



Construction Materials Industry

- ▶ Sanitary ware
- ▶ Insulation materials
- ▶ Finishing materials
- ▶ Wall papers



Thank you