

New Opportunities - Trade and Investment

Potential of Uzbekistan is Growing

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Today Uzbekistan is in the new historical stage of its economic development. The strategic priorities of the dynamic development of the country and the provision of national interests within the next five years are clearly defined in the Strategy of Action adopted on the initiative of the President of the Republic of Uzbekistan Sh.M.Mirziyoyev.

It should be noted that the new direction of Uzbekistan confirms the country's significant potential and its readiness to consolidate the status of a self-sufficient state. The country is carrying out an independent foreign policy and takes an active part in the global trade, economic and investment processes.

Today Uzbekistan is ready for breakthrough changes. The first cogent steps have already been taken. Wide-ranging reforms, as well as trade and economic transformations are being implemented. The country's economy is growing at high rates (average annual growth rate of GDP is 7-8%). Moreover, Uzbekistan has also begun to witness the constant diversification, improved the competitiveness of different sectors of national economy, expanded the geography of exports of national goods and services, as well as has been developing trade and economic relations with the countries of near and far abroad.

In this context, it should be noted that comprehensive and deliberate measures are being taken under the leadership of the President of the Republic of Uzbekistan and the Government of the country. The country creates a favorable and attractive investment climate for foreign partners for the achievement of the goals.

First, being the most important issue for foreign investors, the liberalization of the foreign exchange market has been carried out. In accordance with the decision of the President of Uzbekistan, domestic and foreign companies in Uzbekistan now may purchase foreign currency in commercial banks without any restrictions. The acquired foreign currency can be used to pay for international transactions, including the import of goods, jobs and services, profit repatriation, loan repayment, etc.

Second, new free economic zones (FEZ) have been created with an extensive list of preferences and benefits. In this context, attention should be drawn to the FEZ of pharmaceutical dimension, created to develop the domestic pharmacological industry, to introduce the innovative technologies and research development, as well as to improve the competitiveness of products.

Given the increased demand in the national pharmaceutical industry, these zones in general can become leader ones among regional FEZ.

For the first time in Uzbekistan, the first Deputy State Counselor to the President of the Republic of Uzbekistan for the coordination of social and economic policies will directly deal with the issues of free economic zones, as well as work with foreign partners and investors.

Third, the preparation of "road maps" on trade, economic, investment cooperation. A distinctive feature of such "maps" is that they clearly set tasks as key events, specify the responsible persons and partner organizations, terms, expenditure part, as well as expected results. Many experts expressed the view that such approach towards work organization greatly increases the effectiveness of large-scale works initiated in Uzbekistan and assigns responsibility to each performer.

Fourth, the investment legislation of the Republic of Uzbekistan is constantly updated. Over a short period, the country adopted three laws, more than 20 presidential decrees and 25 resolutions aimed at improving the business climate in the country and developing entrepreneurial activities. Within the framework of the State Program for the Implementation of the Strategy of Action for the five priority development areas of the Republic of Uzbekistan for 2017-2021 in "the Year of Dialogue with the People and Human Interests" more than 60 events are being implemented to improve the business environment and support entrepreneurship. In particular, before the end of 2017, a new comprehensive document "On investments and investment activities" will be adopted, which will regulate issues of investment activity, stimulate foreign investment inflows, and protect foreign investors' rights.

Fifth, a special body – the State Committee for Investments – has been established. The main task of this structure is to fully realize the investment potential of Uzbekistan, to create the most favorable conditions for foreign direct investment (FDI), to expand the cooperation with international financial institutions, foreign government financial bodies, leading foreign companies and banking structures, as well as to increase the efficiency of attracted FDI.

Sixth, the Institute of Business Ombudsman has been established. The Institute of the Commissioner for the Protection of Rights and Legal Interests of Business Entities was established in May this year by decree of the Head of State. The aim of the institute is to strengthen guarantees for the protection of rights and legitimate interests of business entities, to prevent unauthorized interference of state bodies in their activities, to improve legal mechanisms for the inviolability of private property, and to ensure the principle of priority of the rights of business entities.

Seventh, improvement of the country's position in the World Bank's "Doing Business" rating. Today Uzbekistan occupies the 87th place in the World Bank's rating. It should be noted that the government of Uzbekistan recognizes, that "the "existing conditions of doing business in the country do not fully meet the requirements of international norms". In this regard, the Government has planned measures to improve Uzbekistan's rating in terms of "Doing Business" index of the World Bank annually increasing for 10 positions – from the 80th place by the end of 2017 to the 40th place in 2021.

In addition, Uzbekistan started preparations for the procedure of obtaining a sovereign credit rating from leading international rating agencies (S&P, FITCH, MOODY'S, etc.).

Eighth, cooperation with international financial institutions is developing successfully. Uzbekistan has established constructive contacts with the World Bank, ADB, IDB, AIIB etc. The partnership with the European Bank for Reconstruction and Development has been renewed. Active negotiations are being held with the European Investment Bank on the issue of opening credit lines for financing investment projects in Uzbekistan.

Mutual cooperation covers the areas of modernization of the energy, irrigation industries and communal services, development of transport and social infrastructure, processing of agricultural products etc.

In conclusion, I would like to emphasize that the policy pursued in our country under the leadership of Sh.Mirziyoyev demonstrates once again Uzbekistan's readiness for perspective and mutually beneficial relations with foreign partners and companies. In the context of economic reforms in the country, it should be noted that foreign experts during their visit to Uzbekistan

observed that "today is a fantastic time for investing in the Republic of Uzbekistan, the growing trade and economic potential and political stability in the country allow room for realization of vast-scale investment projects in Uzbekistan.

It is worth noting separately that Uzbekistan has enhanced regional trade and economic cooperation with all countries of Central Asia. In our opinion, this is an additional impetus for unprecedented opportunities for foreign investors who are planning to establish their business in Uzbekistan. From now on they will deal not only with Uzbekistan with its 32 million people, but also the entire 70-million Central Asian region.

