



INVEST IN UZBEKISTAN

UzIPA

Investment Promotion Agency
of the Republic of Uzbekistan

Key Data



Area
448,9K km²



Urbanization rate
~50%



Population
34M



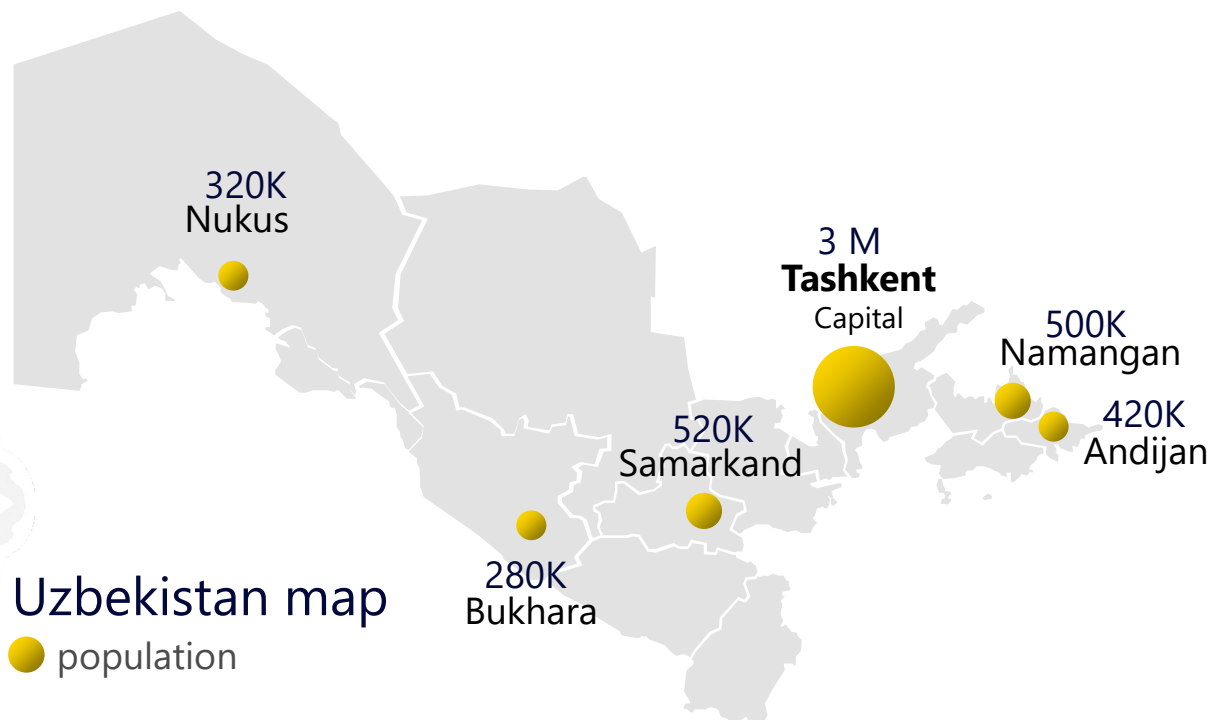
Languages
Uzbek {official language},
Russian {widely used},
English {increasingly popular}



Political system
Presidential Multi-Party
Democratic Republic



GDP
\$ 60 Bln {nominal}
\$ 297 Bln {PPP}



Investment climate reforms

BEFORE*



Mandatory sale of 25% of foreign exchange earnings



Controlled exchange rate to foreign currencies. Multiple rate of UZS



Restrictions on purchase and sale of foreign currency and profit repatriation

AFTER



All foreign exchange earnings remain with exporter



The market mechanism for the formation of the exchange rate. Fixed rate



No restrictions



LAWS AND LAW PROJECTS

- «On public-private partnership» {2019}
- «On currency regulation» {2019}
- «On investments and investment activities» (January 2020)
- «On privatization of land for non-agricultural purposes» {March 2020}



STATE BODIES OF ASSISTANCE

- Investment Promotion Agency
- Ministry of Investments and Foreign Trade
- Prime Minister's Receptions
- Business ombudsman
- Tashkent International Arbitration Centre

Qualified workforce



**Largest workforce
in the region**



**93 local and 21 foreign
higher educational
institutions**



**Literacy rate
is 97%**

International universities



MDIS
Management Development
Institute of Singapore

Webster
UNIVERSITY



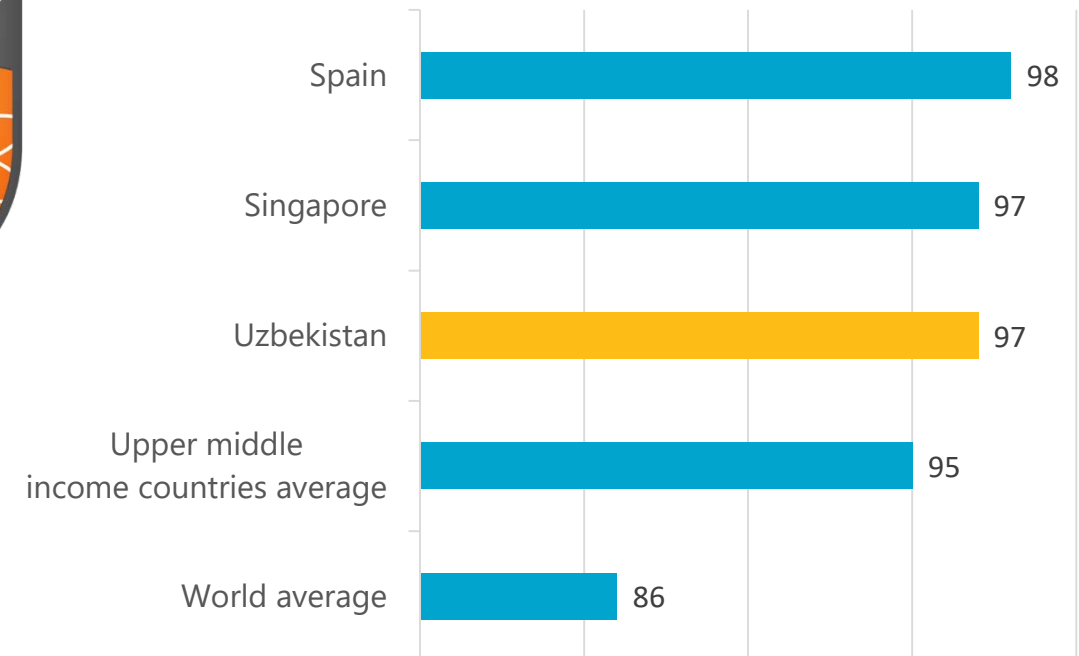
SHARDA
UNIVERSITY



WESTMINSTER
INTERNATIONAL UNIVERSITY IN TASHKENT

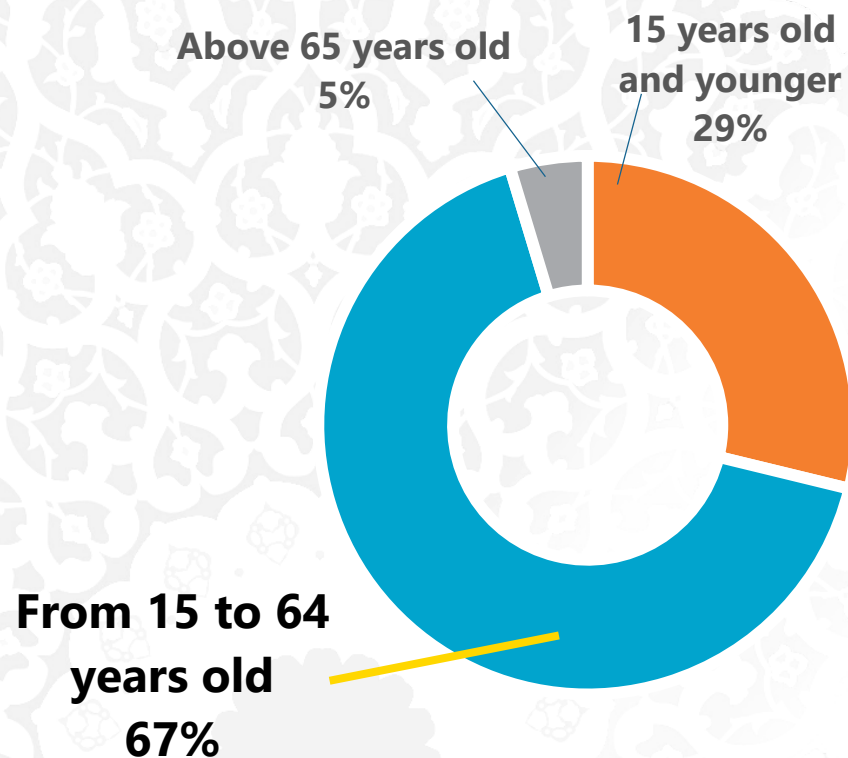
An Accredited Institution of the University of Westminster (UK)

Literacy rate by countries {in %}



Young, large & educated labor force is a major factor for growth

Age groups

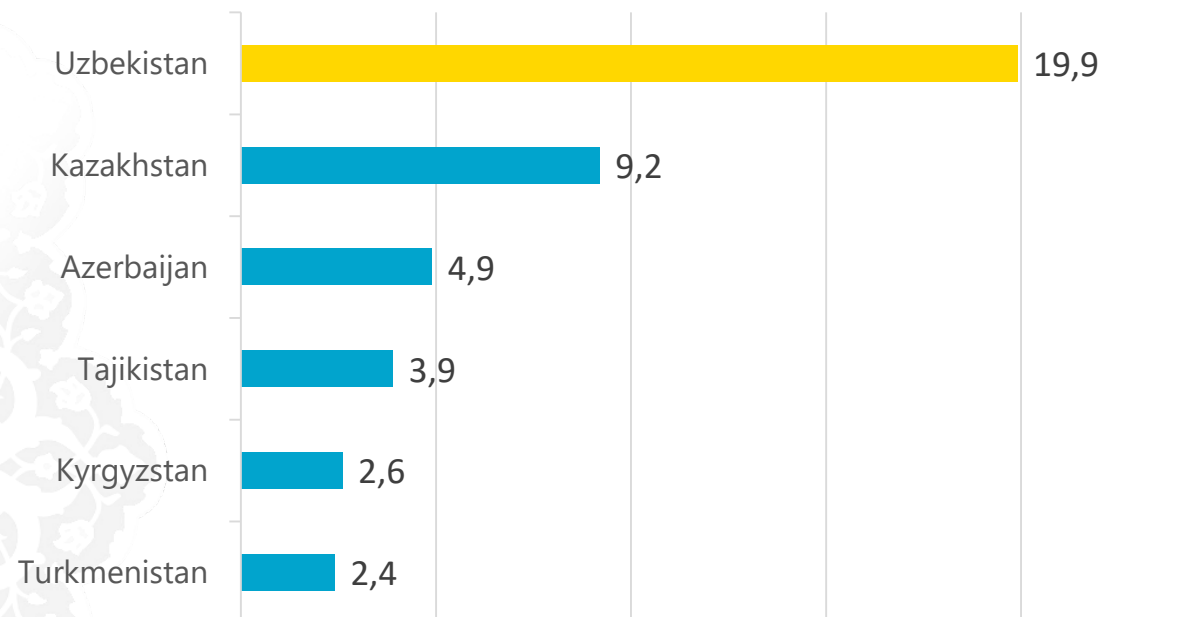


Median age in Uzbekistan is **29 years**

Total population by years:

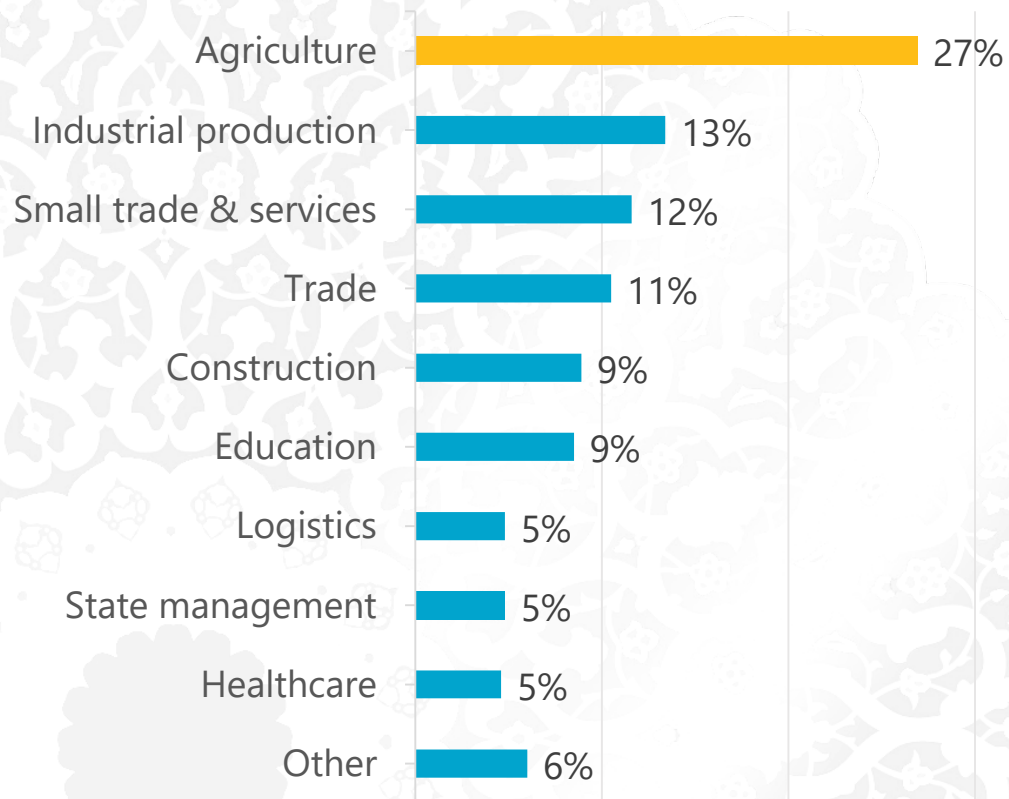
- ★ 1990 – 20,5 mln PPL;
- ★ 2019 – 33 mln PPL;
- ★ 2035 – 44 mln PPL {+33%} / urbanization rate – 59%

Labor force in mln ppl

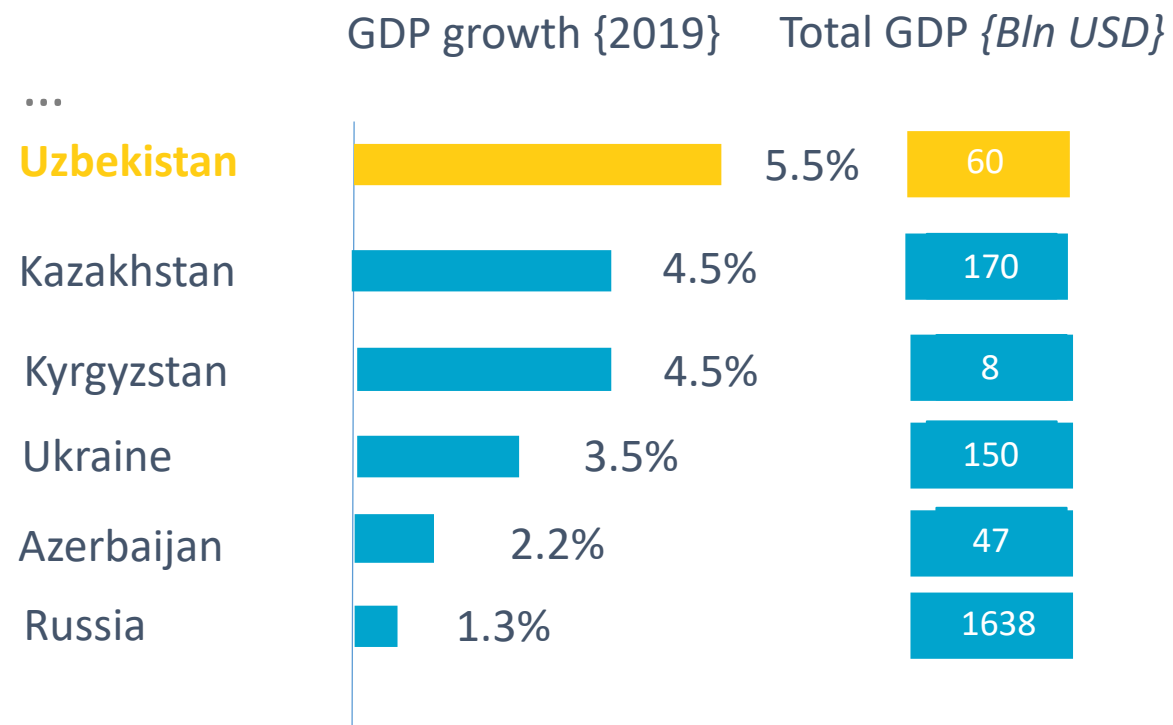


Average GDP growth rate – **6,3%** {2014-2019}

Employment by sector as of 2018



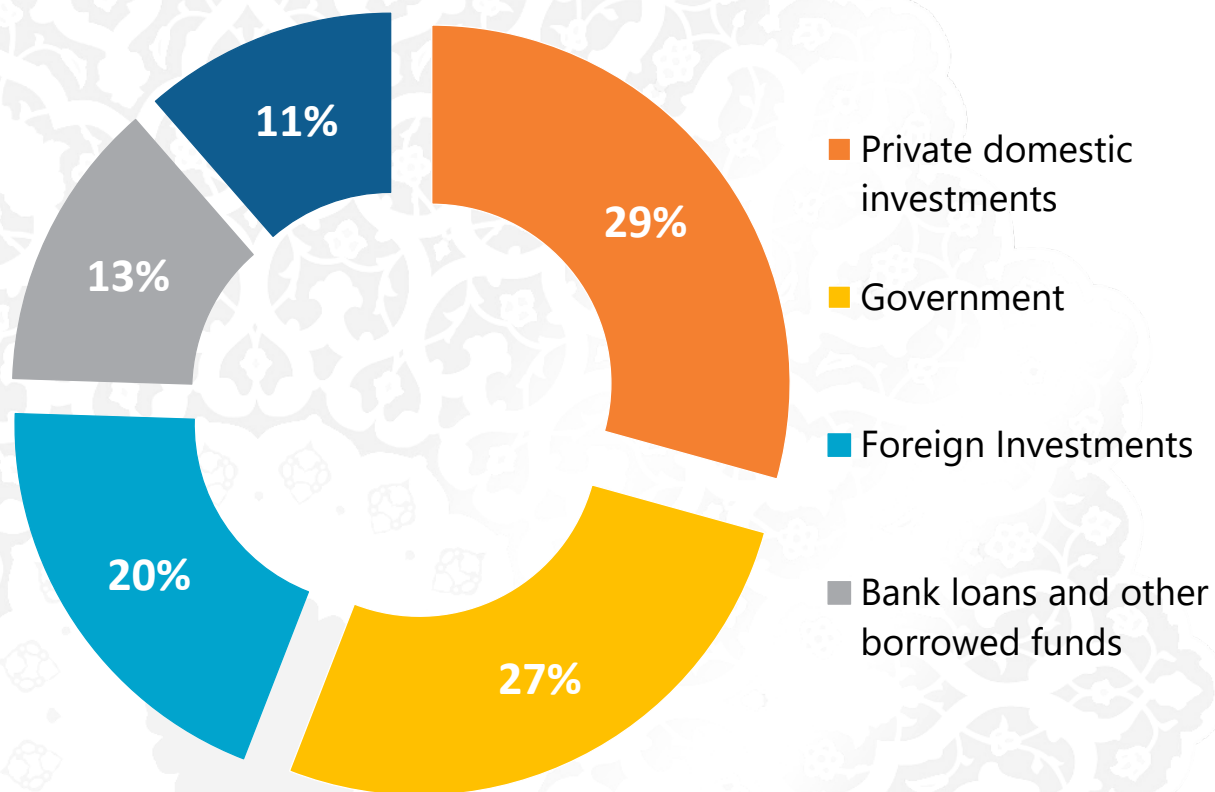
2nd fastest growing economy in the CIS region



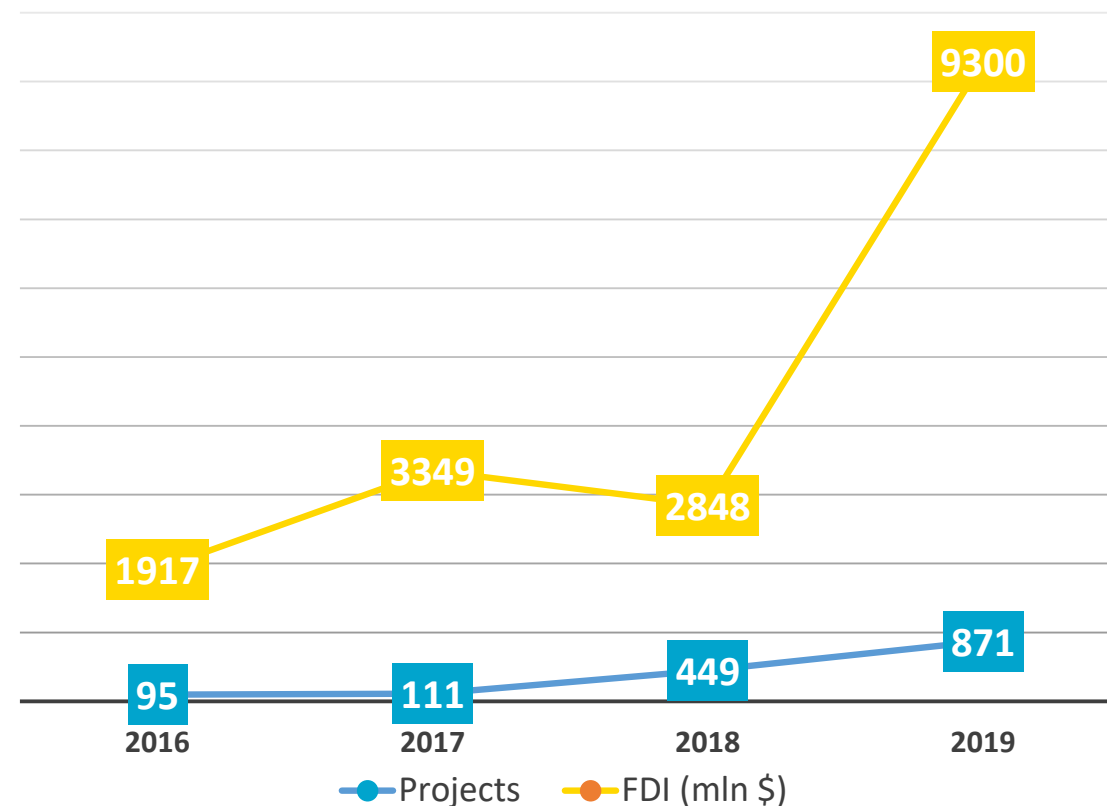
Minimum wage - \$70. Average monthly wage - \$235

Growing FDI inflow. **\$20 Bln** of FDI, local investments and loans

Capital investments by source
{2019}

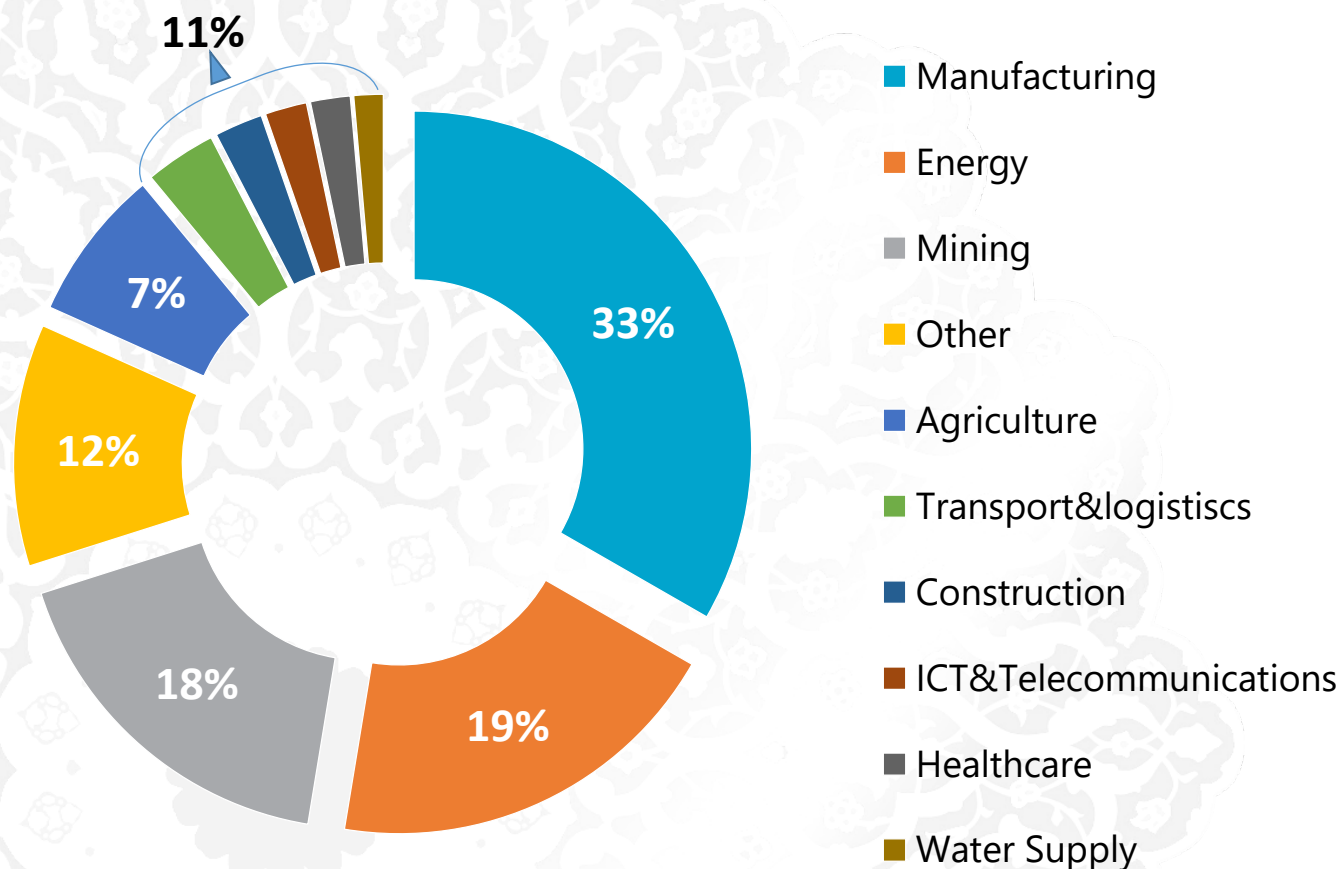


Historical data of FDI and credits inflow
{number of investment projects}

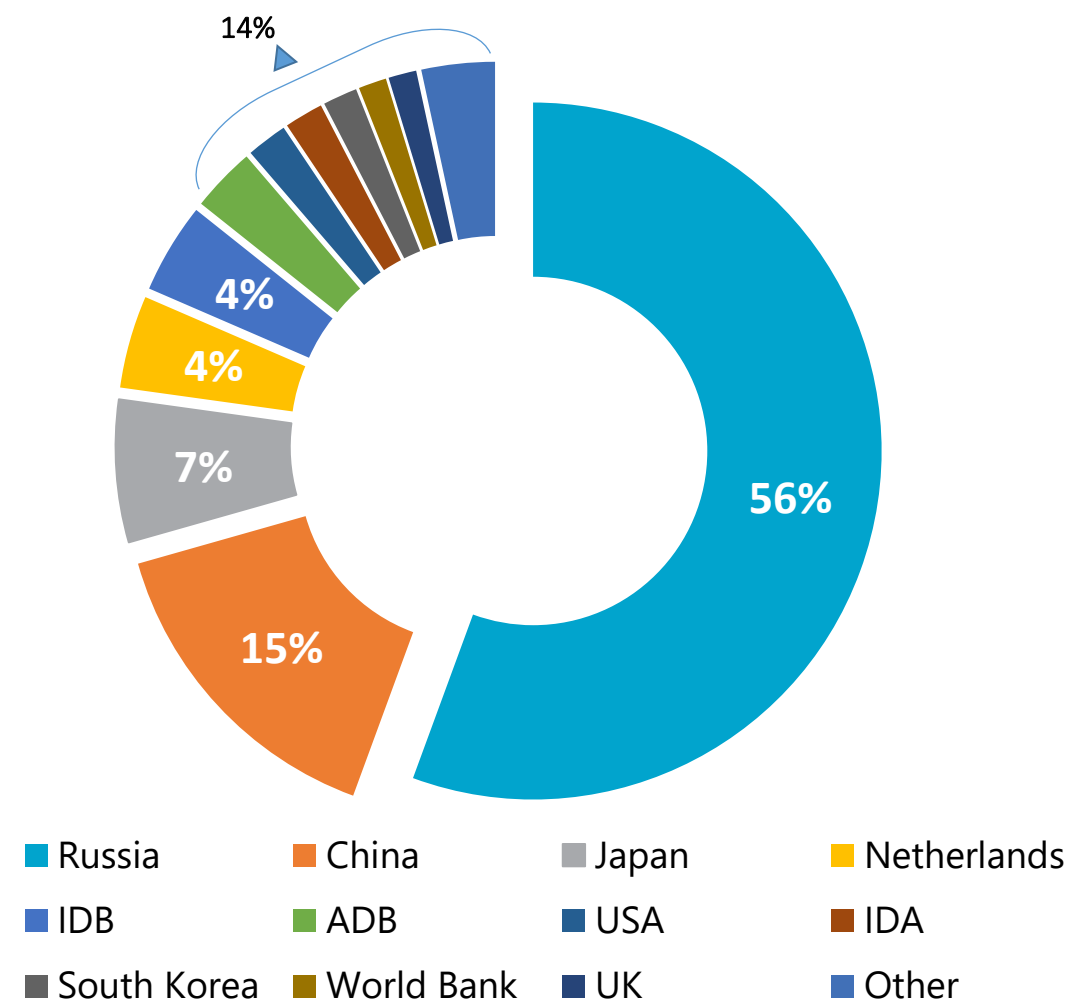


FDI statistics

FDI and loans by industry {2019}

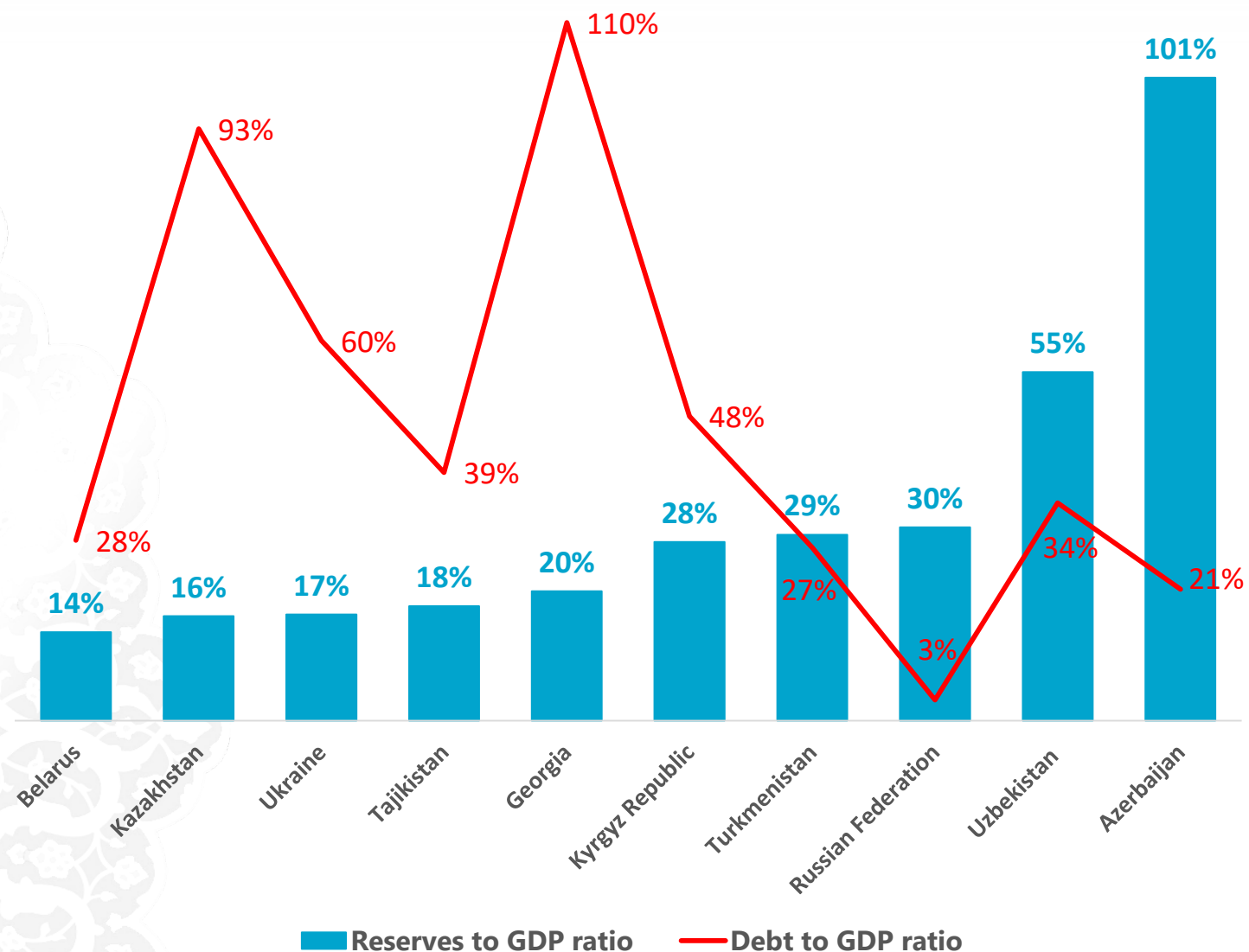


Main investing countries {2018}



Sufficient foreign exchange and gold reserves. Low external debt.

Country*	Reserves {bln USD}	Reserves to GDP ratio	Debt {bln USD}	Debt to GDP ratio
Azerbaijan	\$48	101%	\$9,7	21%
Uzbekistan	\$28	55%	\$17,3	34%
Russian Federation	\$504	30%	\$54	3%
Turkmenistan	\$14	29%	\$12,7	27%
Kyrgyz Republic	\$2	28%	\$3,8	48%
Georgia	\$3	20%	\$17,8	110%
Tajikistan	\$1	18%	\$2,9	39%
Ukraine	\$22	17%	\$78,3	60%
Kazakhstan	\$28	16%	\$158,8	93%
Belarus	\$8	14%	\$16,9	28%



Doing Business ranking: **97 points** improvement in the past years. Top 20 in DB 2023

World Bank: Doing Business ranking change

2012	2020
157 Comoros	67 Colombia
158 Suriname	68 Oman
159 Mauritania	69 Uzbekistan
160 Afghanistan	70 Vietnam
161 Cameroon	71 Jamaica
162 Togo	72 Luxembourg
164 Iraq	73 Indonesia
165 Lao PDR	74 Costa Rica
166 Uzbekistan	75 Jordan

2017-2021 DEVELOPMENT STRATEGY

aimed at opening and liberalizing the economy and improving investment climate

Since 2012 SIGNIFICANT REFORMS

in Starting Business, Getting Electricity, Getting Credit, Paying Taxes, Registering Property and Protecting Minority Investors

One of the TOP20

global improvers in
Doing Business 2020

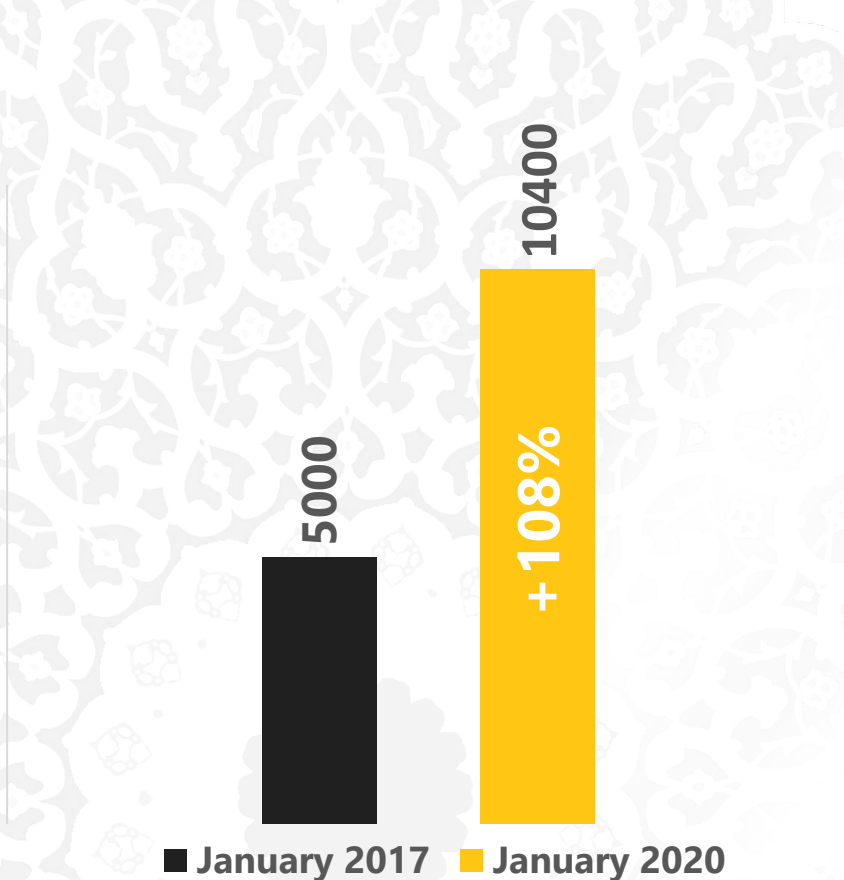


187 types

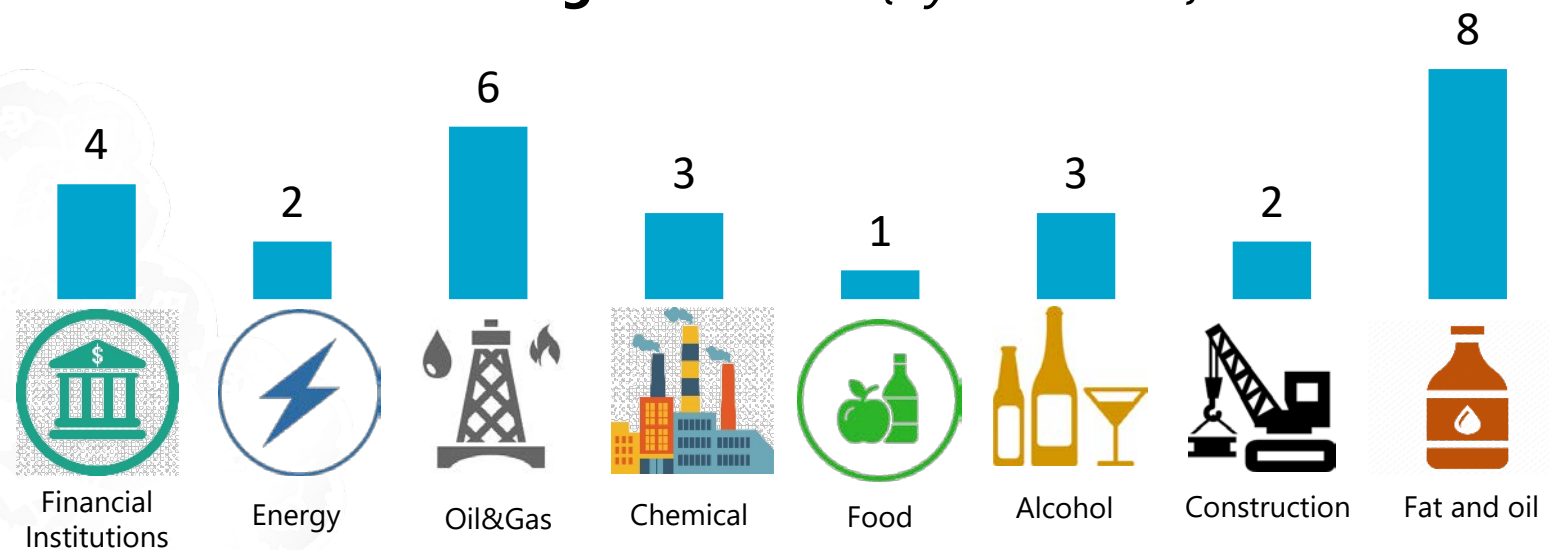
of licensing procedures
were eliminated

New attractive opportunities for Investors

Number of enterprises with foreign investments



Shares of 29 State owned companies being sold to foreign investors {by industries}



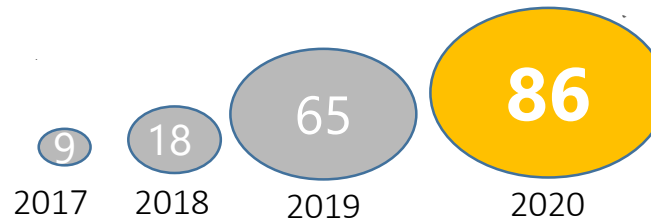
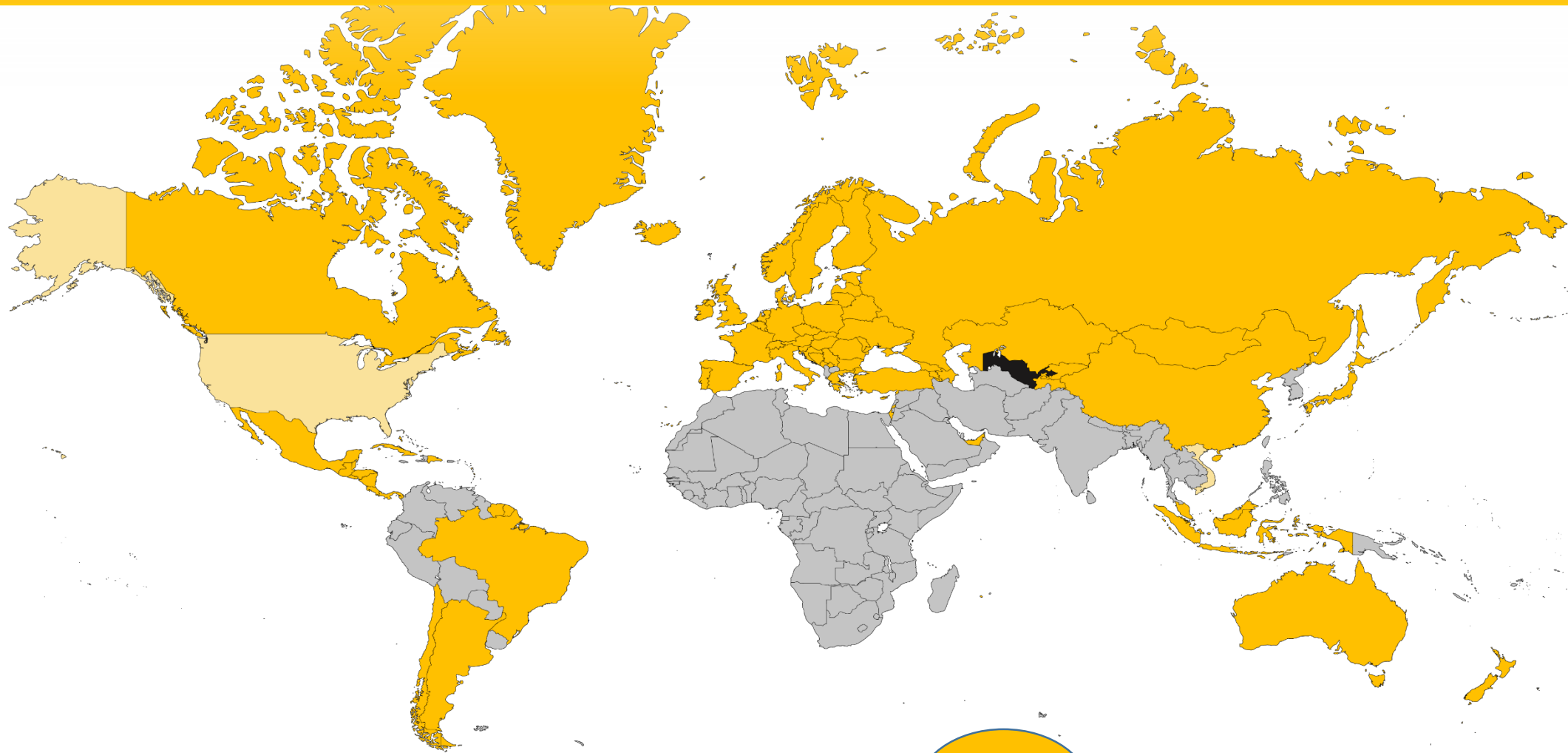
IPO



SPO



2nd place among the most open countries for tourists in the CIS region



For the citizens of USA and Vietnam - starting from 2021

Tourism potential. 10 mln+ tourists by 2022

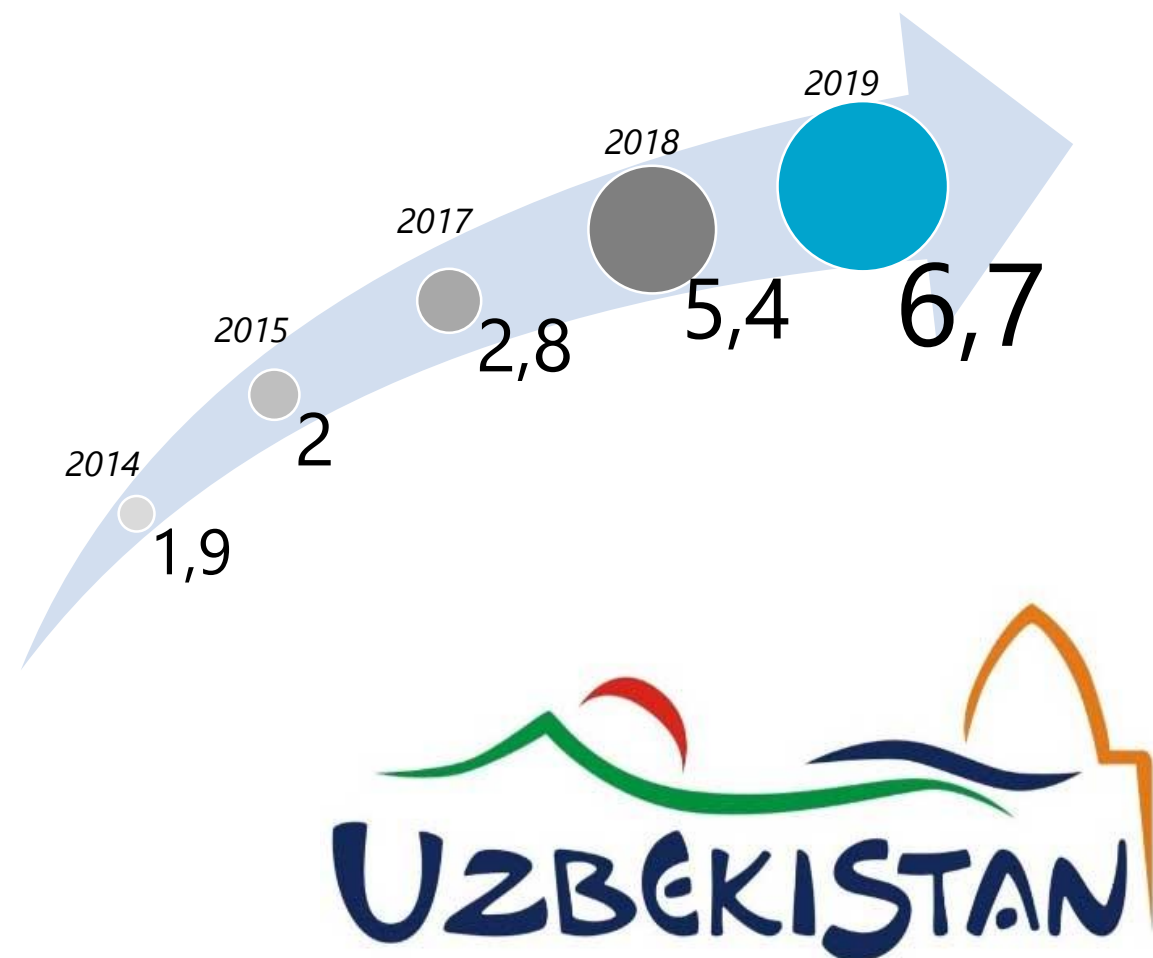
Global Law and Order

Uzbekistan is on the list of the safest countries in the world for personal security, law enforcement and travel

- | | | | |
|-----|-------------------|-------|-----------|
| 1. | Singapore | ----- | 97 points |
| 2. | Tajikistan | ----- | 94 points |
| 3. | UAE | ----- | 93 points |
| 4. | Norway | ----- | 93 points |
| 5. | Turkmenistan | ----- | 92 points |
| 6. | Switzerland | ----- | 92 points |
| 7. | Uzbekistan | ----- | 92 points |
| 8. | Egypt | ----- | 92 points |
| 9. | Finland | ----- | 91 points |
| 10. | China | ----- | 91 points |

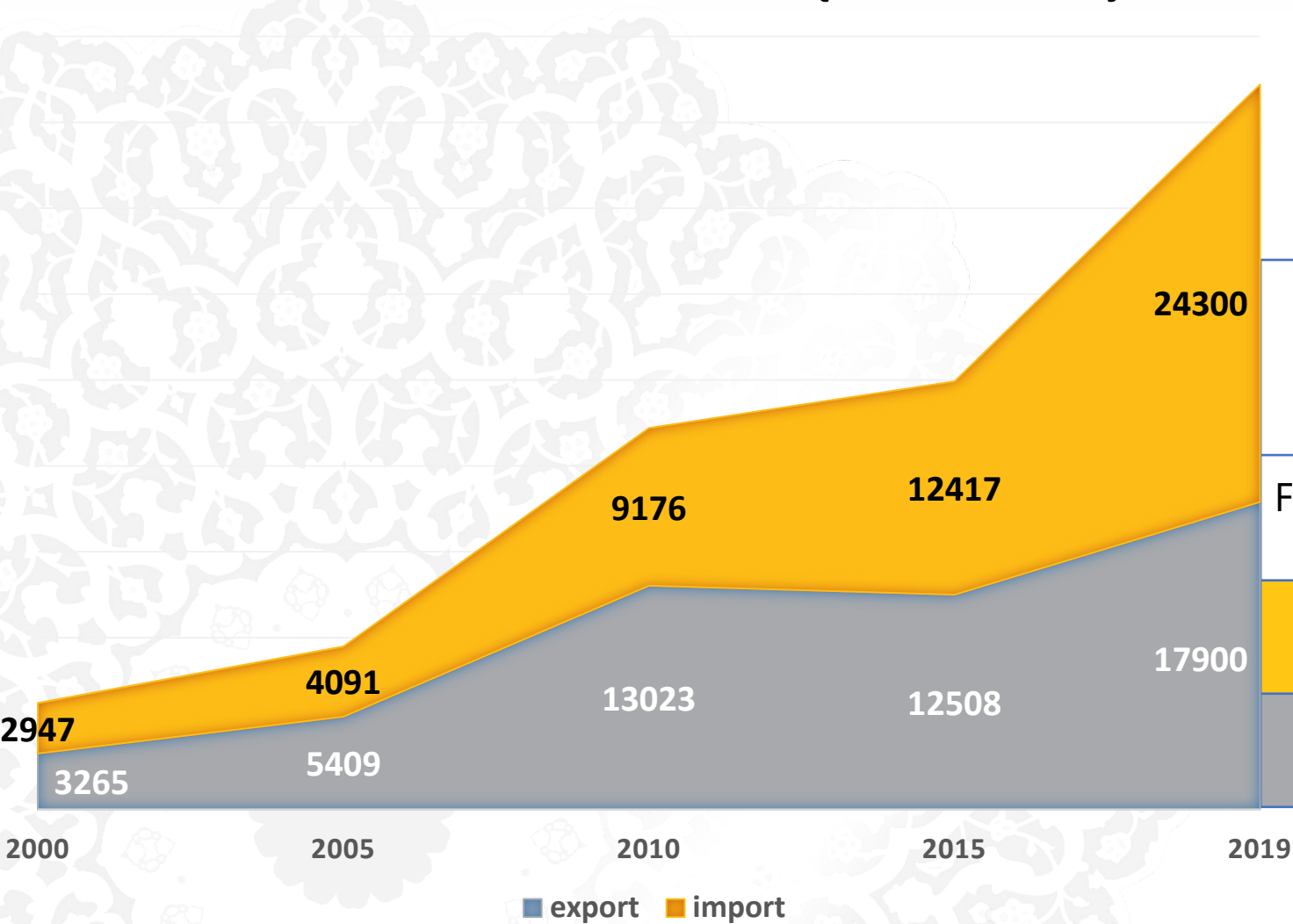
SOURCE: Gallup Global Law and Order 2019 Report, Solo Travel Safety Report

Number of tourists {in mln ppl}



Foreign Trade

FOREIGN TRADE TURNOVER {IN MLN USD}



Foreign trade turnover historical data:

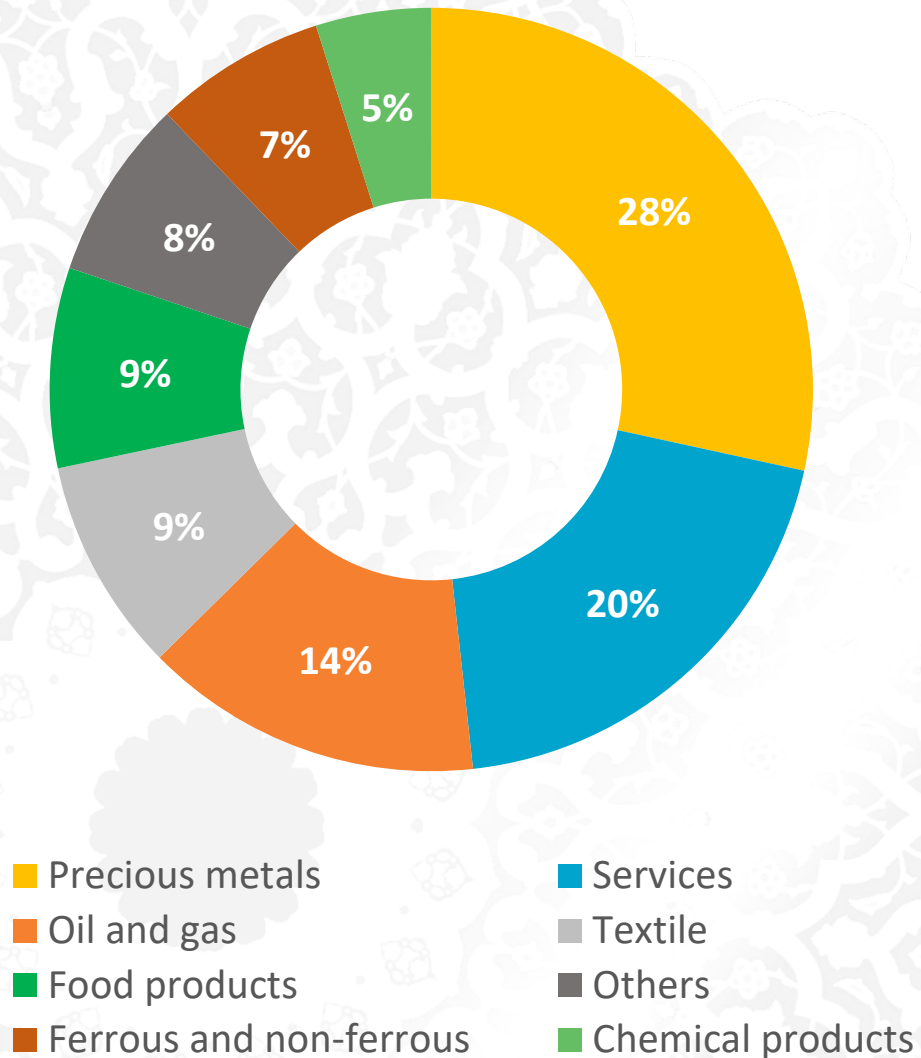
Import increased by 8 times {2000-2019}

Export increased by 5,5 times {2000-2019}

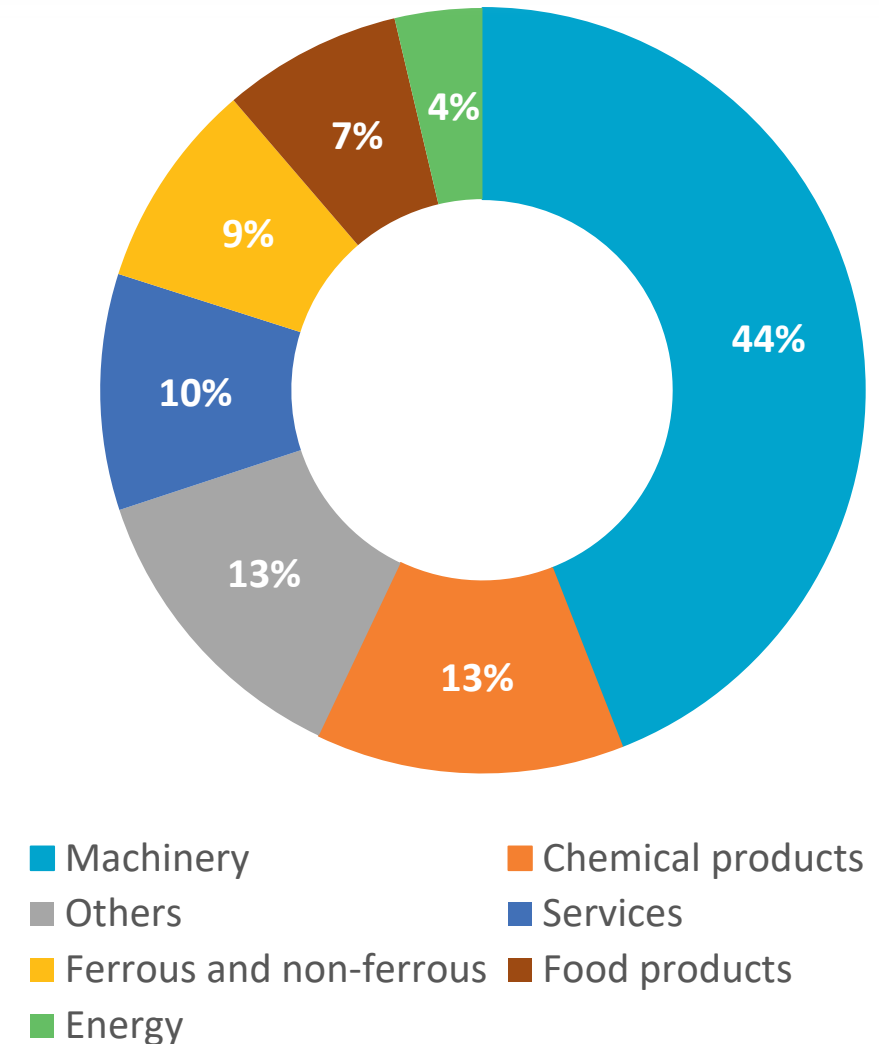
	2018	Ratio	2019	Ratio	Change
Foreign trade turnover	33 430	-	42 200	-	+26%
Import	19 439	59%	24 300	57%	+25%
Export	13 991	41%	17 900	43%	+28%

Main turnover partners: China, CIS, Korea, Turkey, Germany

EXPORT STRUCTURE



IMPORT STRUCTURE



Abundant and diverse natural resources



Gold

Reserves

6K tons

Production

90 tons



Natural Gas

2,24 Trln m3

56,6 Bln m3



Copper

16,4 mln tons

137K tons



Uranium

96,7K tons

3,6K tons



Silver

21,6K tons

232 tons



Coal

1,95 Bln tons

3,5 mln tons



Tungsten

123,6K tons

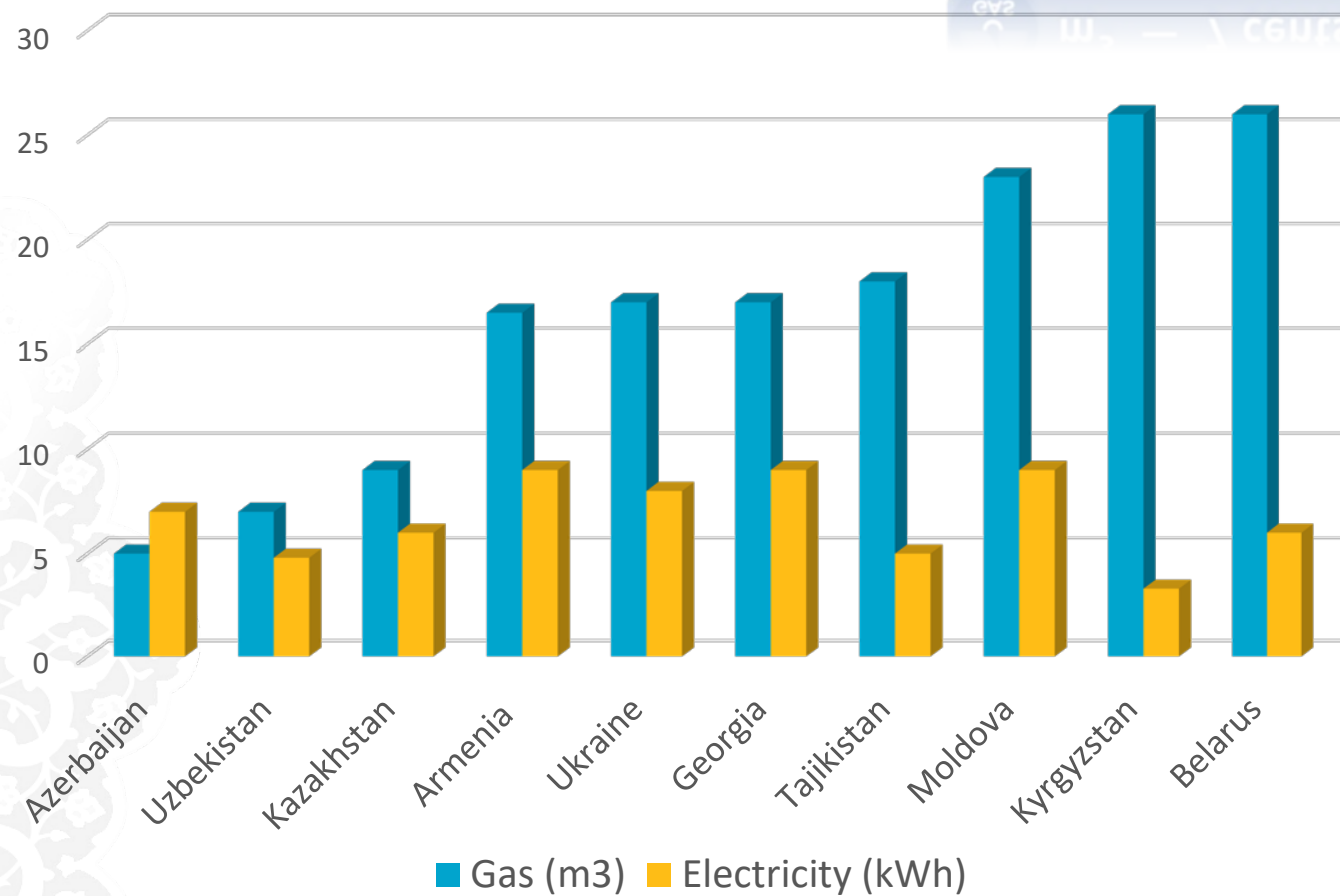
Cost of energy in comparison with neighbor countries {in US cents}



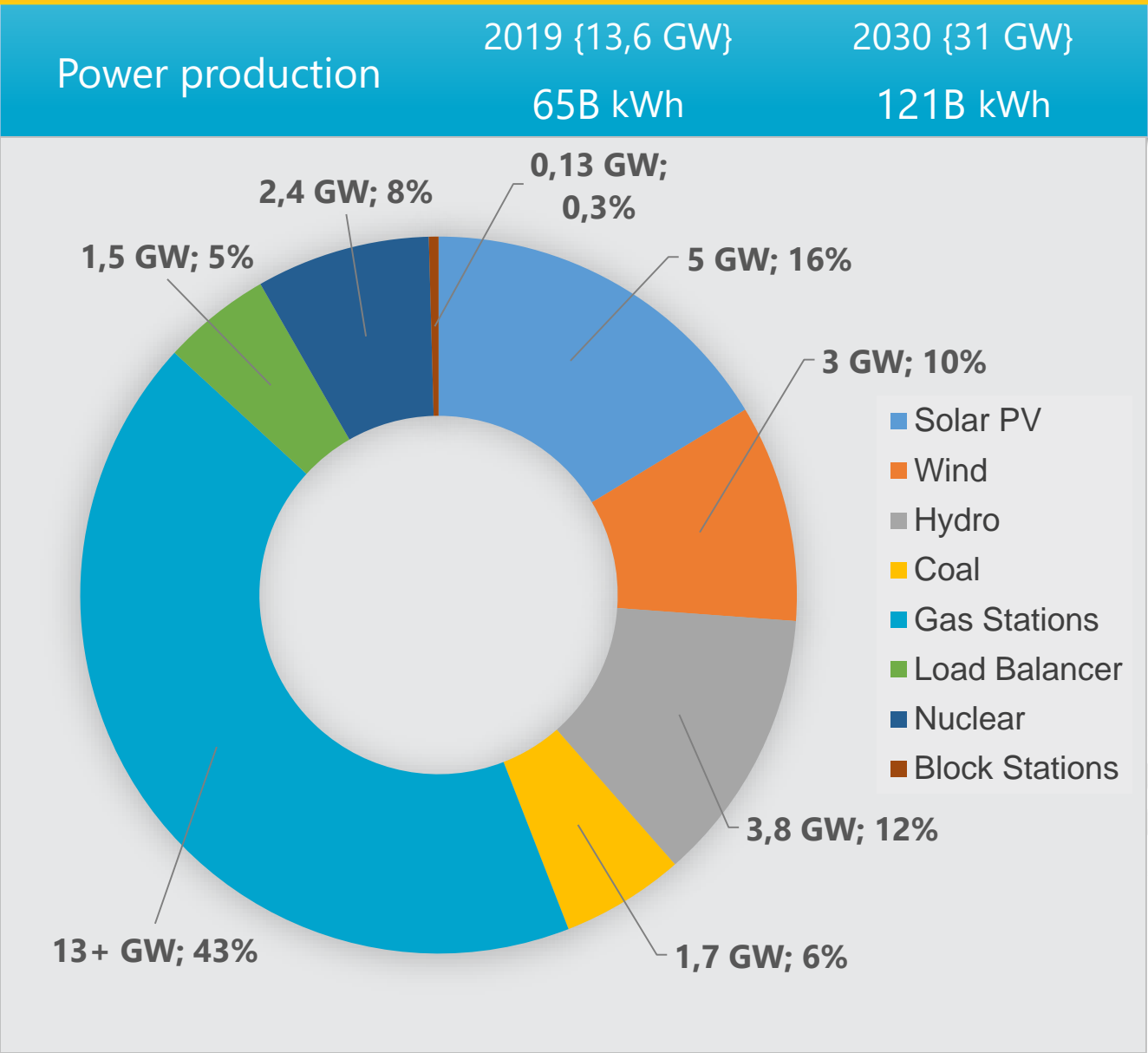
kwh — 4,8 cents



m³ — 7 cents



Energy potential. 310+ sunny days per year



DIVERSIFICATION OF ENERGY SOURCES

HYDROPOWER

Installed Capacity: **1,95 GW**
Output: **6.5B KWh**
Potential Output: **27.5B KWh**

SOLAR

Potential Capacity: **241 GW**
Potential Output: **2,1 Trln KWh**

WIND

Potential Capacity: **520 GW**
Potential Output: **1 Trln KWh**

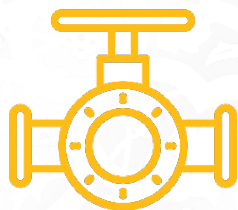
Strategic location and developed infrastructure. In the heart of the Silk Road

Uzbekistan has a **strategic position in the middle of Central Asia**

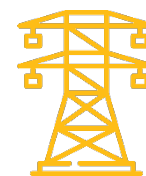


East Asia + Southern Europe

will be connected through China, Kyrgyzstan and Uzbekistan



13,7K km
total length of gas pipelines



237K km
total length of power lines



4,7K km
total length of well-developed system of railways



184K km
total length of roads in Uzbekistan

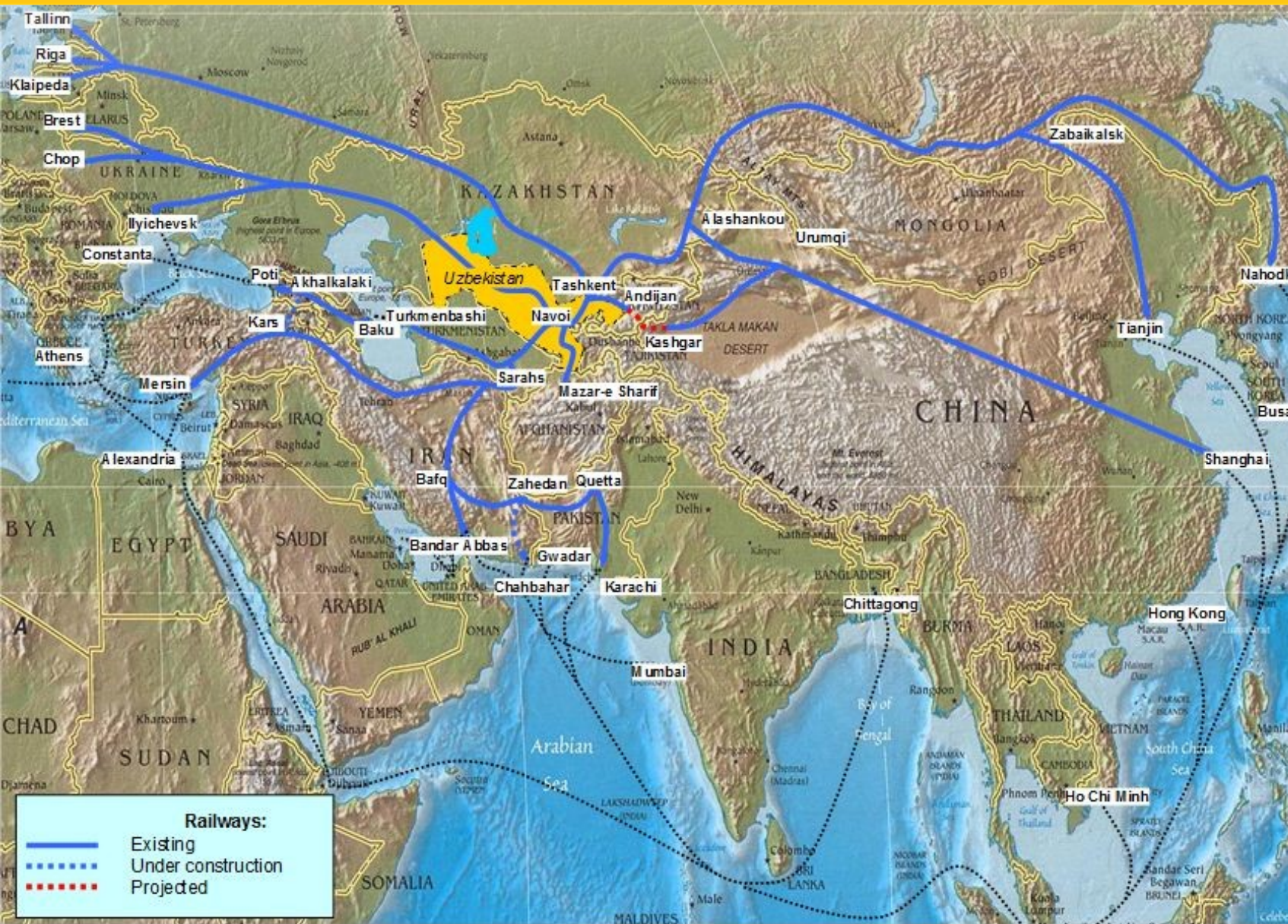
DEVELOPED INFRASTRUCTURE

11 International Airports

Dry port "Navoi"

trans-shipment point, connected to the seaport by rail or road

International transport corridors



1) Uzbekistan – Kazakhstan – Russia – Lithuania – Latvia – Estonia *{Baltic ports};*

2) Uzbekistan – Belarus – Ukraine – EU *{in transit through Kazakhstan and Russia};*

3) Uzbekistan – Ukraine – Black Sea *{in transit through Kazakhstan and Russia};*

4) Uzbekistan – Turkmenistan – Caspian Sea – Azerbaijan – Black Sea;

5) Uzbekistan – Turkmenistan – Iran – Persian Gulf;

6) Uzbekistan – Kazakhstan – China / Russian far eastern ports;

7) Uzbekistan – Kyrgyzstan – China *{Yellow, East China and South China Seas};*

8) Uzbekistan – Afghanistan

CIS Free Trade Zone. Joining WTO in the near future

Neighbor countries with free trade agreements

Population, in mln

Russia

147

Ukraine

42

Kazakhstan

19

Belarus

10

Other countries*

23

Outreach of free trade agr.

241

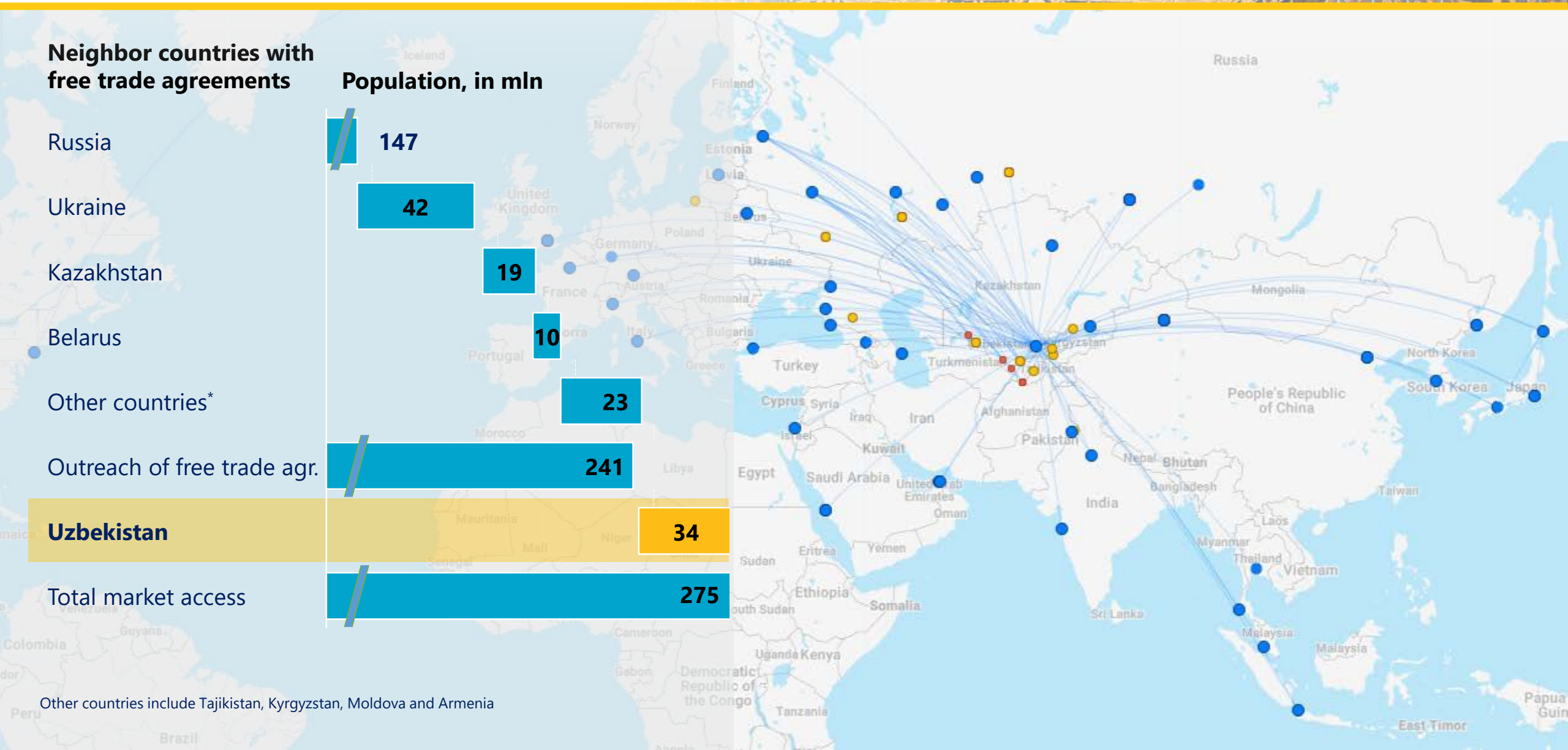
Uzbekistan

34

Total market access

275

Other countries include Tajikistan, Kyrgyzstan, Moldova and Armenia



Improvements in Taxation Policy

KEY TAX REFORMS WILL TAKE EFFECT IN 2020

Reduction of the tax burden

Tax simplification

Increasing local budgets revenues

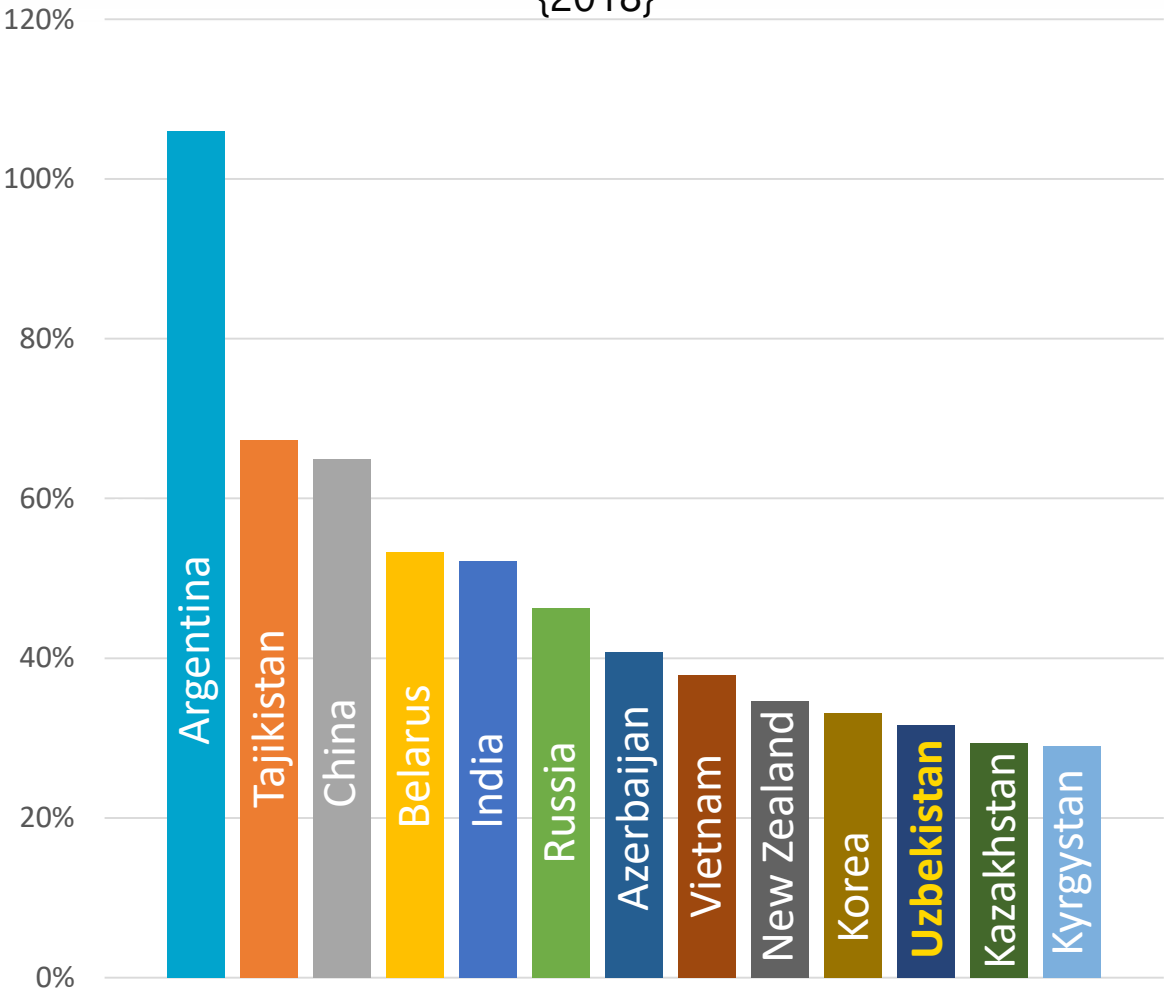
Further reforms

State and local taxes	2017	2018	2019
Corporate income tax	7.5%+8% {social infrastructure} + 50% {Excess Profit Tax for certain products}	General rate 14%; commercial banks 22%	General rate 15%; commercial banks 20%
Dividend tax	10%		5%
Single tax payment {SMEs}	5%		4%
Personal income tax	From 0% to 23%		Single flat rate 12%
VAT {standard rate}	20%		15%
Corporate property tax	5.0%		2.0%
Social payments to pension funds	8%		Abolished
Corporate payments to other funds	1.6%+1.4%+0.5%	single rate 3.2%	Abolished
Single social payment	25% {15% for SME}		12%

Steady Tax Burden Reduction

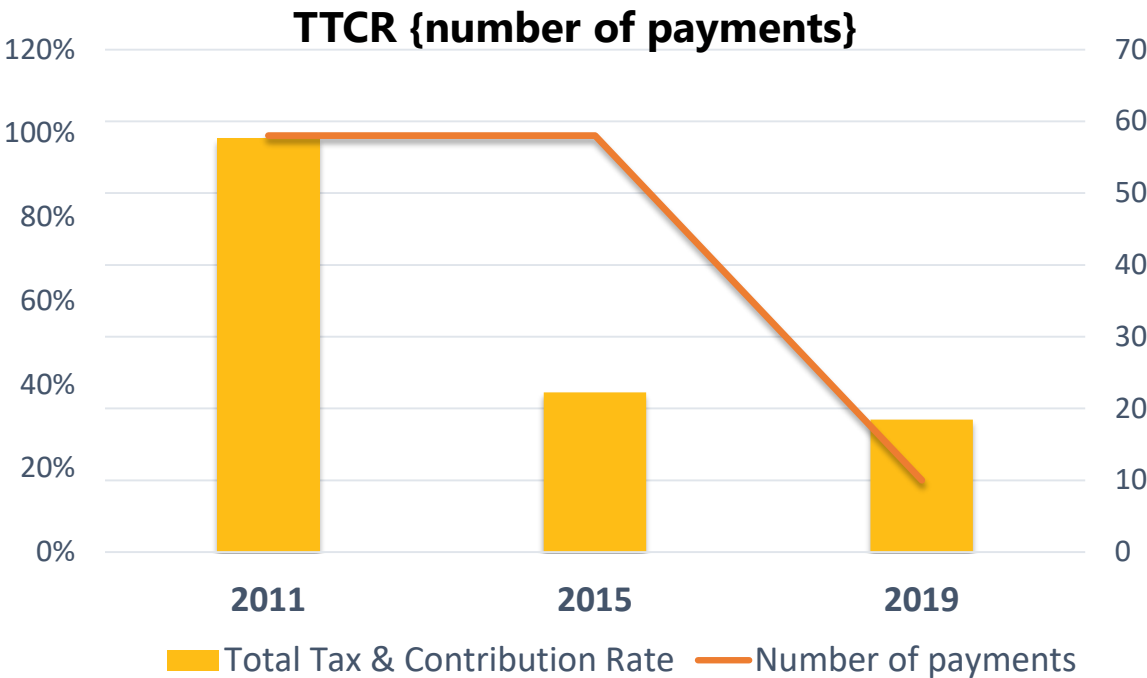
Paying taxes improvements

Countries by Total Tax & Contribution Rate
{2018}



SOURCE: Doing Business by World Bank & PWC {Paying Taxes}

	2011	2015	2019
TTCR rate {%	99%	38%	31,6%
Number of payments	58		9
Profit tax payments	8	8	2
Labor tax payments	24	36	3
Other taxes payments	26	14	4



Tax exemption for international investors

ENTERPRISES WITH FDI

Investment amount

0,3M – 3M

3M – 10M

10M+

Exemption period

3 years

5 years

7 years

NOT
LESS
THAN

15%

should be the share of foreign investors in JSC and at least 33% in other cases

tax exemption from:

- income tax
- property tax
- single tax payment for small enterprises

2 YEARS

CUSTOMS DUTY EXEMPTION

of own use property import for enterprises with at least 33% of foreign investments

Special economic zones

21 FREE ECONOMIC ZONES



Investment amount

0,3M – 3M

3M – 5M

5-10M

10M+

Exemption period

3 years

5 years

7 years

10 years

tax exemption from:

- land tax
- income tax
- property tax
- single tax payment for small enterprises

2020 reforms



Unified law «On investments and investment activities»



Instead of **3 laws** and about **100 legal acts**

«On special economic zones»



- Formation of annual FEZ development programs
- VAT exemptions
- Customs payment exemptions



«**On free economic zones**»
{1996}

Investment residency and investment visa



- Residence permit for 5 and 10 years
- Purchase of real estate in the amount of \$100K-400K
- Other types of investments in the amount of \$400K-\$2M
- 3 years investment visa for 200K investments



- Investment program for **2020-2022**
 - One center for investors (24/7)

Labor code {1995}

Land code {1998}

Housing code {1998}

Urban planning code {2002}

Tax code {2020}

Companies with FDI in Uzbekistan

ZTE

 **ÇALIK HOLDING**

KNAUF


CNBM


Mitsubishi
Corporation


Nestlé


HUAWEI


BRITISH AMERICAN
TOBACCO

Honeywell

CNI
INDUSTRIAL

 **JOGMEC**
Japan Oil, Gas and Metals
National Corporation

 **EURO**
CEMENT
БЕПОЦЕМЕНТ груп


thyssenkrupp


CITIC Group


NOC

COINICH


PETRONAS

Coca-Cola

 **TOTAL eren**

 **LG International**

INDORAMA
VENTURES

 **HYUNDAI**
ENGINEERING & CONSTRUCTION


CNPC

LOTTE CHEMICAL

LOTTE

ISUZU


KOGAS

MAXAM


مصدر
Masdar
A MUBADALA COMPANY


NOBEL

 **orano**

 **ГАЗПРОМ**

 **GS E&R**

Carlsberg


MAN

RIETER

 **LUKOIL**

 **Beeline™**

So why **invest** in Uzbekistan?

Resources

2000+ **deposits** of
natural resources
310+ **sunny days**

Central location

Developed
infrastructure
Access to **2B+** **market**

Booming market

Increasing population
High **GDP growth**
Untapped potential of
the industries

Human capital

20M labor force
Median age **29 years**
97% literacy rate

Ongoing reforms

Investment climate
improvement
Institutional reforms
Licensing procedures
reduced

High returns

Tax exemptions
Low competition
Free economic zones
Tax burden reduction



THANK YOU FOR ATTENTION!



invest.gov.uz