



INVEST IN UZBEKISTAN

UzIPA

Investment Promotion Agency
of the Republic of Uzbekistan

Key Data

KEY DATA



Area

448,9 km²



Urbanization rate

~50%



Population

34M



Languages

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



Political system

Presidential Multi-Party
Democratic Republic



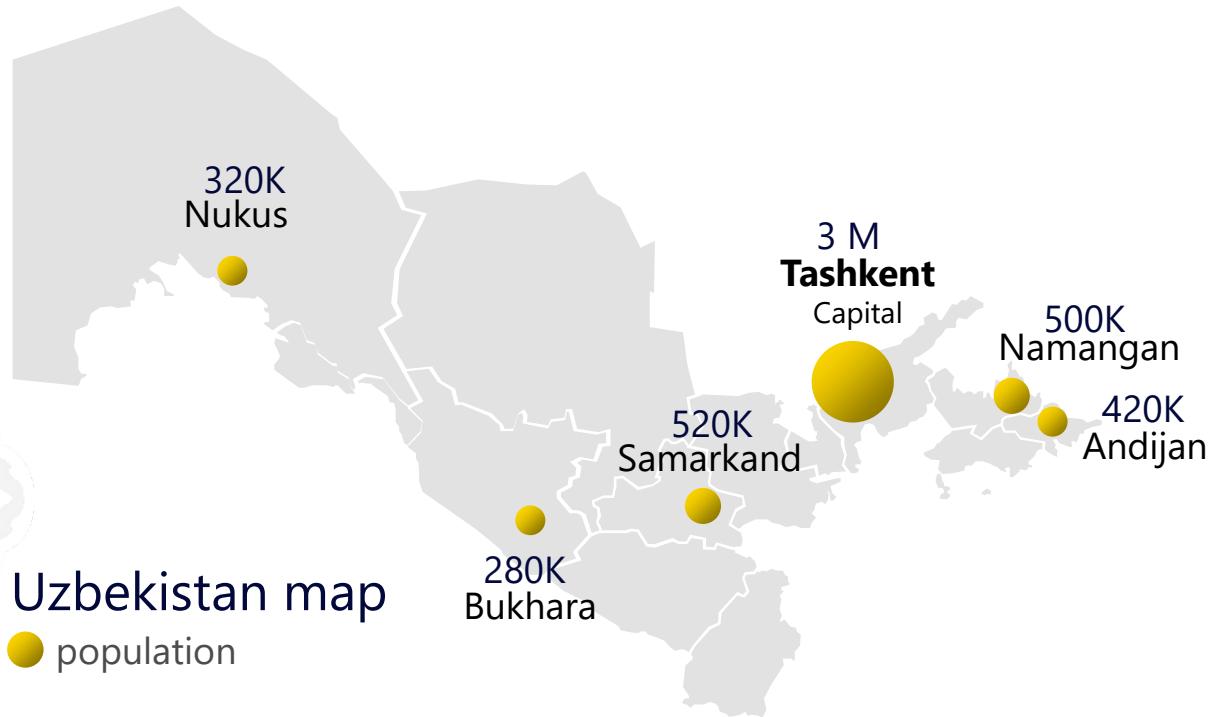
GDP

\$ 60 Bln {nominal}

\$ 297 Bln {PPP}



Uzbekistan map
● population



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



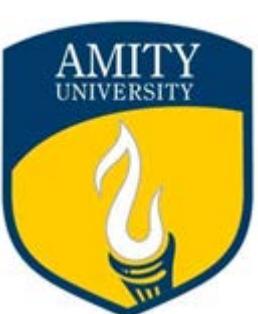
Literacy rate
is 97%

International universities



MDIS
Management Development
Institute of Singapore

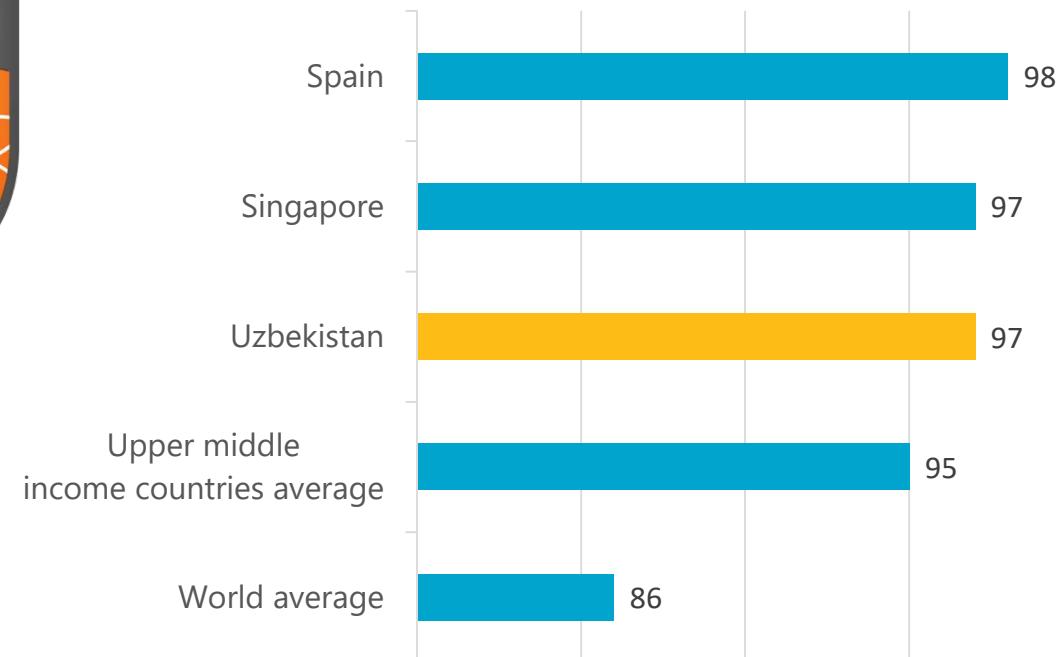
Webster
UNIVERSITY



SHARDA
UNIVERSITY

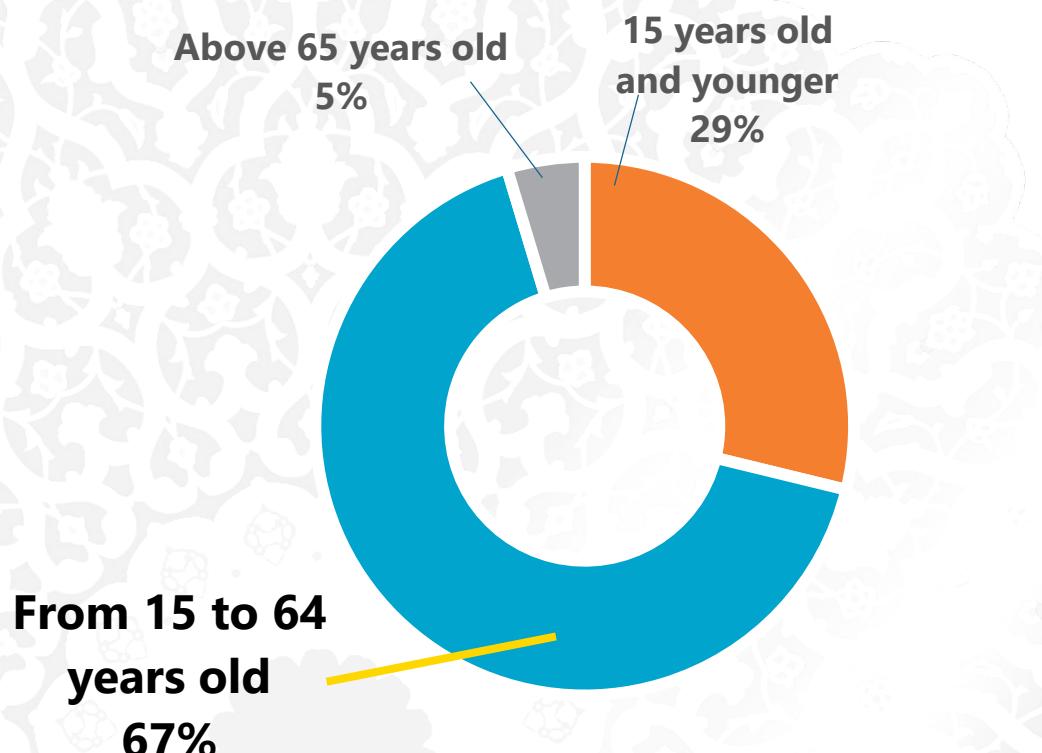


Literacy rate by countries {in %}



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

Age groups

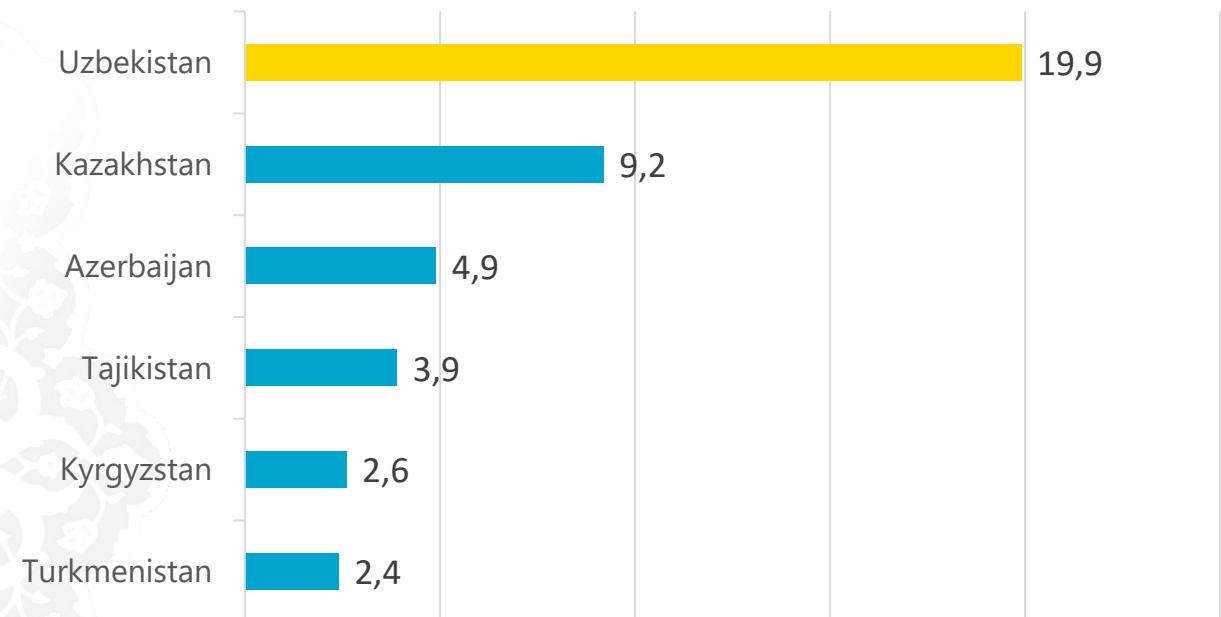


Median age in Uzbekistan is **29 years**

Total population by years:

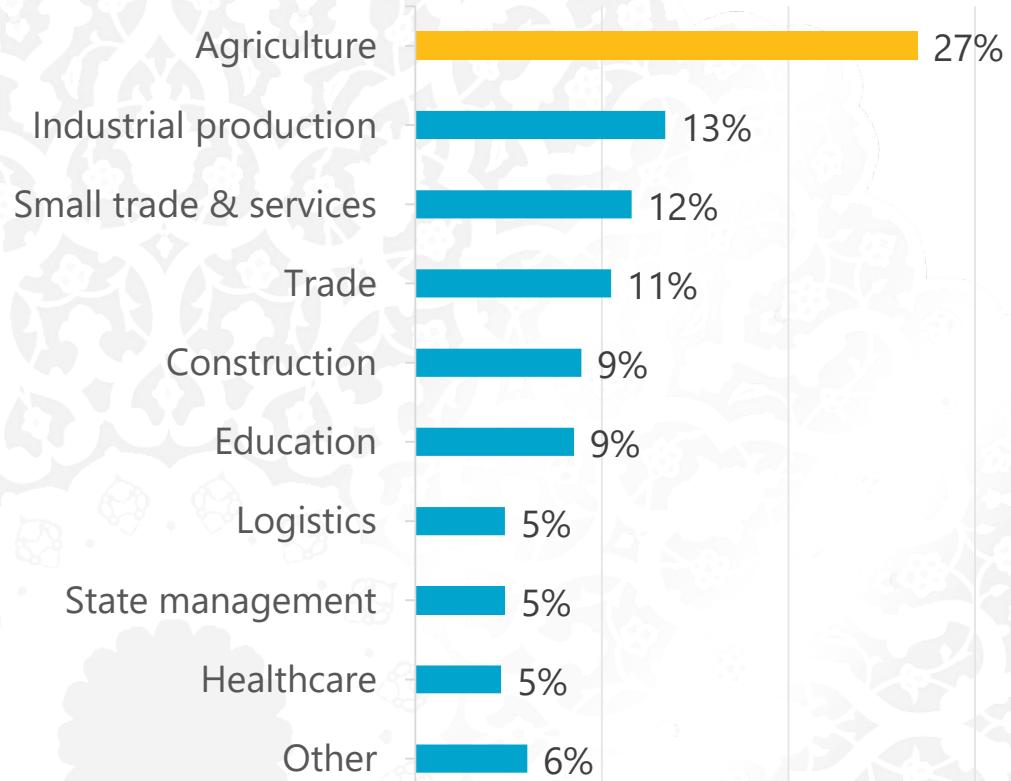
- ★ 1990 – 20,5 mln PPL;
- ★ 2019 – 33 mln PPL;
- ★ 2035 – 44 mln PPL {+33%} / urbanization rate – 59%

Labor force in mln ppl

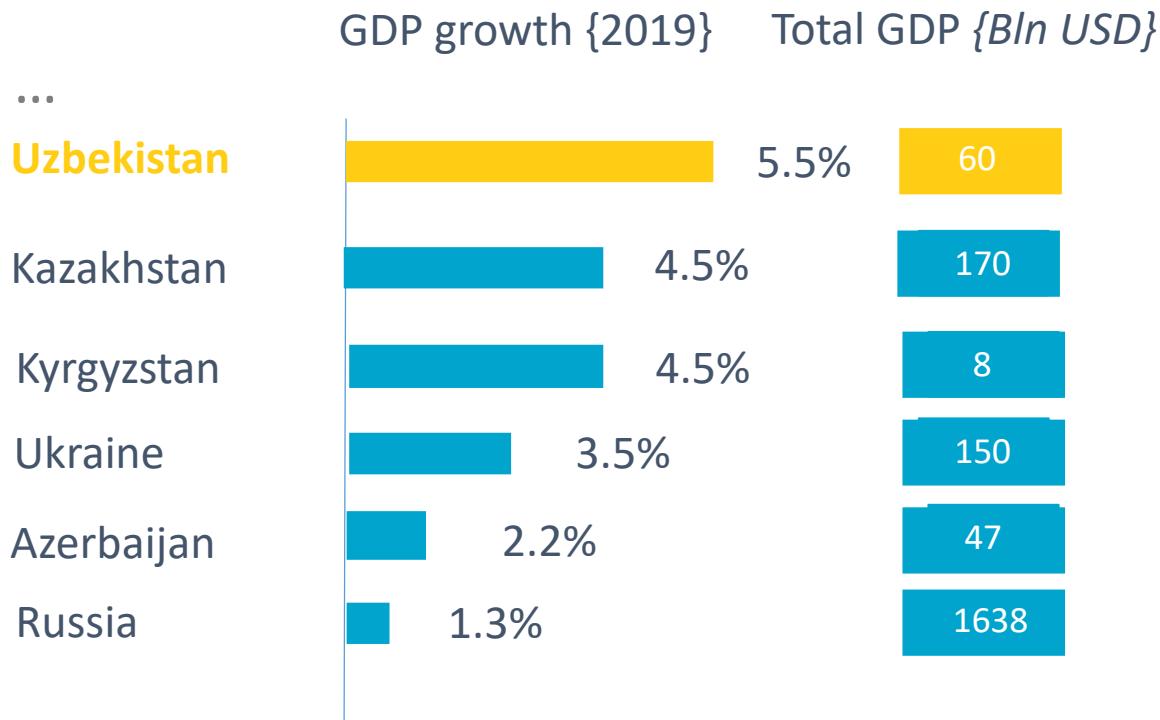


Average GDP growth rate – 6,3% {2014-2019}

Employment by sector as of 2018



2nd fastest growing economy in the CIS region

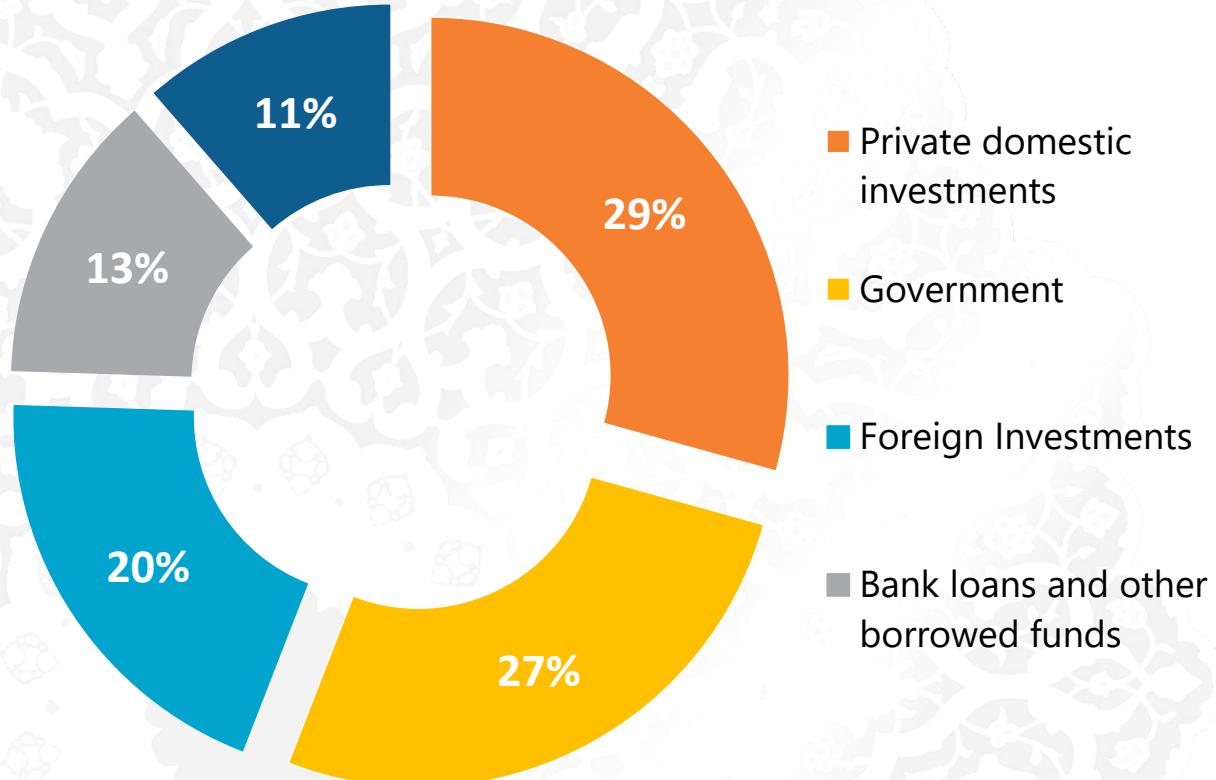


Minimum wage - \$70. **Average** monthly wage - \$235

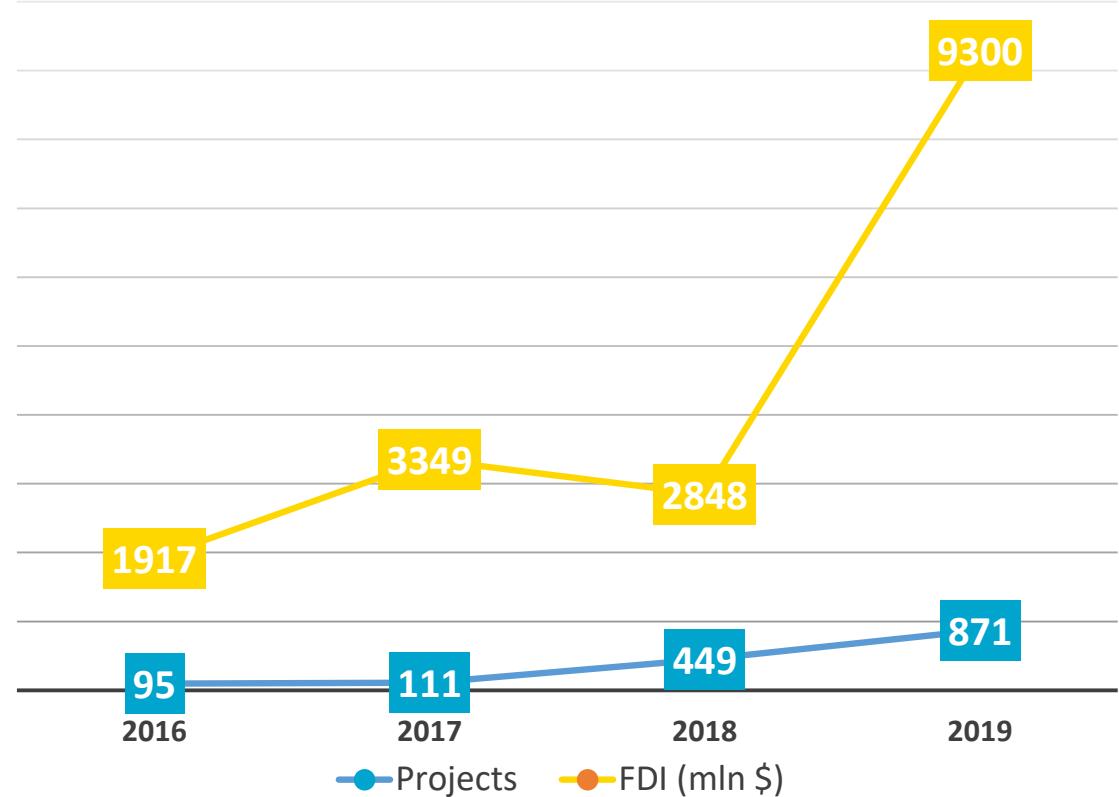
SOURCE: World Bank. GDP growth is projected to be 6% in 2020-2021

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

Capital investments by source {2019}

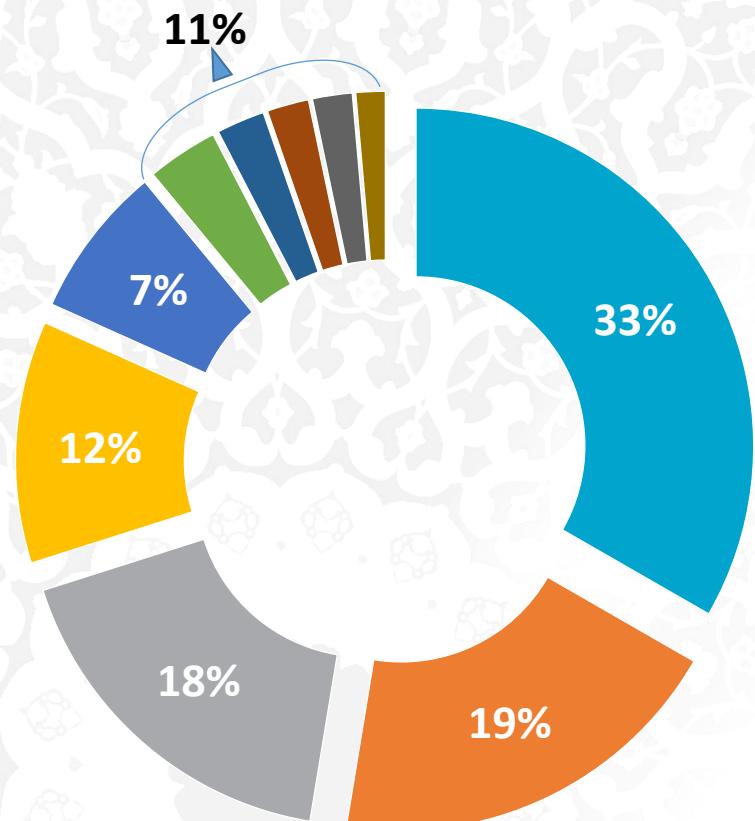


Historical data of FDI and credits inflow {number of investment projects}



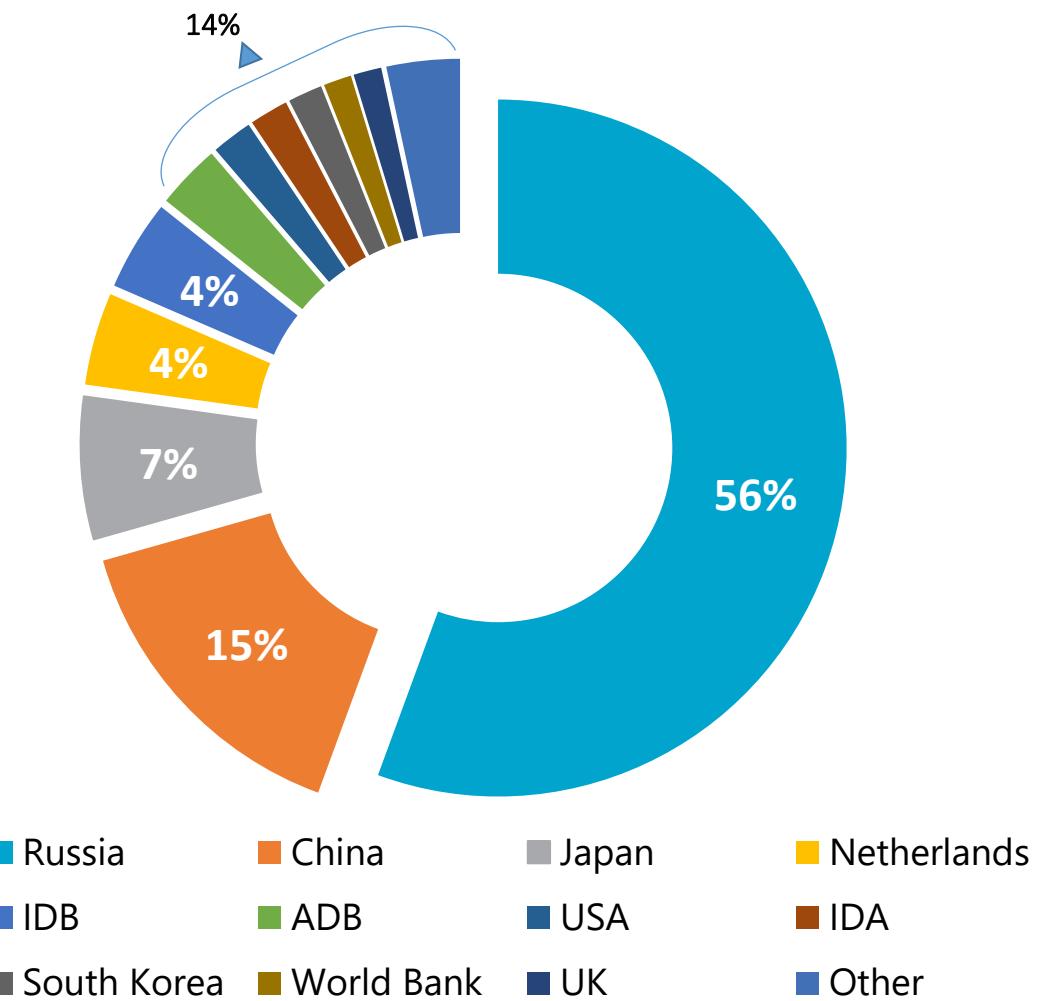
FDI statistics

FDI and loans by industry {2019}



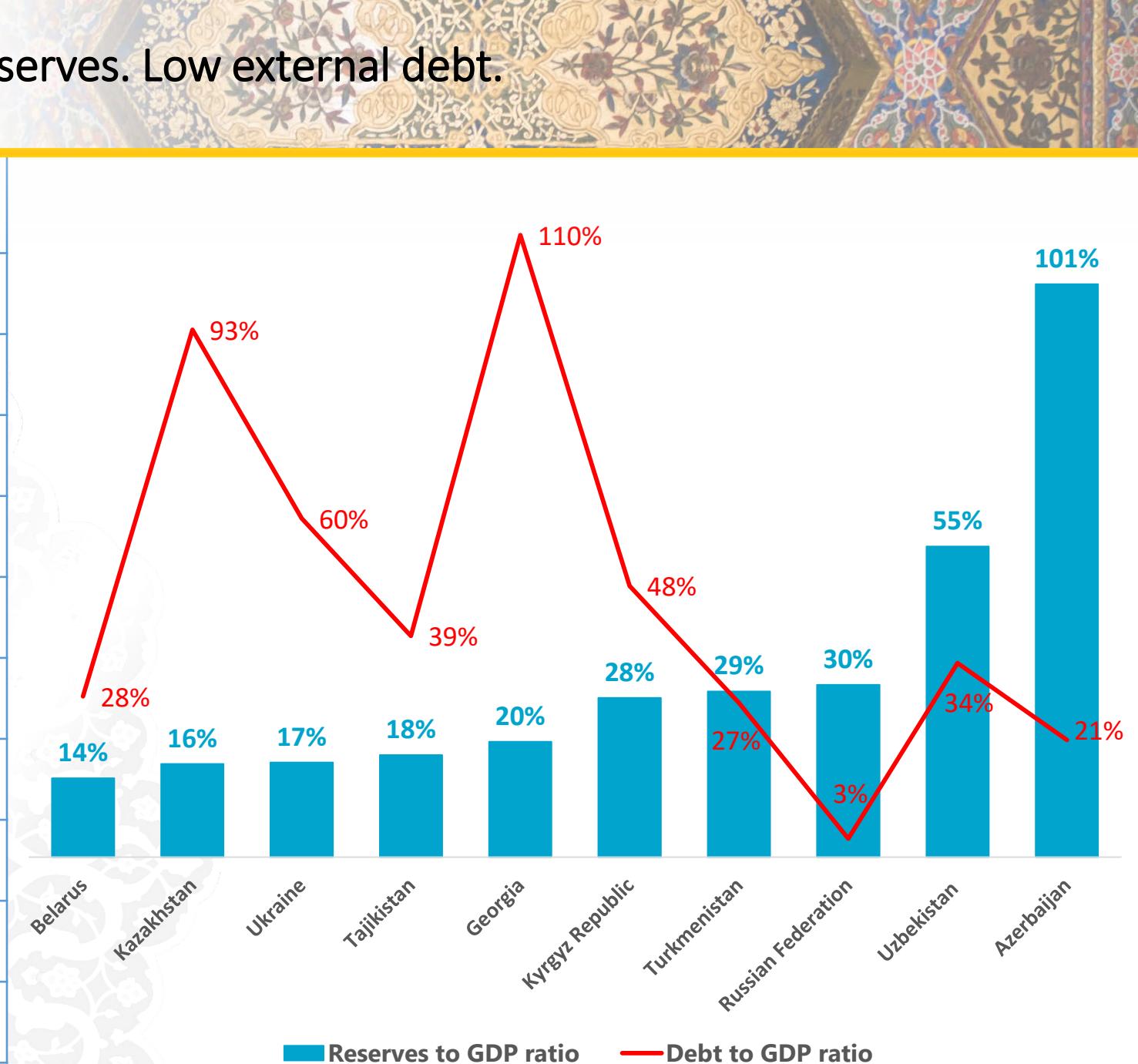
- Manufacturing
- Energy
- Mining
- Other
- Agriculture
- Transport&logistics
- Construction
- ICT&Telecommunications
- Healthcare
- Water Supply

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

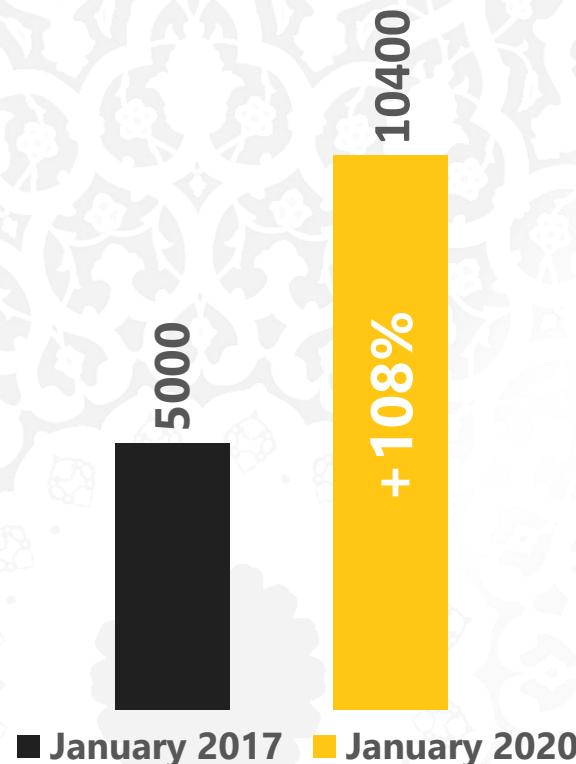
One of the
TOP20
global improvers in
Doing Business 2020



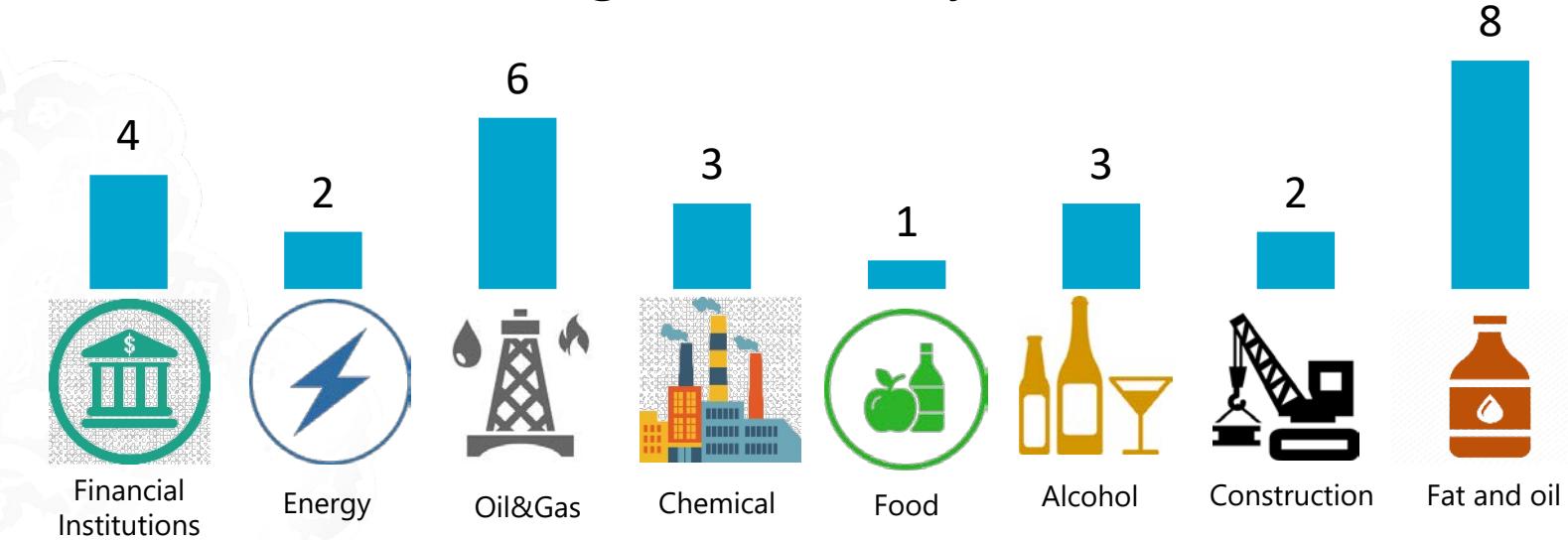
187 types
of licensing procedures
were eliminated

New attractive opportunities for Investors

Number of enterprises with foreign investments



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



ASIA ALLIANCE
BANK

25%

SQB

10%

JIZZAX PLASTMASSA

25%

ASIA ALLIANCE
BANK

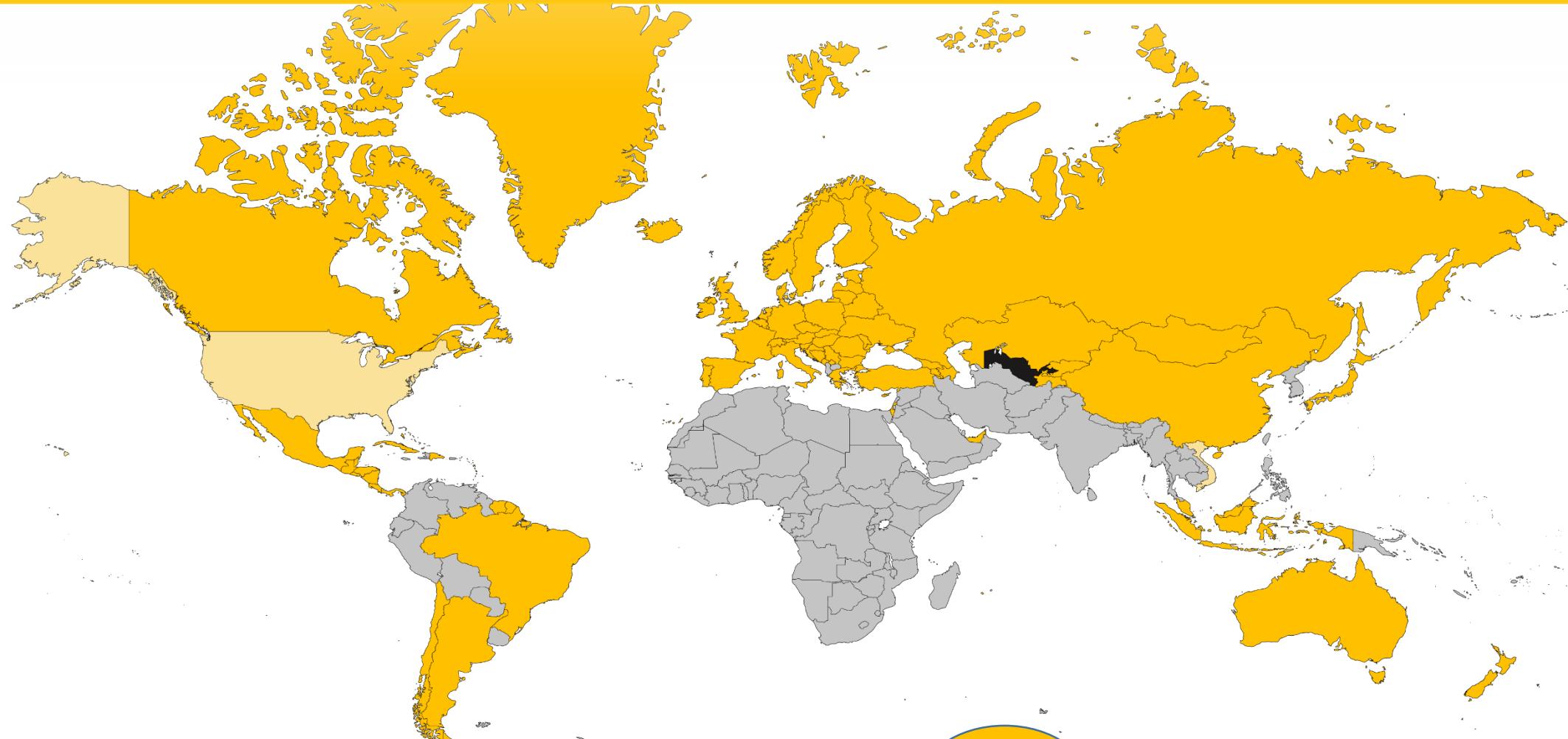
25%

JIZZAX PLASTMASSA

25%

ASIA ALLIANCE
BANK

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



2017

2018

2019

2020

65

86

18

9

For the citizens of USA and Vietnam - starting from 2021

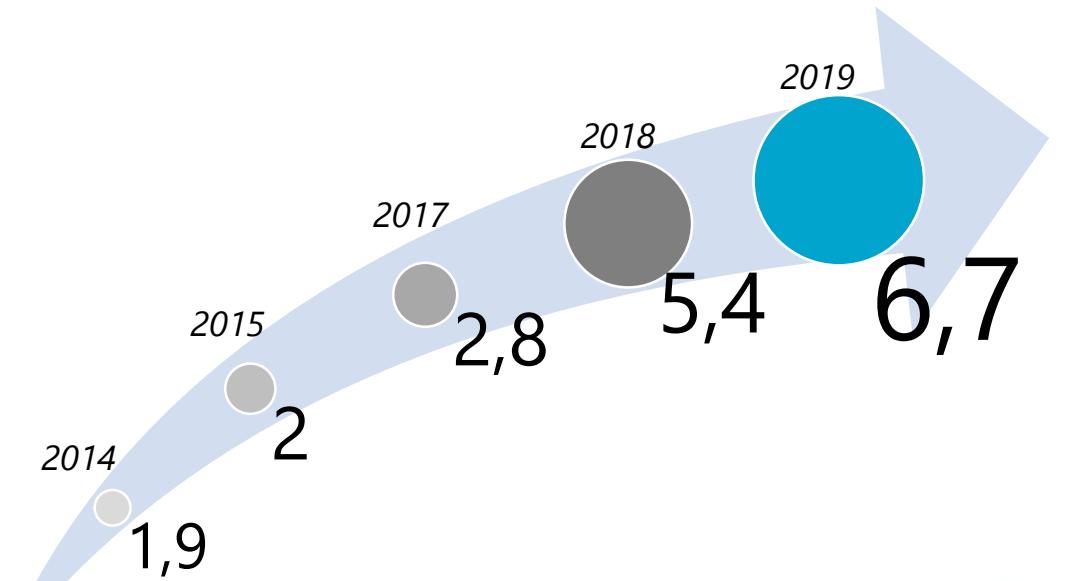
Tourism potential. 10 mln+ tourists by 2022

Global Law and Order

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

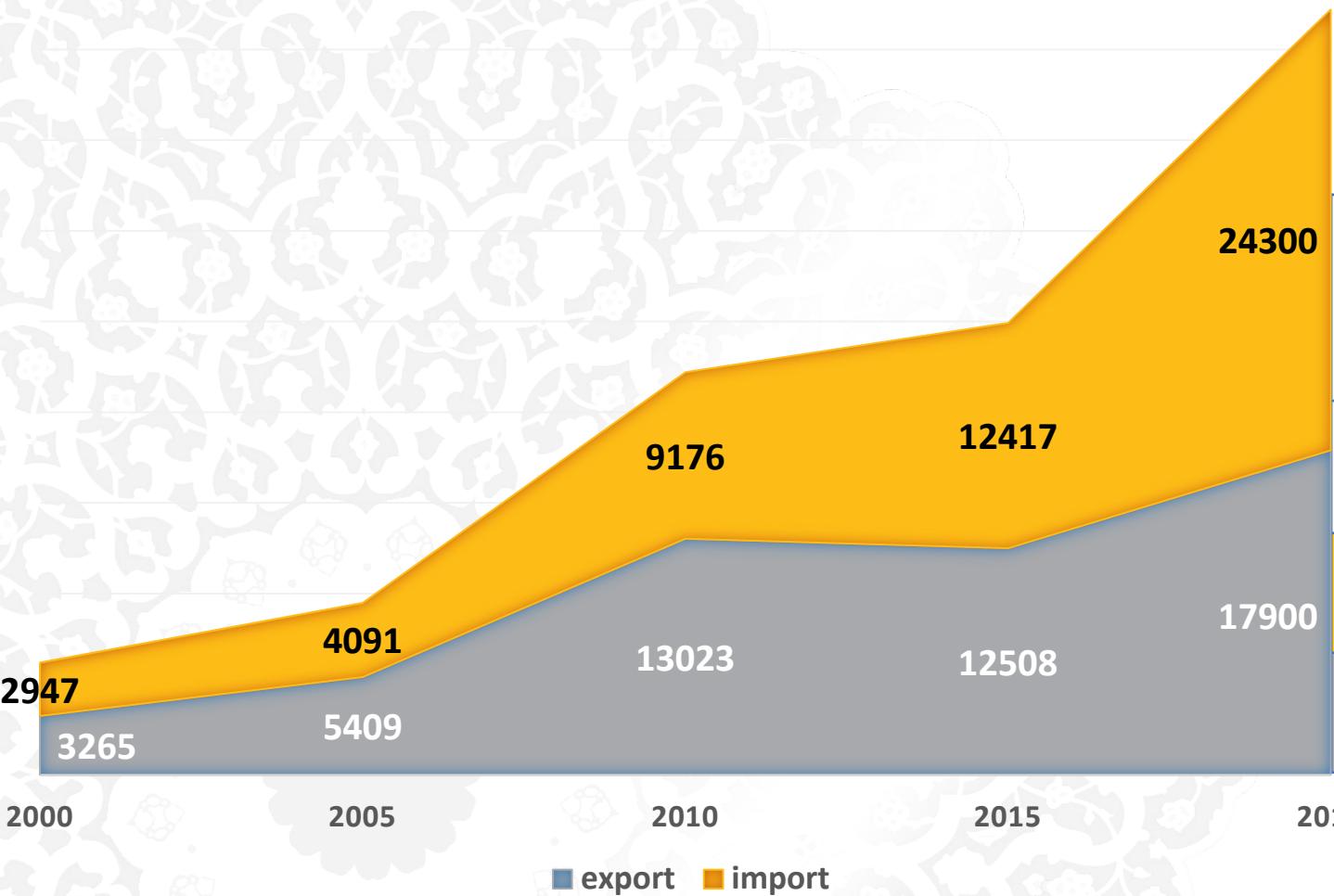
- | | | |
|-----------|-------------------------|-----------|
| 1. | Singapore ----- | 97 points |
| 2. | Tajikistan ----- | 94 points |
| 3. | UAE ----- | 93 points |
| 4. | Norway ----- | 93 points |
| 5. | Turkmenistan ----- | 92 points |
| 6. | Switzerland----- | 92 points |
| 7. | Uzbekistan -----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

Number of tourists {in mln ppl}



Foreign Trade

FOREIGN TRADE TURNOVER {IN MLN USD}



Foreign trade turnover historical data:

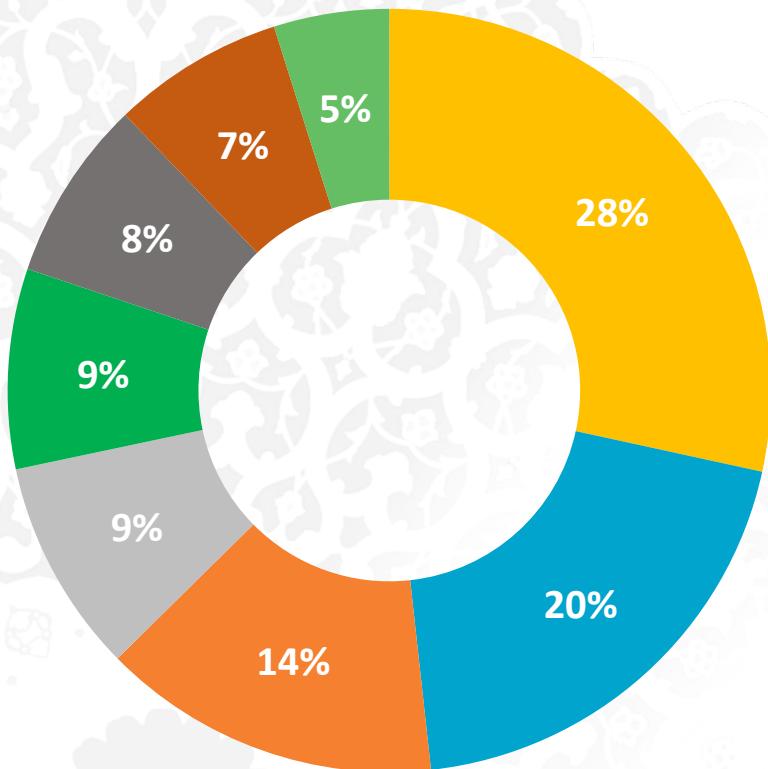
Import increased by **8** times {2000-2019}

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

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

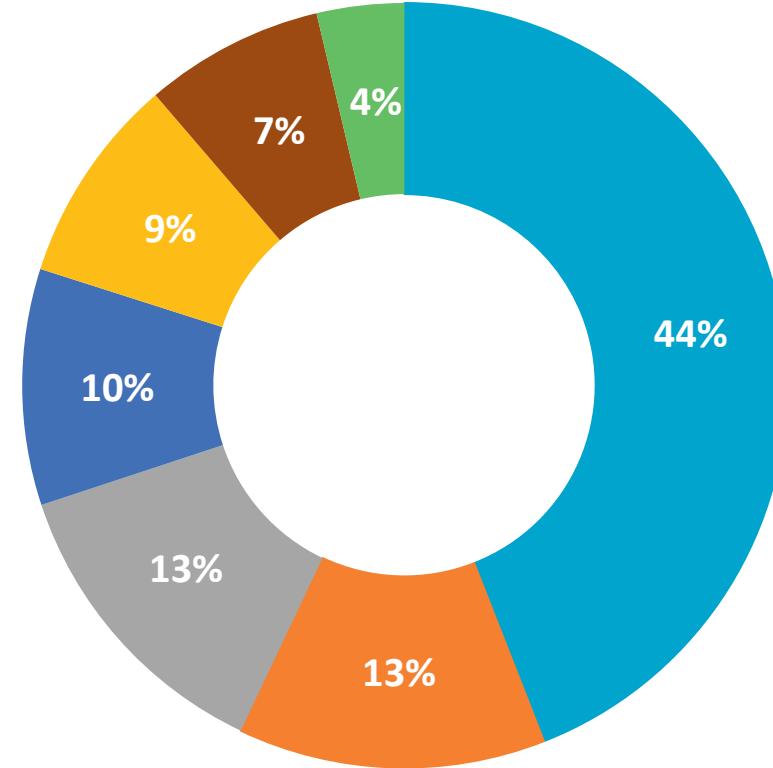
Main turnover partners: China, CIS, Korea, Turkey, Germany

EXPORT STRUCTURE



- Precious metals
- Services
- Oil and gas
- Textile
- Others
- Food products
- Ferrous and non-ferrous
- Chemical products

IMPORT STRUCTURE



- Machinery
- Services
- Others
- Ferrous and non-ferrous
- Chemical products
- Food products
- Energy

Abundant and diverse natural resources

 Gold	6K tons
 Natural Gas	2,24 Trln m3
 Copper	16,4 mln tons
 Uranium	96,7K tons
 Silver	21,6K tons
 Coal	1,95 Bln tons
 Tungsten	123,6K tons

Reserves

Production

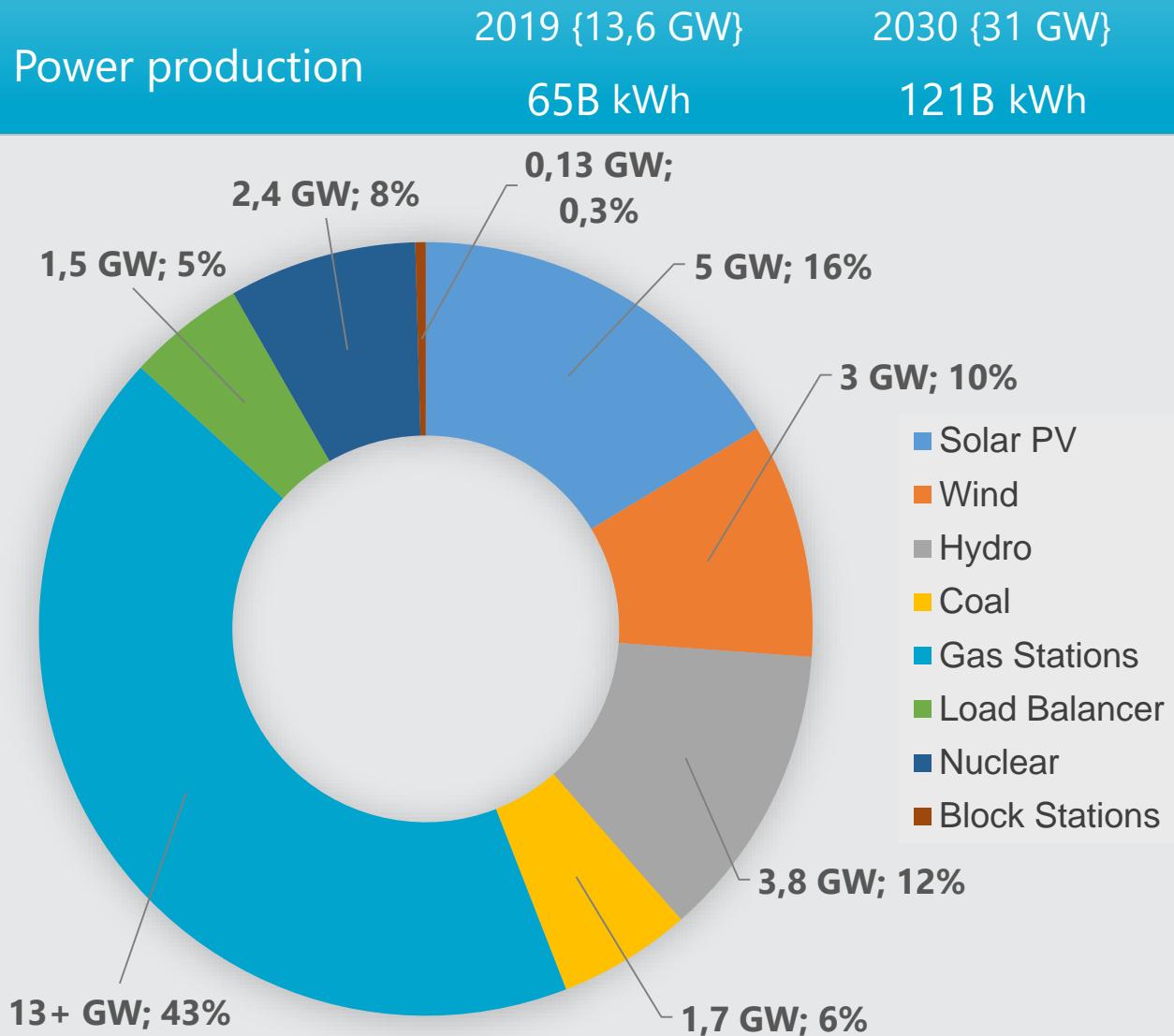
6K tons	90 tons
2,24 Trln m3	56,6 Bln m3
16,4 mln tons	137K tons
96,7K tons	3,6K tons
21,6K tons	232 tons
1,95 Bln tons	3,5 mln tons
123,6K tons	

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



■ Gas (m3) ■ Electricity (kWh)

Energy potential. 310+ sunny days per year



Installed Capacity: **1,95 GW**

Output: **6.5B KWh**

Potential Output: **27.5B KWh**

Potential Capacity: **241 GW**

Potential Output: **2,1 Trln KWh**

Potential Capacity: **520 GW**

Potential Output: **1 Trln KWh**

Strategic location and developed infrastructure.

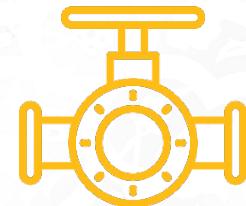
In the heart of the Silk Road

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



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

DEVELOPED INFRASTRUCTURE

11 International Airports

Dry port "Navoi"

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



237K km
total length of power lines



184K km
total length of roads in Uzbekistan

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.

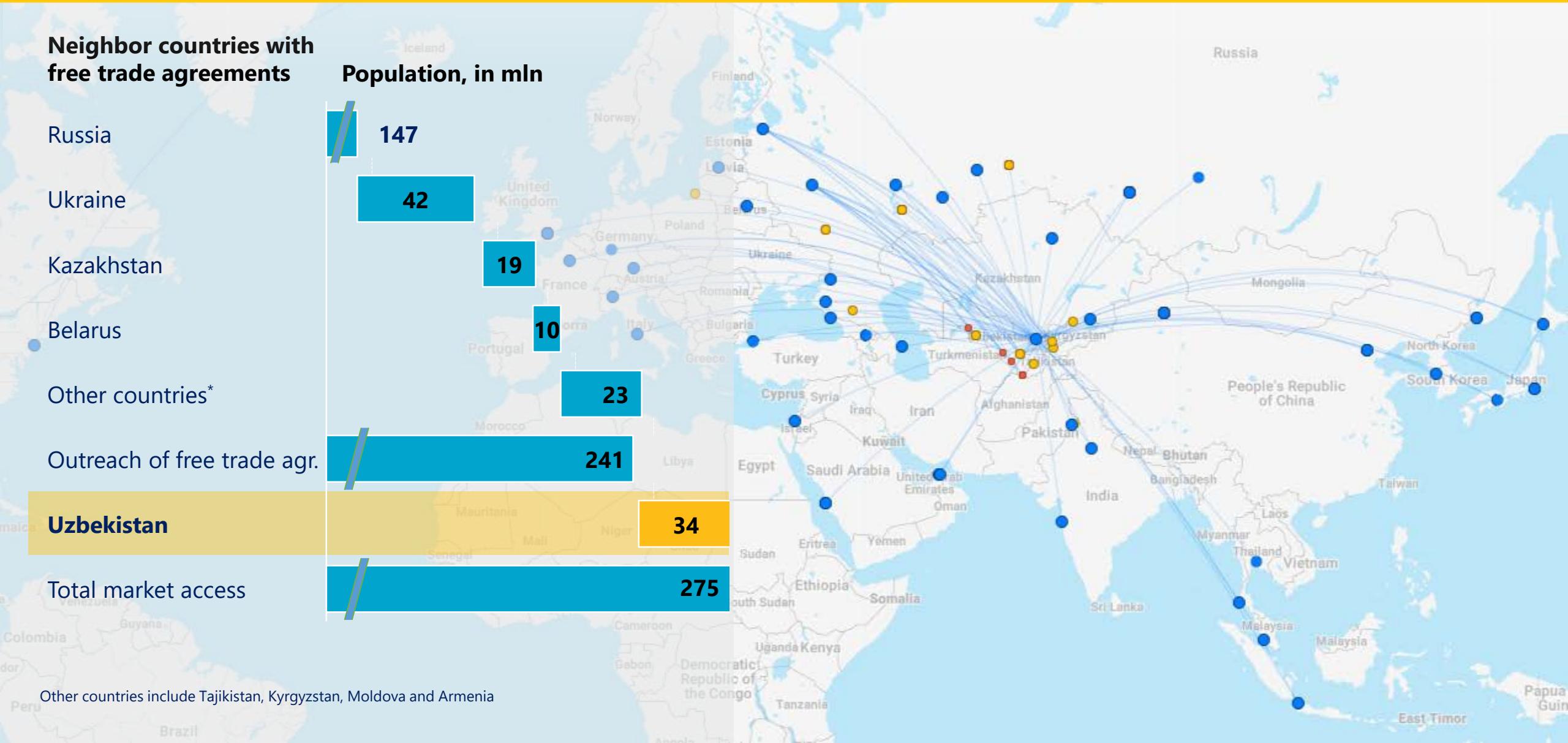
241

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

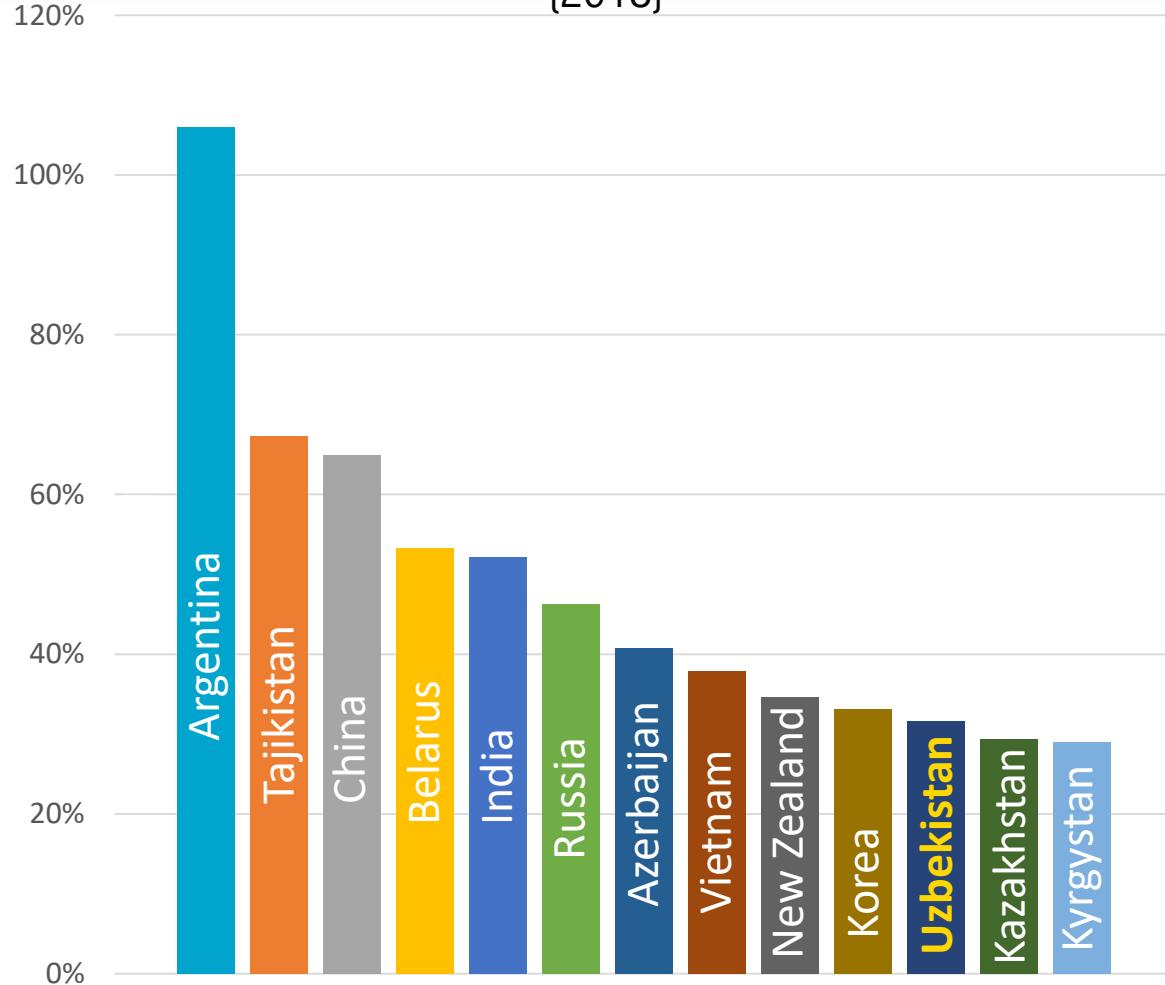
State and local taxes	2017	2018	2019
Corporate income tax	7.5%+8% {social infrastructure} +50% {Excess Profit Tax for certain products}	General rate 14%; commercial banks 22%	General rate 15%; commercial banks 20%
Dividend tax	10%		5%
Single tax payment {SMEs}	5%		4%
Personal income tax	From 0% to 23%		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

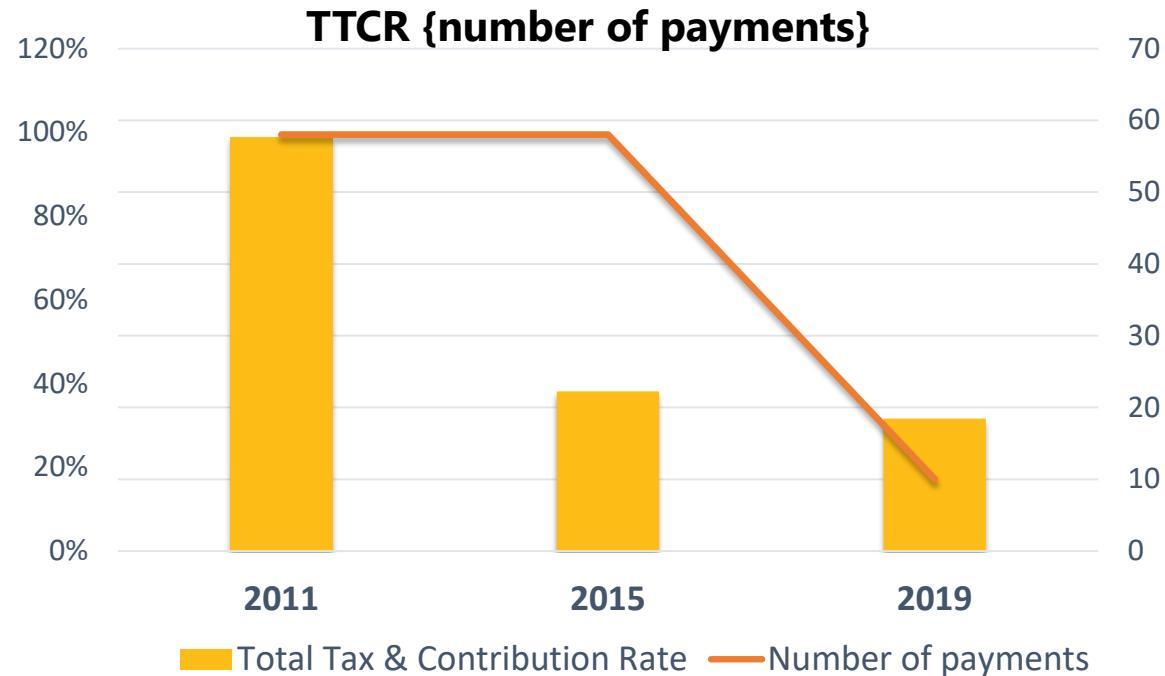
Countries by Total Tax & Contribution Rate

{2018}



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

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



Tax exemption for international investors

Investment amount	Exemption period	NOT LESS THAN	15%	should be the share of foreign investors in JSC and at least 33% in other cases
0,3M – 3M	3 years			
3M – 10M	5 years			
10M +	7 years			

tax exemption from:

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

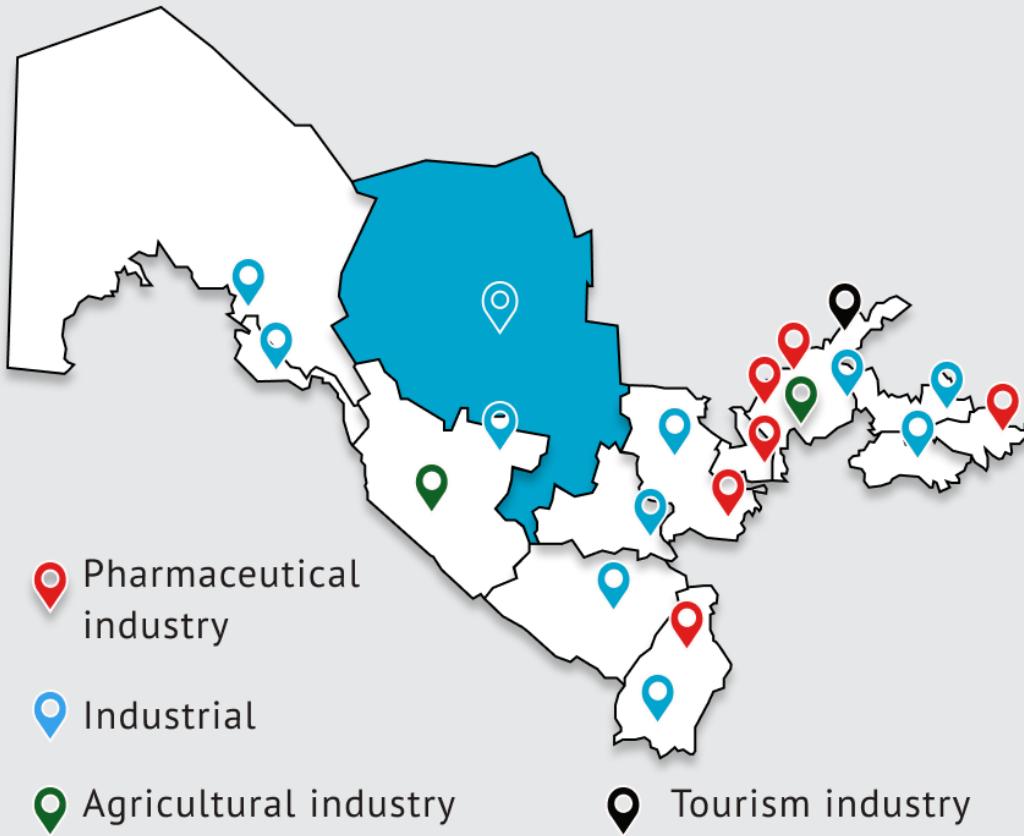
2 YEARS

CUSTOMS DUTY EXEMPTION

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

21 FREE ECONOMIC ZONES

Special economic zones



Investment amount	Exemption period
0,3M – 3M	3 years
3M – 5M	5 years
5-10M	7 years
10M+	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



Labor code {1995}

Land code {1998}

Housing code {1998}

Urban planning code {2002}

Tax code {2020}

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

Companies with FDI in Uzbekistan



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

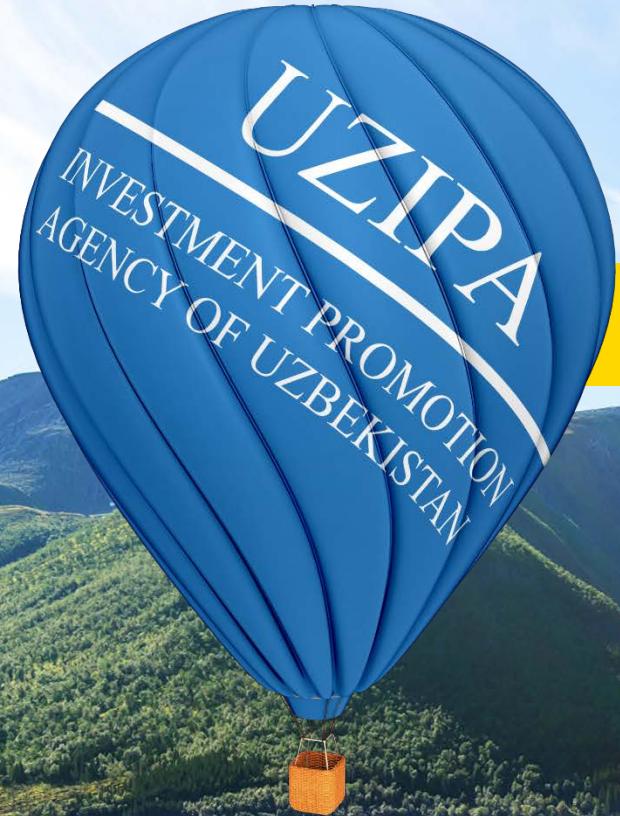
20M labor force
Median age 29 years
97% literacy rate

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!



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