INVEST IN UZBEKISTAN
Key Data

Area
448,9K km²

Population
34M

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

Urbanization rate
~50%

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

Political system
Presidential Multi-Party Democratic Republic

Uzbekistan map

Population

320K Nukus
3M Tashkent
500K Namangan
420K Andijan
280K Bukhara
520K Samarkand
Bukhara
Samarkand
Andijan
Tashkent
Nukus
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

* Until September 2017
Qualified workforce

Largest workforce in the region

93 local and 21 foreign higher educational institutions

Literacy rate is 97%

International universities

Literacy rate by countries {in %}

<table>
<thead>
<tr>
<th>Country</th>
<th>Literacy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>98</td>
</tr>
<tr>
<td>Singapore</td>
<td>97</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>97</td>
</tr>
<tr>
<td>Upper middle income countries average</td>
<td>95</td>
</tr>
<tr>
<td>World average</td>
<td>86</td>
</tr>
</tbody>
</table>
Age groups

- Above 65 years old: 5%
- 15 years old and younger: 29%
- From 15 to 64 years old: 67%

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

- Uzbekistan: 19.9
- Kazakhstan: 9.2
- Azerbaijan: 4.9
- Tajikistan: 3.9
- Kyrgyzstan: 2.6
- Turkmenistan: 2.4

Young, large & educated labor force is a major factor for growth
Average GDP growth rate – 6.3% {2014-2019}

Employment by sector as of 2018

- Agriculture: 27%
- Industrial production: 13%
- Small trade & services: 12%
- Trade: 11%
- Construction: 9%
- Education: 9%
- Logistics: 5%
- State management: 5%
- Healthcare: 5%
- Other: 6%

2nd fastest growing economy in the CIS region

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP growth {2019}</th>
<th>Total GDP {Bln USD}</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uzbekistan</td>
<td>5.5%</td>
<td>60</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>4.5%</td>
<td>170</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>4.5%</td>
<td>8</td>
</tr>
<tr>
<td>Ukraine</td>
<td>3.5%</td>
<td>150</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>2.2%</td>
<td>47</td>
</tr>
<tr>
<td>Russia</td>
<td>1.3%</td>
<td>1638</td>
</tr>
</tbody>
</table>

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}

- Private domestic investments: 29%
- Government: 27%
- Foreign Investments: 11%
- Bank loans and other borrowed funds: 13%

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

- Projects: 95, 111, 449, 871
- FDI (mln $): 1917, 3349, 2848, 9300

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

FDI and loans by industry {2019}

Main investing countries {2018}

- Manufacturing: 33%
- Energy: 12%
- Mining: 18%
- Other: 19%
- Agriculture: 7%
- Transport & logistics: 11%
- Construction: 7%
- ICT & Telecommunications: 4%
- Healthcare: 4%
- Water Supply: 4%

- Russia: 56%
- China: 15%
- Japan: 14%
- Netherlands: 7%
- IDB: 4%
- ADB: 4%
- USA: 7%
- IDA: 7%
- South Korea: 4%
- World Bank: 4%
- UK: 4%
- Other: 4%

FDI statistics
Sufficient foreign exchange and gold reserves. Low external debt.

<table>
<thead>
<tr>
<th>Country*</th>
<th>Reserves ($bln USD)</th>
<th>Reserves to GDP ratio (%)</th>
<th>Debt ($bln USD)</th>
<th>Debt to GDP ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azerbaijan</td>
<td>$48</td>
<td>101%</td>
<td>$9.7</td>
<td>21%</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>$28</td>
<td>55%</td>
<td>$17.3</td>
<td>34%</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>$504</td>
<td>30%</td>
<td>$54</td>
<td>3%</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>$14</td>
<td>29%</td>
<td>$12.7</td>
<td>27%</td>
</tr>
<tr>
<td>Kyrgyz Republic</td>
<td>$2</td>
<td>28%</td>
<td>$3.8</td>
<td>48%</td>
</tr>
<tr>
<td>Georgia</td>
<td>$3</td>
<td>20%</td>
<td>$17.8</td>
<td>110%</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>$1</td>
<td>18%</td>
<td>$2.9</td>
<td>39%</td>
</tr>
<tr>
<td>Ukraine</td>
<td>$22</td>
<td>17%</td>
<td>$78.3</td>
<td>60%</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>$28</td>
<td>16%</td>
<td>$158.8</td>
<td>93%</td>
</tr>
<tr>
<td>Belarus</td>
<td>$8</td>
<td>14%</td>
<td>$16.9</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Data as of January 2019
# World Bank: Doing Business ranking change

<table>
<thead>
<tr>
<th>2012</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>157 Comoros</td>
<td>67 Colombia</td>
</tr>
<tr>
<td>158 Suriname</td>
<td>68 Oman</td>
</tr>
<tr>
<td>159 Mauritania</td>
<td><strong>69 Uzbekistan</strong></td>
</tr>
<tr>
<td>160 Afghanistan</td>
<td>70 Vietnam</td>
</tr>
<tr>
<td>161 Cameroon</td>
<td>71 Jamaica</td>
</tr>
<tr>
<td>162 Togo</td>
<td>72 Luxembourg</td>
</tr>
<tr>
<td>164 Iraq</td>
<td>73 Indonesia</td>
</tr>
<tr>
<td>165 Lao PDR</td>
<td>74 Costa Rica</td>
</tr>
<tr>
<td><strong>166 Uzbekistan</strong></td>
<td>75 Jordan</td>
</tr>
</tbody>
</table>

## 2017-2021 DEVELOPMENT STRATEGY

Since 2012, there have been **187 types** of licensing procedures eliminated. **Since 2012**, there have been **SIGNIFICANT REFORMS** in Starting Business, Getting Electricity, Getting Credit, Paying Taxes, Registering Property and Protecting Minority Investors.

One of the **TOP 20** global improvers in Doing Business 2020.

Since 2012, **2012-2021** DEVELOPMENT STRATEGY aimed at opening and liberalizing the economy and improving investment climate.

**SOURCE:** World Bank, 2019

Doing Business ranking: **97 points** improvement in the past years. Top 20 in DB 2023.
New attractive opportunities for Investors

Number of enterprises with foreign investments

- January 2017: 5000
- January 2020: 10400
- +108%

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

- Financial Institutions: 4
- Energy: 2
- Oil&Gas: 6
- Chemical: 3
- Food: 1
- Alcohol: 3
- Construction: 2
- Fat and oil: 8

- IPO: 10%
- SPO: 75%
- ALOQABANK: 25%
- JIZAX PLASTMASSA: 25%
- ASIA ALLIANCE BANK: 25%
- BEK COMMODITY CHANGE: 12%
2nd place among the most open countries for tourists in the CIS region

For the citizens of USA and Vietnam - starting from 2021
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}

Tourism potential. 10 mln+ tourists by 2022

SOURCE: Gallup Global Law and Order 2019 Report, Solo Travel Safety Report
Foreign trade turnover historical data:

- Import increased by 8 times \(\text{(2000-2019)}\)
- Export increased by 5.5 times \(\text{(2000-2019)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Foreign trade turnover</th>
<th>Ratio</th>
<th>2019</th>
<th>Ratio</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>33 430</td>
<td>-</td>
<td>42 200</td>
<td>-</td>
<td>+26%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Import</td>
<td>19 439</td>
<td>59%</td>
<td>24 300</td>
<td>57%</td>
<td>+25%</td>
</tr>
<tr>
<td>Export</td>
<td>13 991</td>
<td>41%</td>
<td>17 900</td>
<td>43%</td>
<td>+28%</td>
</tr>
</tbody>
</table>
Main turnover partners: China, CIS, Korea, Turkey, Germany

**EXPORT STRUCTURE**
- Precious metals: 28%
- Oil and gas: 14%
- Food products: 9%
- Others: 9%
- Ferrous and non-ferrous: 7%
- Services: 5%

**IMPORT STRUCTURE**
- Machinery: 44%
- Chemical products: 13%
- Other: 13%
- Ferrous and non-ferrous: 13%
- Food products: 10%
- Energy: 9%
- Others: 7%
- Services: 4%
### Natural Resources

<table>
<thead>
<tr>
<th>Resource</th>
<th>Reserve</th>
<th>Production</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>6K tons</td>
<td>90 tons</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>2.24 Tln m3</td>
<td>56.6 Bln m3</td>
</tr>
<tr>
<td>Copper</td>
<td>16.4 mln tons</td>
<td>137K tons</td>
</tr>
<tr>
<td>Uranium</td>
<td>96.7K tons</td>
<td>3.6K tons</td>
</tr>
<tr>
<td>Silver</td>
<td>21.6K tons</td>
<td>232 tons</td>
</tr>
<tr>
<td>Coal</td>
<td>1.95 Bln tons</td>
<td>3.5 mln tons</td>
</tr>
<tr>
<td>Tungsten</td>
<td>123.6K tons</td>
<td></td>
</tr>
</tbody>
</table>

### Cost of Energy in Comparison with Neighbor Countries (in US cents)

- **Gas (m3)**: 7 cents
- **Electricity (kWh)**: 4.8 cents

<table>
<thead>
<tr>
<th>Country</th>
<th>Gas (m3)</th>
<th>Electricity (kWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azerbaijan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uzbekistan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kazakhstan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Armenia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ukraine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tajikistan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moldova</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belarus</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Abundant and diverse natural resources*
Energy potential. 310+ sunny days per year

<table>
<thead>
<tr>
<th>Energy Source</th>
<th>Installed Capacity</th>
<th>Potential Capacity</th>
<th>Potential Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hydro</td>
<td>1,95 GW</td>
<td>241 GW</td>
<td>27.5B KWh</td>
</tr>
<tr>
<td>Solar</td>
<td>520 GW</td>
<td></td>
<td>1 Trln KWh</td>
</tr>
<tr>
<td>Wind</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gas Stations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Load Balancer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nuclear</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Block Stations</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Power Production**

<table>
<thead>
<tr>
<th>Year</th>
<th>Installed Capacity</th>
<th>Potential Capacity</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>13,6 GW</td>
<td></td>
<td>65B kWh</td>
</tr>
<tr>
<td>2030</td>
<td>31 GW</td>
<td></td>
<td>121B kWh</td>
</tr>
</tbody>
</table>

**Diversification of Energy Sources**

- **Solar PV**: 13+ GW (43%)
- **Wind**: 5 GW (16%)
- **Hydro**: 2,4 GW (8%)
- **Coal**: 0,13 GW (0,3%)
- **Gas Stations**: 3 GW (10%)
- **Load Balancer**: 1,7 GW (6%)
- **Nuclear**: 3,8 GW (12%)
- **Block Stations**: 1,5 GW (5%)
- **Overall**: 2,4 GW (8%)
Uzbekistan has a **strategic position in the middle of Central Asia**

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

<table>
<thead>
<tr>
<th>DEVELOPED INFRASTRUCTURE</th>
<th>11 International Airports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry port “Navoi”</td>
<td>trans-shipment point, connected to the seaport by rail or road</td>
</tr>
</tbody>
</table>

**DEVELOPED INFRASTRUCTURE**

- **4,7K km** total length of well-developed system of railways
- **13,7K km** total length of gas pipelines
- **184K km** total length of roads in Uzbekistan
- **237K km** total length of power lines

will be connected through China, Kyrgyzstan and Uzbekistan

East Asia + Southern Europe
Strategic location in the middle of Central Asia and heart of the Silk Road

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
Neighbor countries with free trade agreements

Population, in mln

- Russia: 147
- Ukraine: 42
- Kazakhstan: 19
- Belarus: 10
- Uzbekistan: 34

Outreach of free trade agreements: 241

Total market access: 275

Other countries’ include Tajikistan, Kyrgyzstan, Moldova and Armenia

CIS Free Trade Zone. Joining WTO in the near future
# Improvements in Taxation Policy

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

## Reduction of the tax burden

## Tax simplification

## Increasing local budgets revenues

## Further reforms

**KEY TAX REFORMS WILL TAKE EFFECT IN 2020**

- Strategic location in the middle of Central Asia and heart of the Silk Road
- Improvements in Taxation Policy
Steady Tax Burden Reduction

Countries by Total Tax & Contribution Rate (2018)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>TTCR rate (%)</td>
<td>99%</td>
<td>38%</td>
<td>31,6%</td>
</tr>
<tr>
<td>Number of payments</td>
<td>58</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Profit tax payments</td>
<td>8</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Labor tax payments</td>
<td>24</td>
<td>36</td>
<td>3</td>
</tr>
<tr>
<td>Other taxes payments</td>
<td>26</td>
<td>14</td>
<td>4</td>
</tr>
</tbody>
</table>

SOURCE: Doing Business by World Bank & PWC (Paying Taxes)
### Tax exemption for international investors

<table>
<thead>
<tr>
<th>Investment amount</th>
<th>Exemption period</th>
<th>Tax exemption from:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.3M – 3M</td>
<td>3 years</td>
<td>income tax, property tax, single tax payment for small enterprises</td>
</tr>
<tr>
<td>3M – 10M</td>
<td>5 years</td>
<td></td>
</tr>
<tr>
<td>10M+</td>
<td>7 years</td>
<td></td>
</tr>
</tbody>
</table>

NOT LESS THAN **15%**

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

**ENTERPRISES WITH FDI** should be at least 33% in other cases.

**CUSTOMS DUTY EXEMPTION** of own use property import for enterprises with at least 33% of foreign investments.
Special economic zones

Investment amount

<table>
<thead>
<tr>
<th>Investment amount</th>
<th>Exemption period</th>
</tr>
</thead>
<tbody>
<tr>
<td>0,3M – 3M</td>
<td>3 years</td>
</tr>
<tr>
<td>3M – 5M</td>
<td>5 years</td>
</tr>
<tr>
<td>5-10M</td>
<td>7 years</td>
</tr>
<tr>
<td>10M+</td>
<td>10 years</td>
</tr>
</tbody>
</table>

tax exemption from:

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

Strategic location in the middle of Central Asia and heart of the Silk Road
<table>
<thead>
<tr>
<th><strong>2020 reforms</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unified law «On investments and investment activities»</strong></td>
</tr>
<tr>
<td>- Instead of 3 laws and about 100 legal acts</td>
</tr>
<tr>
<td><strong>On special economic zones»</strong></td>
</tr>
<tr>
<td>- Formation of annual FEZ development programs</td>
</tr>
<tr>
<td>- VAT exemptions</td>
</tr>
<tr>
<td>- Customs payment exemptions</td>
</tr>
<tr>
<td><strong>On free economic zones»</strong></td>
</tr>
<tr>
<td>- «On free economic zones» {1996}</td>
</tr>
<tr>
<td><strong>Investment residency and investment visa</strong></td>
</tr>
<tr>
<td>- Residence permit for 5 and 10 years</td>
</tr>
<tr>
<td>- Purchase of real estate in the amount of $100K-400K</td>
</tr>
<tr>
<td>- Other types of investments in the amount of $400K-$2M</td>
</tr>
<tr>
<td>- 3 years investment visa for 200K investments</td>
</tr>
<tr>
<td><strong>• Investment program for 2020-2022</strong></td>
</tr>
<tr>
<td>- One center for investors (24/7)</td>
</tr>
<tr>
<td><strong>Law code»</strong></td>
</tr>
<tr>
<td>- Labor code {1995}</td>
</tr>
<tr>
<td>- Land code {1998}</td>
</tr>
<tr>
<td>- Housing code {1998}</td>
</tr>
<tr>
<td>- Urban planning code {2002}</td>
</tr>
<tr>
<td>- Tax code {2020}</td>
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Companies with FDI in Uzbekistan
So why invest in Uzbekistan?

Resources
- 2000+ deposits of natural resources
- 310+ sunny days
- Developed infrastructure
- Access to 2B+ market

Central location
- Booming market
- Increasing population
- High GDP growth
- Untapped potential of the industries

Human capital
- Ongoing reforms
- High returns
- Investment climate improvement
- Institutional reforms
- Licensing procedures reduced

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Ongoing reforms
- Booming market
- Human capital
- Resources
- Central location

High returns
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Booming market
- Resources
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High returns
- Resources
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Investment Promotion Agency
under the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan
THANK YOU FOR ATTENTION!