

Economic reforms in Uzbekistan

By initiative of the President of the Republic of Uzbekistan Mr. Shavkat Mirziyoyev, the year of 2017 was declared as the **Year of Dialogue with the People and of Human Interests**.

For further development of political and economic reforms in Uzbekistan, President of Uzbekistan approved the Strategy of Action for the five priority areas of the country's development in 2017-2021.

Priority directions of the country's development are:

- Improvement of state and public construction – aimed at strengthening the role of Parliament and political parties in deepening democratic reforms in the country;

- Ensuring the rule of law and reforming the judicial and legal system – aimed at strengthening judiciary and guaranteeing the reliable protection of citizens' rights and freedoms;

- Development and liberalization of the economy – aimed at strengthening macroeconomic stability and maintaining high economic growth rates, increasing its competitiveness, continuing institutional and structural reforms to reduce the state's presence in the economy, actively attracting foreign investment in the economy and regions of the country by improving the investment climate;

- Development of the social sphere – aimed at the consistent increase in employment and real incomes of the population, improving the system of social protection and protecting the health of citizens;

- Security, interethnic harmony and religious tolerance, the implementation of a balanced, mutually beneficial and constructive foreign policy aimed at strengthening the independence and sovereignty of the state.

The Strategy of Actions provides the growth of **GDP by 2 times by 2030**, bringing the share of industry in the economy to 40 percent. 8 special programs have been adopted and are being implemented to develop the chemical industry, processing of non-ferrous and rare metals, hydrocarbon raw materials, textile, leather and footwear, pharmaceuticals, fruit and vegetable processing and construction materials.

Some highlights of the economic reforms and liberalization of economy

1. Free currency conversion.

According to the Decree of the President of the Republic of Uzbekistan "On Priority Measures for the Liberalization of Monetary Policy", with effect of September 5, 2017 all legal resident individuals of the Republic of Uzbekistan can, without limitation, purchase foreign currency in commercial banks for payment on current international transactions;

2. Further improvement of the investment climate.

According to the Presidential Decree of May 3, 2017, **7 new free economic zones in the sphere of pharmaceuticals** were created in Uzbekistan with main tasks for ensuring the integrated and effective use of the productive and resource potential of the regions in Uzbekistan, as well as attraction of foreign direct investments for the production of pharmaceuticals and high-value-added medicines.

At the same time, **4 new industrial FEZ** were created in Samarkand, Bukhara, Ferghana region and Khorezm regions.

3. The Program of Accelerated Development in the **sphere of tourism** in 2017-2021 was adopted. Within the framework of the program procedure for registering and issuing visas for tourists will be simplified and special economic zones for the development of tourism will be established.

Significant measures to create touristic centers in Bukhara, Samarkand, Khiva and Tashkent are being implemented.

4. The government approved additional measures for the further **development of entrepreneurship** and full protection of private property. In particular, since January 1, 2017, all kinds of inspections for the activities of economic entities have been canceled.

5. In order to strengthen the forms of parliamentary control over the implementation of laws, the government established the Institute of the **Business Ombudsman**.

6. The **Law on fighting against corruption** was adopted in Uzbekistan to increase the effectiveness of anti-corruption measures, create additional legal guarantees to protect the rights and freedoms of citizens.

7. 5-year privatization program was created to offer foreign investors the assets of more than 1,200 companies. The plan is to increase the presence of the private sector in the economy by reducing state share in the economic sectors.

In addition, investors are offered 900 new investment projects worth 41 billion dollars in oil and gas, petrochemical, textile, food, pharmaceutical and construction materials.

8. New version of the law "**On labor protection**" was adopted, which corresponds to the recommendations of the International Labor Organization. It specifies the labor protection standards for women, minors, persons of retirement age and persons with disabilities.

9. The **monopoly on the export of fruit and vegetable products was abolished**, and the requirement of obligatory sale of proceeds in foreign currency of exporters had been canceled.

10. Virtual receptions were opened for complaints and appeals to the President, government, ministries and departments, as well as heads of the regions

of Uzbekistan. This enables the citizens of Uzbekistan to directly contact the office of the Head of the State with a complaint or proposal.

11. The tax authorities were reorganized, the duplicating taxes were combined or canceled, tax legislation had been improved and entrepreneurs had been offered **tax holidays**.

Some highlights of the past year

Foreign policy

- Direct flights with Tajikistan on the Tashkent-Dushanbe route.
- Uzbekistan and Turkmenistan agreed that goods originated from Uzbekistan could go through the Turkmen ports to the Caspian Sea. Also a number of agreements on economic and cultural cooperation were signed.
- Uzbekistan and China signed about 100 contracts for more than \$ 23 billion dollars in a wide range of areas, from schooling to investing in the energy sector of Uzbekistan.
- Uzbekistan and Kyrgyzstan agreed on implementation of several joint infrastructure and trade projects for \$ 115 million dollars. The parties agreed on the demarcation of 85% of Kyrgyz-Uzbek border.
- Uzbekistan and Russian Federation signed 39 official intergovernmental and interdepartmental documents in the amount of \$ 15.8 billion.
- Within the framework of Uzbek-American business forum a solid package of documents for 2.6 billion dollars was signed.
- Uzbekistan and Turkey signed agreements on the implementation of more than 30 joint projects worth 3.5 billion dollars in the construction of large energy facilities and road infrastructure, the production of textiles, electrical equipment, building materials, the organization of modern productions in food and agro-logistics centers.
- Uzbekistan and Republic of Korea signed contracts for \$ 8.94 billion. Most of all investments are planned to power engineering and petrochemistry, banking and financial sector, and the infrastructure.