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INTERNAL

Uzbek President urges more foreign investment in his inauguration speech – While delivering his Address on April 10, 2015, President Islam Karimov said that Uzbekistan should make sure that more foreign firms have shares in joint stock companies operating here which would help the country to attract more investment and new technologies as they introduce modern ways of organizing production and management. He also said that the state intervention in the economy should be restricted to a point where it gets involved only in strategic issues and to give more freedom to private businesses.

Uzbekistan's GDP increases by 7.5% - during January-March 2015. During this period, Uzbekistan's industrial output rose by 7.9%, while agriculture production increased by 6.3%. State budget was executed with 0.1% surplus to the GDP in the first quarter of 2015. The inflation level did not exceed the set forecasted volume. In the first quarter of 2015, Uzbekistan increased production of consumer goods by 11.2%. Share of services in the GDP of Uzbekistan rose from 52.9% in the first quarter of 2014 to 53.2% in the same period of 2015. The volume of investments grew by 8.7%.

IMF: Economy of Uzbekistan to grow by 6.2% in 2015 - The International Monetary Fund (IMF) lowered the forecast of Uzbekistan's economic growth to 6.2 percent in 2015 (from 6.5 percent predicted in October 2014). According to the IMF forecasts, published in the IMF report entitled "World Economic Outlook", Uzbekistan's GDP growth will be 6.5 percent in 2016. According to the IMF updated forecast, the inflation in Uzbekistan amounted to 9.5 percent (October forecast - 11.2 percent) as of 2015. The inflation will increase up to 9.8 percent in 2016. Uzbekistan's current account surplus will hit 0.2 percent of GDP in 2015 and 2016. Earlier, the IMF predicted inflation in Uzbekistan at 8.4 percent, the current account surplus - 0.1 percent of GDP in 2014. According to Uzbekistan's official statistics, GDP increased by 8.1 percent in 2014 compared to the same period of 2013. The inflation rate was 6.1 percent. The government of Uzbekistan plans to ensure GDP growth at 8 percent in 2015. The inflation is planned to be kept within 5.5-6.5 percent.

Uzbek-Russian agreement on economic cooperation entered into force - According to the press service of the foreign Ministry of Uzbekistan, the agreement between the Government of the Republic of Uzbekistan and the Government of the Russian Federation about the main directions for the development and deepening of economic cooperation for 2015-2019, signed in Tashkent on December 10, 2014, entered into force on April 14.

GM Uzbekistan significantly reduces car sales in Russia - GM Uzbekistan (former UzDaewooAuto) reduced in Jan.-Mar. 2015 the car sales in Russia, during the period January-March 2015 by 57.9 percent, according to the Association of European Businesses (AEB). Local experts estimated that the decline in the sales of cars produced in Uzbekistan is largely due to the overall decline in Russia's car market, which in March stood at 42.5 percent.

Uzbekistan to launch projects in oil and gas industry for US\$7.1bn - as approved by a presidential decree. The programme included 39 projects in modernization and re-equipment of oil and gas industry. About US\$5.1 billion of total investments will be foreign investments and loans, US\$1.14 billion – from Uzbek resources.

AGMK to implement projects for US\$2.457bn - Almalyk Mining and Metallurgy Combine will implement 17 investment projects in 2015-2019, according to its press service. AGMK will implement 12 projects on new construction and five projects directed at modernization and reconstruction of existing projects. Total project costs is US\$2.457 billion.

Uzbekistan to implement projects for US\$3.2bn in energy sphere - State joint stock company Uzbekenergo will implement 13 investment projects for over US\$3.2 billion during 2015-2019. In particular, the company will implement projects on modernization of existing units and create modern capacities based on energy saving technologies and use of solar energy. The projects will be financed through foreign investments and loans for US\$1.8 billion and through Uzbek resources.

Uzbekistan to organize new capacities of NPK-fertilizers production - According to SJSC Uzkiyosanoat, Uzbekistan will implement projects on production of nitrogen-phosphorus-potassium fertilizer (NPK) on two chemical enterprises by 2017 - Ammophos – Maxam with the capacity of 160,000 tonnes a year and Samarkandkimyo with a capacity of 240,000 tonnes a year. Total cost of both projects is US\$37.1 million. It has further been reported that production of NPK-fertilizers at Samarkandkimyo will be created in cooperation with China's CITIC Construction. The plant will be commissioned by the end of 2015. Ammophos – Maxam will implement the second project in cooperation with Spain's Maxam Corp. International S.L.

Uzbekistan to modernize two hydro power stations - Ministry of Agriculture and Water Resources of Uzbekistan will modernize Andijan and Tuyamuyun hydro power stations in 2015-2019 at an estimated cost of US\$16 million. Installation of modern equipment at the hydro power stations will help to increase electricity production up to 730 million KWH a year.

Pilot photovoltaic power plant officially launched in Namangan region - An official opening ceremony of the pilot photovoltaic power plant with the capacity of 130 kilowatt was held in Pap district of Namangan region on 7 April 2015. The station was constructed under the MoU signed during the State visit of South Korean President in June 2014. Equipment of Hanhwa, JSPV, S-Energy and TopSum were used in construction of the testing solar power station. The station will produce 500-600 KWH of electricity daily. South Korea had provided a US\$700,000 grant for construction of the station. Over 490 solar panels of four models were installed at the station, which was constructed in three months. The main purpose of solar photoelectric station is to test modern types of solar panels and modules with different technological solutions, identifying their technical and economic parameters in the climatic conditions of Uzbekistan for the subsequent selection of the most effective solutions that provide high efficiency.

Uzbekistan Railways to invest US\$541.2m to modernization of rolling-stock - As per a programme approved by the Uzbek President, State joint stock railway company Uzbekistan Temir Yollari (Uzbekistan Railways) will direct US\$541.2 million of investments to modernization of rolling-stock by 2020. The programme includes four directions – rehabilitation and construction of new cargo and passenger cars, as well as modernization of locomotives.

Uzbekistan may construct three heliostations by 2020 - State joint stock company Uzbekenergo is planning to construct three solar power stations with the capacity of 100 megawatt each by 2020, the RIA Novosti reported. While one project has been reported to have been launched, two projects on construction of solar stations are under development. The preliminary feasibility studies of the projects will be developed in 2016. According to estimates, the first heliostation in Central Asia may be constructed by 2017, which will produce 200 million KWH of electricity a year. The project cost is estimated to be US\$275.8 million.

Uzbekistan to invest US\$626m into textile sector - Enterprises of textile industry of Uzbekistan will invest US\$626.2 million into modernization and creation of new capacities in 2015-2019. The programmes was approved by the presidential decree, and includes 55 projects on modernization and re-equipment of enterprises of the industry. The projects will be financed through foreign investments and loans for US\$202.3 million and loans from Uzbek financial institutions.

INTERNATIONAL

Uzbekistan and Gazprom postpone signing of second PSA – The Government of Uzbekistan and Russia’s Gazprom postponed signing of the product sharing agreement on developing gas condensate field Djel at Ustyur plateau to the beginning of summer 2015, RIA Novosti reported quoting a source, close to negotiations. Gazprom reported that it completed geological exploration at Ustyurt region of Uzbekistan with the cost of US\$400 million in February 2012 and said that it is planning to expand raw base of its projects in Uzbekistan. If the sides sign the PSA, it will be the second PSA of Gazprom in Uzbekistan. In August 2015, Gazprom started to extract natural gas as Shakhpakhti field in Ustyurt with the designed capacity of 500 million cubic meters of gas a year. The PSA on Shakhpakhti field was signed for 15 years. So far, Gazprom extracted 3 billion cubic meters of gas at this field.

Roselhoznadzor stops 40 tonnes of poultry, heading to Uzbekistan - Roselhoznadzor (Russian Agriculture Supervision Body) returned over 38 tonnes of poultry, heading from Ukraine to Uzbekistan via territory of Russia. Poultry, produced at Ukraine-based Agro-Oven, arrived in automobile crossing point Troyebortnoye on 28 April. The 38-tonnes cargo had necessary veterinary certificates issued by the Ukrainian authorities. As per media reports, inspection of the cargo revealed that some boxes with poultry had no labels or indicating date of production and that the vehicle, carrying the produce, did not comply with sanitary requirements.

Various delegations visited Uzbekistan : -

Uzbek-Hungarian Business Forum held in Tashkent – The Uzbek-Hungarian Business Forum was held on 29 April 2015. The forum was held during the visit of a delegation led by the Parliamentary State Secretary of the Ministry of Foreign Affairs and Trade of Hungary and co-chair of the Uzbek-Hungarian intergovernmental commission on economic cooperation. Currently, there are three enterprises with Hungarian capital in Uzbekistan, of which two are joint ventures and one with 100% Hungarian capital.

South Korean Minister of Finance visited Tashkent – Uzbekistan's First Deputy Prime Minister and Minister of Finance Rustam Azimov and Deputy Prime Minister and the Minister of Strategy and Finance of South Korea, Choi Kyung Hwan held a meeting in Tashkent and discussed matters of mutual interest.

Assistance of 150 mln US dollars - The World Bank and the Uzbek Government signed a loan agreement worth 150 mln dollars for development of horticulture sector. The project envisages improving access to the technologies, knowledge and markets, strengthening the technical and managerial potential in the agro-industrial sector. The project will be implemented in eight regions of Uzbekistan: Andijan, Jizzakh, Ferghana, Kashkadarya, Namangan, Samarkand and Tashkent regions, as well as in the Republic of Karakalpakstan.

BILATERAL

JS (Eurasia) visited Tashkent – to participate in the Project Monitoring Committee meeting held at Tashkent on 28 April, 2015. During his visit, JS (Eurasia) interacted with the Adviser to the Chairman of the Uzbek Chamber of Commerce and Industry and reviewed timeline for the upcoming Entrepreneurship Development Centre at Tashkent.

A delegation led by ASSOCHAM visited Tashkent - A delegation from the Associated Chambers of Commerce and Industry of India (ASSOCHAM) visited Tashkent to participate in the 20th Tashkent International Healthcare Exhibition – TIHE 2014 from 14-16 April 2014. This was the second ASSOCHAM delegation at the event in two consecutive years. The delegation was led by Dr. Om S. Tyagi, Sr. Director, ASSOCHAM, and included representatives from 48 companies. Notable participants/exhibitors included Ranbaxy, Hospiline Equipments Pvt. Ltd, Bombay Ortho Industries, Global Imaging, Robonik etc. while a few were repeaters from last year's event, there were new entrants as well. The Indian companies mostly represented manufacturers of medical electronic equipments, surgical devices, diagnostic devices, disposables, orthopedic instruments and a few pharmaceutical companies.

Visit to Delhi by an Uzbek business delegation – A seven member Uzbek businessmen delegation visited Delhi from 19 to 24 April, 2015. The visit was facilitated by the India-CIS Chamber of Commerce and Industry, New Delhi. During the visit, the delegation visited industrial houses and interacted with Government functionaries.

India's trade with Uzbekistan year-wise

Year	Imports from India (in US\$ million)	Exports to India (in US\$ million)	Total trade turnover (in US\$ million)
2009	101.8	23.1	124.9
2010	123.8	27.2	151.0
2011	137.6	22.2	159.8
2012	163.4	37.8	201.2
2013	217.4	42.2	259.6
2014	249.0	67.0	316.0

Structure of Foreign Trade in major components during 2014 (in percentage) :

Foreign Trade	Ginned cotton	Chemical Production	Energy/resources and oil products	Ferrous and non-ferrous metals	Machinery and equipment	Services
Export	7.4	4.6	25.9	3.9	3.9	21.6
Import	-	16	6.2	8.0	39.7	7.5

(Source : MFERIT)

The major items of export include gold, mineral fertilizers, textile fabrics, non-ferrous metals. The major items of import include cars, machinery, food stuff and chemicals.

Major export partners are Russia, China, Kazakhstan, Republic of Korea, France and Turkey. The major import partners are Russia, China, Republic of Korea Turkey and Germany (Source: Uzbek Chamber of Commerce and Industry)

Macroeconomic indicators of Uzbekistan :

Items	In US Dollars (January to December 2013)	As percentage of January-December 2012	January – September 2014 (as % of Jan-Sep., 2013)
Gross Domestic Product	55 Billion	108.0	108.1
Industrial Output	28.42 Billion	108.8	108.4
Agricultural Output	14.32 Billion	106.8	106.8
Exports	15087.2 million	110.9	100.2
Imports	13798.8 million	107.7	100.9
Balance of Trade	1288.4 million	X	X

(Source : The State Committee of Statistics, Uzbekistan)

*****Note :** The figures provided by the State Committee of Statistics are in Soums. This has been converted to equivalent US Dollars at an average of US\$ 1 = Soums 2150 for 2013)

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