UZAFI

Authority for Foreign Investment
of the Republic of Uzbekistan

This is the right time to invest in Uzbekistan







Uzbekistan main facts

Total area	448,000 km^2
Total population	32 million
Density	76 people per km^2
Languages spoken	Uzbek, Russian, English
Natural resources	Over 1800 mineral reserves



Why Uzbekistan is an attractive investment destination? – Growing economy with supportive business climate

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Supportive business climate

1. Our President named **FDI attraction** as a **key priority** for the country

2. We are **focused on economy liberalization** and created a **set of attractive incentives**

3. **Our efforts bring results** – Uzbekistan improved by **90+ points** on World Bank Doing Business ranking

Growing diversified economy

4. We are one of the **fastest growing countries** in the world with diversified economy structure

5. We have **abundant natural** and **labor resources** – 3rd largest in the CIS

6. Our political, economic, and investment **environment is stable and predictable**

1 Action strategy for 2017-2021 sets up investment climate and FDI attraction as key priorities

President Strategic Priorities



- State and public institution improvement
- Supremacy of the rule of law
- **Economic development and liberalization**
- Development of the social sphere
- Security, interethnic harmony, and religious tolerance, and constructive foreign policy

Key areas of the economic policy

- Stable foreign exchange rate
- Modernization of the economy
- Technology development
- **FDI promotion and investment climate**
- Private property protection mechanisms
- Tax system
- Banking system and financial markets

2 Liberalization of currency regulations

No more constraint for private business development and FDI flows starting September 2017

What it used to be…	*What it is now…*
Exporters were required to sell ¼ of hard-currency revenue to the government1	You earn revenue – it is yours. This is a fair play
Controlled exchange rate of the Uzbekistani Soum to the U.S. dollar	Exchange rate is determined by the free market
Restricted amount of foreign currency that individuals and companies could buy	Buy as much as you need. No constraints

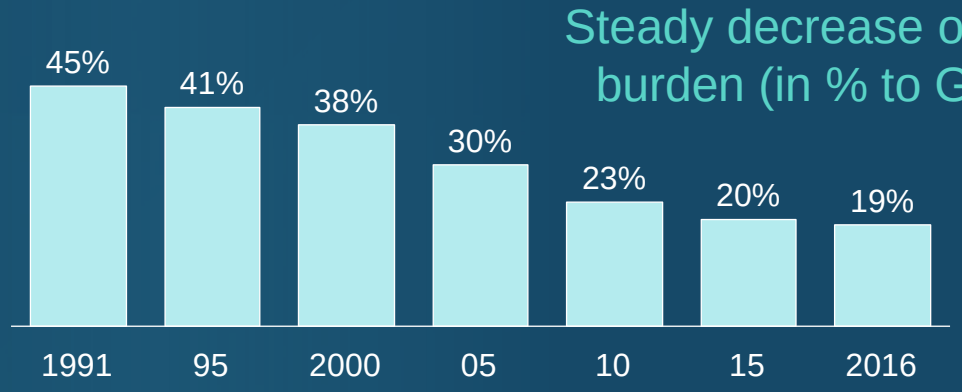
1 At a fixed non-market exchange rate

We believe in the market economy!

3 Attractive tax incentives and free economic zones

We welcome foreign capital with significant tax incentives…

- 0% income tax (for SMEs)
- 30%-50% income tax reduction[2]
- 0% VAT



…and invite them to join one of the 14 FEZ to get full exemption from

- Income tax and custom duties[1]
- Social infrastructure and uniform SME taxes
- Compulsory contributions to the Road Fund

Total implemented:
62 projects

Total amount:
US$ 469 million

Including FDI:
US$ 261,6 million



1 excluding custom clearance fees
2 for 15%-30% export sales

We are invested in creating attractive conditions for your business in Uzbekistan

3 World Bank Doing Business ranking: 90+ points improvement in the past 5 years

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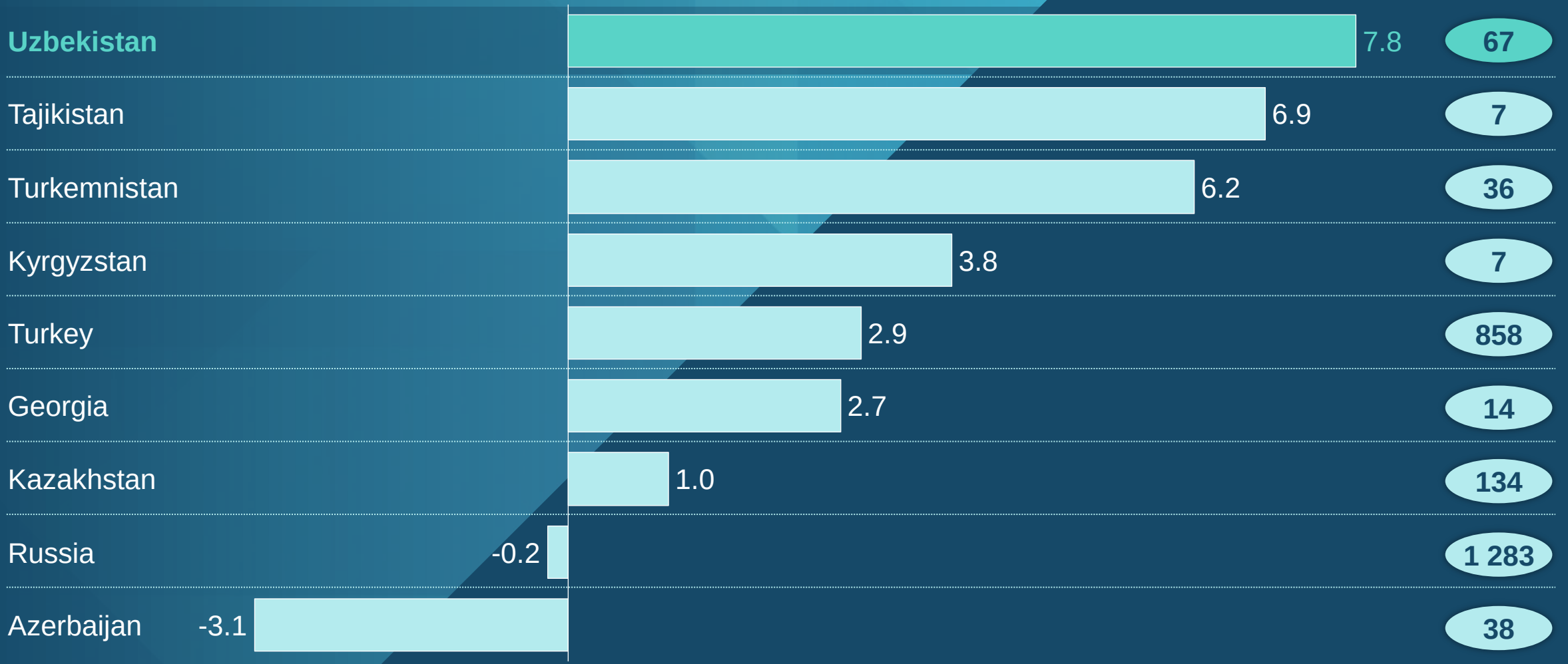
World Bank: Doing Business rankings 2012	
160	Afghanistan
161	Cameroon
162	Togo
163	Såo Tomé and Principe
164	Iraq
165	Lao PDR
166	Uzbekistan
167	Cöte d'Ivoire
168	Timor-Leste
169	Burundi
170	Djibouti
171	Zimbabwe

World Bank: Doing Business rankings 2017	
63	Luxemburg
64	Puerto Rico
66	Bahrain
67	Greece
68	Vietnam
69	Morocco
70	jamaica
71	Oman
72	Indonesia
74	Uzbekistan
78	China
79	Panama
83	Qatar
84	Malta
85	Zambia

We eliminated 160 licensing procedures and 19 administrative activities in recent years

4 World's 5th fastest growing economy in 2015-16 – and expected to be in the TOP-3 by 2019



SOURCE: World Bank for 2016

5 One of the most populated countries in the region with free trade access to vast neighboring potential

Neighbor countries with free trade agreements	Population, in Mn
Russia	144
Ukraine	45
Kazakhstan	18
Belarus	10
Other countries[1]	28
Outreach of free trade agr.	245
Uzbekistan	**32**
Total market access	277

Comparable to Brazil



1 Other countries include Tajikistan (pending final signing of free trade agreement), Kyrgyzstan, Turkmenistan, Moldova, and Armenia

SOURCE: World Bank for 2016

5 Educated workforce of 18.5 mln people

Largest workforce in the region



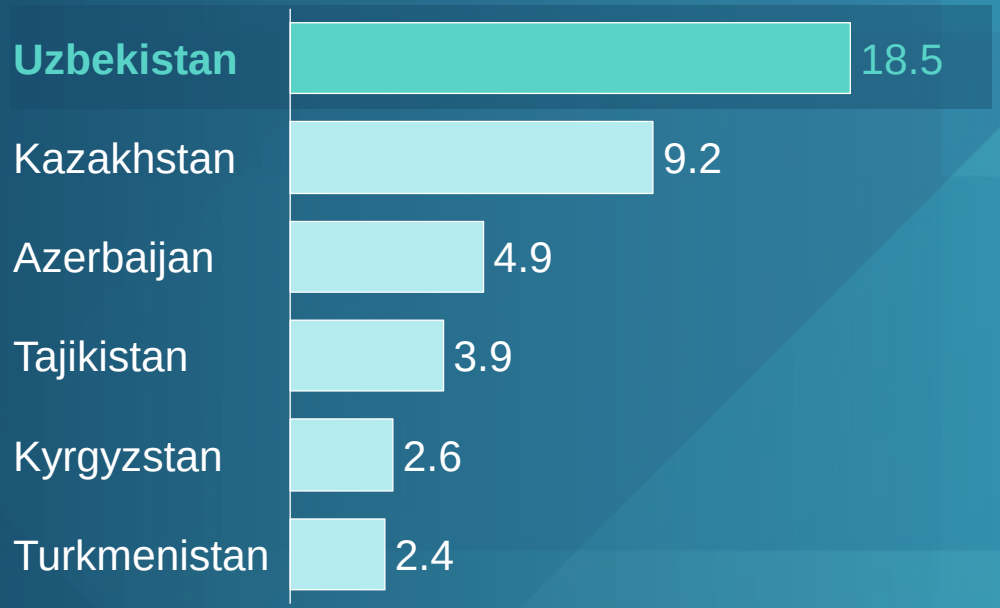
65 higher education institutions and several international universities repre-sented in Uzbekistan



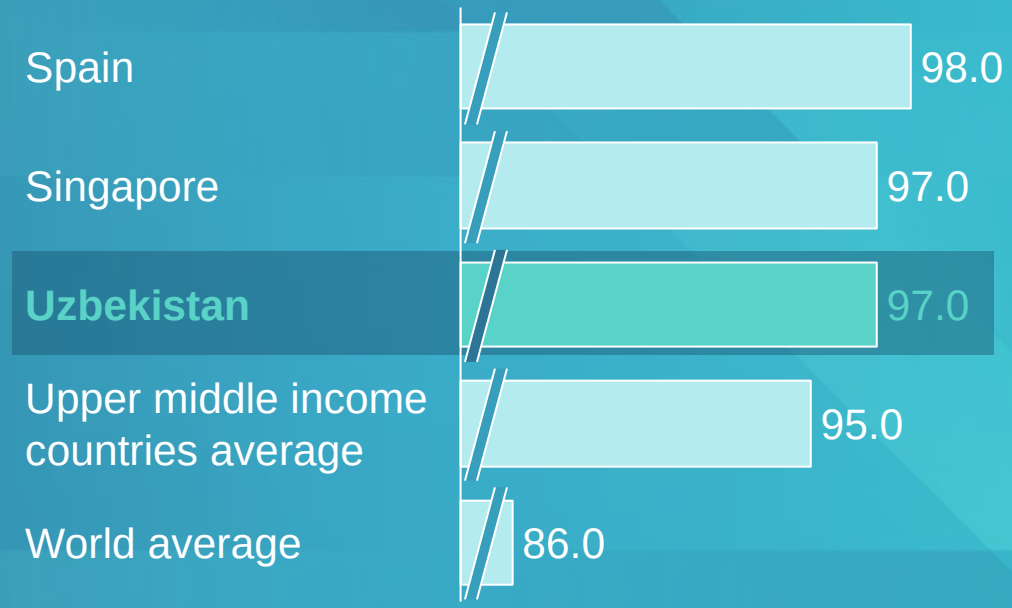
General literacy of the population is 97%



Labor force in Mn ppl



Literacy rates



SOURCE: World Bank for 2016

6 Stable political, economic, and investor environment

Political stability



26 Year of independence

0 Substantial crises

0 Years of political unrests

Economic stability



10 Year of triple budget surplus

0 State internal debt

Investor protection



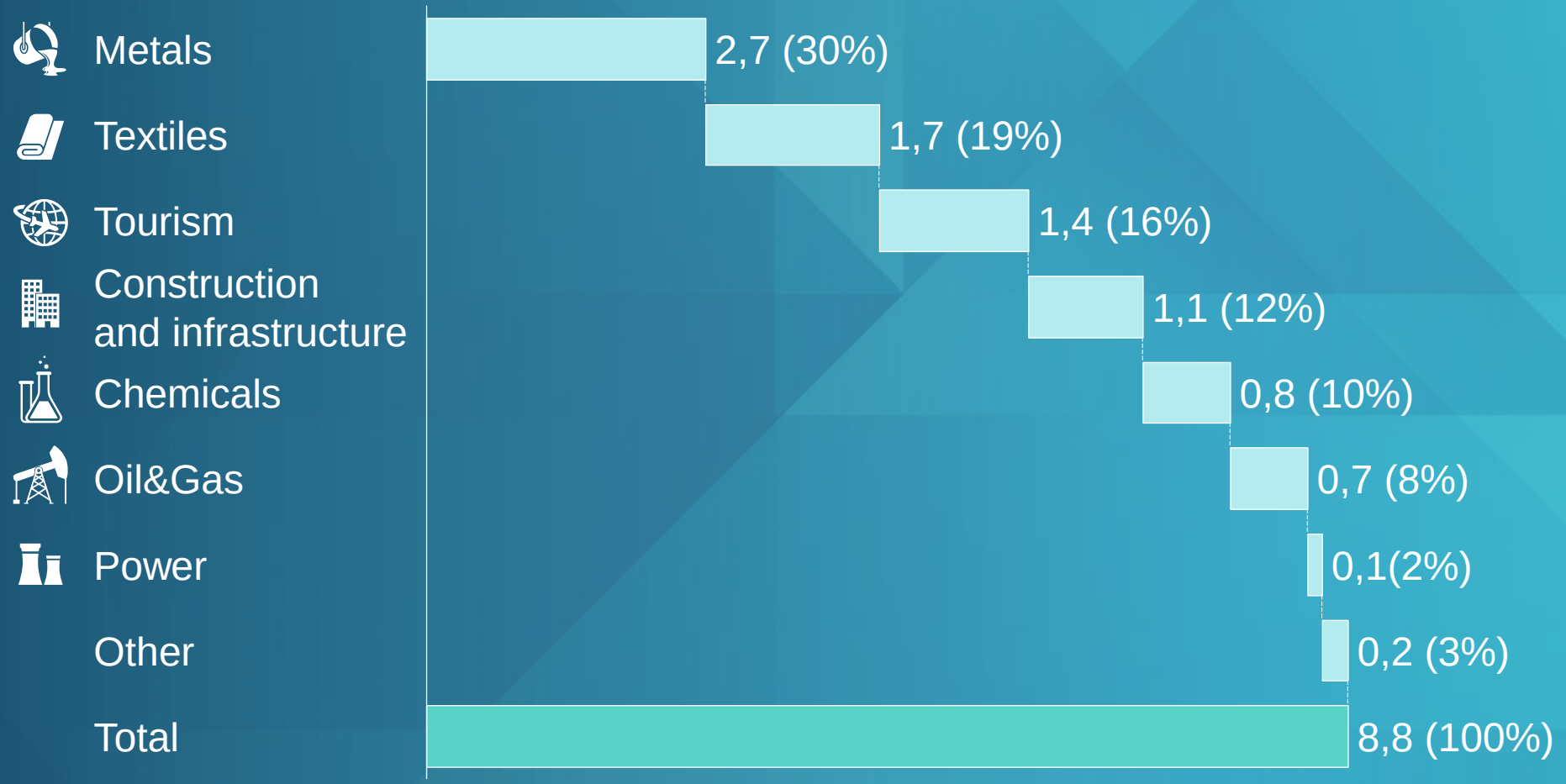
Legislative acts and decrees on:

- "…foreign investors"
- "…guarantees and measures to protect rights of foreign investors"
- "measures to improve the system of protection of legitimate interests of businesses"

Companies with FDI in Uzbekistan

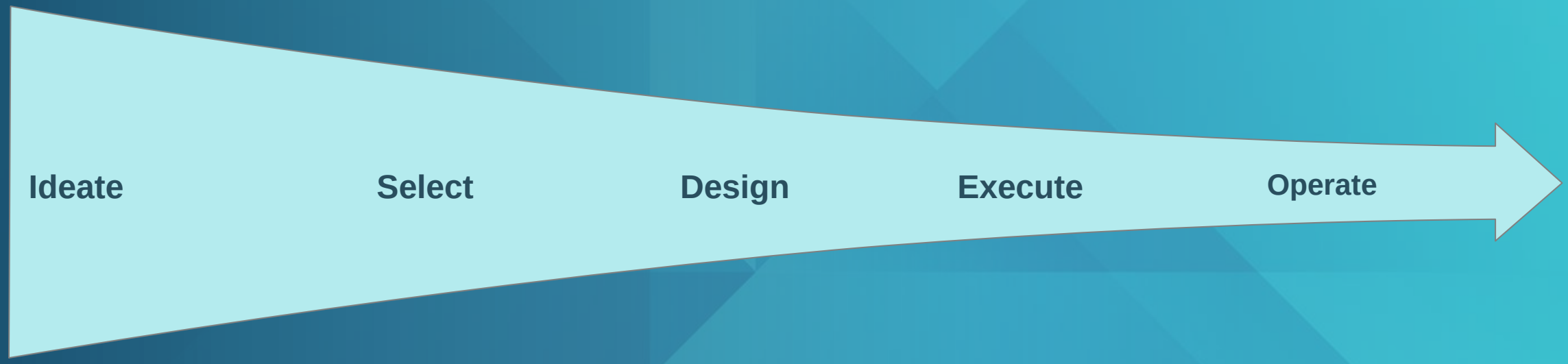


Current projects in multiple industries need investments of almost $US 9 bn – and there are way more ideas and opportunities



SOURCE: КИ, Team analysis

State Investment Committee
will help you along the way



- Offering **deep knowledge of the country economy** and a **repository of business opportunities** across sectors
- Providing access to most **suitable sites and FEZ**
- Helping **navigate local construction and industry** regulations
- Support and **debottlenecking during construction and execution** process
- **Helping with** on-going issues and **reporting**

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Thank you for attention!

Expand your horizons!

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