



Ministry for Foreign Economic Relations, Investments
and Trade of the Republic of Uzbekistan



INVESTMENT ENVIRONMENT OF THE REPUBLIC OF UZBEKISTAN AND PROSPECTS OF ECONOMIC COOPERATION WITHIN FIEZ „NAVOI“

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FACTORS OF SUCCESS IN UZBEKISTAN

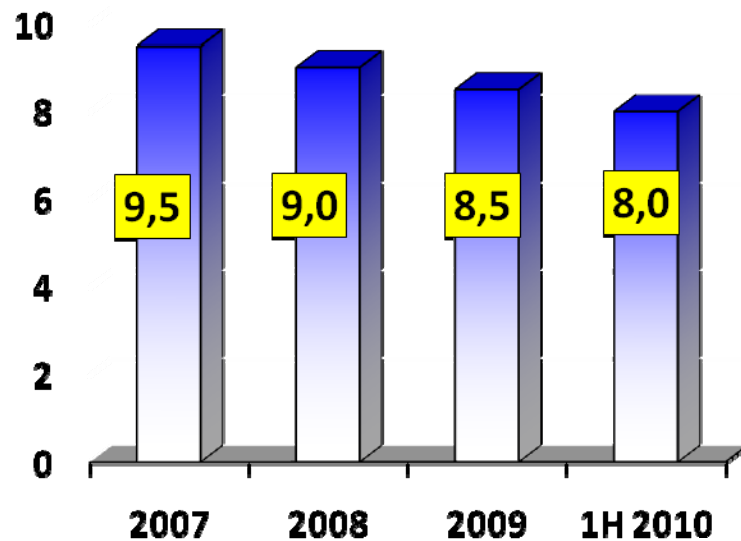
The leading industrial country in Central Asia



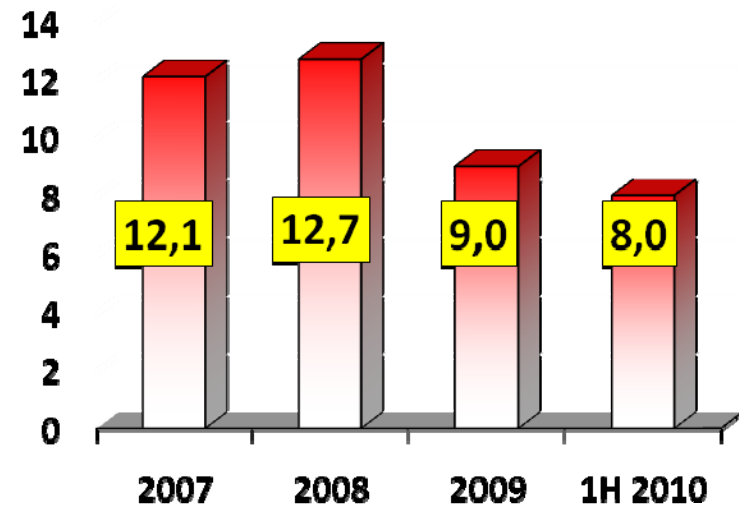
- 1. Political and macroeconomic stability**
- 2. Rich raw materials base**
- 3. Energy advantageous**
- 4. Advantageous geographical location**
- 5. Diversified industrial base**
- 6. Scientific and intellectual capacity of the country**
- 7. Legal base and system of preferences for foreign investors**

MACROECONOMIC INDICATORS

GDP growth (%)

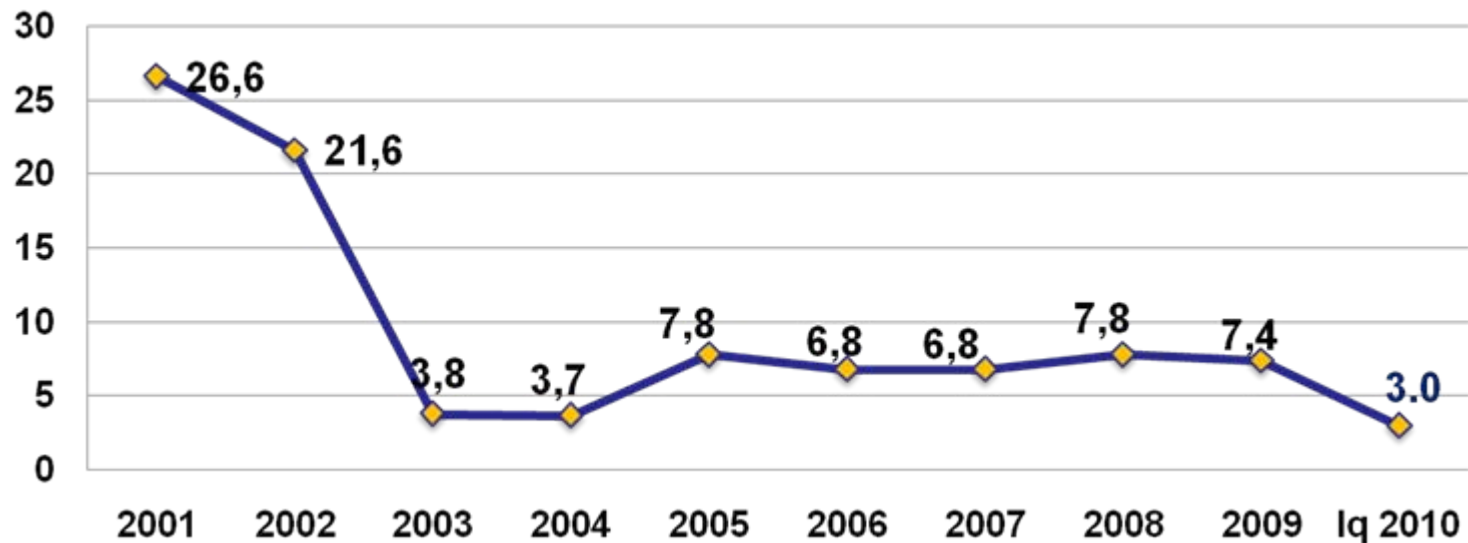


Industrial production growth (%)



INFLATION RATE AND EXTERNAL DEBT

Effective moderately rigid monetary and fiscal policy has allowed to support inflation rate at rather low level

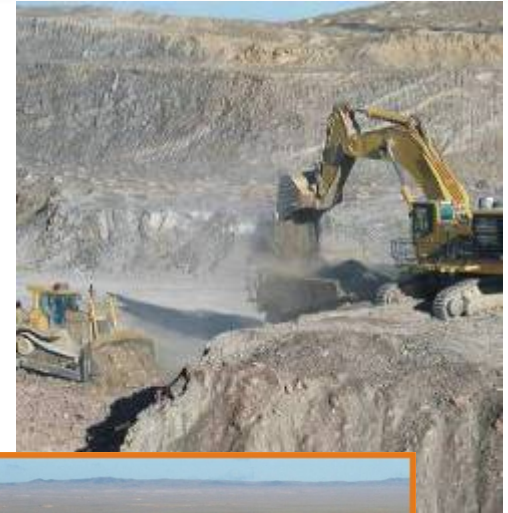


Public external debt of the country does not exceed 10% of GDP

2. ACCESS TO RICH RAW MATERIALS BASE

Uzbekistan possesses unique resources:

- ◆ Solid raw materials, including metallic and non-metallic
- ◆ Over 2800 of deposits and 100 sorts of mineral resources



3. ENERGY SELF-SUFFICIENCY

Oil and gas



Heat energy



Electric energy

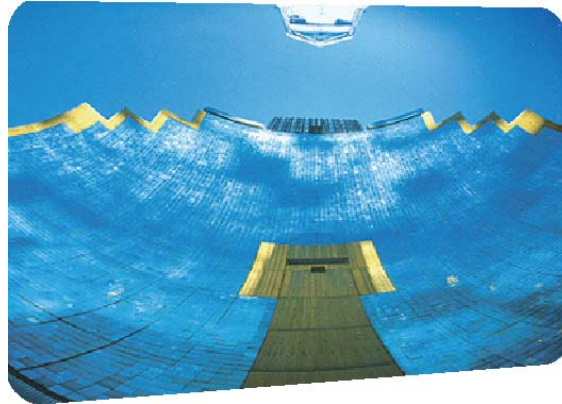


Energy resources are sufficient to cover demand of the economy at least for 100 years

Hydro energy



ALTERNATIVE ENERGY SOURCES



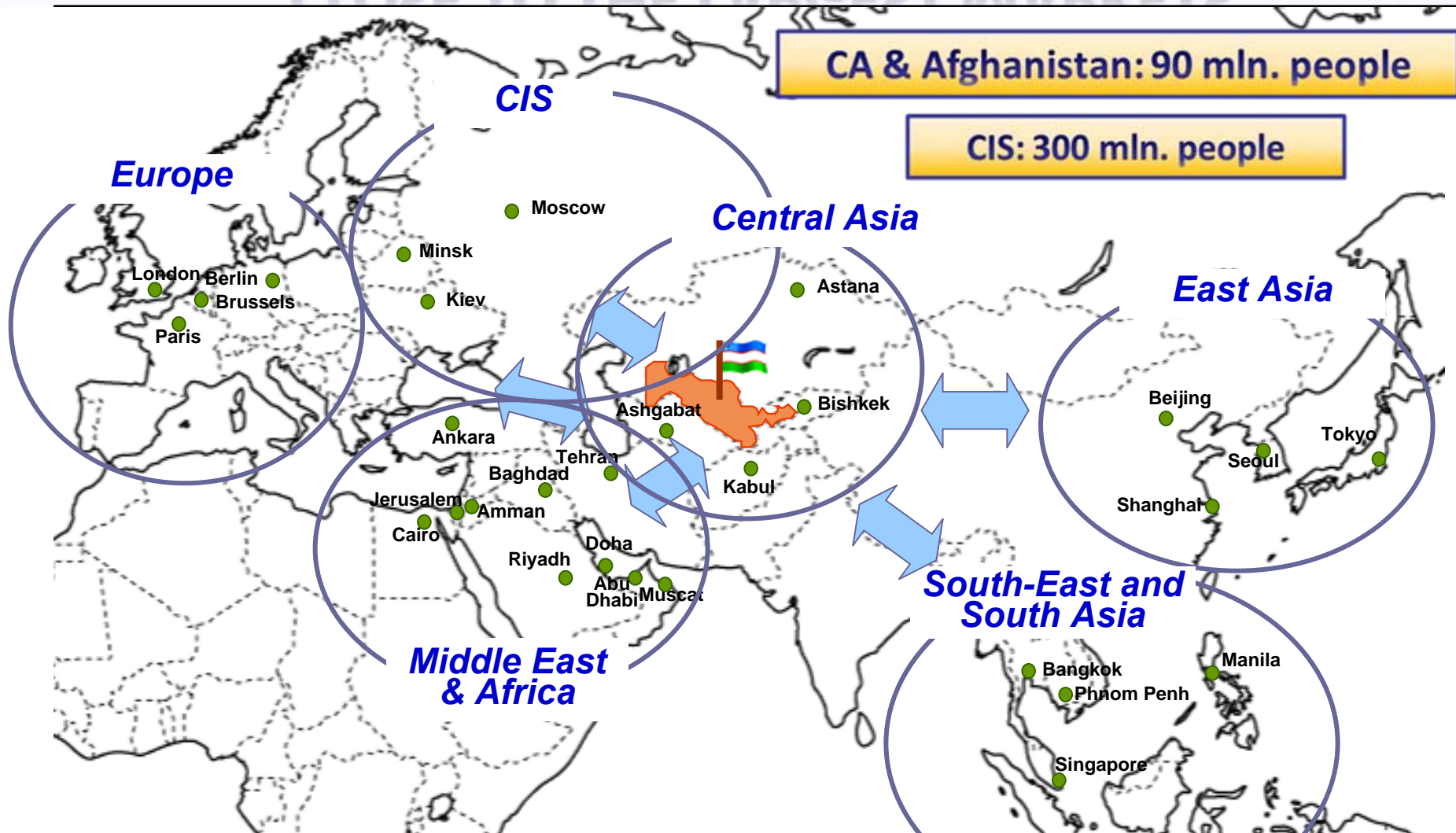
Alternative energy sources in Uzbekistan:

- ✚ solar energy
- ✚ wind energy
- ✚ biofuel
- ✚ solid waste recycling
- ✚ combustible shale

51 bln. ton of oil equivalent



4. BENEFICIAL GEOGRAPHICAL LOCATION CLOSE TO THE LARGEST MARKETS



BENEFICIAL TRADE CONDITIONS

CIS FREE TRADE AREA

Most Favorable Nation
Treatment

12 countries

300 mln. consumers



with 45
countries, including EU
countries, Japan, China,
Republic of
Korea, US, and others



5. LEADING INDUSTRIAL BASE IN THE REGION

Aircraft construction



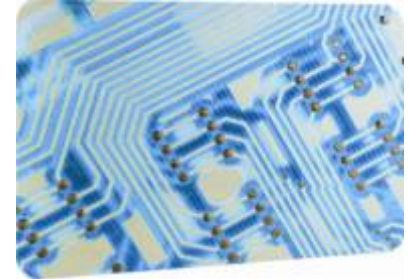
Automobile



Electrical engineering



Electronics



Agricultural machinery



Oil, gas & petrochemical



Chemical



Pharmaceuticals



Mining & metallurgy



Building materials



Textiles



Food processing



6. WELL EDUCATED HUMAN RESOURCES AND HUGE INTELLECTUAL POTENTIAL

Uzbekistan is one of the places of origin of world science



Alisher Navoi



Al - Khorezmi



Abu Ali Ibn Sino



Al - Farghoni



Mirzo Ulughbek



Ismail Al-Bukhari



Al - Beruni

Scientific capacity:

- Academy of Science
- **18** Scientific Research institutes

6. WELL EDUCATED HUMAN RESOURCES AND HUGE INTELLECTUAL POTENTIAL



- 65 universities and institutions

- 850 directions

- 300 thousand students

- affiliates of key foreign universities:

- Moscow State University

- Westminster International University

- Singapore Institute of Management Development

- Turin Polytechnic Institute

- Oil&Gas Institute named after Gubkin

- and others

7. DEVELOPED LEGAL BASE & BROAD SYSTEM OF PREFERENCES AND BENEFITS FOR FOREIGN INVESTORS

Law of the Republic of Uzbekistan on “Guarantees and measures designed to protect rights granted to foreign investors”

Stable legislation during 10 years

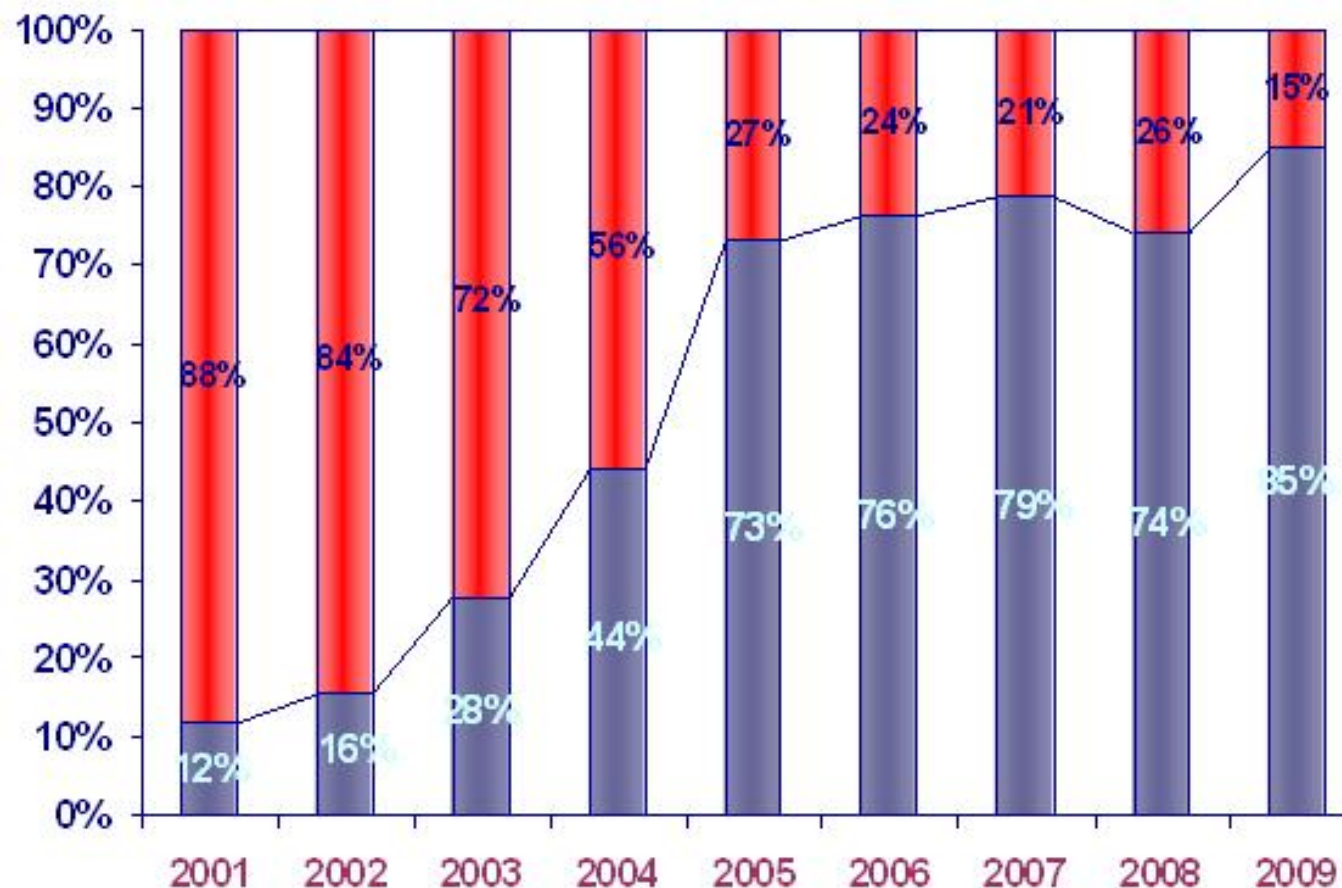
Foreign investments and other foreign assets are not subject to nationalization

Free transfer of money resources in a foreign currency into Uzbekistan and from it without any restrictions



FOREIGN INVESTMENTS IN UZBEKISTAN

■ FDI ■ Foreign investments under Government Guarantee



In 2009:

Attracted 3,5 bln USD
of foreign
investments.
Growth rate - 68%

Under Investment
Program for 2009
303 projects has
been implemented

22 large-scaled
enterprises set in
operation

ENTERPRISES WITH FOREIGN INVESTMENTS



TOURISM OPPORTUNITIES

More than 4,000
historical-architectural monuments

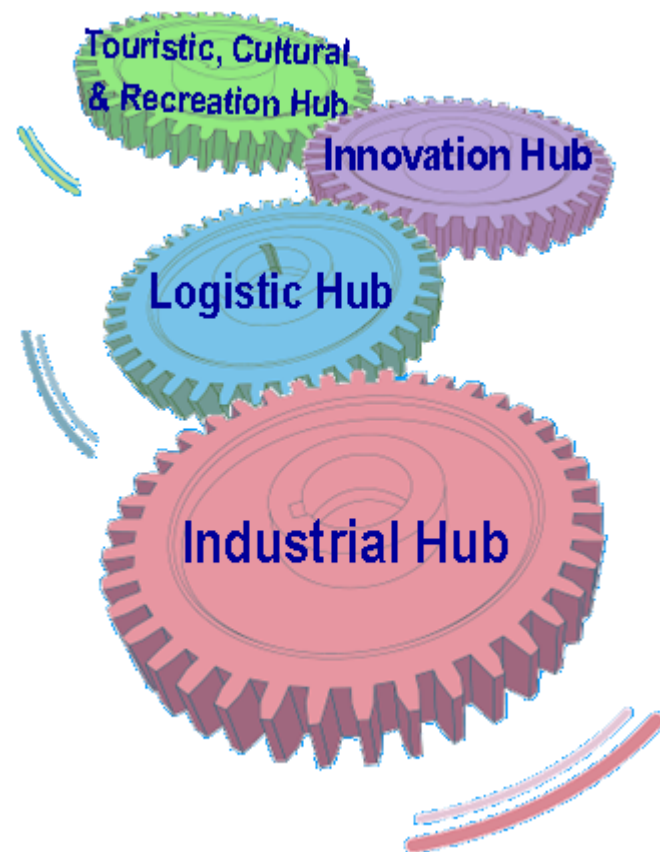
Cities known worldwide:

- ▶ ***Tashkent***
- ▶ ***Samarqand***
- ▶ ***Bukhara***
- ▶ ***Shakhrisabz***
- ▶ ***Khiva***
- ▶ ***Termez***
- ▶ ***Kokand***

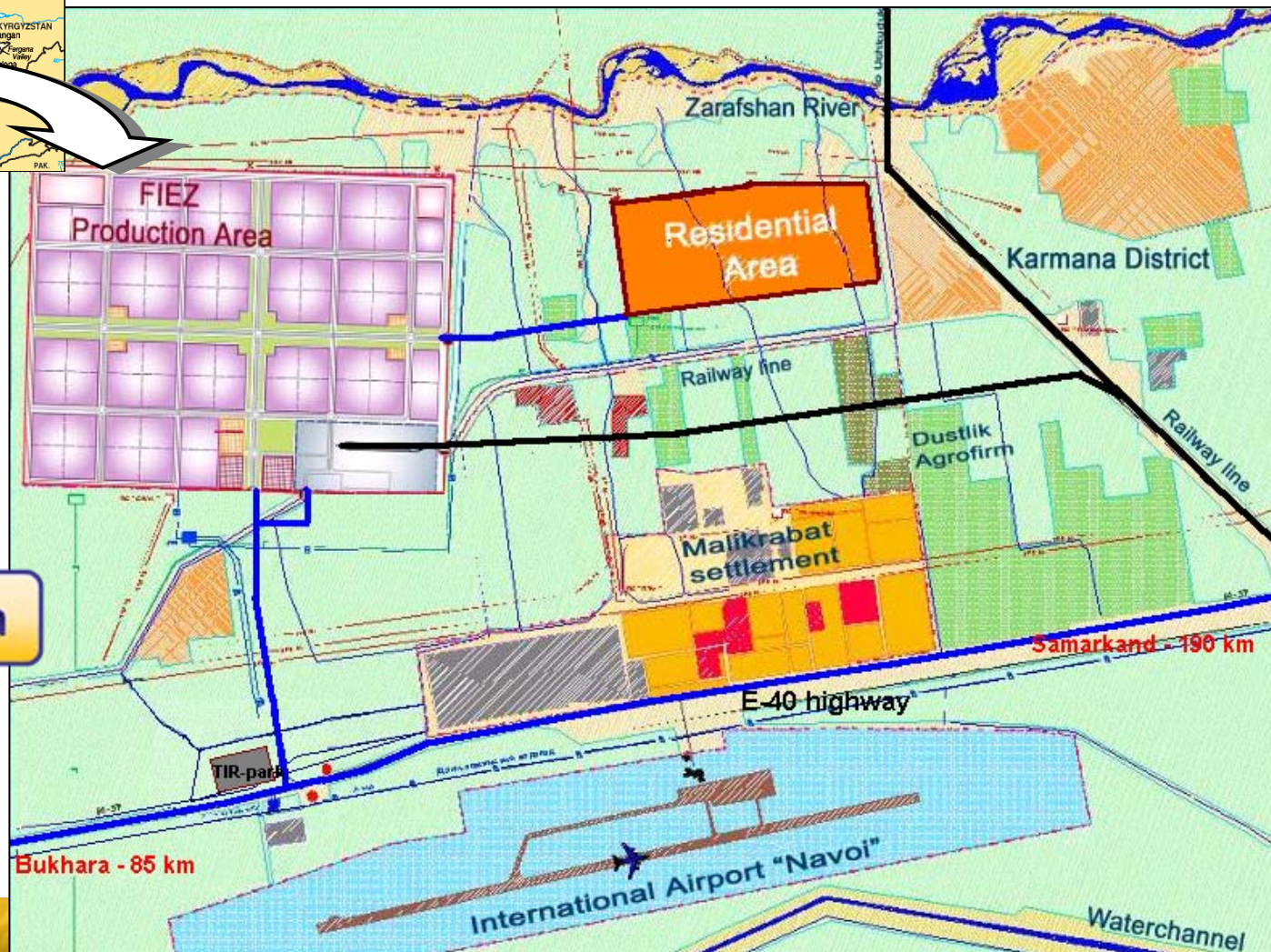


FIEZ “NAVOI”: CONCEPT OF CREATION

- ◆ FIEZ “Navoi” was created by the Decree of the President of the Republic of Uzbekistan on December 2, 2008.
- ◆ Established near Navoi city administrative centre of Navoi region
- ◆ The concept is based on the synergy of its 4 blocks or hubs:
 - industrial
 - logistic
 - innovation
 - touristic, cultural & recreational

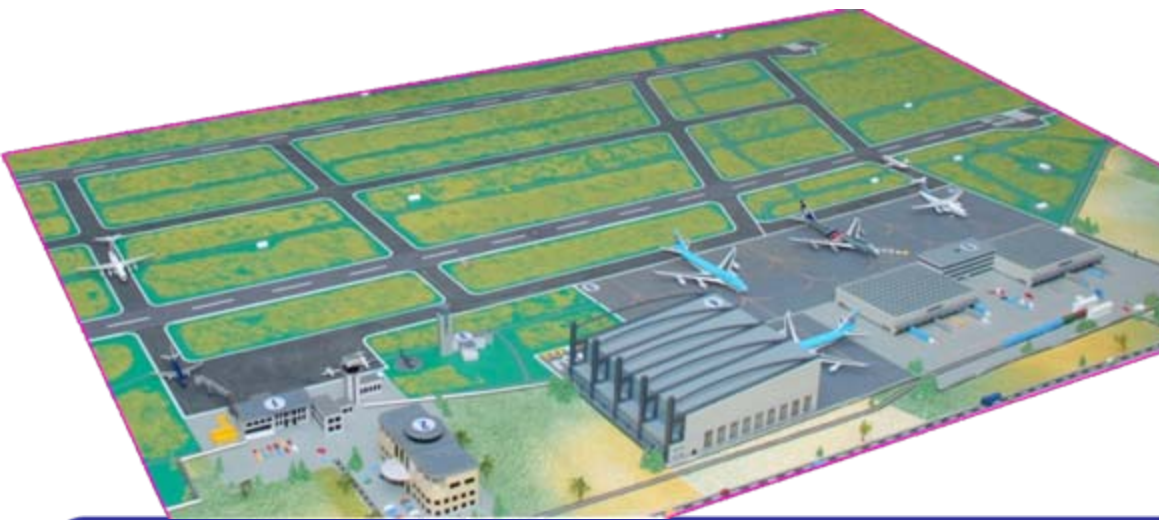


FIEZ "NAVOI": LOCATION



Territory - 564 ha

NAVOI LOGISTICS CENTER



1st stage – Cargo processing ability – 300 tons/day
2nd stage – Cargo processing ability – 1000 tons/day

DIRECTIONS OF INNOVATION

Medicines &
medical equipment



Industrial &
technological processes



Equipment & apparatus



ICT



Bio- and
nanotechnologies



FIEZ “NAVOI”: PRODUCTION DIRECTIONS



Electronic & electrical products



Precision machinery & OEM parts for automobiles



Pharmaceutical industry & Medical products

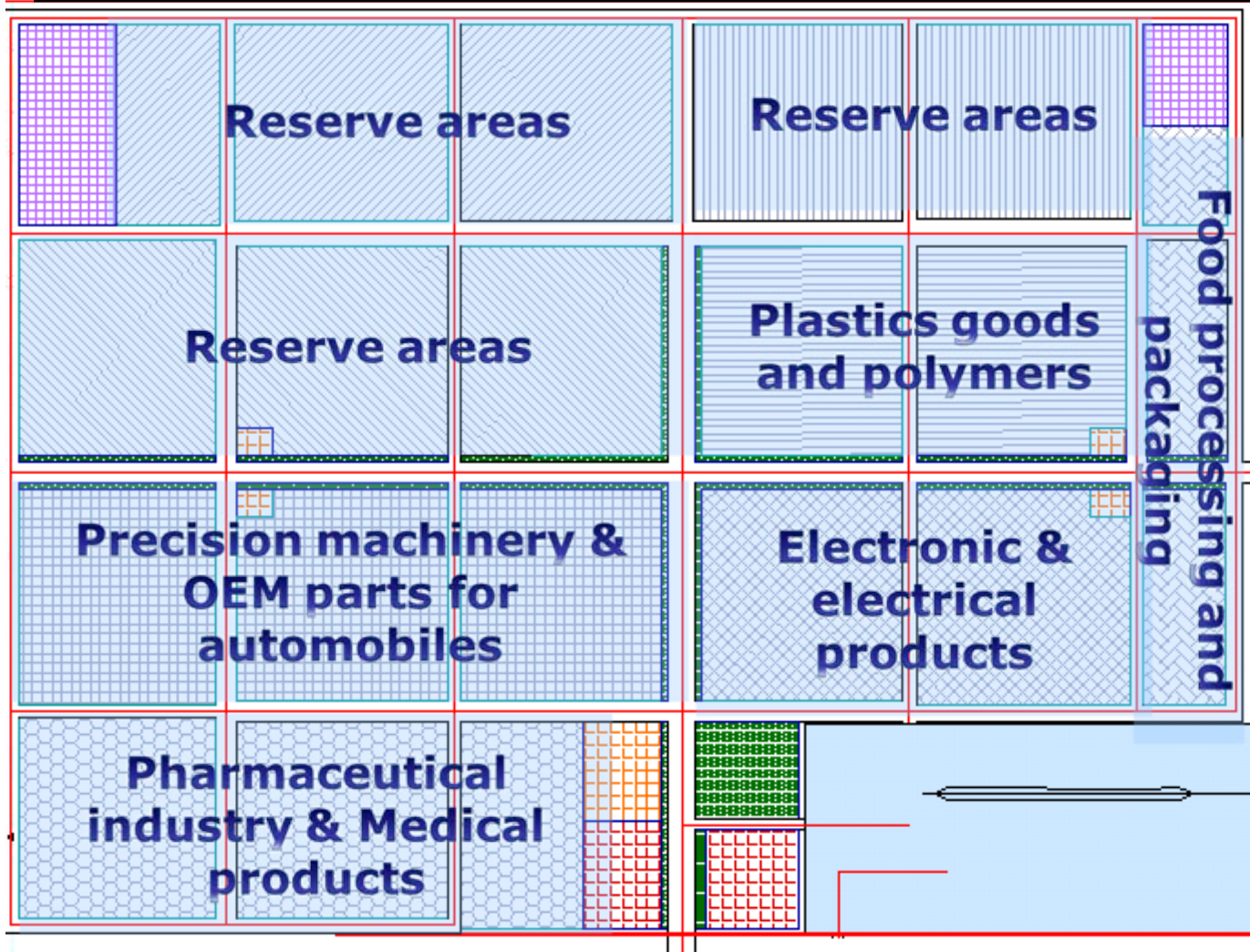


Food processing and packaging



Plastics goods and polymers

FIEZ "NAVOI": LAYOUT



Area:

564.0 ha

**Territory for
production
enterprises:**

350.0 ha

Perimeter:

9,600 m

UNPRECEDENTED TAX EXEMPTIONS

FIEZ “Navoi” residents are exempted from:

- ◆ Land tax
- ◆ Property tax
- ◆ Profit (income) tax
- ◆ Unified tax (for SMEs)
- ◆ Obligatory payments to the Republican Road Fund and Republican Fund of Elementary and Secondary Education

UNPRECEDENTED TAX EXEMPTIONS

Depending on the amount of direct investments
period of privileges and incentives can be:

- ◆ 7 years, if amount of direct investments is 3-10 mln. Euro
- ◆ 10 years, if amount of direct investments is 10-30 mln. Euro, and 50% reduction of profit tax for the following 5 years
- ◆ 15 years, if amount of direct investments is more than 30 mln. Euro, and 50% reduction of profit tax for the following 10 years

UNPRECEDENTED CUSTOMS EXEMPTIONS

Registered enterprises for the whole period of FIEZ functioning to produce export goods are exempted from customs duties for imported:

- ◆ Equipment
- ◆ Raw materials
- ◆ Production components

100%

For goods aimed to export

50%

**For goods aimed to domestic market with delay of payment period
up to 180 days**

FREE CHOICE OF PAYMENT FORMS

Business enterprises in FIEZ «Navoi» are allowed to:

- ◆ **make within FIEZ «Navoi» calculations and payments in foreign currencies;**
- ◆ **pay for supply of goods, works and services performed by the business entities - residents of the Republic of Uzbekistan in freely-convertible currency;**
- ◆ **choose terms and forms of payments for exported and imported goods convenient for them.**

FIEZ “NAVOI”: CURRENT DEVELOPMENTS

- ◆ 2.2 km access road from E-40 international highway
- ◆ 4.7 km access railway line
- ◆ water supply pipelines
- ◆ gas supply line
- ◆ broadband telecommunication link
- ◆ fence along the perimeter the zone
- ◆ administrative and financial buildings of FIEZ “Navoi”
- ◆ first stage of internal utilities services (gas, water, electricity, sewage)
- ◆ first stage of internal roads of the zone (4.5 km of 35 km total)

FIEZ "NAVOI": CURRENT DEVELOPMENTS



FIEZ “NAVOI”: CURRENT PROJECTS

**FIEZ “Navoi” has already started to attract investments:
19 projects are already under the process of realization.**

- | | |
|--|---|
| 1. Polyethylene pipes (Oman) | 11. Energy saving lamps (Korea) |
| 2. Polypropylene pipes (Oman) | 12. Set-top box digital receivers (Singapore, UAE) |
| 3. Optical fiber products (Oman) | 13. Fruit and vegetable production packaging (UAE) |
| 4. Automotive fuel equipment (Korea) | 14. Pharmaceutical and medical goods (Korea) |
| 5. Equipment for fueling stations (Korea) | 15. Hygienic production (Korea) |
| 6. Automobile wires (Korea) | 16. Plastics production (Korea) |
| 7. Automobile alternators (Korea) | 17. Silicon polycrystals (Korea) |
| 8. Automobile OEM components (Korea) | 18. Silicon policrystals (Korea) |
| 9. Gas metering equipment (Korea) | 19. Food products (Turkey) |
| 10. LCD monitors (Korea) | |

FIEZ "NAVOI": CURRENT PROJECTS



ESTABLISHED SOCIAL INFRASTRUCTURE

A plot of 120 hectares located 1.2 km from the FIEZ "Navoi" is transferred to the "Korean Air" for construction of residential and hotel developments at international level.



ESTABLISHED SOCIAL INFRASTRUCTURE



First stage of the construction works are expected to be finished in August this year.




FDI INFLOW PROSPECTS

Foreign investments inflow up to
USD 5.5 bln.(100–120 projects)



Production outlook:
USD 7.5 - 8 bln.



Export:
up to USD 5.0 bln.

PRECISE MACHINERY AND PRODUCTION OF EQUIPMENT

**Production of equipment
for agriculture and food
processing, packaging**

**3-year market capacity is
estimated at 3-5 bln. USD**



INDUSTRIAL EQUIPMENT & TOOLS

Industrial enterprises are
stable consumers of new
equipment and spare
parts



ELECTRONIC PRODUCTS

Availability of raw materials



Important prerequisite for High-Tech production



HOME APPLIANCES

Central Asia demand in:

- Refrigerators and air conditioners – **1 mln. units**
- Washing machines and vacuum cleaners – **600 thsd. units**
- Microwaves – **300 thsd. units**
- Plugs, sockets, extensions – **850 mln. units**
- Lamps – **500 mln. units**



PHARMACEUTICALS

Domestic demand for pharmaceuticals:

- injections – 300 mln. ampoules
- infusions – 50 mln. flasks
- biopharmaceuticals – 500 thsd. packs
- anticeptics – 100 thsd. flasks
- antibiotics – 50 mln. flasks
- uncture – 1 bln. packs
- suture – 500 thsd. r.m.
- syringes – 200 mln. units



FOOD PROCESSING

Annual production potential of fruits and vegetables is 10 mln. tn

Proposals for cooperation:

Storage, freezing, processing, production and packaging of agriculture products, beverages and confectionery.



We invite companies for realization of investment projects in FIEZ “Navoi”.

THANK YOU!