

Top Investment News



Foreign trade turnover statistics

Uzbekistan's foreign trade turnover increased 42% yoy in January 2023, reaching USD 5 billion, with the growth in exports (45.1% yoy) exceeding imports (39.8%). Russia remained Uzbekistan's top trading partner with USD 688.4 million in total turnover, followed by China (USD 544 million), Germany (USD 496.6 million), Kazakhstan (333.5 million), and Turkey (USD 261.7 million).

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Inflation Rate - February 2023

Inflation in Uzbekistan remained flat at 12.2% yoy (0.5% mom) in February as the cost of food and services continued to rise while prices for non-food products fell from 10.9% yoy in January to 10.7% in February.

[Learn more](#) →



EBRD: Uzbekistan's GDP to grow

The European Bank for Reconstruction and Development (EBRD) revised its forecast for Uzbekistan's GDP growth to 6.5% in 2023 and 7.0% in 2024, up 0.2% from its September 2022 estimates.

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Uzbekistan to increase renewable energy targets

The Uzbek government plans to expand its renewable energy capacity by 4.3 GW in 2023 with USD 15.4 billion in investments to accelerate the country's energy transition and combat persistent shortages.

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World Bank Praises IPO processes of SOEs in Uzbekistan

World Bank Vice-President for Europe and Central Asia Anna Bjerde praised the large-scale reforms aimed at attracting the private sector to public services and functions in Uzbekistan, IPO programme of state-owned enterprises in the local stock market and social protection of the population.

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Regional markets



| NAME | YIELD | | |
|---------|--------|---|-----|
| 3 Month | 0.18 % | ▲ | +12 |
| 6 Month | 0.42 % | ▲ | +26 |
| 1 Year | 0.58 % | ▲ | +36 |
| 2 Year | 0.80 % | ▲ | +48 |
| 5 Year | 1.15 % | ▲ | +5 |
| 10 Year | 1.48 % | ▲ | + |

Uzbek Republican Currency Exchange news

The secondary market for local government bonds on the Republican Currency Exchange showed some signs of life in the last week of February, recording 13 trades worth UZS 156.5 billion (USD 13.8 million) during the period of February 22-28.

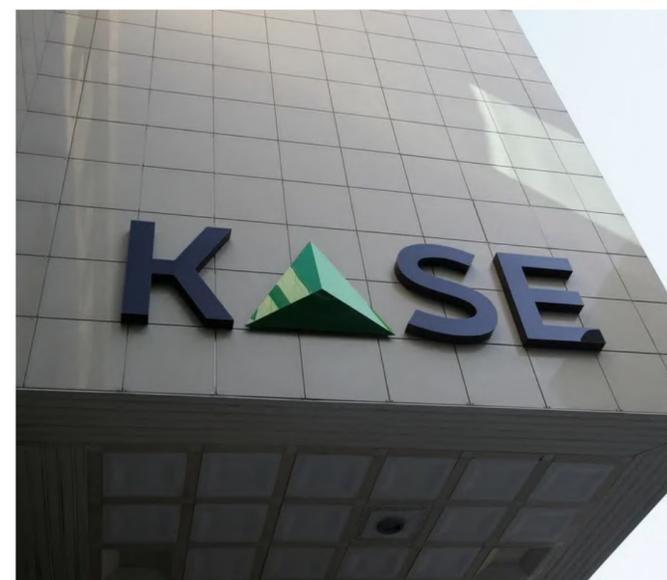
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“Navoiyazot” JSC being prepared for privatization

The State Assets Management Agency announced a call for proposals for the privatization consultant’s services to support the sale of the state’s stake in one of Uzbekistan’s largest chemical producers - Navoiyazot JSC.

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KASE to attract brokers and issuers from Uzbekistan

The Kazakhstan Stock Exchange (KASE) is considering the prospect of enticing issuers and brokers from Uzbekistan to list and trade in Almaty.

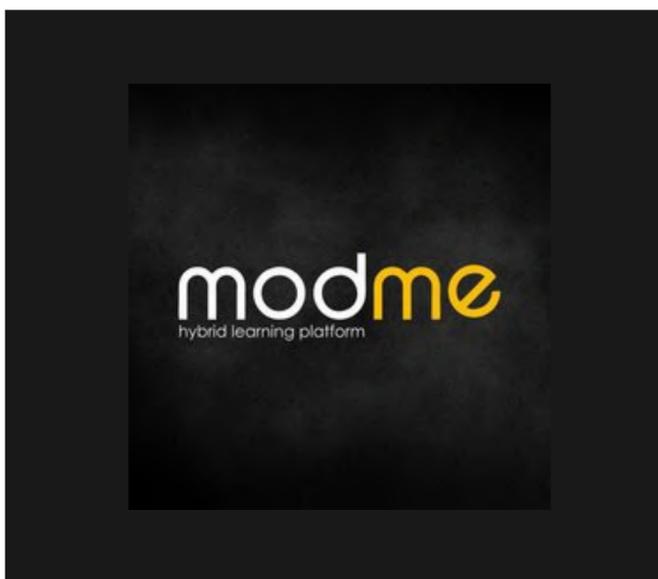
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First government bond auction of 2023

On February 16, the Republican Currency Exchange hosted the first local government bond auction of 2023 with a one-year, UZS 500 billion (USD 44.2 million) offering. The Ministry of Finance received bids totaling UZS 323.7 billion (USD 28.6 million) but accepted only UZS 304.3 (USD 26.9 million) worth, with a weighted average yield of 16.87%.

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UzVC Fund's portfolio was replenished with another startup

The UzVC National Venture Fund, in partnership with Sturgeon Capital, invested in its fourth startup, Modme, an edtech SaaS company with plans to expand to Kazakhstan and Tajikistan.

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Angren Pipe Plant to be privatized

The State Assets Management Agency (UzSAMA) announced it reached an agreement to sell the state’s 100% stake in Angren Pipe Plant LLC for UZS 217.5 billion (USD 19.2 million) to Natural Juice LLC and Gross Insurance Company JSC.

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Adverse effects of weather shocks

Abnormally cold weather in January 2023 resulting in energy crises had a significant economic impact on Uzbekistan, including a 9.9% yoy fall in the physical volume of industrial production and a 34.3% yoy drop in the volume of completed construction projects.

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EBRD helps improve efficiency of irrigation in Uzbekistan

The European Bank for Reconstruction and Development (EBRD) will provide a USD 200 million sovereign loan to improve irrigation systems in the Fergana Valley and boost regional water conveyance infrastructure.

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Top destination for money transfers from Kazakhstan

Uzbekistan was the top destination for money transfers sent from Kazakhstan, which totaled USD 637 million and accounted for a quarter of total transfers.

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EFSD: Uzbekistan received USD 20.9 billion over 15 years

According to the Eurasian Fund for Stabilization and Development (EFSD), Uzbekistan has received USD 20.9 billion in sovereign financing from international financial institutions over the past 15 years, the highest amount among Eurasian countries.

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Russia's investment in Uzbekistan grows

Russia was the top source of foreign investment in fixed capital in Uzbekistan in 2022, accounting for 20.3% of the UZS 270 trillion (USD 23.8 billion) total. China came in second with 16.4% of the total foreign investment in Uzbekistan, followed by Turkey (10.1%), Germany (6%), Saudi Arabia (6%), and the United States (3.8%).

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Insurance market indicators for 2022

In 2022, insurance premiums collected rose 67% yoy to UZS 6.2 trillion (USD 549.3 million) while claims paid more than doubled to UZS 2.6 trillion (USD 230.2 million), according to the Ministry of Finance's Insurance Market Development Agency.

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Turkiye's earthquake: Impact on the economy of Uzbekistan

The devastating earthquake in Turkey could reduce Uzbekistan's 2023 GDP by 3-10 basis points, according to researchers at the Institute for Forecasting and Macroeconomic Research.

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Uzbekistan attracts loan from China to purchase CNG buses

The China Development Bank agreed to open a CNY 1.8 billion credit line for the National Bank of Uzbekistan (NBU) to finance the purchase of Chinese manufactured passenger busses.

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SANEG boosts oil production

Uzbekistan's largest private oil & gas producer, Sanoat Energetika Guruhi (SANEG), reportedly increased oil production 9% in 2022 to around 4 billion barrels. The production increase came after SANEG commissioned 16 new development wells and restarted 59 idled wells after modernizing operations.

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Uzbekistan's uranium miner to export uranium oxide to India

State-owned Navoiyuran will begin exporting uranium to India in March in addition to signing contracts to continue supplying Japanese companies from 2023-2026.

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Government & Politics (Regulations)



Accelerating Trans-Afghan railway construction

Officials from Uzbekistan and Pakistan agreed to accelerate the construction of the Trans-Afghan railway by 2027. It is estimated that the total project cost of the Trans-Afghan railway will be around USD 5 billion.

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The Uzbekistan Mortgage Refinancing Company's authorized capital to be raised

The Mortgage Refinancing Company's authorized capital is set to be raised to USD 100 million, with plans to issue mortgage bonds, as part of a Presidential Decree aimed at improving social services.

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State budget revenues in 2022

Uzbekistan's state budget revenues increased by 22.6% in 2022 to UZS 202 trillion (USD 17.8 billion) or 22.7% of GDP.

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Digitalizing certificates of origin for efficient trade

Central Asian countries to begin exchanging electronic certificates of origin for goods what should be a major boost to regional trade.

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Is it time to change the law on “Free Economic Zones”?

According to the experts of International Finance Corporation (IFC), the current legislation on free economic zones (FEZ) have some issues with duration, ownership policy, fragmented regulatory framework, lack of clear terminology, the noticeable absence of the private sector, the absence of effective selection criteria, a confusing incentive system, the absence of accelerated customs procedures, conflict of law rules, as well as an unnecessary administrative management in the form of a Directorate are noted among many others as the main factors which are preventing the successful implementation of free economic zones in Uzbekistan.

To make FEZ more attractive to foreign private developers/operators, experts proposed to adopt a new version of the law, by taking into account international best practice, including effective protection of private property rights, an autonomous administrative body, the creation of a "Single Window" specifically for the FEZ, provisions on conflict of interest, transparency and predictability of legal acts, market-oriented procedures licensing, international customs standards, fiscal incentives, social guarantees, international money transfer standards, as well as transparent criteria for the selection of land plots of free economic zones and FEZ developers/operators.

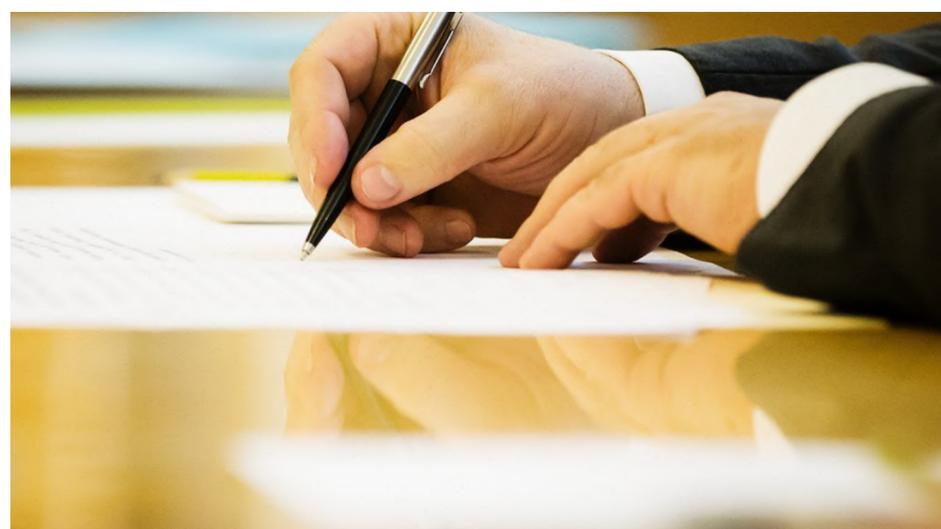
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Meeting of FIC’s Working Group on Digitalization and ICT

On March 3, 2023, the FIC’s Working Group on Digitalization and ICT held its first meeting. The working group aims at facilitating the exchange of ideas, best practices and knowledge in the field of digital transformation, and to focus on topics relating to the promotion of digitalization in Uzbekistan, development of digital infrastructure, creation of conducive environment for ICT sector, and enhancing cybersecurity.

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Government simplifies the procedure of privatization of state assets

The Law of the Republic of Uzbekistan "On State Property Management" was adopted on 10 March, 2023. Suggestions of experts of International Financial Organizations and a number of other qualified foreign consultants were taken into consideration while making this law.

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