

## UZBEKISTAN: 20 YEARS OF POLITICAL STABILITY AND ECONOMIC GROWTH

*Exchange talks to His Excellency Mr. Otabek Akbarov, Ambassador of the Republic of Uzbekistan to the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of Norway*



**Exchange:** *Your Excellency, Uzbekistan celebrates 20th Anniversary of its Independence this year, congratulations. Having worked within the Uzbek Foreign Ministry since Independence, what are your observations of Uzbekistan's achievements in political sphere during this period?*

**Ambassador Akbarov:** First of all, I would like to note that this is a very special event for Uzbekistan. Twenty years can be a short time for history, however Uzbekistan managed to make significant progress during this period. This was a long and not easy way, when we had to prove our Independence in every field: politics, economy and international relations.

Today Uzbekistan has finished the transition period from the soviet command-administrative system to a democratic

country with market economy. We have created the solid foundations of statehood, established legislative, executive and judicial branches of power, developed various institutions of civil society, raised our unique historical heritage and national identity.

In his program speech on 12 November 2010, HE Mr. Islam Karimov, the President of Uzbekistan, outlined the Concept of further development of the country, which prioritized such directions as – democratization of state power, reforming the legal system, developing the electoral legislation, ensuring freedom of speech, strengthening civil society institutions, deepening market reforms and liberalization of economy.

On the international arena our country has gained a reputation as a responsible partner adhering to peace and stability in

the region. Uzbekistan has put forward a range of important foreign policy initiatives which influenced multilateral dynamics in the region and internationally. Among them – initiative on establishing of the International Counter-Terrorism Centre within the UN Security Council (1999) which led to formation of the UN Counter-Terrorism Committee (2001). Others include creation of the Central Asian Regional Information and Coordination Centre on Combating against Drug Trafficking (2002) and the Nuclear-Weapon-Free Zone in Central Asia (2006).

The assistance in normalization of the situation in neighbouring Afghanistan is one of Uzbekistan's foreign policy priorities. Established on our initiative under the aegis of the UN in the late 1990s, the "6+2" Contact Group on Afghanistan (included six bordering countries, Russia





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and the US) has proved its effectiveness. Now, we propose to resume this group in an enlarged format “6+3” involving NATO.

**Exchange:** *What are your thoughts on economic development of Uzbekistan, particular in transition to a market economy? How did Uzbekistan address the consequences of the global economic crisis?*

**Ambassador Akbarov:** Uzbekistan’s model of economic development was based on five principles: (1) de-ideologization of economy and its priority over politics, (2) the state – main reformer, (3) rule of law, (4) strong social policy and (5) gradual reforms. This approach resulted in considerable achievements, recognized by all major international financial institutions.

During 20 years, the country’s GDP grew by 3.5 times, while per capita ratio - by 2.5 times, real incomes of population - by 3.8 times, state expenses for social security - 5 times, child and maternal mortality rates fell three and two times respectively, life expectancy of men climbed to 73 from 67 years and for women to 75.

The structure of our trade has radically changed transforming Uzbekistan from a country which previously exported raw materials and imported finished products, to a country with growing export of value added products and importing mainly high-tech equipment. Today Uzbekistan is a leading industrial country in Central Asia with modern automobile, airplane and machine building, textiles, food processing, metallurgy, natural oil and gas processing, chemical and other industries.

In 2008-2009 when a number of other countries were suffering from the global economic crisis, Uzbekistan recorded GDP growth at 8.5-9 percent, in 2010 – 8.1 percent, while in 2011 it is estimated to be 8.5 percent.

Uzbekistan is a member of the IMF, World Bank, Asian Development Bank, Islamic Development Bank and Economic Cooperation Organization. It has observer status at the World Trade Organization.

**Exchange:** *What is the current investment climate in your country? Can you provide some examples of the biggest investment projects in Uzbekistan?*

**Ambassador Akbarov:** The Government has created favourable conditions for foreign investors. The country has gained a reputation of a reliable business partner with a qualified workforce, rich mineral resource base and developed transport infrastructure.



Official logo of Uzbekistan's 20<sup>th</sup> Anniversary of Independence

Nowadays, Uzbekistan enjoys economic cooperation with 180 countries. Our traditional trade partners are the CIS countries, notably Russia, Ukraine and Kazakhstan, which in aggregate account for over 40% of all exports and imports. Non-CIS partners have been increasing in importance in recent years, with China, US, EU, South Korea, and Japan being the most active.

The value of foreign trade turnover grew from 805,6 million in 1990 to 21,8 billion USD in 2010. The volume of investments into our economy reached 100 billion USD, and number of enterprises with foreign capital – 4200. Our main partners in implementation of investment projects are General Motors, Texaco, MAN, Daimler Benz, Isuzu Motors, Sumitomo, Korean Air, Korea Telecom, Gazprom, Lukoil, Petronas, CNPC and other world class companies.

Established in Navoi region of Uzbekistan, the Free Industrial and Economic Zone allowed formation of a modern, well-diversified industrial base by attracting advanced technologies and resource efficient equipment. Business entities registered in the FIEZ are exempt from practically all types of taxes, customs duties for imported equipment and raw materials depending on the volume of direct investments made. There are 21 ongoing projects in FIEZ now.

**Exchange:** *Uzbekistan is a member of a number of regional organizations, including the Commonwealth of Independent States and Shanghai Cooperation Organization. How important is regional and international economic cooperation to Uzbekistan at this stage?*

**Ambassador Akbarov:** Along with the aforementioned organizations I would point out that Uzbekistan is also a member of UN, OSCE, Collective Security Treaty Organization, Organization of Islamic Conference. We take an active part in the activities of UNESCO, WHO and ILO.

Today, the Commonwealth of Independent States (CIS) is on the brink of its 20-year anniversary. During this period we

have heard different statements, sometimes diametrically opposite, opinions and forecasts regarding the effectiveness of the CIS activity. However, time has demonstrated that the CIS still remains the only structure which promotes development of multilateral cooperation among the majority of post-soviet countries.

Meanwhile, modern realities demand an improvement of the CIS activity. One of the most important issues on the CIS agenda is intensification of economic cooperation on the basis of the free trade regime between member-states and further development of transport communications. These priorities are secured by the CIS Concept of further development, signed by Heads of States on 5 October 2007.

When we talk about the Shanghai Cooperation Organization (SCO), it is important to mention that Uzbekistan, which signed the Shanghai Declaration in June 2001, was one of the founders of this Organization. On the basis of the principles of equality, we together with other members formulated and introduced the SCO’s strategy. Our priorities include ensuring security and stability in the region, strengthening investment cooperation, development of transport networks and telecommunications, creation of jobs and solving social problems.

Welcoming the SCO Charter goals on security and regional stability, Uzbekistan attaches a great importance to the activity of the Regional Anti-Terrorist Structure (RATS) in Tashkent.

We also support the establishment of links between the SCO and other international structures. The organization has contacts with ASEAN, as well as observer status in the United Nations. The declaration on collaboration between the secretariats of the UN and SCO, signed in April 2010 in Tashkent, also facilitates the establishment of constructive relations between the UN Counterterrorism Committee and the Executive Committee of RATS.

Uzbekistan chaired the SCO in 2010 and hosted its summit in Tashkent in June of that year, when the Head of our State put forward several important proposals

related to development of the decision-making mechanism within the SCO and activity of its structures. The summit resulted in signing of the Declaration of the Heads of States, the Provision on regulations for admission of new members in SCO, as well as Agreements on collaboration in the field of agriculture and fight against crime and number of other important documents.

**Exchange:** *The United Kingdom is one of the main financial centres of the world. How do you evaluate the level and prospects of cooperation between Uzbekistan and UK?*

**Ambassador Akbarov:** The diplomatic relations between Uzbekistan and the United Kingdom were established in January 1992. However the historic ties between European countries and Uzbekistan have a long history, when Amir Temur and King Henry IV exchanged letters (XV century), Marco Polo and Ruy Gonzales de Clavijo visited the region with trade and diplomatic missions (XIII and XV centuries).

The transit stop of President Islam Karimov at the London Stansted Airport on 19 September 2010 (on the way to the United Nations MDG Summit in New York) was a symbolic step forward in the bilateral political dialogue. During the meeting with British officials, President Islam Karimov expressed satisfaction with the development of the Uzbek-British relations in a number of areas and noted that our country is open to expanding this cooperation further. In his welcoming letter addressed to the Head of our State the British Prime Minister Rt. Hon. Mr. David Cameron showed interest in developing further constructive links in business, education, parliamentary and regional security areas.

The United Kingdom is one of the major trade partners of Uzbekistan in Europe. About 200 joint ventures with British investors operate and over 50 British companies have their representative offices in Uzbekistan.

Moreover, there is a growing interest from British business towards Uzbekistan. In particular, it became obvious during the 17th Session of the Uzbek-British Trade and Industry Council in December 2010 in Tashkent, which was attended by the biggest British business delegation consisting of 78 representatives from 40 companies. As result of their direct contacts with Uzbek partners a multi-million-pound investment package is being implemented

between two countries. The next UBTIC forum is planned to be held in late autumn 2011 in London.

Education and science are actively advancing fields in our relations. The Westminster International University in Tashkent delivers a high quality education for citizens of Uzbekistan. Nowadays, there are several British universities interested in establishing such kind of partnership with Uzbekistan.

The Cambridge Central Asia Forum headed by Professor S. Saxena implements a number of projects jointly with Uzbek researchers and scientists. One of the outstanding examples of this cooperation will be the Centre of High Technologies in Tashkent aimed at boosting innovations in pharmacy, geology, geophysics, biotechnology, sustainable energy, nanotechnology, software development and other areas.

In the framework of the British Council's INSPIRE Program, five universities of Uzbekistan are implementing international strategic partnership in research and education with five universities in Britain.

Cultural diplomacy is one of the most effective ways to promote friendship among nations. British designers and artists annually visit world-famous historical cities of Uzbekistan – Tashkent, Samarkand, Bukhara, Khiva and others during the Style.UZ Art Week, Asrlar Sadosi (“Echo of Centuries”) Traditional Cultural Festival as well as other events, exhibiting their arts and carrying out joint projects.

Together with the Forum of Culture and Arts of Uzbekistan large scale of cultural activities have been carried out in the UK

as well: Suzani embroidery exhibition in Burrell's Collection Museum in Glasgow, photo exhibition “Tashkent: the History of one City” in London, Cambridge and Bath are to mention but few.

**Exchange:** *What are the current development and prospects of Uzbekistan's relations with the Kingdom of Norway?*

**Ambassador Akbarov:** As Ambassador of Uzbekistan to Norway with residence in London since May 2010, I am glad to contribute to the intensification of our relations with this country. Now, there is a regular dialogue between our Foreign Ministries, and similar exchange is planned in the parliamentary sphere.

There have been several visits of Norwegian business community to Uzbekistan last years. Particularly, the delegation led by the State agency Innovation Norway visited our country in 2009 and held meetings in number of state departments, as well as a trip to the Navoi Free Industrial Economic Zone.

Nowadays Norwegian companies such as International Development Norway and the Energy Saving International implement their projects in Uzbekistan.

The next visit of a delegation from the business community of Norway to Uzbekistan and a joint business-forum are scheduled for November 2011. High tech companies like Statoil, Aker Solutions, Numerical Rocks, SINTEF multiphase flow laboratory, as well as representatives of the Norwegian University of Natural Science and Technology are expected to attend this forum and contribute by their presentations for local business community.



Tashkent: the capital of Uzbekistan