



ITALUZ



***PARLIAMO DELL'UZBEKISTAN:  
Progetti, investimenti, prospettive***

**Luigi Iperti**

Presidente CIUZ- Camera di Commercio Italia Uzbekistan

29 giugno 2017, Milano

# Andrea Bocelli



**June, 8° 2017**

First concert in Uzbekistan for the legendary Italian tenor, Andrea Bocelli  
The event was supported by the Uzbek Ministry of Culture

# Uzbekistan





# Italia - Uzbekistan



# The silk road





# UNESCO World Heritage list Cities























# Factors of success in Uzbekistan

**1. Political & macroeconomic stability**

**2. Sound legal base**

**3. Rich raw material base**

**4. Diversified industrial base**

**5. Advantageous geographical location**

**6. Well educated human resources**



# Uzbekistan in numbers

- ✓ Population: 31 millions
- ✓ Automotive production: 280.000 cars/year
- ✓ Agroindustry development: cotton 3,4 Mio/ton
- ✓ Gas production: 60 BCM/year



# World Economic Forum.

- ✓ The World Economic Forum published the list of the world's fastest growing economies based on the World Bank's report "Global Economic Perspectives".
- ✓ Uzbekistan was included to the **top 10 of the fastest growing economies** of the world.
- ✓ The growth of Uzbekistan's economy forecasted at **7.6% in 2017**. This is the second result after Ethiopia, economy of which is expected to grow by 8.3% in 2017

## The world's fastest growing economies

Forecast GDP growth, 2017



Source: World Bank

Image: World Bank

# Gross domestic product (GDP)

World Bank improved its forecast for economic growth of Uzbekistan.

According to the bank's forecasts, the growth of Uzbekistan's economy will make:

- ✓ 7.6% in 2017
- ✓ 7.7% in 2018
- ✓ 7.8% in 2019

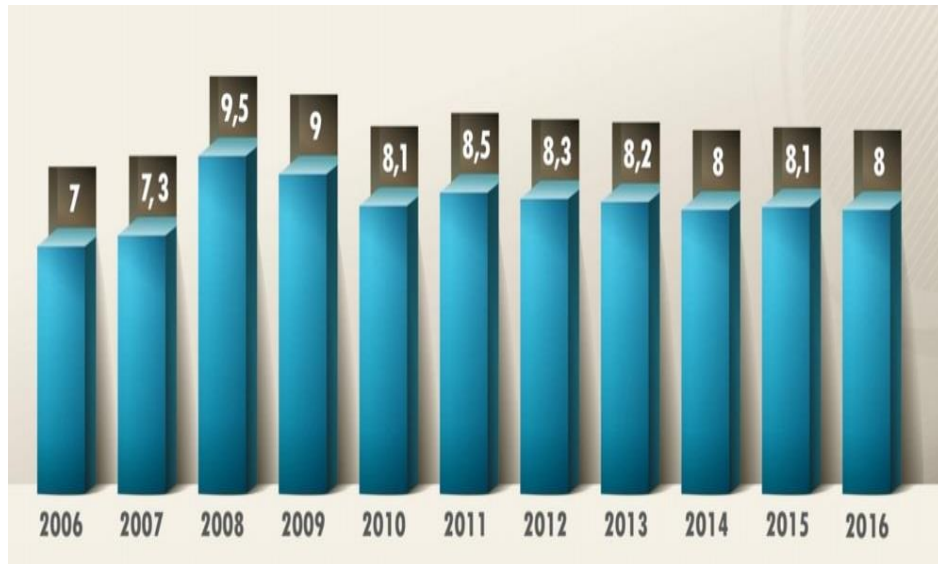
The bank's report noted that Uzbekistan's GDP increased by 7.8% in 2016, which is 0.5 percentage points higher than the January forecast.





# Macroeconomic stability and dynamic industrial policy

*GDP growth rate (in % to previous year)*



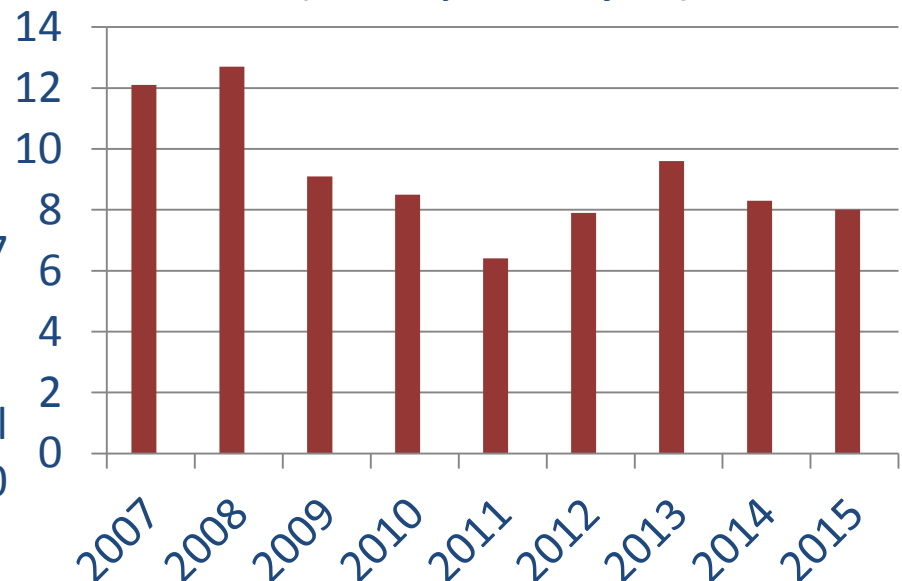
The volume of industrial output increased 3.7 times for the years of 1990-2013;

Average annual growth rate of industrial output has compounded 9.4% for the last 10 years, exceeding GDP growth rates.

GDP has increased 4.1 times during the years of independence;

Sustainable high rates of economic growth retain at the level not less than 8% annually for the last years;

*Industrial production growth rate (in % to previous year)*



# BP - World Energy 2016

- ✓ Proved oil reserves in Uzbekistan estimated at the volume of **0.6 billion barrels** in 2016, according British Petroleum (BP) in its Statistical Review of World Energy 2016.
- ✓ Uzbekistan possesses **1.1 trillion cubic meters** of proved natural gas reserves at the end 2016. The share of Uzbekistan in world reserves is 0.6%.
- ✓ Uzbekistan produced 2.6 million tonnes of oil in 2016, which fell by 3.1% compared to 2015.
- ✓ Uzbekistan produced 55,000 barrels of oil per day in 2016 (-3.1%).
- ✓ Uzbekistan's oil consumption grew by 0.7% to **2.8 million tonnes** in 2016.
- ✓ Average daily oil consumption made up 59,000 barrels in 2016.
- ✓ The throughput of oil refineries grew by 11.5% in 2016 compared to 2015 – up to 70,000 barrels a day.



# BP - World Energy 2016

- ✓ Uzbekistan produced **62.8 billion cubic meters** of gas in 2016, which is 8.4% more than in 2015 (57.7 billion cubic meters of gas).
- ✓ Gas consumption in Uzbekistan made up 51.4 billion cubic meters in 2016, which is 2% more than in 2015.
- ✓ Energy consumption in Uzbekistan in 2016 **increased to 52.7 million tonnes of oil equivalent** from 51.7 million tonnes in 2015.
- ✓ Coal reserves in Uzbekistan exceeded **1.37 billion tonnes** in 2016, BP said. Last year, Uzbekistan produced 1.1 million tons of coal.
- ✓ The electricity generation capacity in Uzbekistan increased by 1.9% in 2016 compared to 2015 - up to **58.9 terawatt-hours**.
- ✓ The volume of carbon dioxide emissions in Uzbekistan stood at 117 million tonnes in 2016, which is 1.4% higher than in 2015.





# Foreign Investments Growth in Uzbekistan

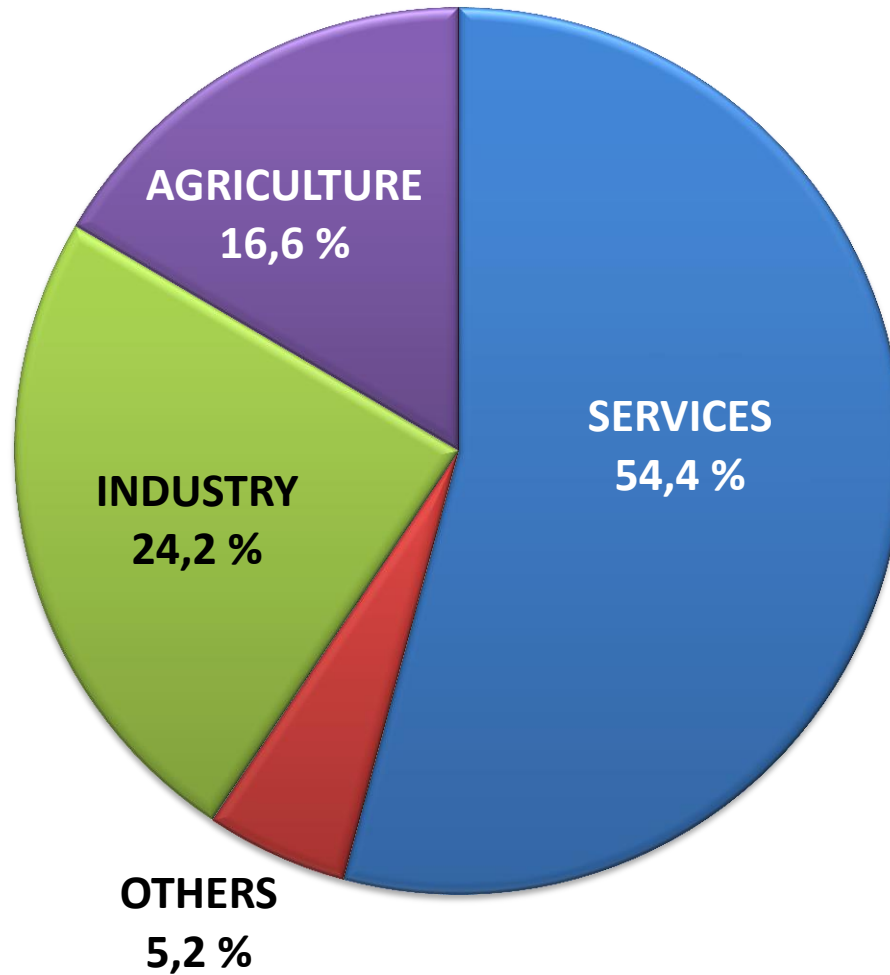
LOANS  
FDI



# Foreign enterprises in Uzbekistan

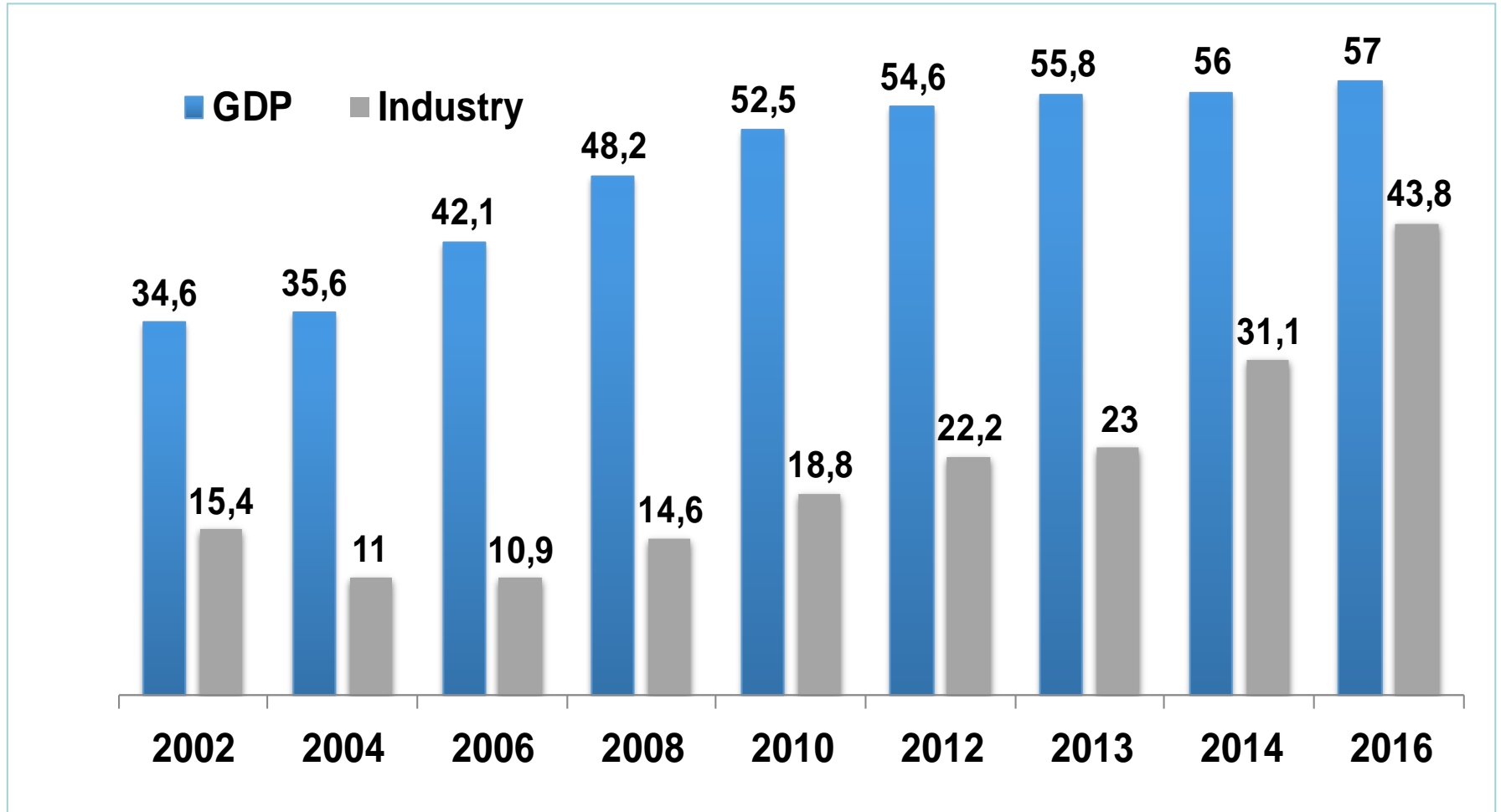


# Share of economic sectors in GDP (%)

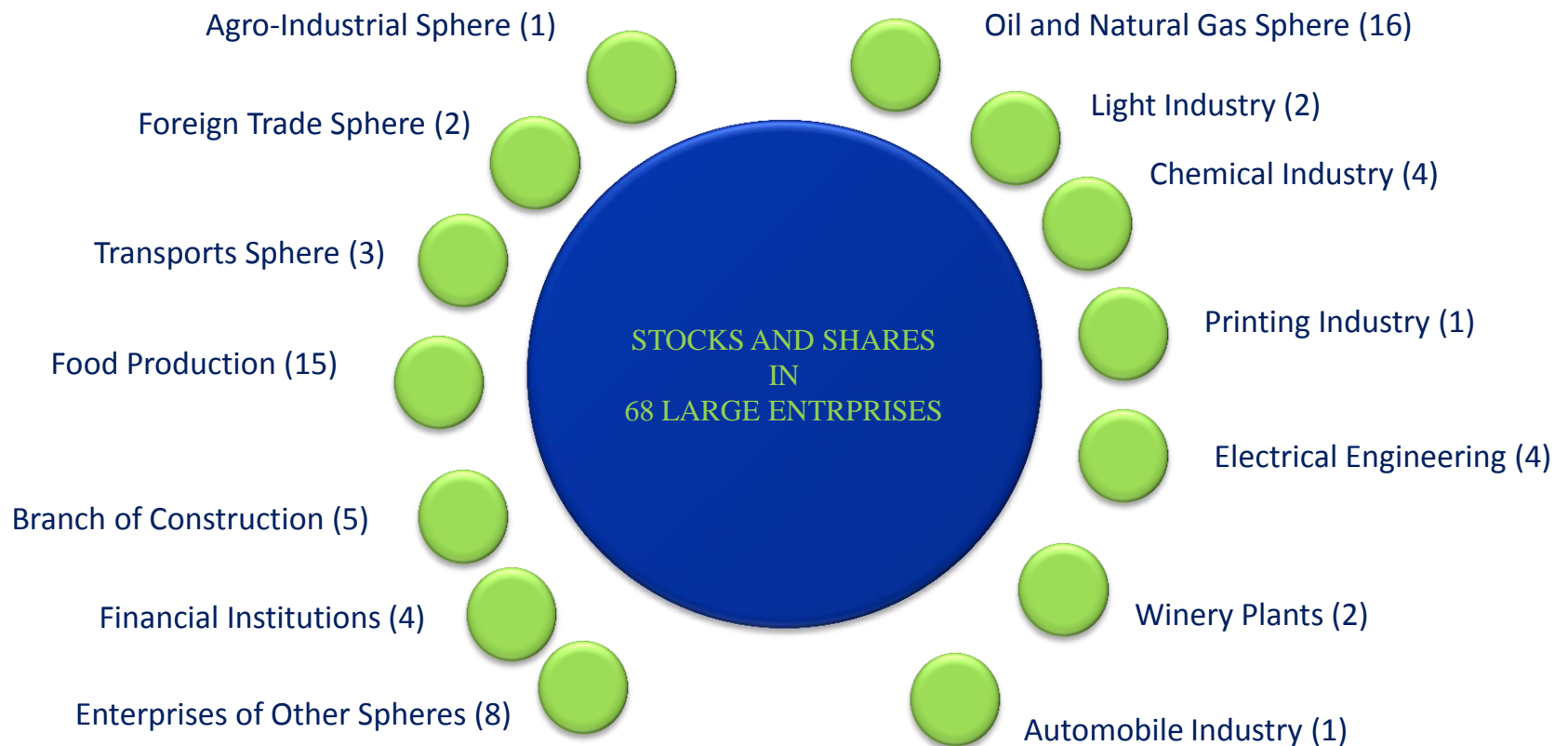




# Share of small business in GDP and industry (%)



# Program for Expansion of the private sector's share in the economy



# Strong collaboration

**Italian  
PMI**



**Uzbek  
PMI**



# Turin Polytechnic University in Tashkent



Established on April 27, 2009 under the decree of the President of the Republic of Uzbekistan №1106

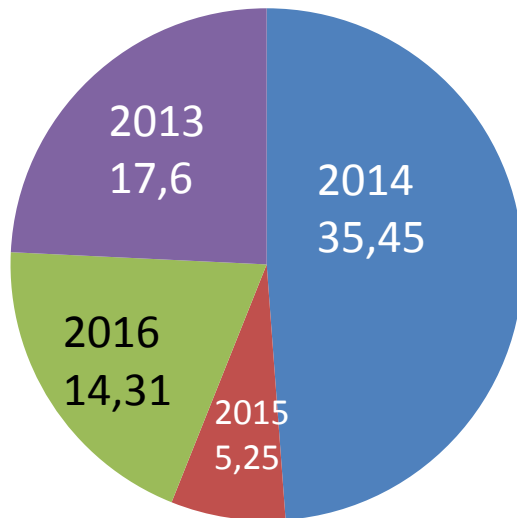
**2016: 700 students**

## **FACULTIES:**

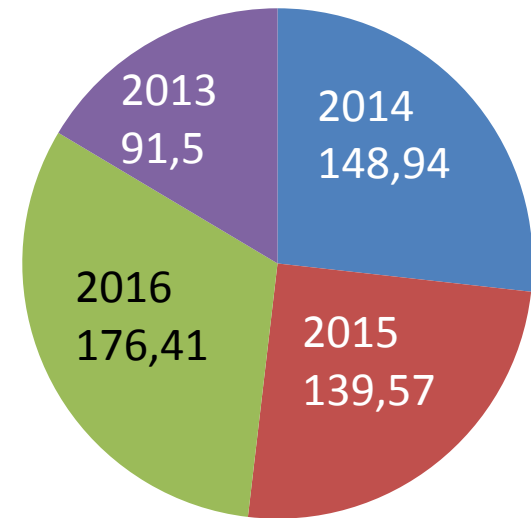
- mechanical engineering;
- power engineering;
- civil engineering & architecture

# Cooperation between Uzbekistan and Italy in trade and economic sphere (€ Mln.)

## Import from Uzbekistan



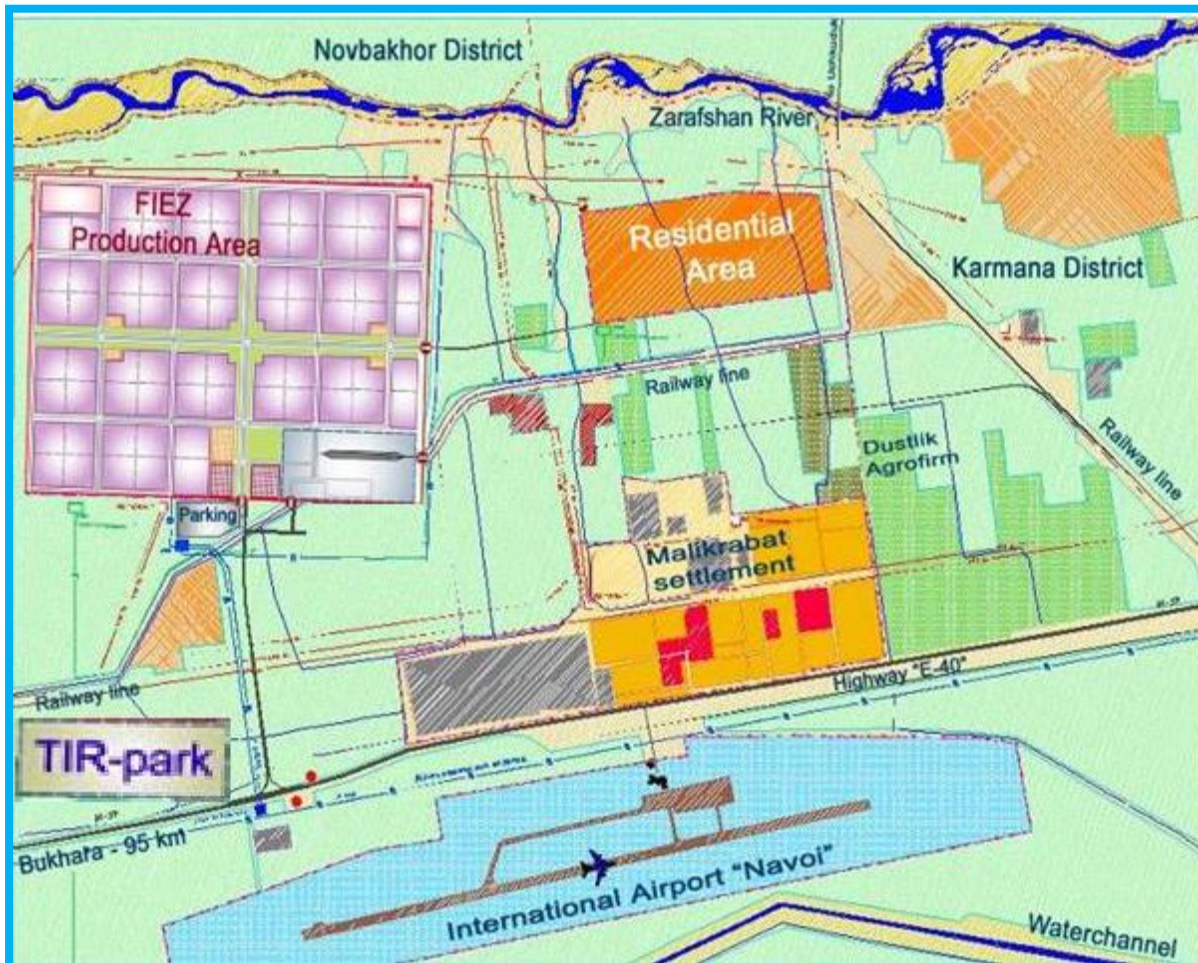
## Export from Italy



- *STRUCTURE OF EXPORT: textile, thread, cotton, dried fruit.*
- *LIST OF IMPORT: electric and mechanic equipment, automobile spare parts, plastic materials, pharmaceutical and construction materials.*

Source: Info Mercati Esteri

# Free industrial economic zone “Navoi” degree of the President of the Republic of Uzbekistan December 2, 2008



Territory - 564 ha

Distance between Navoi

- Tashkent – 490 km
- Samarkand – 153 km
- Bukhara – 110 km



# Uzbekneftegaz

- ✓ Uzbekneftegaz will complete 16 investment projects in 2017
- ✓ According to the investment programmed for 2017, Uzbekneftegaz with foreign partners is working on implementation of 50 investment projects.
- ✓ Total cost of the projects is over US\$ 21.88 billion.
- ✓ In 2017, the volume of investments will be US\$ 2.95 billion.
- ✓ Uzbekneftegaz is implementing projects on construction of the Kandym gas processing plant, the Jizzakh oil refinery, development and construction of the geochemical complex based on the field “Mustaqillikning 25 yilligi”.



# Gas to China

- ✓ Uzbekneftegaz will increase the volume of the gas supplies to 10 billion cubic meters a year in 2018-2020.
- ✓ Uzbekistan and Turkmenistan supply to China gas through the Central Asia-China gas pipeline with the capacity of 50 billion cubic meters a year.
- ✓ The pipeline has three lines now.

# Gazprom

- ✓ In 5 April 2017 Uzbekneftegaz signed a contract for purchase of 4 billion cubic meters of gas a year by Gazprom for a period of up to five years, starting from 2018.
- ✓ In April 2017, the sides concluded an agreement on joint exploration and engineering and innovation works.
- ✓ Gazprom purchased about 6.2 billion cubic meters of gas from Uzbekistan in 2016.

# Oil refinery complex in Jizzakh region.

- ✓ Uzbekistan started construction of a 5.0 MM tons refinery.
- ✓ The state-run project in the Jizzakh region bordering oil-rich Kazakhstan will receive crude through a pipeline to be built from Russia through Kazakhstan.
- ✓ The Jizzakh refinery will produce more than 3.7 MM tons of gasoline, more than 700,000 tons of jet fuel and about 300,000 tons of other oil products annually, to be sold both domestically and abroad.





# Gas-to-liquids (GTL) project in Uzbekistan.

## Value: 3.5 bn USD. Project on hold

The construction contract was awarded to Hyundai. The plant will be located 40 km south of Qarshi.

This plant will be based on Sasol's GTL technology and will have a capacity of 1.4 million metric tons per year, with following products:GTL diesel, kerosene, naphtha and liquid petroleum gas. The front-end engineering activities was executed by Technip's operating center in Rome.



# Ustyurt Gas Chemical Complex (GCC) in Kungrad: joint project with South Korean partners for Uz-Kor Gas Chemical JV

- ✓ 4.5 BCM of gas per year;
- ✓ 400,000 tons of high density polyethylene;
- ✓ 100,000 tons of polypropylene, tank gas, distillate pyrolysis and pyrolysis oil;
- ✓ total cost \$3.9 billion;
- ✓ direct investments of South Korean companies.



# Construction of a new plant for hydrocarbons pyrolysis for Uz-Kor Gas Chemical JV

- ✓ Value: \$300 million
- ✓ Timeframe: 2017-2019



# Enhancing the production capacity of the Shurtan Gas Chemical Complex

- ✓ Value: \$570 million
- ✓ Timeframe: 2016-2019
- ✓ The Shurtan Gas Chemical Complex already processes 3.9 BCM of gas each year, and this will be extended further with a \$570 million project to enhance capacity.





# Modernization of the Bukhara Oil Refinery

- ✓ Value: \$348 million;
- ✓ Timeframe: 2019-2021;
- ✓ Modernization of the Bukhara oil refinery will begin in 2019 to bring its production capacity to 2.5 million tons per year.



# LUKOIL

Lukoil has been actively involved in major projects in Uzbekistan. The on-going projects entered within the frame of agreements on extraction of gas, gas condensate and oil fields signed in 2004.

Lukoil is investing over \$ 5 million in two PSA gas projects in Uzbekistan

- Kandym-Khauzak-Shady. The design capacity will be 8 bcm of gas per year.
- South-West Gissar. Start-up of new facilities is scheduled for beginning of 2017, investments will exceed 1 billion US dollars, gas production is 4.8 bcm annually.



# Lukoil : Construction of a gas processing plant at the Kandym field group deposits

- ✓ Value: \$2.66 billion
- ✓ Timeframe: 2015-2019

Entirely funded by Lukoil, this project involves construction of a gas processing plant fed by deposits at the Kandym, Khauzak, Shady and Kungrad fields. Once completed in 2019, this project will add an annual production and processing capacity of 8.1 BCM of natural gas. Construction hardware will be supplied by the South Korean Hyundai Engineering.



# Hydropower sector. Uzbekhydroenergo.

- ✓ Uzbekhydroenergo will implement a unified technical policy in the field of electric power production at hydroelectric power stations.
- ✓ Uzbekistan will direct US\$2.65 billion for development of hydropower sector in 2017-2021 according President Shavkat Mirziyoyev decree.
- ✓ Within the framework of the program, Uzbekistan plans to implement 18 construction projects and 14 projects for modernization of hydroelectric power stations with total cost of **US\$ 2.65 billion**.





# Hydropower sector. Uzbekhydroenergo.

- ✓ The program of measures for the further development of hydropower also includes 42 promising projects with an approximate cost of about **US\$ 1.7 billion**. These projects will be implemented by 2030.
- ✓ Uzbekistan will use US\$1.64 billion of its own funds for implementation of the program. The Country will also attract US\$1.009 billion funds of international and foreign financial institutions.
- ✓ Implementation of the program will allow Uzbekistan to increase the capacity of hydroelectric power stations by 1.7 times to 3,038 MW by 2026. As a result, the share of hydropower in the structure of generating capacities will increase from 12.7% to 15.8%



# Renewable energy

- ✓ Uzbek President Shavkat Mirziyoyev approved targeted parameters on further development of renewable energy.
- ✓ The purpose is to increase share of renewable energy in structure of generating capacities from 12.7% to 19.7% by 2025, including:
  - hydro power from 12.7% to 15.8%,
  - solar energy to 2.3%



# Renewable energy

The President of Uzbekistan approved implementation of **810 projects** for development of renewable energy for a total sum of **US\$ 5.3 billion in 2017-2025**.

Moreover:

- ✓ It is planned to replace 17,250 heating boilers in 6,330 organizations of the Ministry of Public Education, Healthcare and Center for secondary and professional education.
- ✓ In 2017-2021, Uzbekistan will replace 879 pumps and 1,523 electric motors in water management organizations. This will save 807.3 million kilowatt-hours of electricity.



# Biogas plants

- ✓ Uzbekistan plans to install biogas plants at 726 large livestock and poultry farms by 2020.
- ✓ According to the program, biogas plants will be installed at 75 large livestock and poultry farms in 2017, 291 in 2018 and 360 in 2019.
- ✓ The Country started production of biogas plants at 8 domestic enterprises, including on the basis of Oil and Gas and Chemical Engineering Plant.
- ✓ The resolution underlined that Uzbekneftegaz, Agrobank and Poly International Holding (China) signed a memorandum on cooperation in organization of joint production of modern biogas plants worth US\$10 million.
- ✓ Currently, biogas plants have been installed in 45 livestock and poultry farms of Uzbekistan with a total annual capacity of 1.1 million cubic meters of biogas.





# Uzavtosanoat

- ✓ Uzbek Automobile Industry ( Uzavtosanoat) will implement 51 projects for US\$ 834.9 million in 2017-2021(Jun 16, 2017)
- ✓ It is expected that Uzbekistan will produce 122,000 cars in 2017.
- ✓ Uzbekistan plans to increase production of cars from 88,200 in 2016 to 240,000 in 2021.



# Textile protocol

- ✓ Senate of Oliy Majlis of Uzbekistan ratified the inclusion of the "textile protocol" to the agreement on partnership and cooperation between the EU and Uzbekistan.
- ✓ This document will make it possible to introduce the most-favored-nation treatment for textiles from Uzbekistan.
- ✓ The document is aimed at reducing duties on import of textiles from Uzbekistan, which will facilitate the trade in cotton and textile products between Uzbekistan and the EU.
- ✓ On Sept. 13-15, Tashkent will host the 14th edition of the exhibition **CAITME** and **Textile Expo Uzbekistan**: Italian stand by ICE and ACIMIT.
- ✓ More than 6000 visitors in the last edition



# UZBEKENERGO

The Power Industry of Uzbekistan operates in the framework of the State Joint Stock Company "Uzbekenergo". The company structure includes 53 enterprises and organizations, 39 open joint-stock companies, 11 unitary enterprises.

As for now, the company performs the centralized electric power supply to national economy and population, and also sale of thermal energy to industrial and domestic consumers.

**UZBEKENERGO will invest in 2017 about 600 MIO USD**



# Fruits and vegetables

- ✓ Uzbekistan exported to **Russia**, in 2016, up to **1 million tons** of agriculture products
- ✓ Supply of fruits and vegetables to **Russia** makes up **60-65%** of total exports of Uzbekistan.
- ✓ Uzbekistan plans to **export** 560,000 tons of fruits and vegetables for **US\$410 million to Kazakhstan** in 2017.
- ✓ Uzagroexport exported 101,800 tons of fruits and vegetables in the first quarter of 2017.
- ✓ Uzbekistan **exports** fruits, vegetables and processed products **to over 50 Countries** of the world.
- ✓ In the **first 3 months of 2017**, the hard currency revenue made **up US\$129.3 million** from **export** fruits and vegetables.





# Fruits and vegetables

- ✓ Number of exporting enterprises rose from 147 in 2015 to 298 in 2016, while 14 new enterprises started to export their products in the first quarter of 2017.
- ✓ Will be created a new logistics center in Shakhrisabz city to organize export of fruits and vegetables.
- ✓ The logistics center will specialize in receiving, sorting and processing fruits and vegetables, carrying out laboratory analysis.
- ✓ on the level of world standards, packaging as well as exporting them fresh, cooled and dried forms.
- ✓ After launch of the center, it will annually export 25,000 tons of products to Europe, CIS, China, India, South Korea and other states.



# Other Projects

Uzbekistan will implement 1,948 projects of localization for 2010-2019



they helped to produce import-replacing products for US\$7.6 billion



The production of localized products in Uzbekistan will rise by 3 times.



This helped to create over 13,000 new jobs.

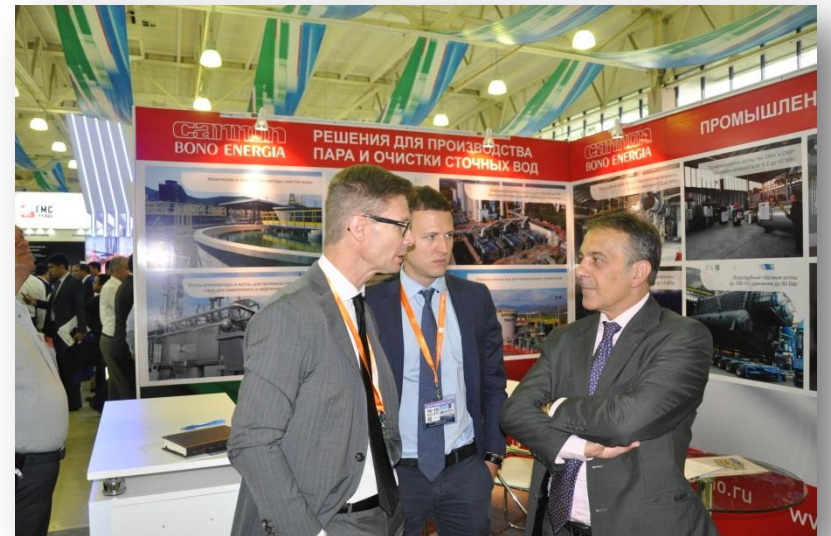
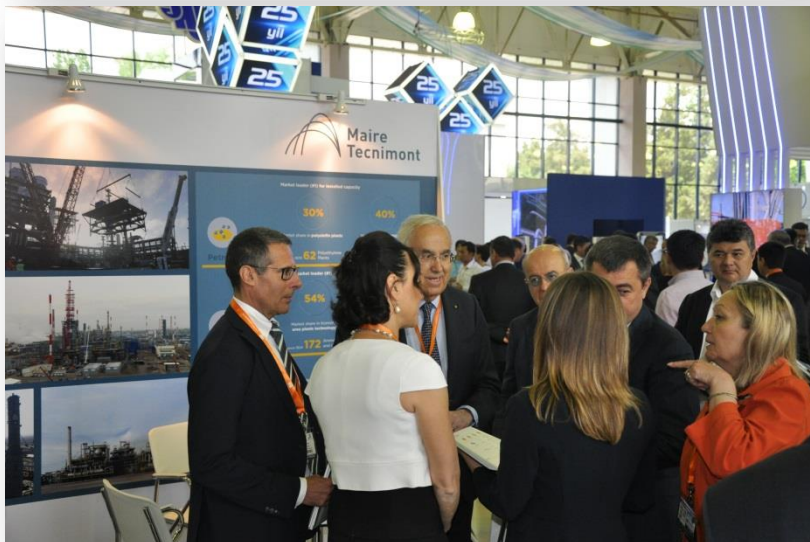
# International Exhibition Oil and Gas Uzbekistan OGU 2018 (17-19 May)

Opened at the UzExpoCenter National Exposition Centre.

It is organized by Uzbekneftegaz national holding company, the Ministry of Foreign Economic Relations, Investments and Trade of Uzbekistan, Chamber of Commerce and Industry of the Republic of Uzbekistan.

CIUZ will attend hosting Italian companies with the brand “**Technology of Italy**” .







# World Food Uzbekistan, 29 – 31 March 2017

- ✓ food products
- ✓ food ingredients, additives, spices
- ✓ equipment for food industry
- ✓ packaging



# Uzbekistan AgroTech AgroMash Expo

## 30 May- 02 June 2017

Important exposition dedicated to agro industrial machinery and technology, food processing, agricultural machinery, fruit and vegetable processing, packaging and labeling, milk processing, biotechnology industries.

Expositors: > 240

Countries: > 30

Visitors: > 40,000

Organized by : Ministry of Foreign Economic Relations





Edition 2015







# Catalogue of Italian companies interested in doing business in Uzbekistan



2015

## Alphabetical list of companies and institutions included in the catalogue

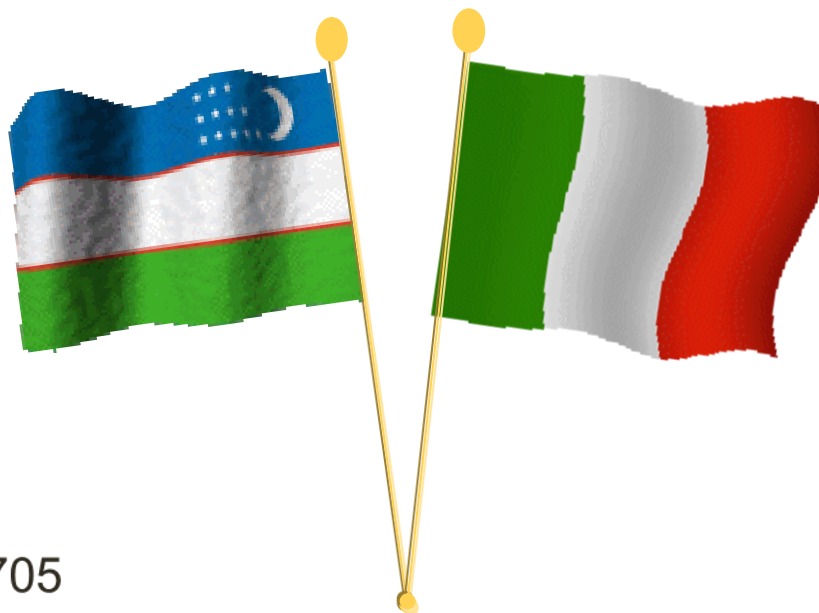
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# Comitato imprenditoriale dei due Paesi

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[www.ciuz.info](http://www.ciuz.info)



Tashkent  
Mustakillil Av. 75, Off.705  
Tel: +998 711401022  
[ciuz\\_irgashev@sks.uz](mailto:ciuz_irgashev@sks.uz)

Milano  
Via Monte Rosa 93  
Tel: +39 0243912773  
[segreteria@ciuz.info](mailto:segreteria@ciuz.info)



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**ITALUZ**

**Grazie per la cortese attenzione**

**Luigi Iperiti**

Presidente CIUZ- Camera di Commercio Italia Uzbekistan