

Uzbekistan independence day

Uzbekistan, Japan: 18 years of cooperation

Bakhtiyor Irmatov
DIRECTOR, UZINFOINVEST AGENCY

Uzbekistan and Japan enjoy a long history of trade, economic and cultural cooperation that has its roots in the times of the Great Silk Road. Though these relations began to flourish after our country gained national sovereignty.



As a strategic partner of Japan, independent Uzbekistan attaches great importance to the development of cooperation with Japan, whose financial and economic assistance played and continues to play an important role in the gradual implementation of economic reforms in our country. It is enough to say that Japan is a top-ranked investor in Uzbekistan.

The amount of grants and long-term soft loans that the Japanese government extended to Uzbekistan has reached \$2 billion. Japan gives its priceless and impartial support to the development of education, public health, culture and the humanitarian sphere in Uzbek-

Economic strides a measure of potential

Nobuo Ohashi
CHAIRMAN, JAPAN-UZBEKISTAN ECONOMIC COMMITTEE

On behalf of the Japan-Uzbekistan Economic Committee, I wish to extend my sincerest congratulations to the people of the Republic of Uzbekistan on the occasion of their Independence Day, Sept. 1.



Uzbekistan has made significant strides in economic and social development in the past 18 years since independence, with steady growth of GDP and industrial output. Especially worthy of mention is that in the first half of this year Uzbekistan achieved economic growth of 8.2 percent and industrial output of 9.1 percent in comparison

istan as well. Technical cooperation is actively developed and in its framework, research, feasibility studies of various investment projects, the training of specialists and transfer of advanced technology are conducted. For a long time, major Japanese companies have enjoyed a successful presence in Uzbekistan's market.

Undoubtedly, the second official visit of President of the Republic of Uzbekistan Islam Karimov to Japan in July 2002, when he and Prime Minister Junichiro Koizumi signed the Declaration on Friendship, Strategic Partnership and Cooperation between the Republic of Uzbekistan and Japan, as well as the Joint Declaration of the Republic of Uzbekistan and Japan on Economic Cooperation Development and Assistance to Economic Reforms in Uzbekistan, gave a powerful impetus to further cooperation in various fields. In turn, the official visit of Prime Minister Koizumi to Uzbekistan in August 2006 was evidence of the great interest of the Japanese government in further comprehensive development of cooperation with Uzbekistan.

Touching on economic de-

velopment in Uzbekistan, it is necessary to point out that despite the worsening of foreign market conditions owing to the world financial crisis, foreign trade turnover in 2008 rose by 21.4 percent while exports grew by 28.7 percent. The geography of foreign trade relations changes qualitatively, generally, by increasing trade turnover with the growing Asian market. Positive growth dynamics have been maintained in 2009. In the first half of the year, GDP grew by 8.2 percent, industrial production by 9.1 percent, production of consumer goods by 13.1 percent, agriculture by 4.6 percent, services by 18.5 percent and construction by 32.5 percent. The state budget recorded a surplus of 0.3 percent of GDP and the inflation rate was below the forecast target.

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with the same period last year in spite of the world financial crisis that occurred in the second half of 2008. I expect further economic development in Uzbekistan in the future. I am glad that Japan has contributed to this development by participating in the implementation of large-scale projects in various sectors of the economy, including the oil and gas industry, chemical industry, telecommunications, transportation, as well as bus and truck manufacturing, and the joint exploration of uranium resources. We would like to announce and discuss the results of this economic and trade development between Japan and Uzbekistan at the 10th Japan-Uzbekistan Economic Conference organized by the Japan-Uzbekistan Economic Committee in the near future.

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of energy, mining and car production, telecommunications, energy-saving and ecology-friendly productions. Among the positive examples of beneficial cooperation are the attraction of investments and technology of Japanese companies in projects to produce buses, develop telecommunications, modernize power generation, geological exploration of mineral resources and the mechanisms of clean development, etc.

We see great potential for cooperation in such sectors and spheres as the development of electronics and electrical engineering, energy, joint exploration of mineral resources, oil and gas industry, chemicals and textiles branches, telecommunications, transport infrastructure, tourism and so on.

Special importance is attracting Japanese direct investments and technologies is given to the newly established Uzbekistan Free Industrial Economic Zone (FIEZ) "Navoi," in which qualitatively new conditions for attracting foreign direct investments are created, and unprecedented benefits and preferences are given to foreign investors. Practically, this is tax-free, custom duty-free and foreign currency-preferred treatment, simplified order of stay and labor activity.

Registered businesses will be exempted from land tax, property, profit, social infrastructure development taxes as well as unified tax payment (for small businesses), compulsory contributions to the Republican Road Fund and Republican School Fund from seven to 15 years, depending on the size of foreign direct investment as follows:

I am also glad to hear that the agreement between Japan and the Republic of Uzbekistan on the Liberalization, Promotion and Protection of Investment, signed last August, will come into effect this autumn with parliamentary approval in both countries. This agreement will strengthen the economic and trade relationship by promoting investment between the two countries, in particular, investment by Japanese companies in Uzbekistan, supporting the growth strategy of Uzbekistan, which focuses on economic development by promoting foreign direct investment, and diversifying exports and imports to increase trade volume.

In conclusion, I would like to wish for the steady progress of Uzbekistan, and peace, security and further prosperity for its people.

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of Their Independence

Overseas Merchandise Inspection Co., Ltd. (OMIC)
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Seifun Kaikan, 15-6, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo 103-0026
Tel: (03) 3669-5186 Fax: (03) 3669-8875 E-mail: pmd.jp@omicnet.com

— from 3 million to 10 million euros — for seven years;

— from 10 million to 30 million euros — for 10 years, by decreasing over the next five years the rates of profit and unified taxes payment for 50 percent;

— more than 30 million euros — for 15 years, by decreasing over the next 10 years the rates of profit and unified taxes payment for 50 percent.

The enterprises in FIEZ Navoi are exempted from paying customs duties for equipment, raw materials and components imported for the production of export-oriented goods. Within FIEZ Navoi it is permitted to exercise payments in foreign currencies, and pay in freely convertible currency for the supply of goods, works and services performed by the business entities of Uzbekistan.

The high level of development of such key branches as mining and metallurgy, oil and gas, chemicals and gas chemicals, energy, automotive, electrical, light and food, etc., create conditions for the organization of factories producing necessary equipment for them, including tool equipment, various types of machines, machinery, as well as their components and units within FIEZ Navoi. Moreover, the availability of tariff-free access to the CIS market is a sufficient factor to establish production of almost any type of products.

FIEZ Navoi is located in the center of the large multimodal transport logistics hub Navoi, with immediate access to the international airport, highways and railways of international significance. This serves as an important factor for the successful development of FIEZ Navoi and production on its territory.

We offer Japanese companies to take advantage of FIEZ Navoi in establishing high-tech and ecology-friendly productions, including:

— access to the wide range of raw materials and opportunities for processing and producing competitive, export-oriented value-added products;

— closeness to wide markets — CIS countries, Central and Eastern Europe, Southern and Southeast Asia, the Middle East;

— availability of developed transport infrastructure;

— significant human and intellectual capacity, relatively inexpensive highly skilled labor force;

— an opportunity to form an environmentally friendly, modern and well-diversified industrial base by attracting future technologies, new resource-saving and energy-efficient equipment.

I would like to emphasize that the intergovernmental Agreement on Liberalization, Support and Protection of Investments, which was signed in August 2008 and ratified by the parliaments of our countries in 2009, serves as a guarantee of the successful activity of Japanese companies and protection of their investments in Uzbekistan.

As for the cultural and humanitarian cooperation between our countries, it is necessary to mention the great contribution made by the

Uzbek-Japan Center for Human Resources Development in strengthening friendship and mutual understanding between our nations. The same work is done by a number of friendship associations and organizations in Japan. Particularly, many Japanese friends of our country are members of such organizations as the Parliamentary League JLDP-Uzbekistan, the Friendship Association Uzbekistan-Japan, Fukushima-Uz-

bekistan, Fukuoka-Uzbekistan, Miyazaki-Uzbekistan, Central Eurasian Club-Gunma, and many others.

During the past 18 years, Japan has become a true and sincere friend of Uzbekistan. It actively supports economic reforms carried out in our country. A firm base of mutual relations set during the past years serves as a reliable guarantee of further fruitful cooperation in the years ahead.

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