

## Uzbekistan president's visit

## Uzbekistan: the step toward great opportunities

*"Uzbekistan's foreign policy has always adhered to the principles of mutually beneficial cooperation and mutual respect with all near and far neighbors."*

*Islam Karimov, President of the Republic of Uzbekistan*

Geographically, Uzbekistan is located in the heart of Central Asia and borders all the countries of the region — Kazakhstan, Turkmenistan, Tajikistan, Kyrgyzstan and Afghanistan.

The territory of Uzbekistan occupies more than 447,000 sq. km. It is divided into 14 administrative territorial units ("vi-loysats," or regions).

The population is more than 28 million people. The ratio of rural to urban population is 63 percent to 37 percent. In terms of population, Uzbekistan ranks third among CIS (Commonwealth of Independent States) countries and first among Central Asian countries.

Uzbekistan is a multinational country and representatives of over 100 nations and ethnic groups live there. In terms of religion, the population is: Muslims 88 percent (mainly Sunnis), Eastern Orthodox believers 9 percent and others 3 percent (Jews, Buddhists, Catholics, Protestants and others).

Uzbekistan is a democratic republic with a presidential form of administration. The form of state system is a unitary state.

### History

The territory of modern Uzbekistan is one of the ancient hearths of world civilization. This is the region where the cultures and religions of East and West met, and where the greatest scientists and philosophers lived.

Uzbekistan is a country with a rich and beautiful history. Such powerful states as Bactria, Sogdiana, Khorezm and the Kushan Empire were created and prospered here.

In the fourth century B.C. Alexander the Great invaded Central Asia and conquered Sogdiana and Bactria, and absorbed the remaining traces of Hellenic culture here.

The Great Silk Road connecting East and West with its astounding growth in the 10th to eighth century B.C., passed through the territory of Uzbekistan. Commercial roads crossed through the pearls of world civilization — the cities of Samarkand, Bukhara and Khiva, which are as old as Rome and Athens.

The Islamic religion and Muslim culture started its rapid dissemination in the eighth and the following centuries in Central Asia.

This period, known as the Eastern Renaissance, was marked by the development of cities, Islamic theology and secular sciences, Muslim architecture and art.

In that epoch the following outstanding scholars and philosophers, who contributed to world civilization development, lived:

- Al-Khorazmi, the founder of modern algebra who introduced the meaning "algorithm" into the world of science;
- Abu Rayhan Beruni, a famous encyclopedist and scientist, the author of works on mineralogy, astronomy and natural sciences;
- Abu Ali Ibn Sino (Avicenna), the greatest scientist of medicine, who with Hypocrites was considered a founder of modern medicine, and the author of the well-known "Canon of Medicine";
- Ahmad Farghani (Al-Farganus), astronomer, mathema-

tician and geographer, and one of the first men to prove that the Earth has a spherical shape;

- Al-Bukhari, a significant Muslim scientist-divine, the author of the collection of Hadithes "Al-Jamif as Sakhikh."

The renaissance of science, architecture, town building, literature and art took place during the rule of Amir Temur, well known in the West as Tamerlane, who created a powerful state with its capital in Samarkand in the 14th century.

During Temur's governance favorable conditions for economic development and trade routes from China to the Middle East were revived and created, and the most renowned of Central Asian architectural ensembles were raised.

Amir Temur left his mark on the history of Europe when it was under threat of conquest by the Turkish Ottoman Empire.

Temur's grandson, Ulugbek, created the largest medieval astronomical observatory and founded a university in Samarkand.

Another descendant of Temur, Zakhriiddin Muhammad Babur, was governor, commander and founder of the Great Mongol Empire in India. He is also known as a poet and narrator, and author of the autobiographical work "Babur-Name."

At the end of the 19th century, due to the expansion and spread of Russian influence, Uzbekistan and the rest of Central Asia became part of the Russian Empire, and later the Soviet Union. In 1991, Uzbekistan gained its independence and in March 1992 became a full member of the United Nations.

Uzbekistan has a huge historical and cultural heritage, with more than 4,000 historical-architectural monuments, 90 percent of which reflect the significant history and culture of different religions, and first of all Islam. The most famous of them are in Samarkand, Bukhara, Khiva, Shakhrisabz and Tashkent.

Samarkand's monuments are majestic and beautiful. More than 20 of them are recognized as among the greatest achievements of human culture: the Registan Ceremonial Plaza, Gur-Emir Mausoleum, Bibi-Khanum Palace and the Shakhri-Zinda mausoleums. In 2001 the historical center of the city was registered on UNESCO's World Heritage list.

Many unique ancient monuments have been saved in Bukhara, where its rich cultural heritage has impressed the whole world with its beauty for many ages. The city's architecture is perfectly preserved even today and is of importance to all mankind.

Khiva — one of the few cities in the world where almost all historic buildings are preserved — is an "outdoor city-museum," which has at least 2,500 years of history. The inner part of the city, Ichan-Kala, is a historical monument of world significance, where mosques, madrassas, mausoleums, minarets and palaces are compactly located.

The capital of modern Uzbekistan, Tashkent, is one of the largest cities in Central Asia. Tashkent is rich with over 240 archaeological monuments. In 2007 the international Islam organization on education issues, sciences and culture, the Organization of Islam Conference (ISESCO), declared the city as a capital of Islamic culture. At the beginning of September 2009, according to a de-

cision of the 34th session of the General Conference of UNESCO, the world society widely celebrated the 2,200th anniversary of Tashkent.

Nowadays, Tashkent is deservedly named a "Gate of the East," and is one of the biggest political, business, cultural and scientific centers for all of the Central Asian region. The population of Tashkent is 2.7 million.

### Modern Uzbekistan

Modern Uzbekistan, being one of the leading industrial states in the Central Asian region, ensures stability and promotes economic development of the region as a whole.

A national initiative formed by the President of the Republic of Uzbekistan Islam Karimov, which is based on the five basic principles he developed, is the basis of political stability and economic prosperity:

- 1) the priority of economics over politics;
- 2) the state — the main reformer and the guarantor of reforms;
- 3) the supremacy of law;
- 4) a strong social policy; and
- 5) coherent and step-by-step transfer to a market economy.

The Uzbek economy has successfully overcome the so-called transitional period. Over the last few years, the economy of Uzbekistan has grown by a yearly rate of 7 percent to 9 percent.

In 2010 gross domestic product (GDP) growth in Uzbekistan reached 8.5 percent, making it one of the highest indica-

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tors in the world. The capacity of commercial production has increased to 8.3 percent, agricultural production to 6.8 percent, services to 13.4 percent and construction to 9 percent. The state budget was implemented with a proficiency of 0.3 percent of GDP.

The inflation rate has not exceeded forecasted figures.

The export capacity has increased to 10.8 percent. In 2010 capital investment development increased to 13.6 percent, and including direct investments and credits, to 10.5 percent.

As a whole, due to a favorable investment environment created for foreign and local investors, total investment in the Uzbek economy has exceeded \$100 billion during the years of independence and from the total, more than \$35 billion are funds from foreign investors.

The banking sector and stock market continue to develop with accelerated pace. There are 31 commercial banks in Uzbekistan, including three state banks, 13 joint-stock banks, 11 private banks and six banks with foreign capital.

The total capital of banks for 2010 increased 1.5 times as against 2009 and total assets rose 36 percent. The share of credits directed to investment goals reached 75.2 percent.

The Republic of Uzbekistan continues to confidently carry out the reforms directed to the creation of a strong and diversified economy. Today measures are designed to accelerate the implementation of the anticrisis program, which was devel-



Islam Karimov, President of the Republic of Uzbekistan

oped in November 2008, and is aimed at preventing and neutralizing the effects of the global economic crisis to the country's economy.

The main provisions of this program include:

- further accelerated modernization, technical and technological re-equipping of enterprises, the widespread introduction of the newest

base, and scientific and intellectual human resource potential.

Access to a wide mix of raw materials optimizes maximally the production price by reducing essential expenses in the transportation of raw materials and supplies, provides opportunities of deep processing, and production of goods with a high value added and level of lo-

es the competitiveness of goods produced in Uzbekistan in external markets.

The next key factor of successful business in Uzbekistan is the 100 percent literacy of the population, considerable human and intellectual potential, which satisfies modern standards of international education. Unique for its sense and content, the national educational program for the training of personnel envisages continuous education, permanent intensification, and renewing of training of public and professional education.

Sixty-five institutions of higher education, including affiliates of leading foreign universities, operate in Uzbekistan, where 300,000 students are trained in 850 professions and specializations. A number of foreign universities such as the Westminster International University in Tashkent (2002), Singapore Institute of Management Development (2007), Moscow State University (2006), and the Russian Economic Academy (1995), which is named after George Plekhanov, have opened their affiliates in Tashkent.

An affiliate of another foreign institution, Turin Polytechnic University, which is a unique foreign educational institution in Central Asia in the field of mechanical engineering, opened at the beginning of September 2009.

At present, the scientific potential of Uzbekistan is ready to offer to foreign investors nu-

merous scientific research results ready to implement in production processes in several sectors of industry and agriculture.

The considerable human resources and intellectual potential of the country, alongside its diversified industrial base, afford an opportunity to establish the most modern and difficult manufacturing by attracting innovative technologies.

**Relations with Japan**  
For the last 20 years of mutually beneficial cooperation, Uzbekistan and Japan have managed to sound their relations in many areas and lift them up to the level of strategic partnership. It was scarcely possible without the exchange of visits both of government and the private sector.

Before today, there have been two official visits by President Karimov to Japan. During the last one, in July 2002, leaders of our two countries signed the Joint Statement on Friendship, Strategic Partnership and Cooperation between Japan and the Republic of Uzbekistan that opened a new milestone in our relations. As a strategic partner, Uzbekistan emphasizes the development of cooperation with Japan, whose financial and economic assistance plays 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 yen loans that the Japanese government has extended to Uzbekistan has reached \$2.32 billion. Japan gives its priceless and impartial support to the development of infrastructure, the energy sector, education, public health, culture and the humanitarian sphere in Uzbekistan.

One needs to note that Uzbek-Japan and Japan-Uzbek committees on economic cooperation are also playing great roles in further strengthening relations between the two states.

The Central Asia plus Japan Dialogue is set up as an effect of multilateral efforts aimed at facilitating the endurance of peace and stability in the region. The latest round of consultations among foreign ministers of participating nations in the dialogue took place in Tashkent on Aug. 7, 2010, where cooperation issues in political, economic, cultural and human-

cal production of more than 30 percent.

More than 2,800 deposits and prospective streaks of minerals are exposed; the general raw materials potential of the country is worth about \$3.5 trillion.

In many positions, including nonmetalliferous and metalliferous, and agricultural raw materials, Uzbekistan holds leading positions in the world. In particular, the country is ranked 11th in copper reserves, ninth in gold production, eighth in uranium production and fifth in cotton-fiber production.

The most important advantage of Uzbekistan, when many countries today face energy shortages, is the developed and developing energy independence of the country's economy.

The country is among the top 10 in terms of oil and gas, coal and uranium reserves, and a net exporter of these resources. The total energy reserves of Uzbekistan are sufficient to provide the needs of the economy for at least 100 years.

Electric power produced in the country fully covers Uzbekistan's growing needs and costs 4.5 times less than the average cost paid by industrial consumers in developed countries.

The unlimited potential of alternative energy sources, including solar, wind, as well as from processing solid domestic waste, allows the generation of energy in a volume of more than 51 billion tons in oil equivalent annually and creates additional opportunities.

The proximity to vast markets and the developed transport infrastructure of Uzbekistan, integrated into the multimodal communications system of Eurasia, determine promising investment and trade, and economic cooperation. Foreign companies investing in Uzbekistan have the opportunity to enter the five largest and most dynamically growing markets of CIS countries with more than 300 million people: Central and Eastern Europe, South and Southeast Asia, and the Middle East.

Thus, a developed multimodal network, which considerably reduces the time and costs of cargo delivery from Uzbekistan and by transit through its territory, as well as agreements on most favored nation status with 44 countries, and a free trade area between 12 CIS countries, significantly enhance-

representative office of Nagoya University opened in Tashkent in March 2010, which is the only such structure in Central Asia. It will choose students for study at the Japanese university. The Uzbekistan-Japan Center for Human Development, which was established in October 2010, is also contributing to the preparation of highly qualified specialists. The purpose of this public organization is to train specialists for facilitating business development in Uzbekistan, to enhance mutual understanding and strengthen friendly relations between the two countries through communicating various information and introducing the culture and language of Japan to the people in Uzbekistan. Over 7,000 people attended special training programs, based on the economic progress experience of Japan, as well as courses on entrepreneurship, information technology and the Japanese language. About 490,000 people visited this center and its cultural exchange programs.

In 2009 this indicator made up \$139 million. At the present time there are 10 joint ventures established with the contribution of Japanese investment operated in Uzbekistan. These enterprises are specialized in such areas as transport and logistics, tourism and health care, engineering and metalworking, as well as light industry. The Uzbek-Japanese Business Forum has regularly been carried out since November 2006.

Japan has been one of Uzbekistan's oldest and time-tested partners. The 2009 Intergovernmental Agreement on Liberalization, Mutual Protection and Promotion of Investments has proved a new impetus for boosting Japanese big capital's business dynamism in the Uzbek market. For instance, Mitsubishi Corp. participates in the renovation of a range of enterprises in chemical industry, while specialists of the Uzavto-anoat automotive association have been introducing new models of cars at the SamAuto plant in partnership with Itochu, a Japanese automotive group. In addition, joint projects in high-tech areas have been under way with Sumitomo.

While attending the 43rd annual meeting of the Board of Governors of the Asian Development Bank, the leadership of the Japan International Cooperation Agency (JICA) signed a new deal with the government of Uzbekistan worth \$300 million to modernize Talimarjon heat power plant in the Kashkadarya region. It has been a testament to the robustness of mutual relations built between Japan and Uzbekistan.

The total volume of financial means granted by Japan to Uzbekistan during the past period reached about \$2.32 billion, including \$1.248 billion within state preferential credits of the Official Development Assistance (ODA) program, about \$721 million for the development of the fuel and energy complex by commercial credits of the Japan Bank for International Cooperation (JBIC) and over \$350 million within the framework of granted technical assistance. Cooperation on educational and cultural spheres is also a significant branch of bilateral relations. So, for the past 10 years, within the framework of grants of the Japanese government, 192 young Uzbek people have been sent to leading universities in Japan to study. Moreover, the

One should note that despite the successful activity of such Japanese corporations as Isuzu and Itochu (automobile production), Sumitomo (telecommunications) and Mitsubishi (chemical industry) in the Uzbek market, both countries have potentials not in use yet.

Today, cooperation on joint exploring and developing of oil, gas, shale oil and rare metals deposits, enlarging of industrial and transport infrastructure, producing power energy outfits, developing power efficient technology and alternative energy supply, IT and telecommunication fields, constructing automobiles and producing household appliances are the most prospective trends of Uzbek-Japan relations.

Modern Uzbekistan proposes to Japan qualitatively new approaches to economic investment cooperation by means of implementing Japanese modern and high technological equipment and techniques in various industrial fields of the republic. The upcoming official visit of President Karimov to Japan, at the invitation of H.E. Prime Minister Naoto Kan, will undoubtedly open a new age of both countries' mutual relationship.

World Heritage: The Sherdor Madrassa is part of the Registan complex in Samarkand.



Local production: A Uzbekistani factory makes Isuzu buses for the country.



Modernity: Downtown Tashkent, the capital of Uzbekistan

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**Heartiest Welcome**  
to His Excellency  
**Mr. Islam Karimov,**  
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on the Occasion of  
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