

Global Financial Crisis: Challenges for Employment, Modernization and Sustainable Growth in Uzbekistan

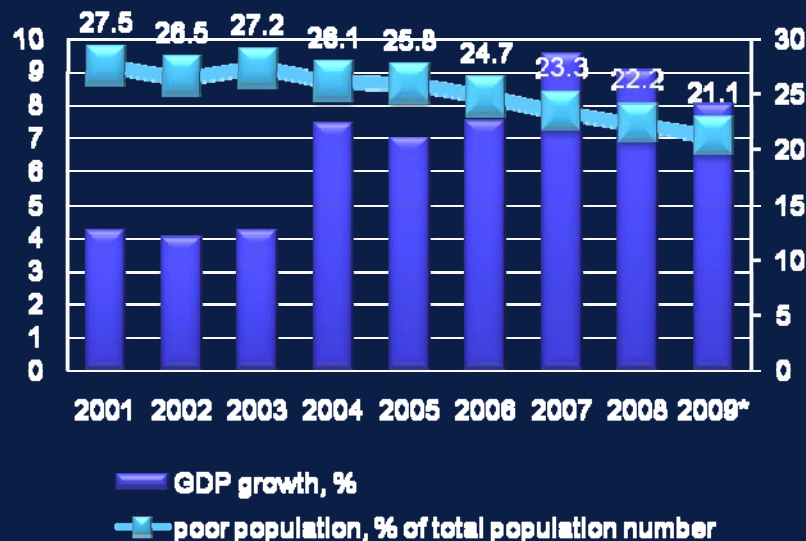
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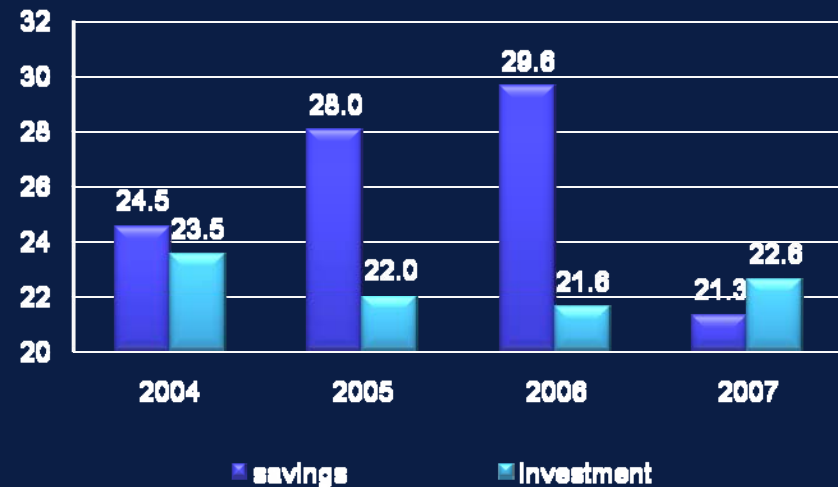
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Uzbekistan in 2004-2008

GDP growth and poverty

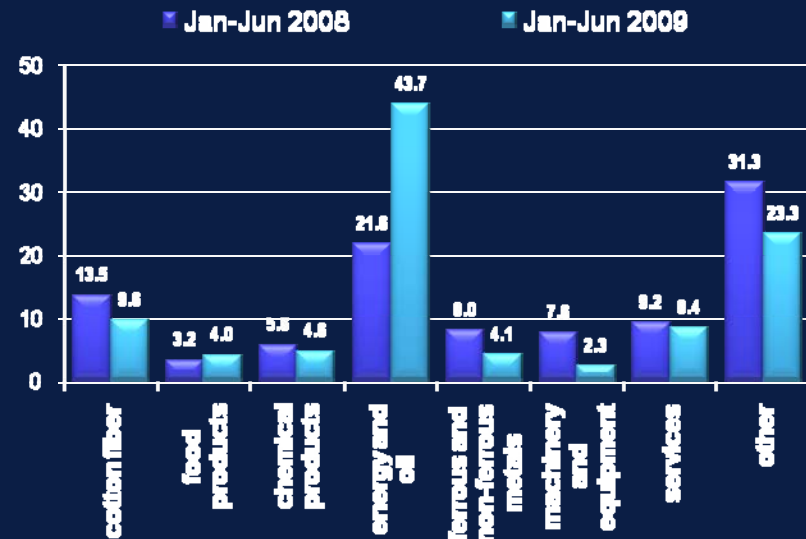
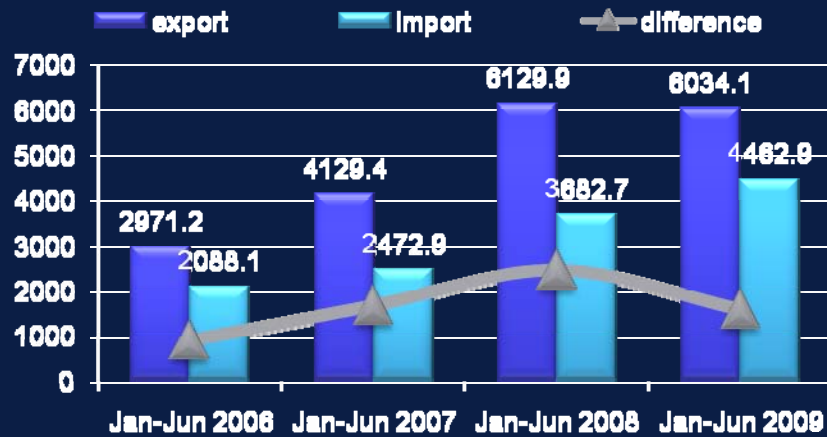


Savings and Investment, % of GDP

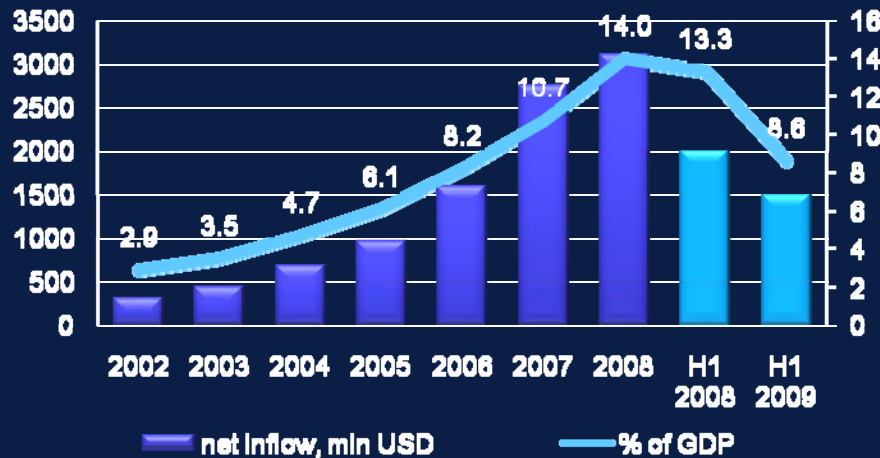


- Accelerating economic growth and export
- Poverty reduction
- Accumulating reserves

Crisis in 2008-2009: implications



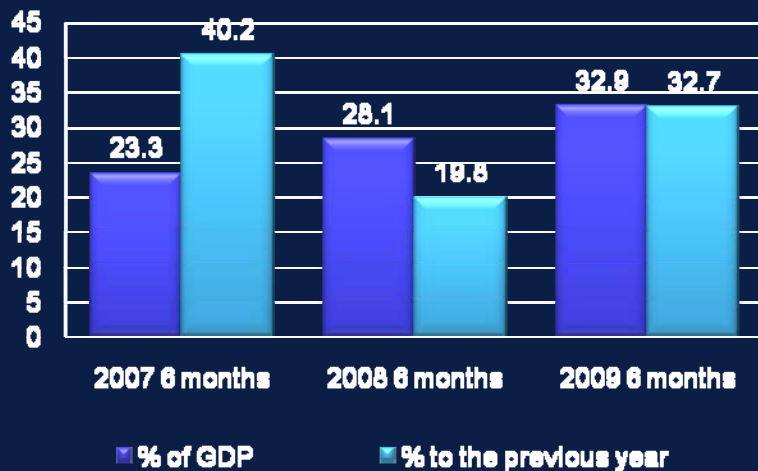
Remittances of labor migrants



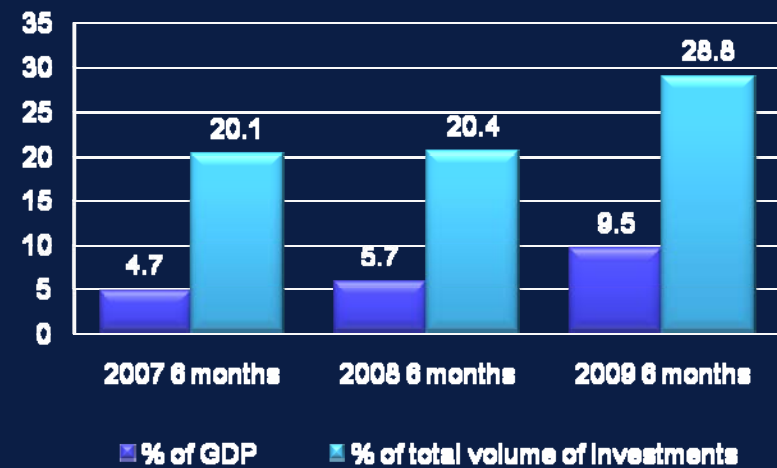
- Foreign trade
- Remittances of labor migrants

Crisis in 2008-2009: supporting the investment activity

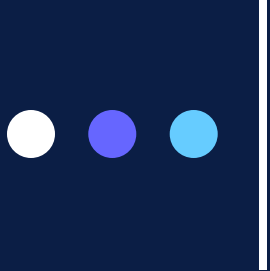
Dynamics of Investment growth, %



Dynamics of foreign Investments, %



- Reducing the tax burden on the corporate sector and population
- Growth of real incomes of the population
- Privileges and stimuli for foreign investors

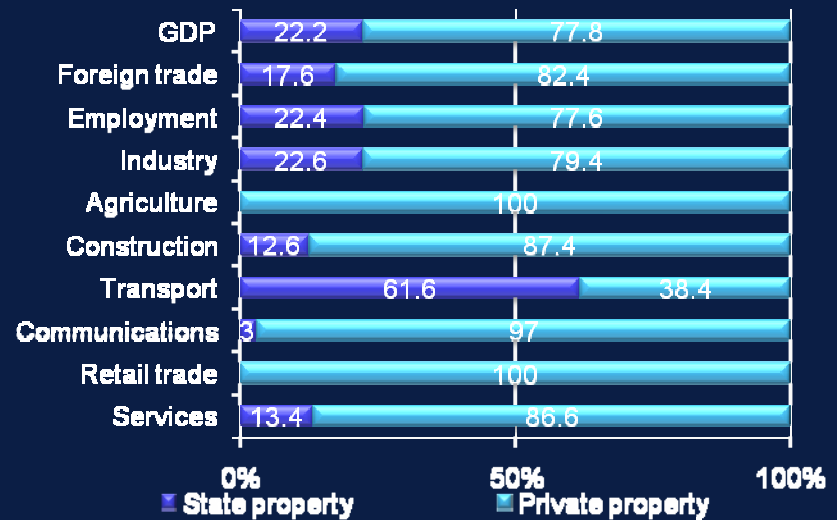
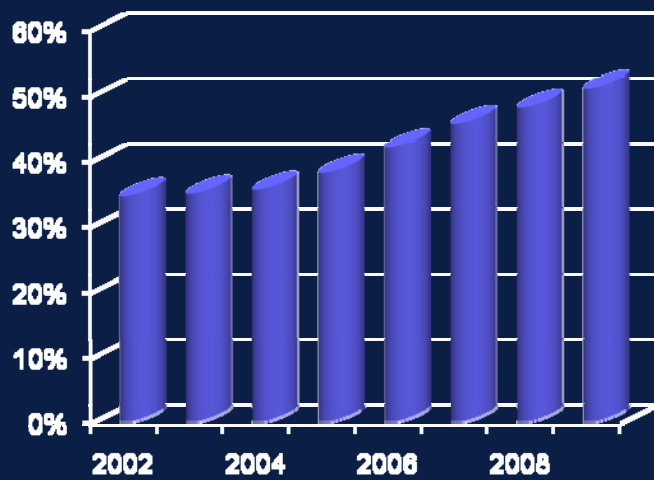


Anti-crisis program: stimulating exporters

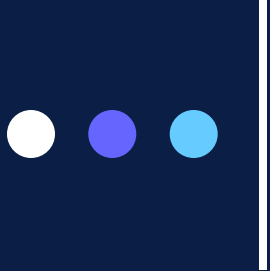
- Tax privileges for exporters of finished textile products
- Temporary reduction of amortization payments
- Debt restructuring for enterprises which underwent technical modernization within the last two years via bank credits
- Reduced lending rate for turnover assets
- Limited growth of prices for natural gas, electricity and water in 2009: no more than 6-8%

Anti-crisis program: stimulating entrepreneurship development

Share of small business in GDP, %



- Reduced single tax payment for small industrial enterprises from 8 to 7%
- Rapidly reduced (up to 10 times) costs of services for doing business: registration, cadastre, architectural, etc.
- Dividend tax exempt for founders of small enterprises

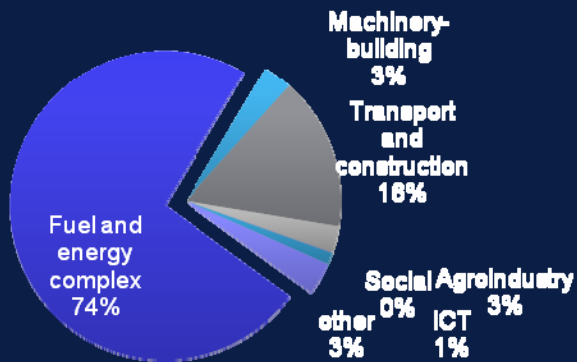


Anti-crisis program: stimulating internal demand, employment and incomes of the population

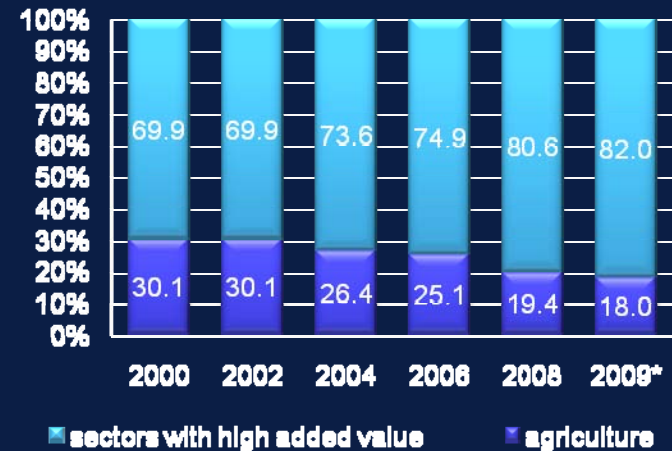
- Large scale national programs on industrial and social infrastructure development
- Increased funding of social programs (education, healthcare, social protection)
- Stimulating industrial cooperation
- Expanding the production of foodstuffs

Prospects of post-crisis development

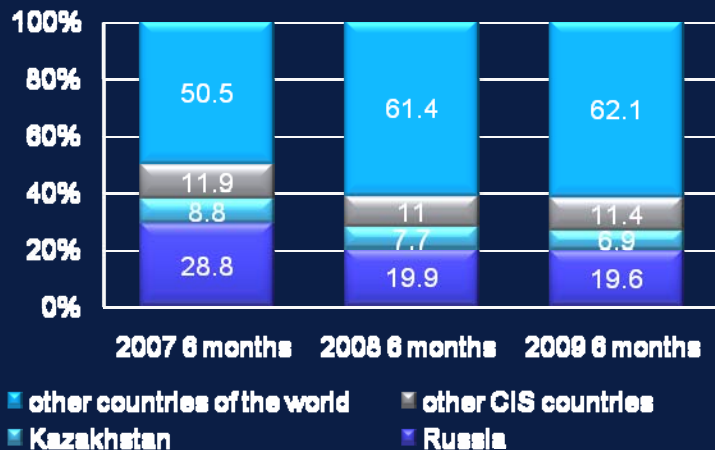
Distribution of Investments by sectors of economy



Changes in the GDP structure, %



Structure of foreign trade



- Accelerated structural transformation: long-term modernization programs (until 2014)
- Increasing the share of goods with high added value in GDP and export structure
- Geographic diversification of export of finished products



Long-term challenges

- Demography and accelerating urbanization process
- Employment and pace of modernization
- The state and private sector
- Large and small business
- Protecting the internal markets and integration processes
- Investment boom and environment