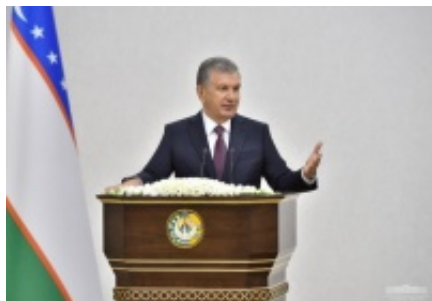


## Results of reforming and developing the country in the first half of the year and priorities for the future are discussed

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**On August 14, 2019, an extended meeting was held under the chairmanship of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to discuss the results of activities carried out on socio-economic development of the country in the first half of 2019, as well as priority tasks of achieving planned forecast parameters for the second half of the year.**

The event was attended by heads of the Chambers of the Oliy Majlis of the Republic of Uzbekistan, Prime Minister and his deputies, Chairman of the Jokargy Kenes of the Republic of Karakalpakstan, khokims of the regions and the city of Tashkent, heads of ministries, agencies, business associations and commercial banks.

Measures taken to ensure macroeconomic stability, modernization of fuel and energy, processing and agro-industrial sectors, comprehensive development of regions, supporting entrepreneurship, improving the social sphere, improving people's wellbeing were deeply analyzed at the meeting.

It was noted that the heads of complexes of the Cabinet of Ministers, ministries, chairmen of committees and economic associations need to radically revise their methods of work, visit regions and remote villages more often, provide khokimiyats, entrepreneurs and local leaders with practical assistance in identifying and solving problems at the grass-roots level.

From now on, all the heads of complexes should visit regions together with ministers on a quarterly basis and solve the existing problems in relevant areas, and report to regional Kengashes of people's deputies and activists.

In turn, khokims of regions, following this principle of work, together with deputies and heads of regional administrations will have to visit districts every quarter, solve problems, then report to district Kengashes of people's deputies and assets.

The Chambers of the Oliy Majlis and the Cabinet of Ministers were pointed out the need for introduction of a new system involving participation of senior managers and khokims to work at the grassroots level, followed by hearing their reports.

Issues of macroeconomics, structural reforms, financial-banking system and private entrepreneurship were discussed at the meeting. It was noted that in the first half of this

year the volume of gross domestic product increased by 5.8 percent, industrial production by 6.9 percent. More than 2.6 trillion UZS or 1.5 times more than in the same period last year remained at the disposal of local budget. Budget revenues amounted to almost 51 trillion UZS or 109 percent of the forecast.

Instructions were given to ensure a balance between revenues and expenditures of the State budget, find and mobilize reserves for additional revenues to local budgets.

The need for fundamental reform of the banking system, introduction of new types of banking services and improving their quality was noted.

The Head of the state focused on issues of preventing a sharp rise in prices.

In the first six months of this year, inflation amounted to 5.6 percent and did not exceed the forecast figures. Responsible persons were instructed to take necessary measures on preventing inflation growth in connection with gradual introduction of market principles in tariff and price regulation.

Issues of development of small business and private entrepreneurship were discussed in detail, a new system of work in this area was defined at the meeting held in August. The Ministry of Economy and Industry has established an Agency for Development of Small Business and Entrepreneurship, which will manage the State Fund for business support and work closely with commercial banks and insurance companies.

The need for involving population in entrepreneurship, providing employment and increasing their incomes through introduction of this new system at places was noted at the meeting.

The issue of increasing the role of industry in the economy was also discussed.

"Over the past year, the share of industry in gross domestic product has increased from 26 to 30 percent, but this still does not correspond to the scale of reforms we have initiated", said Shavkat Mirziyoyev.

Recommendations were given on acceleration of implementation of 25 investment projects in Navoi Mining and Metallurgical Complex, 18 projects in Uzeltehsanoat JSC, 7 projects in Uzavtosanoat JSC and 5 projects in Almalyk Mining and Metallurgical Complex to put new capacities into operation till the end of this year.

The need for organizing production of almost 100 types of consumer goods through industrial cooperation, targeted work with enterprises to promote the increase of their capacity was noted.

This year, which was declared as the Year of Active Investments and Social Development in Uzbekistan, large-scale activities are being carried out on attracting and developing, first of all, foreign direct investment.

The effectiveness of these measures is evidenced by the fact that in the first half of the year, almost 86 trillion UZS of investments were attracted, that is, 1.6 times more than in the same period last year. As well as, development indicators of foreign direct investment increased by 2.7 times, attracting funds from international financial institutions – 3.7 times.

It should be noted that the share of investment in gross domestic product exceeded 38 percent for the first time in the history of the country. In previous years, the figure had not reached 25 percent.

The need for timely and qualitative implementation of tasks on increasing the attraction of investments and the volume of exports, identified at the meeting on August 12, was emphasized.

Systemic reforms are being implemented to develop the fuel and energy sector and basic sectors of the economy. The Ministry of Energy has been organized to implement a unified state policy in this direction.

The need for progressive development of the industry, constant expansion of raw material base to meet the growing domestic needs was noted at the meeting.

Specific instructions were given to reduce losses in production and supply of electricity, streamline the payments system for energy resources, reduce accounts receivable.

The importance of ensuring the commissioning of 4 enterprises that will produce new types of chemical products by the end of the year, as well as accelerating the work on 31 investment projects in chemical industry was noted.

Additional tasks were identified for further development of automotive industry, agricultural machinery, electrical industry, localization of production of component parts, reducing production costs, increasing production and exports.

Issues of complex development of regions and communication infrastructure were considered.

During the reporting period, large-scale activities have been carried out on comprehensive development of regions, construction of houses, road logistics and social infrastructure. Thus, within the framework of "Obod qishloq" (Prosperous village)

program, 478 villages in 159 districts have acquired an updated look, drinking water, gas and electricity networks have been connected to them. The construction and repair of 3.6 thousand kilometers of roads has been completed.

Tasks of continuing activities in this direction, meeting people's needs in housing, improving social conditions were considered.

The need for completing the construction of 10 thousand individual and 111 apartment buildings, construction and reconstruction of 1.2 thousand kilometers of drinking water supply and sewerage networks, ensuring special control over the quality and cost by the end of this year was noted.

During the discussion of quality of services for transportation of passengers and cargo on transport, responsible officials were instructed to build and repair roads of national and local importance with a length of 10 thousand kilometers, organize joint transport and logistics enterprises for international cargo transportation, transfer international airports of Bukhara, Karshi, Nukus and Termez to the open sky mode, create a Navoi dry port.

Tasks concerning the increase in production of construction materials, improvement of town-planning norms and process of design, environmental protection were defined.

Results of development of agricultural sector and food industry were also analyzed at the meeting.

Over the past three years, many normative-legal acts and programs aimed at sustainable development of the industry, increasing production have been adopted. Economic mechanisms have been introduced to increase farmers' interest and income.

Today, 70 percent of domestic consumer products are created in this industry. More than 180 agricultural products are exported to 80 countries, accounting for 20-25 percent of all export earnings. This sector employs 27 percent of economically active population.

To date, 76 cotton-textile clusters have been organized in 94 districts. More than 7 million tons of grain have been harvested this year. 15 thousand hectares of intensive gardens and 11 thousand hectares of vineyards have been created.

Measures for consistently continuing this work, expanding the planting of vegetables in autumn, increasing yields based on natural and climatic conditions of regions were outlined at the meeting.

The need for launching 12 logistics centers with a capacity of 150 thousand tons and

224 refrigerated warehouses with a capacity of 143 thousand tons by the end of this year was noted during the consideration of development of infrastructure of collection, storage, processing, packaging and export of products.

Specific measures for organization of grain-growing clusters, livestock, poultry and fish-breeding complexes, wide introduction of water-saving technologies were defined.

Social development issues were also discussed at the meeting.

In particular, the concept on long-term development of public education and health was adopted. The amount of social workers' wages increased by an average of 1.5-2 times.

14 new higher education institutions were established during the reporting period, including 6 national and 8 foreign universities. Training was organized in 40 new areas of education and 41 new specialties. Admission quotas have been increased by 20 percent compared to the last year.

As a result of measures taken to accelerate the development of tourism in the first six months, more than 3 million foreign tourists visited Uzbekistan, which is 30 percent more than the last year. As well as, 28 percent more tourism services were exported than in the same period of the last year.

100 billion UZS have been allocated for development of women's entrepreneurship. During the first half of the year, 41 percent of these funds were disbursed, 1,755 projects were implemented by women and 2,240 jobs were created.

"Systematic work and discipline in all government agencies and enterprises, unconditional implementation of decisions, full support and practical assistance to entrepreneurs should and will be the main factor in effectiveness of our reforms", said the President.

The Prime Minister and his deputies, heads of ministries and agencies, economic associations, heads of regions presented reports on effectiveness of their work, expected results for the first 9 months and 2019, implementation of priority tasks. Following the meeting, appropriate measures were identified.

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