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By Mete Goknel



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# Economic Development of Uzbekistan

By Ali Kulebi

The strategic country Uzbekistan which lies in the heart of the Central Asia is consolidating its Republic since the year 1991, the year it was established. By the successful administration of President Islam Kerimov, Uzbekistan succeeded in the fight against the foreign supported terrorism and anti-progressive activities while the transition period after the independence. Life standards of the people increased by the successful steps for democracy, law and econom-

More than 7.3 million tons of wheat produced and 4.4 million tons of cotton collected.

ics while Uzbekistan prevented the foreign intervention. Uzbekistan's stability and successful administration helped its southern neighbor Afghanistan to prevent the problems get worse. This successful achievement also helped for protecting Central Asian peace.

By the Neighborhood Foundation system, democracy is risen from bottom to top. Uzbekistan had a fast change on economics and finance in its first independence years because of the centralist policies of the Soviet Union

which was suggesting regional countries to not to have a self – sufficient economy. Legal arrangements and norms are established in this period for trade relations with outside world

Success is certain today with the point achieved. World Economic Crisis did not affected Uzbekistan besides this in spite of the gross national product decrease in the other developing countries, gross national product of Uzbekistan had a development rate of 8.3% in 2009. New legal arrangements in bank sector and stabilizing the foreign loaning prevented Uzbekistan from the effects of the Economic Crisis.

## Success of Economical Reforms

Five main principles which was proposed by President Kerimov are the fundamentals for the transition period to free market economy in Uzbekistan.

In this sense the key elements of this success are economy priority over politics, state's regulator role, superiority of constitutional order, protection of the people by social precautions in accordance with the free market economy and trade laws for developing investments.

By these principles and their application:

Gross national product was increased with a rate of 8.3%, production volume of industrial goods were increased to 9%, agricultural goods increased to 5.7%, goods circulation by retail increased to 16.6%, paid services to people are increased to 12.9%.

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produced and 4.4 million tons of cotton collected.

Expected inflation has a low rate like 7-9% in 2010.

Peoples' trust to local banks is protected, deposit volume of banks in Uzbekistan is increased by 1.7 times when it is compared to the year 2008.

Financial investment projects such as modernization of strategic economic fields and support for small and private managements are aided for long term.

Investment volume of Uzbekistan economy was increased by 8.2 US \$ in 2009.

After the beginning of economical

reforms taxes which worth 60% of GNP, have been decreased to 20% and taxes upon the private enterprises and companies were decreased by 7%.

Rate of supported foreign investors increased to 68% and more importantly most of the investments became direct investments. Nevai Free Economical Industrial Site which is developed for supporting the investments has a 90 Km distance to Buhara and has a 110

Km distance to Semerkant. It is 2 km far away from the international highway "E 40" and it has a 2.5 km distance to the Nevai International Airport. It can service to more than 100 millions of people in a area which has a diameter

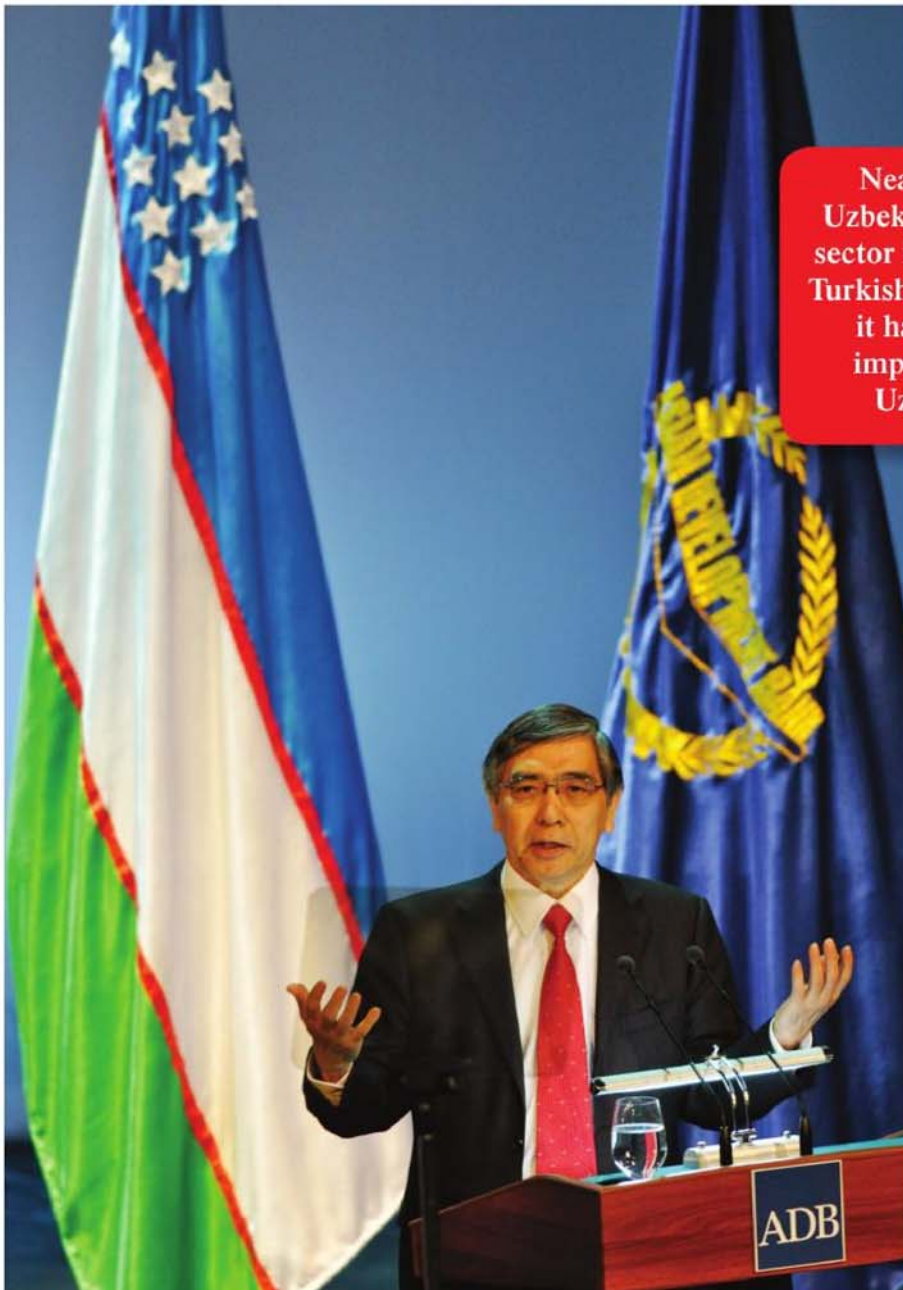
of 2000 km. This fact gives the chance to trade produced goods to European and Asian consumers. Also the airport in the region connects the Central Asia to outside world.

With those achievements and applications Uzbekistan increased its development speed and Uzbekistan had definite and successful results for getting over the global economical crisis by anti - crisis precautions packages. It was proved that it is possible to use economical and political potential of the Uzbekistan to reach development and prosperity goals.

In addition to all these developments, 940.000 people were employed with the economical precautions in 2009 and this is an important number for a country which has a population of 30 millions.

As a result of all these positive de-

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With this sense, Uzbekistan became a member of Shanghai Cooperation Organization in 2001 to make policies for border security, terrorism, economy and culture with the countries of the region. They also had precautions for fighting against a foreign intervention and exploitation of natural sources of the region.

Uzbekistan also became a member of organizations such Commonwealth of Independent States, Eurasian Economic Community and Organization of the Islamic Conference. It is clear that Uzbekistan gives a high level of importance to international relations in the recent years.

In this sense, "Precautions Against the Global Economical Crisis and Expectations After the Crisis" conference which was led by Kerimov in 12th of April was assumed to be an important step.

Uzbekistan is also a member of the Asian Development Bank since 1995. ADB is a trustworthy partner for Uzbekistan and ADB provided 1.2 Billion \$ credit for Uzbekistan last year. 29 successful projects have been completed with this credit. ADB's yearly conference was held in Central Asia for the first time in 4 May 2010. It is an important achievement for Uzbekistan because of its close partnership with ADB.

Development potential of Uzbekistan textile sector encouraged Turkish Businessmen to invest Uzbekistan. Nearly 60% of Uzbekistan's textile sector is managed by Turkish businessmen, it has a crucial importance for Uzbekistan.

Kerimov's Uzbekistan continues with the slow and stable economical development. Kerimov also successes at keeping the stability in such a complicated region and hard conditions. The harder quest is to achieve these successes under the pressure of the big world powers.

developments success of Uzbekistan's anti crisis package has been confirmed by institutions such as IMF, World Bank and Asian Development Bank.

Important results have been achieved about socialization of the youth which consists the more than half of the Uzbekistan population. Year 2010 have been announced as the Developed Youth Year. Aim is to prepare the youth for 21st Century conditions and to build a youth which has a high level of consciousness. For this project,

8 Trillions of Uzbek Som have been invested.

### International Approaches of Uzbekistan

Uzbekistan is located in the middle of the Central Asia, and it has borders with Turkistan, Kazakhstan, Kirgizstan, Tajikistan and Afghanistan. Uzbekistan has no coasts so it has no direct way to reach to the seas. Transporting the Uzbekistan's riches has a crucial importance because of those conditions.