-Uzbekistan-

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GENERAL FEATURES OF TRADE POLICY

The following table is an overview of the tradeflow between the European Union and Uzbekistan

Section	Year	Import(Euro)	Export(Euro)
Animals & animal products	1996	374,460	54,260,010
	1997	368,050	45,310,810
	1998	1,189,730	24,866,560
	1999	1,460,780	16,923,570
	2000	343,060	3,251,600
	2001	1,856,340	504,020
	2002	400,900	3,393,420
	2003	550,990	7,296,740
Vegetable products	1996	236,200	98,899,020
	1997	741,760	44,406,350
	1998	3,219,630	39,120,010
	1999	932,510	5,389,300
	2000	4,185,720	4,934,180
	2001	7,374,230	5,484,570
	2002	5,889,370	3,559,160
	2003	7,494,990	4,399,440
Animal or vegetable fats	1996	46,390	9,303,440
	1997	0	26,828,950
	1998	0	9,855,970
	1999	0	3,638,280
	2000	0	2,898,920
	2001	0	1,780,550
	2002	0	827,080
	2003	0	433,810
Prepared foodstuffs	1996	7,690,990	55,376,150
	1997	2,889,060	38,227,720
	1998	889,440	38,761,990
	1999	72,970	28,089,670
	2000	638,360	16,115,980
	2001	2,163,030	27,581,210
	2002	115,400	13,284,180
	2003	467,670	14,391,860
Mineral products	1996	2,325,210	1,658,640
	1997	268,500	3,516,460
	1998	850,570	2,613,310
	1999	19,248,270	2,714,340
	2000	9,467,700	2,642,570
	2001	13,896,710	5,041,820
	2002	210,590	3,150,830
	2003	207,830	2,099,910

Chemical products	1996	211,430	48,704,450
	1997	150,680	56,098,290
	1998	650,870	31,733,860
	1999	3,315,260	40,851,740
	2000	4,949,230	46,243,840
	2001	5,369,470	42,604,810
	2002	6,035,850	45,781,340
	2003	8,249,710	49,584,010
Plastics & rubber	1996	450	14,934,160
	1997	3,780	20,009,600
	1998	27,400	18,327,720
	1999	4,120	11,654,690
	2000	13,850	14,469,060
	2001	77,860	17,919,150
	2002	135,050	15,203,220
	2003	89,150	10,366,720
Hides & skins	1996	69,690	2,077,150
	1997	13,680	2,801,530
	1998	194,650	2,932,090
	1999	216,240	929,990
	2000	257,280	878,900
	2001	888,740	669,580
	2002	667,160	748,990
	2003	332,610	560,390
Wood & wood products	1996	16,680	1,289,220
	1997	2,640	2,398,620
	1998	100,320	2,648,470
	1999	222,950	729,020
	2000	425,090	821,750
	2001	114,870	573,930
	2002	55,940	396,800
	2003	125,510	389,520
Wood pulp products	1996	359,580	8,786,980
	1997	373,580	12,785,340
	1998	2,300	11,171,830
	1999	9,550	17,598,760
	2000	5,350	14,719,860
	2001	17,080	19,192,170
	2002	28,470	12,517,670
	2003	52,780	10,493,860
Textiles & textile articles	1996	428,692,590	7,045,260
	1997	430,795,670	6,057,810
	1998	389,541,600	8,482,340
	1999	263,964,370	4,989,630
	2000	291,355,750	4,612,130
	2001	264,729,980	4,706,400
	2002	203,501,580	6,040,570
	2003	162,903,720	5,550,540
Footwear, headgear	1996	0	1,451,740
	1997	0	1,542,100
	1998	0	1,509,670
	1999	0	1,207,870
	2000	79,430	1,534,890
	2001	30	1,614,300
	2002	110	1,485,580
	2003	5,790	1,563,990
Articles of stone, plaster, cement, asbestos	1996	1,740	5,405,510
	1997	17,020	9,834,260
	1998	44,800	7,231,700
	1999	24,920	3,134,120
	2000	3,730	3,446,670

	2001	2,700	3,206,480
	2002	18,120	2,707,760
	2003	42,460	1,465,080
Pearls, (semi-)precious stones, metals	1996	24,212,480	2,100,520
	1997	60,285,420	2,771,310
	1998	27,264,050	7,141,760
	1999	76,446,830	4,231,490
	2000	121,640,900	2,865,510
	2001	243,666,310	11,368,800
	2002	544,571,540	7,050,170
	2003	295,184,210	2,131,350
Base metals & articles thereof	1996	33,910,560	40,478,270
	1997	39,076,440	29,876,250
	1998	23,160,920	26,338,520
	1999	18,611,060	39,353,810
	2000	38,901,850	28,386,780
	2001	41,907,460	31,777,390
	2002	22,077,760	21,930,610
	2003	23,068,470	14,034,020
Machinery & mechanical applicances	1996	1,041,230	239,201,490
	1997	964,470	258,061,440
	1998	1,270,920	188,983,660
	1999	1,679,230	231,750,810
	2000	4,498,080	215,217,940
	2001	3,915,060	262,726,920
	2002	1,955,640	213,506,540
	2003	481,710	183,321,120
Transportation equipment	1996	134,410	32,194,470
	1997	9,780	30,111,690
	1998	93,180	12,624,010
	1999	85,610	6,614,300
	2000	19,356,310	40,340,670
	2001	199,960	17,281,280
	2002	43,220	21,091,420
	2003	168,080	21,155,890
Instruments - measuring, musical	1996	74,250	10,497,510
	1997	232,910	18,496,960
	1998	290,330	15,289,840
	1999	524,050	10,520,820
	2000	120,530	14,321,740
	2001	159,590	30,760,860
	2002	55,180	17,375,190
	2003	239,360	18,432,070
Arms & ammunition	1996	0	1,040
	1997	0	19,360
	1998	0	38,280
	1999	0	5,350
	2000	0	40,200
	2001	39,270	20,490
	2002	0	865,750
	2003	2,880	32,050
Miscellaneous	1996	17,520	8,695,570
	1997	17,440	15,127,560
	1998	17,690	15,095,630
	1999	12,450	7,683,060
	2000	7,530	7,658,670
	2001	24,190	11,442,840
	2002	27,510	10,482,820
	2003	19,760	6,557,160
	1996	2,800	19,910
	1997	97,890	2,120

Works of art	1998	8,240	1,160
	1999	186,990	9,480
	2000	168,250	11,990
	2001	146,640	60,090
	2002	3,840	5,670
	2003	3,930	0
Other	1996	1,080,890	4,668,910
	1997	379,020	4,032,160
	1998	13,569,920	4,201,880
	1999	970,500	7,371,900
	2000	607,850	7,463,270
	2001	3,626,250	5,457,230
	2002	4,772,730	5,669,250
	2003	701,460	2,891,550

Agriculture and Fisheries
last updated on 2002-05-14

Agriculture is the single most important sector in the Uzbek economy. Privatisation and farm restructuring are changing the role of the state and agricultural support institutions, and are creating a need for farm advice, planning and market support programmes. The privatisation of the processing and distribution sections of the food chain means efficient market mechanisms need to be created to replace the integrated, planned system.

Uzbekistan's relative economic success was mainly due to its favourable economic structure. The country remained a primary commodity exporter (cotton, gas, oil, gold) with a low value-added manufacturing sector. Despite the difficult terrain (60 % is desert, steppe, or semi-arid land and only 10 % is cultivated), agriculture accounts for about 25% of GDP and employs about 40 % of the labour force. However the dependency on exports of primary goods makes the country extremely vulnerable to shifts in world commodity prices.

Primary commodities, together with cotton fiber, account for about 75 % of Uzbekistan's merchandise exports, with cotton alone accounting for 40 %. Uzbekistan is the world's second largest cotton exporter having supplied in 1999/2000 6% of the world's cotton production. In recent years, Uzbekistan was increasingly faced with strong competition on the world cotton markets from the US and China. The country's economic crisis in 1998-1999 was exacerbated by the impact of a severe drought on the cotton and rice crops output in 2000, prompting the Uzbek authorities to call for international aid.
The textile agreement which was initialled in 1993 and was applicable until 31 December 1999, has been renewed and is now applicable until 31 December 2004. It does not envisage quantitative restrictions, except for certain products of category 2 (mainly cotton products). Uzbekistan benefits from the Generalised System of Preferences since 1 January 1993.

Uzbekistan includes the southern part of the Aral Sea with a 420 km shoreline.

Numerous territories are irrigated and produce cotton and other agricultural products.

Automotive
last updated on 2003-02-03

Concerning cars produced in Uzbekistan, in particular UzDaewoo, they are exempt from the export excise tax excluding cases when the exporter is a private person or legal entity which has no dealer agreement with UzDaewooAuto. According to the legislation of Uzbekistan all businesses including automotive production can benefit from a 5 year tax holiday if the company have 500 000USD in assets and produces export goods or substitutes of import goods.
In 2002 new excise tax rates have been introduced which range from 70 to 100% depending on the volume of engine of imported vehicles.

Services - Energy last updated on 2004-03-29

Central Asia's plentiful oil and natural gas reserves have made the region an increasingly important area for world energy supply security. The TRACECA Program (Transport System Europe-Caucasus-Asia, informally known as the Great Silk Road) was launched at a European Union (EU) conference in 1993, bringing together trade and transport ministers from the Central Asian and Caucasian republics to initiate a transport corridor on an east-west axis, leading to increases in oil and natural gas production from Central Asia. Export pipelines, especially for natural gas, are still needed in order to facilitate further increases in Central Asia's energy production.

OIL

Uzbekistan is estimated to contain 594 million barrels of proven oil reserves, with 171 discovered oil and natural gas fields in the country. The Bukhara-Khiva region contains over 60% of Uzbekistan's known oil fields, including the Kokdumalak field, which accounts for about 70% of the country's oil production. In addition, the Fergana region contains another 20% of the country's oilfields, and the Ustyurt plateau and the Aral Sea have been targeted for further exploration. Oil deposits in Kokdumalak, Shurtan, Olan, Urgin and south-Tandirchi (all in southwestern Uzbekistan) are being developed rapidly.

As a result, despite a drop in oil production in the past few years, Uzbekistan has more than doubled its petroleum output in the past decade. From 65,500 barrels per day (bbl/d) in 1992, Uzbekistan increased its oil production to 161,000 bbl/d in 1998. Combined with the country's decrease in oil consumption (from 190,400 bbl/d in 1992 to 130,000 bbl/d in 2000), in 1996 Uzbekistan became a net oil exporter. However, Uzbekistan's oil and gas condensate production has been declining in the past few years as existing fields are exhausted faster than new commercial reserves are discovered. Uzbekneftegaz, the state oil and natural gas company, expects liquid hydrocarbon production in the country to fall to 120,000 bbl/d in 2005.

In an effort to stem the decline in Uzbekistan's oil production, the Uzbek government is seeking foreign investment in the country's oil sector. Uzbekistan is offering a 49% stake in Uzbekneftegaz, the holding company that was created out of nine companies in 1998 to unite the country's entire oil and natural gas sector. Since independence, the Uzbek government has invested over $1.2 billion in modernizing Uzbekneftegaz, but the flow of money into the Uzbek upstream has been far slower than in other Central Asian nations due to Uzbekistan's strict currency controls.

Downstream/Refining

Uzbekistan has three refineries, at Fergana, Alty-Arik, and Bukhara, with a total refining capacity of 222,000 bbl/d. The Bukhara refinery, which was the first refinery built in the Commonwealth of Independent States since the breakup of the Soviet Union and cost in excess of $400 million, currently has a capacity of 50,000 bbl/d, although it is expected to expand to 100,000 bbl/d and refine both crude oil and gas condensate. Due to the country's decline in oil production in 2001, Uzbek refineries operated well below-capacity during the year. Uzbekistan's limited refined product exports move by rail and road to neighboring countries and to export ports on the Black Sea.

Along with joint ventures with foreign investors, Uzbekistan is looking to refinery modernization as a crucial component of the country's strategy to attain self-sufficiency in oil.

Natural Gas

With estimated natural gas reserves of 66.2 trillion cubic feet (Tcf), Uzbekistan is the second largest natural gas producer in the Commonwealth of Independent States (after Russia) and one of the top ten natural gas-producing countries in the world. Uzbekistan produces natural gas from 52 fields in the country, with 12 major deposits--including Shurtan, Gazli, Pamuk, Khauzak--accounting for over 95% of Uzbekistan's natural gas production. These deposits are concentrated in two general areas: the Amu Dar'ya Basin and in the Mubarek area of the southwest part of the country.

Since becoming independent, Uzbekistan has increased its natural gas production by over 30%, from 1.51 Tcf in 1992 to 1.99 Tcf in 2000. According to preliminary 2001 data, Uzbek natural gas production increased to 2.03 Tcf for the year. However, Uzbekistan's natural gas fields were heavily exploited in the 1960's and 1970's by the Soviet Union, and as a result several older fields, such as Uchkyr and Yangikazgan, are beginning to decline in production. In order to offset those declines, Uzbekistan is speeding up development at existing fields, such as Garbi and Shurtan, as well as developing new fields and exploring for new reserves. The Shurtan field, which began producing in 1980 and is the second biggest in the country after Gazli, accounted for approximately 36% of Uzbekistan's total natural gas output in 2000.

Coal

Uzbekistan has estimated coal reserves of 4.4 billion short tons, the majority of which are located in just three deposits. Approximately 75% of Uzbekistan's coal reserves are lignite and subbituminous brown coal.

Electricity

Uzbekistan has 37 power stations, with a combined installed generating capacity of 11.7 gigawatts (GW). Much of Uzbekistan's electric power is generated from natural gas-powered plants, with smaller amounts generated from coal and hydroelectric facilities.

Nevertheless, owing to significant line losses in the country's deteriorating power infastructure, much of the electricity that Uzbekistan generates never reaches customers. As a result, Uzbekistan is actually a net electricity importer. However, the Uzbek government has developed a plan to increase the country's electric-generating capacity by attracting foreign capital and loans to reconstruct and upgrade a number of Uzbek power plants.

In March 2002, Uzbekenergo, the state power company, announced plans to call for an international tender later in 2002 to reconstruct the 1,860-MW Tashkent State Regional Power Plant. The $221-million project will include the construction of a new power-generating unit with a 370-MW steam gas turbine. The reconstruction will take 28 months, according to a feasibility study for the project prepared in 1999 by Japan's Mitsubishi Corporation and approved by the Uzbek government.

Uzbekistan also attempts to attract foreign investment to revamp electric power systems and stations in Navoi, Mubarek, and other cities, as well as to modernize the electric power grid in Tashkent. ABB Lummus has begun a feasibility study of a $60-million project to rebuild the heat and power plant in Mubarek, increasing its capacity from 60 MW to 100 MW