ECONOMY, INDUSTRY, AGRICULTURE, INVESTMENTS

UZBEKISTAN IN YEARS OF INDEPENDENCE

"UZBEKISTON"

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Economic survey
during 1991 - 1996

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UZBEKISTAN ON THE PATH OF ECONOMIC GROWTH

Dear participants of the meeting,

It has become a tradition to sum up periodically, at least quaterly, as a rule, the results of the ongoing economic reform; to carry out a systematic analysis of the changes that are taking place in the economy and the social sphere; to evaluate how and to what extent the objectives and the tasks we have put before us are being fulfilled.

All this gives us the possibility to determine objectively what we have done, what positive changes have been achieved, how far we have advanced along the path of reforming; and at the same time to openly announce what hold back impede us to point out the bottle-necks and barriers constraining our movement forward, and to discover reserves still inactivated. In other words, to have a complete and real picture of the state of affairs.

Summing up the results of the first half-year, we must in the first place highlight and evaluate the implementation of the most important principles and priorities of the reforms taking place in the Republic, having in mind that only a strict and consistent fulfilment of the planned indicators and the course of the reform is a fundamental condition for the sustained development and advancement.

Taking into account such pre-requisities we shall make balance of all that has been done over the previous period.

Dear friends,

Giving an objective evaluation of our possibilities and prospects, for the first time during the celebrations of the 4th anniversary of the Uzbekistan's independence (September the 1st, 1995) I expressed my conviction that the year 1996 would be a crucial one for Uzbekistan, would be a year of growth.

The results of the first half-year of 1996 have really become crucial, have become a concrete confirmation of a progressive growth for our economy.

Analysing the results of the last six months we clearly percieve that we have grounds to declare now that Uzbekistan has overcome the most difficult, most hard initial period of reforming and economic recovery. Our economy, backed by the solid foundations of legal regulations, institutional changes and new relationships in the society, stage by stage, is heading towards the market economy, is turning out more stable and solid.

This is proved by both the macroeconomic indicators and the parameters describing the performance of the branches of economy, first of all by the decisive key country's areas, some sectors of economy, an overall situation in the financial and banking spheres of activity.

Objectively and critically evaluating the results of the 1st half-year, it is possible now to draw following conclusions.

First conclusion. *Sound macroeconomic stabilization has been achieved which represents the most important result of a successful reforming of our economy.* What does it mean? In the first place, the inflation has been bridled. We can openly declare that we have managed to overcome the inflation, to find mechanisms to fight it and put it under control. Even taken into account energy, transport and communal services price liberalization along with seasonal fluctuations, monthly average of the inflation rate was about 4 per cent over the last six months. This figure is as twice as less than in the same period of the previous year.

Money supply has been more strictly controlled. Average monthly rate of increase in cash emission was 1.3 per cent less in comparison with 1995. The emission of money in cash during the last six months was 15.8 per cent against 20.7 per cent in 1995.

Financial standing of the enterprises and the State as a whole has become more solid. In 1995 the number of loss-making enterprises totalled 630 and we were obliged to apply special measures; now only 58 enterprises have finished this half-year with losses. Nowadays the budget deficit does not exceed 2.1 per cent of gross domestic product, meanwhile in 1995 it was of approximately 3.5 per cent. Besides, in the Republic construction of major objects with the budgetary funds financing is actively under way.

Second conclusion. *National currency, the soum, has been strengthened.*

Over the last nine months the exchange rate between the soum and US dollar has been stable. In November of 1995 it was 35.3 soums for one US dollar, in June of the current year it was 37.6 soums for one US dollar.

Up today we have accumulated foreign asset reserves in gold and hard currency equivalent to nearly seven months of import cover which allow to held trading sessions of National Currency Exchange on regular basis. During the 1st half-year alone the amount of currency sold exceeded 1.5 billion US dollars, the figure that is higher than during the entire 1995. Today we are able to secure the complete conversion of the national currency for current transactions.

Third conclusion. *Privatization scope has turned out more deep and expanded.* It should be stressed that this process has acquired qualitatively new features. If in the first years more attention was given, so to say, to the aspect of quantity, i.e. to number of enterprises that have been changing the form of property, nowadays we must focus more attention on the privatization's quality.

Today it is more important for us what kind of ownership prevails in the privatized enterprises, whether they are all efficient and how they could contribute to the national economy. In 1994 there were 2.9 thousand enterprises in the form of a joint-stock company predominantly of the closed type, actually there are 4.5 thousand joint-stock companies of the open type. The number of registered dekhans' (peasants') farms over the same period has marked an increase from 7.5 thousand to 19.3 thousand. This current year secured the growth by 19.1 thousand in small and private businesses which totalled 83.5 thousand as of July, 1st.

Until recently, privatization was touching upon, as a rule, the small and medium-sized enterprises. Today large enterprises are changing their form of ownership. In the 1st half-year sales of stocks and shares gave 1.7 billion soums, 15.6 times as much as in 1995. Incomes due to the privatization as a whole have amounted to about 3 billion soums.

Nowadays the majority of enterprises became privatized. If in 1993 the share of non-state-owned enterprises was only 39.4 per cent, and in 1994, 57.7 per cent, today their number has reached 82.7 per cent. In 1993 the non state-owned sector employed 48 per cent of labour force, today this figure grew up to 70 per cent.

Nowadays the non-state-owned sector accounts for more than half of industrial output, 95 per cent of agricultural production, 94 per cent of retail sales, 61 per cent of contractor's work.

Forth. *Considerable structural changes in the economy as a result of the implementation of the planned investment projects have taken place.*

Undoubtedly, the positive change is *that the degree of processing of many source of raw materials has increased.* The share of finished products has grown and many items are competitive in the world market. This year the share of finished products in the global amount of industrial output achieved 65.5 per cent, meanwhile in 1993 it was only 45.0 per cent.

Dynamic development has taken place in those economy branches which not only modify the shape of our economy, providing its self-reliance from the external factors, but also ensure growth of gross domestic product. In the 1st half-year accelerated rates of development were characteristic for the car-making industry which output grew 6 timefolds against the last year level, tractor and other agricultural machinery production increased by 34.4 per cent, production of devices and instruments — by 24.2 per cent, chemical and petrochemical industry showed an increase by 15.3 per cent, machine-tool and tool-making industry — by 13.3 per cent, wood-working, pulp and paper industry — by 18.8 per cent.

This year we keep on strengthening the energy self-reliance of the Republic. Stable development of oil and gas industry has been maintained. Real growth of 230 thousand tonnes in gas condensate, 130 million cubic meters in natural gas, 44 thousand tonnes in coal, having as base the relatively high levels of the previous year, has been secured.

Accelerated development of labour intensive branches, such as textile industry, ferrous and non-ferrous metals industry, building materials industry, construction , services has been secured. This creates possibility to provide maximum employment in our country.

As a major structural shift should be regarded the increase in the consumer goods production. Consumer goods output has grown by 6.3 per cent compared with the last year level, including 3.6 per cent growth in the production of foodstuffs , and 5.8 per cent in non-food products. It is very important that consumer goods production has grown not only in real amount, but also per capita by 4.3 per cent. Nowadays consumer goods are produced by 1450 enterprises, by more than 70 per cent of the total.

As a result of the ongoing structural changes accelerated process of creation of import substituting productions and assimilation of new products is actively under way. During 1995 alone more than 400 new items were produced; 120 new products more have been assimilated in the 1st half of the current year.

Talking about the structural changes and the implementation of major imvestment projects, I would like especially to emphasize an event of exceptional importance for our Republic. I *mean the construction jointly with the Korean Company "DAEWOO" and putting into operation of a motor-car producing plant in the city of Asaka.* The creation of the first motor-car manufacture in the Central Asia is in itself a remarkable event, nothing to say about such an industrial giant of the annual output of 200 thousand cars.

A car-making plant implies not only the emerging of a new industrial branch, not only new level of sophisticated technology, but fundamentally it means the rearrangement of the industrial policy as a whole for the next years.

The creation of the car-producing plant will allow to produce competitive production and to enter to world markets and have a corresponding segment.

The car-producing plant will bring with it the creation of other modern industries and enterprises which would be in line production, making car parts, components and materials. At present construction of plants which will be manufacturing automibile glass, seats, disks, electrical equipment is under way. Very soon there will be plants and manufacture shops to produce engines, parts and devices, chemical and artificial materials and other necessary items of an advanced technological level. All this implies the development of our own research and design activity; the creation or modification of the production and the social infrastructure, the emerging of absolutely new banking and insurance approaches, of a modern service system. It also implies changes in professional level of our workers, the implementation of advanced systems of organization of production and utilization of labour. In the end, it implies creation of new employment opportunities and higher incomes of the population.

The substitution of the existing agricultural machinery and combines with Case Corporation grain harvesters and alike shall lead to deeper structural changes. Almost 340 of such combines have been purchased already and they undergo the testing period. Already now their advantages in output, in reducing losses, in comfortability have been proven evident. The use of such machinery alone testifies the structural changes taking place in the agricultural production where grain crops area has become considerably larger. *Production of grain along with cotton is turning out a specialized branch of our agriculture.* This requires adequate structural changes in agricultural machinery, as well as in the branches related to the agricultural processing and the training of workers.

Today's structural changes are being achieved not only with new construction, but largerly with modernization of the existing production.

It becomes more obvious that it is impossible to survive without renovation of technology, upgrading of machinery and equipment.

It ought to be pointed out that in contrast with the previous years capital investments are not fundamentally directed to huge buildings and edifices, being so called passive assets, to the renewal of technology and technological equipment upgrading. All this reduces the construction period, accelerates return of the invested capital.

Examples to prove that are many. Experience gained in the implementation of the joint project "Zarafshan-Newmont" worth more than 230 million US dollars which was finished in record time of 18 months advocates projects like this.

Fifth conclusion. *Significant shifts in the creation and development of market infrastructure have taken place in the Republic.* Practically in a short period of time the foundations of market infrastructure were laid down. The banking and financial systems were reformed and a network of insurance and audit companies formed. The Central Asia's biggest Bourse Centre equipped with sophisticated computer and telecommunication systems was set up. 190 real estate broker's offices, 132 broker's offices in licence sales, 13 branches and affiliates of the National Stock Exchange and 10 branches of the National Depositarium, 62 securities trading entities and 38 business centres are now in operation, along with a serie of other elements of market economy.

Sixth conclusion. *As a result of the successful implementation of our economic programme growth in major economic indicators has been achieved.* In this respect the current year of 1996 has turned out crucial. For the first time the decline of gross domestic product was not only stopped, but even the indicator of 101.4 per cent was registered. Industrial output reached 105 per cent. Industrial growth was registered in all the regions of the Republic. The most dymanic industrial performance was marked in Tashkent City, in Tashkent, Syrdaria, Andijan, Samarkand and Bukhara regions.

I would like to highlight here the results we achieved in the agriculture, in grain production.

Thanks to selfless efforts of our dekhans up today 1820 thousand tonnes of grain, including 1700 thousand tonnes of wheat are now in stock. It is worth mentioning that it have been stocked 100 thousand tonnes of grain more, and 200 thousand tonnes of wheat more than it was on the same date a year ago.

Average yield reached 2.2 tonnes per hectare against 2.1 tonnes in 1995. These achievements are very remarkable taking into consideration the unfavourable weather conditions that had negative impacts on grain production in the non-irrigated areas.

Most successful in grain production and procurement this year were Andijan, Bukhara, Surkhandarya, Fergana regions. Very soon Tashkent and Namangan regions will complete the distinguished list.

Particular appraisal and enormous acknowledgement deserve Shakhrikhanskiy, Besharykskiy, Yukorichirchikskiy, Denauzskiy, Shafirkanskiy and some other districts where best results in grain production were reached .

Capital investments grew by 4.4 per cent, more than 60 per cent of which went to the material production sphere. *All this testifies that the Republic has created the solid material, financial and institutional basis for further economic growth, an active investment policy.*

Further important conclusion: *improvements in the social sphere, in the living standard of the population have become obvious.*

1996 is the first year of the implementation of a broad social programme, construction of houses and flats, rural schools and medical facilities, communal facilities, telephone and telecommunication objects.

We are able now to say openly that the most difficult times, unavoidable during the transition period that our people were living through are now left behind. *There is no longer any factor that nowadays could have negative impact on the well-being of the population. Moreover, stabilization factors ensuring conditions and guarantees for further increase in living standards of the population are gaining strength.* Recently the introduced system of concrete social aid and support has proved to be entirely justified. As a result, real incomes of the population in the 1st half-year increased by 16 per cent in comparison with the level of the previous year and will go on increasing by the end of the current year.

It would be no exaggeration to say that the indexation of the devaluated after 1991 saving deposits of the population has been a measure of exceptional repercusion confirming the just and meaningful character of the Uzbekistan's course of reforms.

Social justice has been restored: more than three million saving accounts that had been opened before January the 1st, 1992 were subject to indexation for the total amount of 35 billion soums. As of the 24th of July from the special accounts "Indexation" about 1 billion soums have been paid out, and another 20 million soums transferred to other types of saving accounts.

Dear friends,

I have pointed out only some important factors and results concerning the economic and social development of our Republic during the past period of the current year.

The depth and scope of them is a proven evidence of the stable positive trends which commerge into Uzbekistan's persistent advancement along the path of reforming and renovation, and what is more important, of the already tangible results and impacts of these reforms on the entire economy and our life. We are aware, of course, that these are only first sprouts, first achievements. Hence, it is more important for us in resuming the analysis of the first six months of 1996, to identify, to precise once again, the most remarkable factors and sources of such achievements.

Firstly, this is an additional confirmation of the *correctly chosen course of the economic reform. Now after it has been proven by the practice there are grounds to speak about the correctness of the Uzbek model of reforming.* Nowadays it has been recognized by prestigious international economic organizations, by many countries, and, what is more important, has been proven by the real life.

What are the principal features of our model ?

First of all, our course of reforms is implemented *in gradual, stage-by-stage, way* encompassed by a prudent evaluation of our possibilities in achieving concrete goals and mobilization of all resources in resolving the top priority tasks selected for each stage. On one hand this allows to use the limited resources efficiently and purposefully; on the other enables to achieve tangible benefits of our advancement, to feel ourselves more assured.

Naturally, we cannot but mention the importance of the social protection policy in our model of reforming. It is assigned a significant role; this policy helps people to be sure that the reforms in Uzbekistan are being undertaken not for reforms' sake, but fundamentally for and in the peoples' interests.

We were not looking for the easy roads. It would be suitable to remind that four years ago many of the CIS countries moved on a most easy road. Export earnings and foreign loans were mainly spent in purchases of foreign goods which saturated the internal markets, pushing out the national producers. In the end huge hard currency resources have been simply "eaten out" having left as backgrounds the recession or even the collapse of their industry and agriculture, of the national economy.

We, on the contrary, have moved on the most difficult road. Larger share of our own resources and borrowings have been directed towards investment purposes and to the creation of the basis for further growth of output. *We have been increasing investments, not consumption.* Today the benefits are evident. I mean the car-making plant in Asaka, the Bukhara oil refinary, the oilfield of Kokdumalak, the glass producing plant in Kuvasay, white-spirit plants in Andijan, Kokand and Yanguiyul, a sugar refinery in Khoresm region, caustic soda plant in Karakalpakstan, reconstruction of the Uzbek Plant of Refractory Metals, the Almalyk Minery Metallurgical Plant, the Hydrometallurgical Unit No.2 of the Navoi Minery Metallurgical Plant, new railways and automobile roads, exterior improvements of towns and villages, dozens of new modern enterprises of textile and food industries whose products can be seen now in every region and district.

We have created solid legal basis appropriate for our reforms, an overall system of incentives and privileges for foreign investors. We have not made governmental borrowing for general state expenditures, but for the specific and concrete investment projects which now are being successfully implemented.

We have made an emphasis on the creation of joint ventures. From the very beginning the dilema has been put straightforwardly: if an enterprise has no foreign partner, it has no prospects for the future. Today in the Republic there have been registered 2400 enterprises with foreign investments.

Secondly, *our achievements are the results of selfless work of our people.* People have faith in the reforming and contributed a lot to the implementation of this course.

I would like to use this high rostrum to express the most sincere gratitude to our people for their work, patience and understanding of temporary difficulties, for their support of all we have done during the years of our independence and sovereignty.

Thirdly, in the process of state reconstruction and formation of a democratic society an overall system of public, non-governmental and social institutions has been created along with modern banking and financial systems and other market-supporting institutions. The most important thing is that *all these institutions have become operational.*

Forthly, people has begun to acquire practical experience to work under new conditions. Psychological approaches of the majority of managers and common workers have changed. We could even say that in the national, regional and industrial levels *a team of conscient reformers, a team of adherents has begun to develop into the team of people* which are working connected with a common purpose and programme of actions. For this kind of people the national interests, the interests of the common cause prevail.

I would like to thank from this high rostrum all members of this team, which, I am confident, will bring to an end our common cause.

Dear friends, Compatriots,

We all understand that the achievements and the results are our valuable assets which belongs to all of us.

In summing up the results it is very important to focus particular attention to the shortcomings and problems which are awaiting their solutions. *We are in urgent need to define priority tasks which ought to be in the focus of attention for all management level, including the legislative and highest executive levels.*

Certainly we might talk a lot about shortcomings and deficiencies, problems and serious obstacles, but it is more important to draw attention on those goals which solution on the present stage of reform would be primary conditions for our advancement.

Fundamental condition of our advancement *is a further deepening of the reforms concerning the privatization expansion, radical changes in ownership and creation of market infrastructure.*Superficial and formal bureaucratic approach towards the privatization process should be overcome.

In other words the privatization should not be carried on for an abstract sake, but in order to make the property find its authentic master. *The property must be handled by those who are able to go on working, who are capable to attract foreign investments, to ensure the production of competitive goods for the sake of interests of people and the entire society, who can share awareness of the uptodate management requirements.*

Particular significance today in this regard acquires the problem of post-privatization support of the property owners and entrepreneurs.

Not only low interest credits should be facilitated, but what is more important assistance in obtaining and installation of modern equipment and technologies should be given, as well as in providing access to raw materials and other materials and in helping to solve problems with sales of products. It is very important to be in close touch with the entrepreneurs and property owners in order to help them become real businessmen. All these issues must be in the core of attention of our Government, the State Property Committee' senior officials, the Chamber of Manufacturers and Entrepreneurs, heads of local authorities and all other state and non-state bodies.

Talking about market infrastructure and institutional changes it should be pointed out that the contents of the work and the character of the performance are far from being in compliance with today's requirements. All necessary institutions appear to be in place, but the approaches and aims in their work remains unchanged. *The most important point is that the creation of the market infrastructure is not an aim in itself. It hasn't been developed in order to* *illustrate the ongoing transformations, but to render adequate services to the economy and the legal persons, both corporate and natural.*

The very maintenance, revenues and prospects for the future of such institutions must be in strict dependency with an effective economic performance of the legal entities. It should be understood that the privileges granted to the banking and financial institutions, several insurance and audit companies, departments of the State Property Committee, constitute a temporary measure valid only for their consolidation period.

All this should be understood in order to start right now the preparations for the complete self-reliance, to ensure earnings from the performance in dependence of the volume of services and the final results. In other words, it is time to proceed to an active and purposeful operation leaving the initial consolidation period behind.

Second very important task *is to ensure growth in production of consumer goods.* New powerful impulses should be given to all that could make a worthy contribution to the production of consumer goods, mainly foods, to the upgrading of the existing enterprises, to the facilitation of wider assortment and higher quality of goods for the people's consumption. We must stimulate such a development in legal, economic and material aspects.

Today the production of consumer goods amounts 2600 soums per capita and that is 4.3 per cent more than the last year's level. Nevertheless in some regions the level of production of consumer goods is considerably lower. In Dzhizak region, for instance, consumer goods produced per inhabitant amounts only 740 soums; in Kashkadarya region - 1082 soums, Surkhandarya region - 1235 soums, Syrdarya region - 1449 soums, Navoi region — 1697 soums, the Republic of Karakalpakstan — 1529 soums. *It has nothing strange, hence, that precisely in these regions the highest level of emission is registered.* Moreover in the Republic of Karakalpakstan, in Navoi and Syrdarya regions the output of consumer goods per inhabitant shrinked in comparison with the last year level.

It is still insufficient the participation in consumer goods production of the joint ventures with foreign investments whose share does not exceed 2.4 per cent of the total output, as well as that of the individual entrepreneurs with only 0.2 per cent.

Unjustified decrease in high quality consumer goods has been taken place. I will mention only few examples as illustrations. Of the 32 items of macarroni only 5-6 items are being produced much. Only rice, pearl-barley and selomina are produced now compared with the wide range of cereals that had been produced before. Similar situation is with the assortment of sweets, meat and diary products, cheese, tinned products and some other foods. This list is a long one. How must we estimate this situation?

At the same time in the six months of 1996 foodstuffs of about 600 million US dollars worth were imported to the country along with non-food products worth of 170 million US dollars representing a growth of one and half times. Namely, macarroni 9.4 million US dollars worth, biscuits and other types of sweets 33.8 million US dollars worth were imported.

At the same time there is a lack of attention towards the creation of new and the reorientation of existing manufactures to produce import-substituting goods, to stimulate entrepreneurship activity, to set up small, individual and family enterprises in this field.

Maximum advantageous conditions should be formed for them in order to stimulate such kind of production in every settlement taking into account specific demand for such goods.

We ought to be very clear once and for all about what consumer goods mean.

Consumer goods mean in the first place saturation of the domestic consumer market.

Consumer goods imply satisfaction of growing consumption demand and a sharp reduction of emission.

Consumer goods mean inflation control and stability of our national currency.

Production of consumer goods mean in the end additional jobs, especially for women and that is of particular significance for us.

Altogether it means raise in living standards of our people. We should not forget about it.

Today this question is to be answered in the following way: we have to bring in consumer goods, but only those goods that we are not able to produce here, or those which are cheaper to import than to produce here. Why do we have to stimulate the manufacturing of such products outside the country's boundaries, since we are able to produce them here? Of course, I mean high quality products and goods.

What is to be done in order to give new impulse for the increase in the consumer goods production?

First of all, incentives for consumer goods manufacturers should be reconsidered once more. It will be necessary to remove all legal restrictions and to introduce adequate modifications, where necessary, in the actual legislation and regulations. Most qualified and skillful specialists should be in charge of it.

Secondly, foreign capital and foreign technologies should be widely invited to take part in the consumer goods production. Capitals from abroad will be eager to accept such deals due to sound and rapid returns from this kind of investments.

Experience gained by the Navoi Minery-Metallurgical Plant deserves all attention. Jointly with foreign partners "Agama" manufacturing enterprise to produce knitted wear from mixed fibers has been set up there in Zarafshan. With modern French and Japanese equipment and technology the manufacturing of 30 items of consumer goods from cotton and acrylic compound fibers has begun.

9 manufacturing shops for 800 workers have been put into operation in Zarafshan, Uchkuduk, Navoi, Tashkent and other cities. This year the enterprise plans to make exports amounting to 2.6 million US dollars and to increase this figure up to 9 million US dollars next year. This useful performance deserves all-out support.

Thirdly, sharp increase of private companies' participation in consumer goods manufacturing, basically foods, should be secured, opening thereby broad opportunities for the private sector. It will be very important that individual businesses would be able to make purchases of raw materials, components and equipment through Commodities Exchanges and Bourses. Only private sector is capable to react promptly to the changing demand.

We ought to review radically our privatization policies (V.A.Tchjen) in this field. It is necessary to find incentives for the private sector predominantly involved in the consumer goods production, particularly foods. Nobody can deny that the private businessman will never steal from his own household.

Forthly, we are waiting for relevant actions to be taken by the Chamber of Entrepreneurs and Manufacturers and the Fund for Business which possess the necessary means in this respect.

Fifthly, in conversion of national currency to hard currency preference should be given to those who bring in sophisticated technologies, but not shuttled supplies of low quality consumer goods. More attention should be given to technologies and equipment which will make available not only new jobs, but also a wide spectrum of goods of higher quality then are now brought in from abroad.

The Government (U.Sultanov) should consider all issues concerning this problem within the next few days and take corresponding decisions.

Next priority *is related to the expansion of exports.* Global export in the 1st half of 1996 was 1.4 billion USA dollars and grew by 4.8 per cent in comparison with the same period of the last year.

Expansion of exports means inflow of hard currency and subsequent strengthening of the national currency. It also implies new technologies to be brought in. It also means solution of the social issues : wages increase, diversification of social infrastructure. It means powerful incentives for the constant renovation and upgrading in the production field. In short, without feasable hard currency sources no enterprise will be able to foresee prospects for the future. This should be understood by all the managers.

Regretfully, today the export transactions are predominantly dealing with raw materials shipments.

Traditional source of raw materials: cotton fibres, ferrous and non-ferrous metals, mineral fertilizers and chemicals, electric devices with copper components remain the principal exporting items. Export of food gives poor 1.4 per cent, vegetable and fruit-related products, the fundamental richness of our country, only 0.4 per cent. This is our main deficiency, and we must keep on working on that issue.

A lot of critics have been made with this regard to the Association "Uzplodoovoshchvinprom"(Nasyrov) , but no improvement has been made yet. It seems time has come to make corresponding conclusions.

In order to stimulate the export-oriented producers necessary legislative grounds were laid down, great variety of privileges were granted.

Wide spectrum of privileges and incentives for enterprises with foreign capital participation was set up.These privileges and guarantees are brought together in the Decree "On additional measures for stimulating the creation and operation of enterprises with foreign investments" with a view of their wider divulgation and utilization at full extent. Our task is to make all these advantages work and where it becomes necessary to elaborate additional incentives.

What are the today's major constraints for export expansion? Mostly, it is:

— obsolete technologies in the majority of goods manufacture characterized by high expenses, overconsumption of energy and materials that are not able to ensure high quality requirements. As a result, the production costs of many products are higher than the world price level and this makes them lowly competitive;

— monopolystic production of many types of products which allows the producers to dictate prices to the consumers under the price liberalization environment and to sell their production more profitably in the domestic market. *In this regard there are issues to be thought about by the Ministry of Finance and its adjoint Anti-monopoly Committee;*

— traditional cargo transportation links when the bulk of cargo volume is transported via Kazakhstan and Russia under high transit fares, making thus the export of goods more expensive and economically unprofitable;

— lack of active external trade strategy in some enterprises revealed itself in a poor organization of marketing studies and advertising campaign;

— lack of necessary working capital and investments in case of some enterprises with potentially good export prospects;

— lack of certification system of exported goods that impedes trading on the world market prices.

For the consideration and solution of the above-mentioned and other issues a 10-day term is given to the Vice-Prime-Ministers in charge of respective spheres. Suggestions should be reconsidered at the Cabinet of Ministers' session.

Forth major issue *is further liberalization of the economic environment, higher grade of economic freedom for the market agents.* On one side, it is necessary to expand the independence of the enterprises to maximum extent, raising their responsibility for the results of their performance; o*n the other, to protect them against improper intervention of superior bodies, various supervisory bodies.*

Recently measures aimed at a sharp reduction of number of bodies with controlling functions have been taken. Nevertheless, the desire of many officials to assume control and revision functions, to intervine in enterprises' economic activity has not been rooted out yet. I have made an assignment some days ago to sort out this situation once again.

Analysis of the legislative regulations now in force showed that 29 state bodies are entitled to make revision on different aspects of the enterprise's performance.

Selected data concerning controls and revisions made to 3700 enterprises and organizations in 1995 and in the 1st half of 1996 showed that they were submitted to 21 thousand inspections; this figure means an average of 5-6 inspections per each enterprise.

Apart from tax inspections, the bulk of the controls accounts for sanitarian-epidemiological inspections (17.8 per cent), bank's inspections— 17.4 per cent, state antifire service's inspections — 11.2 per cent and inspections made by the local authorities — about 7 per cent.

For example, the Production Association "Elektrokhimprom" was submitted to 43 inspections, including 9 made by the Energy Consumption Inspection, 7 by the Technical Supervision Inspection, 5 by financial bodies, 4 made by the State Antifire Service, sanitarian-epidemiological, environmental protection bodies each; besides the prosecutor' office and banking revisions made 3 inspections each and the recruitment office of the district and tax bodies accounted for 2 inspection each. All the inspections took more than 300 days.

The Chirchik Transformator Plant was submitted to 56 inspections, including 11 made by the National Energy Consumption Ispection, 9 by the Technical Supervision Inspection, 8 by environmental protection bodies, 6 by financial bodies, 5 made by the State Antifire Service and sanitarian-epidemiological bodies each, 3 made by the prosecutor's office and the bank each, 2 made by tax bodies, the Ministry of Justice's office and even the Boiler Inspection each. The Kattakurgan Vegetable Oil and Fat Factory was inspected 50 times by different controlling bodies, and the Commercial Production Company "Narzia" (Samarkand region), 30 times.

Similar situation is characteristic for many enterprises. Would it be really possible to work efficiently under such conditions? This implies not only the loss of time, financial losses, but leads to demoralization of the labour collectives and negatively affects the psychological climate. In the end, it does not help to strengthen discipline, and moreover it damages the labour results, undermines the faith in the legislation, and, that is the point, discredits inspections and revisions as such.

It is necessary once and for all to put this place in order by limiting inspections' level and number and by restricting the controlling bodies' powers. Unjustified intervention of the officials and the state bodies in an enterprise's internal affairs should be banned. The role and responsibility of the audit service entities should be raised.

The Government (U.Sultanov) within two-week term should submit a proposal concerning the creation of a special Coordination Council in charge of putting the place in order and subsequent regulation of this sphere. This Council should be empowered to put an end to this old-fashion bureaucratic approach, to the intents to turn the checkings into demonstration of power and extortion.

An important today's task *is to reduce administrative and management personnel* in order to protect enterprises and other entrepreneurship entities against the multiple forms of bureaucratic approaches. Practically we ought to start thinking over the formation of a qualitatively new management apparatus to be comprised by competent and professional managers creating for them a strong system of stimuli and incentives.

It is becoming more evident that the special state service Act should be adopted.

Task of principal importance for further deepening of the reform *is the radical improvement of the situation concerning securities market.* By now fundamental legal basis for the securities market formation and shareholders' rights protection have been provided and the Coordination and Control Securities Market Commission created, but no practical results have been seen yet.

Of course, we are perfectly aware that this process cannot be but long-lasting one, and it should be carefully thought of in order to secure gradual changes in the mentality of the both managers and the citizens. But we should proceed right now to encourage broad social layers to hold stocks and securities, to know how to deal with them, to have idea of mechanisms in the Stock Exchange. Stock and securities market formation, I would like to underline it once more, is one of the key issue. We should keep on creating organizational, legal and institutional framework for its development.

Following task of great importance *are improvements in tax policy.* The Ministry of Finance and the State Tax Committee are entrusted to make a detailed analysis during the preparation of the budget for 1997 of the tax payers base, to study concrete possibilities to broaden it and to give clear approaches for upgrading the tax payment system.

We are not going to introduce new taxes. The taxation system as a whole should be improved by following:

— differenciation in income tax rates taking into consideration specific features of each sphere or branch in order to strengthen the stimulation function of the taxes;

— higher role of the indirect taxes, predominantly of the resources payments;

— broader excise base;

— reduction of number of tax payments, and their unification.

Dear friends,

Summarising all that have been said, i would like to draw your attention to the tasks we must solve in the third quarter and by the end of this year.

Mostly, proper preparation for the forthcoming autumn and winter season is meant. We should pay special attention to energy systems, gas supply systems, electric power stations and heating plants. Repair and maintenance works must be done properly and all bodies and enterprises in charge of these issues are to mobilize all their resources and reserves available.

Other urgent issue in this regard. The Ministry of Finance should solve arreas problem and assign circulation funds for the enterprises of fuel-energy complex, since the debts and delays in payments in this branch originate problems in the entire financial system of the country.

It is also important to take all necessary steps to ensure that payments by promissory notes, very helpful as a whole, would not motivate a decline in payment discipline, increasing thus debts in the budget payments.

Dear friends,

We are all very well aware, so there is no need to explain, that the future results of the whole year largely depends on our efforts to protect the cotton harvest, and to prepare ourselves for the harvesting period, and on how the harvesting machinery will be prepared.

I hope that the khokims and the Heads of Ministries and State Agencies present here are well aware of this and understand their responsibility.

Concluding this speech I would like to remind that there is only one month left to the national holidays, Uzbekistan's Independence Day. There are two months left to the celebration of the 660th anniversary of our great ancestor Sakhibkiran Amir Temur.

I am convinced that the historic dates in the life of our people and our State leave indifferent nobody of those who inhabit the Uzbekistan's land.

Expressing gratitude for your contribution to the Motherland well-being and prosperity, I wish you good luck.

Speech by the President
of the Republic of Uzbekistan
Islam KARIMOV
at the Cabinet of Ministers' session
on the 25th of July, 1996

ECONOMIC SURVEY during 1991—1996

GENERAL DATA

August 31th, 1991	— independence of Uzbekistan proclaimed.
November 18th, 1991	— the Republic of Uzbekistan's State Flag approved.
March 2nd,1992	— the Republic of Uzbekistan became a UN member.
July 2nd, 1992	— the Republic of Uzbekistan's State Insignia approved
December 8th, 1992	— the Republic of Uzbekistan's Constitution adopted.
December 10th, 1992	— the Republic of Uzbekistan's National Anthem approved
July 1st, 1994	— the Republic of Uzbekistan's national currency, the soum, put into circulation

Adminisrative and territorial division:

Republic of Karakalpakstan — 1
Regions — 12
Rural districts — 163
Towns — 119

Area (thous. sq. kms) — 447.4
Population (mill. persons)— 23.1
Area of agricultural land (mill. ha) — 27.6
Electric energy production (billion kwt-hours) — 47.5
Oil and gas condensate production(mill. tonnes) — 7.6
Gas production (billion cubic meters) — 48.6
Cotton-fiber production (mill. tonnes) — 1.4
Grain production (mill. tonnes) — 4.1

Geographic situation. Uzbekistan is situated in the basin of Amudarya and Syrdarya rivers, in the middle of Central Asia and its territory covers

447.4 thousand square km. The length of the territory from west to east is 1425 km, and from north to south is 930 km.

In the north the Republic of Uzbekistan limits with Kazakhstan, in the east with Kyrghyzstan and Tadjikistan, in the south and south-west with Afghanistan and Turkmenistan. The total length of the state borders is 6221 km.

Nature and climate. Uzbekistan by its nature and climate is one of the most favourable zones. The territory of Uzbekistan is a single combination of plain and mountainous geographical relief. The mountainous zone belongs to the mountain range of the Western Tien-Shan and Ghissaro-Alay. The mountainous highest peak of Uzbekistan levels 4663 metres.

About three fifths of the Uzbekistan's territory is covered by desert, semi-desert areas and steppe, the remainder consists of fertile valley areas along the two major rivers and closely to the high mountain ranges. The length of the Amudarya is 1437 km, and that of the Syrdarya is 2137.

The climate is sharply continental marked by great differences in day and night and summer and winter temperatures. Average annual precipitations in the plains are 120-200 mm, and 1000 mm, in the mountainous zones.

Population and labour force. The population is 23.1 million inhabitants as of January 1st, 1996. In population Uzbekistan ranks third among the CIS countries and first among the Central Asian States. In 1995, the population growth rate in the Republic of Uzbekistan was 23 persons per 1000 inhabitants.

As of January 1st, 1996, 38.4 % of the population of Uzbekistan were urban residents, and the other 61.6 % resided in rural areas.

The density of population averaged 51.4 persons per 1 square kilometer by the beginning of 1996.

Uzbekistan is a multinational state. Nowadays it is inhabited by representatives of more than 100 nationalities. The largest ethnic group are Uzbeks who comprise 75.8% of the population.

Uzbekistan disposes of practically unlimited labour resources which comprise 40% of the Central Asia total labour force . Almost half of the Uzbekistan's population is under the working age. Average age of the Uzbekistan's inhabitants is 23.9.

A specific feature of the country's labour force is its high educational level. Every forth worker employed in the national economy has higher or professional education.

Natural, mineral and raw material resources. Uzbekistan is rich in natural and mineral resources. In its territory over 2700 deposits of different mineral resources have been found, and about 900 of them explored in the world.

The future of the Republic of Uzbekistan is closely linked with the exploitation of the huge reserves in precious, non-ferrous and rare metals, all types of organic fuels: oil, natural gas and gas condensate, coal and lignite, combustible shale, uranium, building materials of many types.

In some important mineral resources like gold, uranium, copper, natural gas, wolfram, potash salts, phosphorates, kaolin Uzbekistan is among the leading world countries both within the CIS and in the entire world by proven reserves and exploration forecasts. For example, in gold resources Uzbekistan is ranked the 4th and the 7th in its extraction in the world.

The reserves of mineral raw materials ready now for exploitation are capable to meet the long-lasting demands of the existing minery complex and to ensure further capacity building of this industry.

Extraction and processing of mineral raw materials is one of the predominant industrial sphere that greatly impacts on the industrial and agricultural performance and development. This sphere accounts for over 440 mines, quarries, oil and gas drilling plants, processing factories, etc.

Fuel-energy resources. Uzbekistan accounts for 74% of total Central Asia's resources of gas condensate, 31% of oil, 40% of natural gas and 55% of coal. The country is the third among the biggest gas producers within the CIS countries and the tenth in the world. Uzbekistan also accounts for 14% of the potential and technically viable Central Asian hydroenergy resources.

The recently found oil and gas resources not only completely cover the domestic demand, but also give margin to fuel exports.

Uzbekistan possesses huge **agricultural resources potential.**

The key agricultural crop is cotton. Of the Central Asia total cotton-fiber production of 2 million tonnes, Uzbekistan produces 1.4 million tonnes. Uzbekistan is forth rated country in the world in cotton-fiber production, and rates the second in its export.

The Republic is a major producer of fruits, vegetables and grapes: most of them are unique by their tasting characteristics. Nowadays in Uzbekistan up to 5 million tonnes of fruits and vegetables are produced. This figure is considerably higher than the domestic consumption requires.

Pastures account for 81 % of the Uzbekistan's agricultural land and that is a good base for astrakhan and sheep breeding. The husbandry of the agricultural farms totals 5.6 million cows and 10 million sheep and goats.

The Republic produces about 30 thousand tonnes of silkworm cocoons; 21 thousand tonnes are processed by national enterprises in order to obtain raw silk, and the remainder is exported.

Silkworm cocoons, astrakhan skins, leather and other items are of great demand in world markets.

Industrial complex. Industrial production is mainly linked with raw materials and agricultural crops processing. Uzbekistan disposes of mighty industrial enterprises representing practically all industry branches and ranging from steel production and minery to light industries and processing of agricultural production.

More than 2.2 thousand plants and factories manufacture a wide range of goods and commodities.

Two thirds of Central Asia's output of the machine-building industry is manufactured by Uzbekistan's enterprises. The vast machine-building complex of Uzbekistan comprises over 100 major enterprises in the form of joint-stock companies , united in associations, holdings and industrial-financial amalgamations.

They produce the diversified and wide-range list of machine-building, electrotechnical, radio and electronics and other products and goods.

To the date only two countries in the world (the USA and Uzbekistan) are capable to manufacture the complete set of machinery and equipment for cotton production.

Uzbekistan is the single Central Asian state that manufactures machinery for silkworm breeding and silk spinning.

One of the largest aircraft plant within the CIS countries is located in Uzbekistan.

In 1996 a motor-car manufacturing plant with the annual output of 200 thousand cars went into operation with technical assistance and partnership of the Korean DAEWOO Corporation. At the same time several plants and factories to produce car spare parts were also put into operation.

Uzbekistan is the biggest Central Asian producer of ferrous metal and rolled steel, capralactam, engines and motors, tractors and trailers, excavators, compressors, elevators, cristal items, fittings, hydropumps and other equipment.

The Uzbekistan metallurgy comprises such major steel and non-ferrous metals producers as the Uzbek Metallurgical Plant, the Almalyk Minery and Metallurgy Plant, the Navoi Minery and Metallurgy Plant, Uzbek Refractory Metals Plant and some others.

Chemical branches comprise manufactures of mineral fertilizer, chemicals for plant protection, chemical fibres and threads, detergents, lacquers and paints, plastics and synthetic resin, tubes and fixtures, chemical goods for household, parfumes and cosmetics, etc.

More than 20 types of products, 15 of them are import-substituting, are produced by the petrochemical branch.

The enterprises of microbiological industry produce protein, xilitot for forage, various spirits, ethylic spirit included.

The Uzbekistan light industry is a large multisectoral industrial complex with high level of technology and equipment. It has more than third of total industrial assets and personnel employed in the whole industry and accounts for a considerable part of the external trade turnover, national currency and hard currency earnings.

An important branch of such fruit and vegetable producer and exporter like the Republic of Uzbekistan is the industrial processing of agricultural products. Uzbekistan possesses major and minor enterprises producing tinned products, vegetable oil and fats, meat and dairy products, sweets, bread, macarroni, strong alcoholic drinks, vines, liquors, fresh and dried fruits, vegetables, melons and a wide-range assortment of their processed products.

Construction complex of Uzbekistan has an enormous potential and is capable to execute civil and assembly works amounting to 100 —110 billion soums (2.7-3.0 billion USA dollars) annually.

Annually there are produced over 5 million tonnes of cement, 4.5 million cubic meters of reinforced concrete, 3 billion of breaks, 360 thousand tonnes of metal bars. Wide range of items like linoleum, glass, tiles, gymsy, lime, woods are also produced.

Nowadays the construction of such major industrial objects like the Bukhara oil refinery, the Kuvasay glass producing plant "Quarts", three spirit producing factories in Yanghiyul, Kokand and Andijan, new railways, the Kungrad caustic soda producing plant, the Kyzylkum phosphorites plant and others are under way.

Infrastructure. In order to secure an accelerated development of the aforesaid mineral and agricultural resources and their higher grade of processing, Uzbekistan possesses well-developed water supply and irrigation and agricultural infrastructure, as well as energy, transport, telecommunications infrastructure which provide access to the natural resources' areas and create favourable environment for foreign investors who need not to incure in additional expenditures in building of infrastructure.

Water and irrigation agricultural infrastructure comprises 54 major reservoirs amounting to 16.5 billion metric tonnes, as well as 5 inter-republic water reservoirs of 40.6 billion metric tonnes. The irrigation networks are comprised by canals, drains and collectors of total length of 325 thousand kilometers.

Due to significance of constant water-supply to enterprises and farms, as well as securing potable water-supply to the residencial areas, Uzbekistan has a serie of large water-supply systems with total length of water pipelines of 47.5 thousand kilometers which enables to meet water demands.

Energy distribution networks. Being located in the geographical centre of Central Asia and possessing almost 50% of the generation capacity of the power station comprising the United Energy System, the Uzbekistan's energy system constitutes basic element of the uninterrupted line of generation and power supply for the whole region.

Power generation capacities now available will ensure electric power supply to all investment projects to be implemented in Uzbekistan in the near future without the need to build up new ones.

Transport and communications. Transport and telecommunications networks available in the territory of Uzbekistan enable to develop new production without substantial extra expenses.

Gas transportation system is comprised by 9 main gas pipelines connected with the united gas pipeline system of the CIS countries, technically allowing, thus, to make gas supplies to other states of Central Asia, Russia, Ukraine, and to the European countries. The network of gas transportation lines of Uzbekistan is of international importance for both Central Asian States and European and Transcaucasian CIS States.

Transport. Uzbekistan has a widely developed transport system that enables the domestic and external transportation of cargoes and passengers, economic links with neighbouring and other foreign countries. Uzbekistan has reliable transport links with Kazakhstan having access to roads of Russia , China and other Asian countries.

All means of transportation have been given further development. Total length of railway roads under the national-wide company "Uzbekiston Temur Yullari" is 3655 kilometers.

With direct participation of Uzbekistan new railway line Tedjen — Serakhs — Meshkhed being part of Transasian railroad which links South-Easten Asia with Europe and which is 1500 kilometers shorter than the Transsiberian railroad was put into operation. New transit corridor across Turkmenistan and Transcaucasian railway will allow to Uzbekistan and other Central Asian States to be connected with Europe through the Black Sea port of Poty.

The automobile road network of Uzbekistan is one of the best developed network within the CIS countries. Almost all inhabited zones of the country, even most remoted, are linked with asfalted roads.

The automobile roads available enable the delivery and transit of cargoes and passengers through the Uzbekistan's territory to Kyrghizstan, Turkmenistan, Tadjikistan, Afghanistan and the subsequent access to roads of Pakistan, India, Iran and South-Eastern Asian countries.

The National Airways Company of Uzbekistan disposes of such modern airliners like A-310, Il-86, Il-76, Tu-154 and has a considerable aircraft fleet for local air traffic.

Nowadays Uzbekistan has direct flights to all major cities of the CIS countries and 20 foreign countries: the USA, Germany, Great Britain, Switzeland, India, Turkey, Saudi Arabia, Israel, South Korea, Singapore and others.

Uzbekistan also possesses a developed *telecommunications network.* Country's telephone network provides services in local, interurban and international communication, as well as in mobile and paging communications to over one million and a half of users.

The Tashkent station of interurban communication is the largest in Central Asia and ensure communicational linkage of Uzbekistan with all countries of the world, being at the same time a transit station for Turkmenistan, Tadjikistan, Kyrghyzstan, Kazakhstan's communication access to the CIS and foreign countries.

In the Republic the land station of communication via satelite is now under development in order to secure efficient communication links with all foreign countries.

Uzbekistan possesses huge **scientific and research potential**, particularly in the field of agricultural and natural sciences. The National Academy of Sciences has nearly 40 investigation centres and laboratories, there are 58 higher educational institutions. Uzbekistan has a great number of graduated researchers, engineers, physicians, teachers and specialists in geology, minery, nuclear physics, agrochemistry, cotton production, among others. Researches of Uzbekistan's investigators in History, Chemistry, Physics, Mathematics are known world-wide.

Sightseeing. A unique combination of climatic zone of desert, hilly and mountainous areas and valleys gives excellent opportunutics for tourism, and ensures good conditions for the rest all year round. Uzbekistan with its single architectural heritage, abundance of unique historic and cultural monuments attracts attention of many visitors. There are over 4 thousand architectural sightseeing places in the Uzbekistan's territory. All over the world are known the historical cities-museums as Samarkand, Bukhara, Khiva, Shakhrisabs, Kokand and others. On the Amudarya river's right bank there are located the fortresses Toprak-kala, Berput-kala, Kavat-kala, Ghildursun, the ancient town Kyat. Near Khiva a famous reservation area comprising a historic-architectural city-museum is located. Near Termez excavations have been discovered ancient buddish temples. All these places are real museums under the sky.

Recreational resources enable to arrange different kinds of touring, tourist routes all year round.

To cope with adequate hosting and excursion services, Uzbekistan has a wide network of hotels, campings, cafes and restaurants, sanatoriums, as well as a lot of tourist routes within marvellous mountain and valley scenery.

BASIC MACROECONOMIC PARAMETERS

In the years of independence significant results have been achieved in the reforming of the Uzbekistan's economy.

The main achievement of the country's development during 1991 — 1996 is that the foundations for the socially-oriented market economy were laid down. The economy has acquired new quality which now enables to have new basis for its further improvement resulting from the institutional and structural changes aimed at the creation of multisectoral economy and supported by the additional measures of introduction of the national currency, prices and foreign trade liberalization, creation of social protection system for the population.

Structural changes, state support of the entrepreneurship and concentration of financial resources towards the priority lines of development of the economy have allowed to maintain a relatively stable production level in the basic sectors of the economy.

As a result, stabilization of the basic macroeconomic parameters has been reached in the years of independence.

In 1995 the Gross Domestic Product reached 300 billion soums, 98.8% of the level of 1994. In the 1st half of 1996 positive changes in real GDP have been marked, its growth in comparison with the same period of 1995 was 101.4%. Substantial changes in the structure of the produced GDP have been detected : services have grown up considerably. The structure of the GDP utilisation have shown an increase in the accumulation share. Investments in fixed assets amounted to nearly one third of the GDP in 1995.

Uzbekistan, unlikely the other CIS members, had managed to avoid abrupt shrink in production, achieving the stabilization and subsequent growth of the industrial production since 1993.

Money circulation has been strengthened. The increase rates of aggregated money mass were lower from year to year as a result of antiinflationary measures. In 1995 annual increase rate was 3.4 times less than in 1994. Gold and foreign currency reserves are equivalent to seven months import cover and allows to arrange regular sales of currency in the National Currency Exchange.

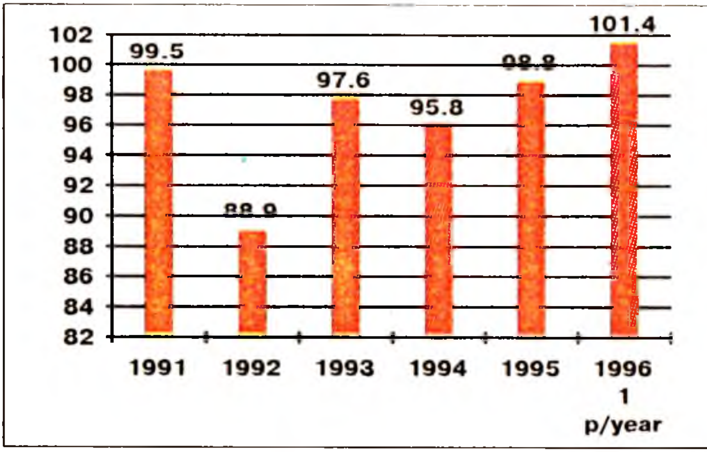
Consistent financial and credit policy has provided a notable reduction in the inflation rate. Over the 1st half of 1996 monthly average of the inflation rate was 4 %, twice as less as in the last year's respective period, and considerably lower than the rates during 1991 and 1995. Liberalization of the economy favoured supplies of goods to the consumer market, the formation of new price proportions. A subsequent reduction of the budget deficit has been achieved. Today it barely exceeds 3% of the total GDP.

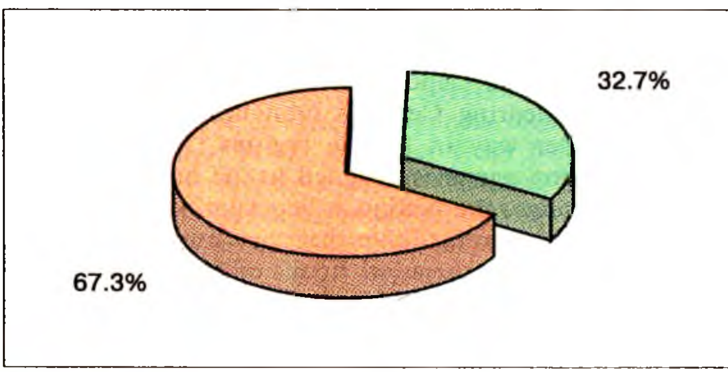
BASIC SOCIAL AND ECONOMIC INDICATORS

(as per cent to the previous year)

	1991	1992	1993	1994	1995	1996 1st half
Gross domestic product (at constant prices)	99.5	88.9	97.6	95.8	98.8	101.4
Global industrial output (at constantprices)	101.5	93.3	103.6	101.6	100.2	105.0
Consumer goods production (at constant prices)	104.3	99.3	112.0	97.7	101.5	106.3
Global agricultural output (at constant prices)	99.0	94.0	101.0	92.7	102.3	102.5*
Capital investment (at constant prices, all sources of financing)	—	68.0	95.0	78.0	102.0	104.4
Consumer prices index (times)	2.1	8.2	11.4	16.2	4.1	1.6
Transport cargo turnover	103.9	80.3	96.4	93.3	99.5	102.6
Money incomes of population (times)	1.9	5.8	15.0	10.5	3.3	2.2
Money expenditures of population (times)	1.7	5.1	18.0	13.3	3.2	2.1
Average monthly wages (times)	—	—	—	9.3	3.8	2.1
Minimal wages by end of year (times)	—	—	—	4.1	2.5	2.7
Foreign trade turnover	—	—	150.1	114.4	113.2	130.1
including						
exports	—	—	171.4	110.2	115.5	104.8
imports	—	—	131.8	119.2	110.8	161.4

* Expected for the year.





- State-owned property

- Non-state-owned property

INSTITUTIONAL TRANSFORMATIONS

The liquidation of the state monopoly on property, production means, and real estate, on management of the branches of industry, as well as the transfer of the property to its real masters were the basis for institutional transformations of the economy. The privatization led by Uzbekistan has corresponded to the real conditions of the country, the national mentality, legislative basis and legal regulations, stage-by-stage implementation and concrete social assistance to the groups of population with low incomes.

During the period between 1991 and 1996 remarkable institutional changes have taken place in all aspects of the ongoing economic reforms. Privatization of the housing sector, retail and service outlets, small production and cooperative units of various industry branches has been practically completed; the transfer of medium size and major enterprises from the state ownership to the private one has actively begun.

Network of the National Depositarium's branches has been formed; the creation of the Clearing Centre's branches under the National Depositarium is under way in all the regions. A wide network of shareholders registration agencies assigned to the broker offices of the National Stock Exchange, the National Depositarium and its branches has been formed in order to facilitate the stock exchange transactions. Proceedings to complete Registration Books of Shareholders in all the regions are taken place. To the date the National Depositarium has got in its data base the joint-stock companies with total emission of 33.7 billion soums .

Republican and regional Chambers of manufacturers and entrepreneurs have been created. They assumed functions of registration of entrepreneurs, natural persons with individual business included, of their interests' protection, facilitation to them of all-out assistance .

With private capitals of natural persons over 85 thousand individual and small businesses have been established. They were granted on rental basis 3768 facilities of total area of 793.5 thousand square meters; 282 facilities of total area of 104.5 thousand square meters were sold to them as a result of the auction sales of state property. In order to provide the private and small businesses with material and technical supplies 1469 minor wholesales units were created, 1256 commercial centres and trading houses included. 1128 fairs and sales of raw materials and other commodities were organized. Private entrepreneurs acquired 512 uncompleted civil objects and facilities.

In Uzbekistan a unique unprecedented system of state support for the entrepreneurship has taken shape, which provides that funds originated by the privatization are to be used to strengthen the non-state-owned sector of the economy. According to this system, 50% of the raised funds belongs to the Republican Fund for Business which credits the small and medium-sized enterprises with private investments exclusively, meanwhile the remainder is divided as follows: 20% are due to the special account of the State Property Committee for further crediting of the privatized enterprises, 20% are transferred to local authorities (Khokimiats) for communal purposes (maintenance of schools and hospitals, automobile road construction, etc.), and 10% are transferred to funds supporting the state privatization programmes.

The Republican Commodities and Raw Materials Exchange has considerably expanded its operations in 1995 having reached the amount of deals up to 7.7 billion soums. To one billion soums' level is approaching the Republican Bourse for Real Estate where in 1995 8481 sale and purchase deals of global value of 859.8 million soums were registered.

Now in Uzbekistan there are 129 broker offices and agencies dealing with real estate operations, 156 broker offices selling stocks, 213 commissions in charge of land plots acquisition, 41 investment funds and companies, 38 business centres, 20 business incubators.

Experience gained in the previous years helped to carry out the destatezation of some industrial giants. Thus, the Tashkent Aircraft Plant named after Chkalov was transformed into a state-owned share company of open type. 15 agricultural machinery building enterprises merged as an amalgamation with big investment opportunities — Uzselkhozmachholding, formed by such major enterprises like the Tashkent Tractor Plant, the Tashselmash Plant, the Uzbekselmash Plant, the Chirchikselmash Plant, the Tashkent Aggregates Plant and others.

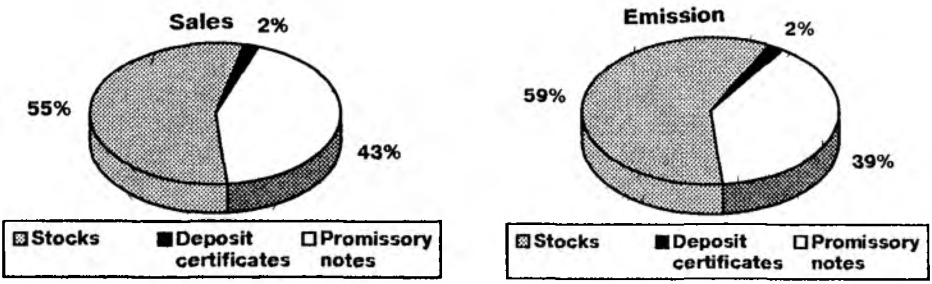
Qualitative results of the privatization of state property during the period between 1992 and 1996 show that new groups of owners have emerged including 1074 thousand household owners, 2 million stock and share holders, 3 million owners of private land plots in the rural areas, 85 thousand individual and small business owners, 19 thousand proprietors of real estate. Now the non-state sector produces 50% of the industrial output and 97% of the agricultural output. Necessary conditions for the market infrastructure formation aimed at the support of the private and small entrepreneurship have been created. At present the bulk of the national income (67%) is generated by the non-state-owned sector.

The development of stocks and securities market along with its adequate infrastructure in Uzbekistan is one of the key issues in the country's transition to the socially-oriented market economy, the attraction of foreign investments, the improvement of regulatory approaches of the money circulation. One of the important aspects of the securities market in the countries with highly developed financial system is state bonds segment.

In the 1st half-year of 1996 five sales auctions and two settlements of state short-term bonds were held.

The market of non-state securities comprises stocks and shares, deposit certificates, promissory notes issued by commercial banks and by other economic agents of the country.

SECURITIES EMISSION AND SALES
(as of 1.07.1996)



Global amount of the securities in circulation is of 6580.0 million soums, comprising 81.5% of stocks and shares, 16.1% of promissory notes worth of 1058.9 million soums, 24% of deposit and saving certificates for 158.3 million soums. The commercial banks have carried out settlements of promissory notes amounting 3137.2 million soums, deposit certificates amounting 27.9 million soums and saving certificates amounting 18.2 million soums.

To private persons belong securities for the value of 136.6 million soums which represents 2.1% of total securities in circulation; among them private persons acquired stocks and shares for the value of 109.9 million soums (2%), 57.2% of which are common stocks and shares (62.9 million soums). The share of private persons in purchasing privileged stocks and shares is 78.6% (47.0 million soums).

Alongside the banking promissory notes are in circulation the promissory notes of the enterprises. As of July 1st, 1996 the promissory notes issued by the enterprises amounted 16 538.2 million soums.

The introduction of promissory notes allowed to make payments amounting to 166 407.7 million soums, including 30 631,0 million soums by means of promissory notes.

PRIVATIZATION AND DESTATEZATION OF OBJECTS OF STATE-OWNED PROPERTY DURING 1992 — 1996 (units)

Regions	1992 — 1993		1994	1995	1996 1st half
	legal bodies	including objects	legal bodies	legal bodies	legal bodies
Republic of Karakalpakstan	1716	2444	498	477	72
Andijan region	1826	5120	806	1428	63
Bukhara region	2292	3348	492	145	57
Dzhizak region	1355	1571	352	227	53
Fergana region	4313	7273	751	1569	82
Kashkadarya region	2550	4053	672	773	58
Khoresm region	2445	2570	449	546	48
Namangan region	2677	4094	611	611	47
Navoi region	1029	1153	255	143	34
Samarkand region	2501	5967	803	1143	94
Surkhandarya region	1749	4932	663	165	57
Syrdarya region	754	1469	349	285	39
Tashkent region	2393	5674	1034	356	99
Tashkent City	1246	4234	2009	716	130
Total:	28846	53902	9744	8584	933

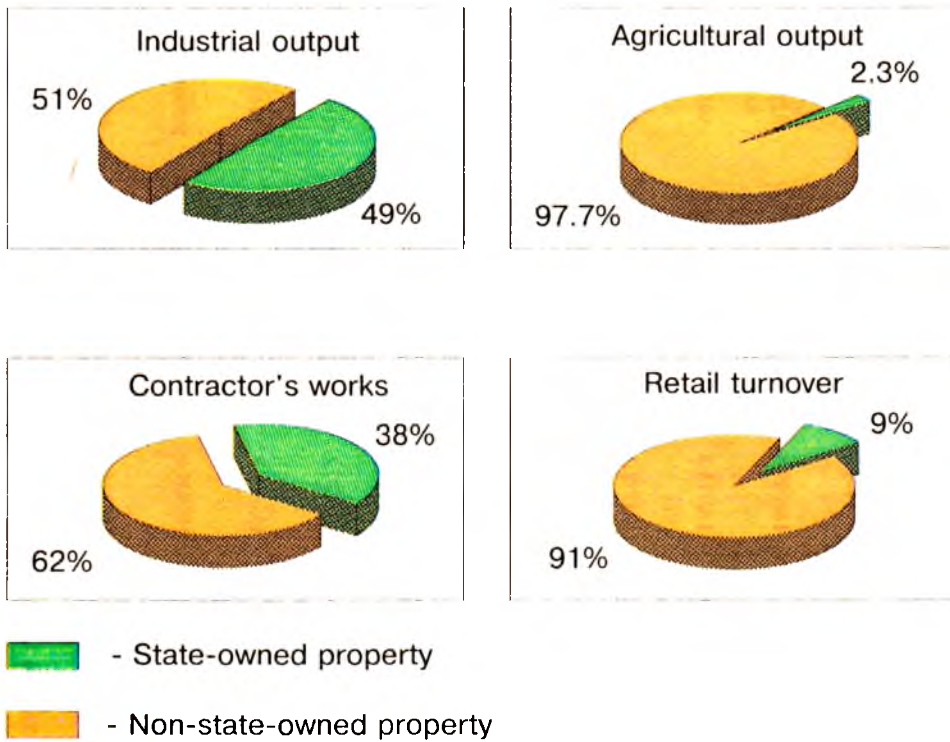
DEVELOPMENT OF MARKET INFRASTRUCTURE ELEMENTS (units)

Regions	Corporate bodies	Broker and real estate agencies	Stock exchange offices	Minor wholesales entities	Investment funds and companies
Republic of Karakalpakstan	7828	4	7	42	1
Andijan region	7128	27	9	148	5
Bukhara region	5380	20	12	80	5
Dzhizak region	4188	4	3	119	3
Fergana region	6057	4	6	177	1
Kashkadarya region	5225	2	7	71	2
Khoresm region	5906	-	5	131	1
Namangan region	5721	12	9	100	2
Navoi region	4752	1	2	51	2
Samarkand region	6774	9	33	215	11
Surkhandarya region	5707	5	7	186	3
Syrdarya region	3530	5	3	40	2
Tashkent region	5887	23	5	48	2
Tashkent City	11179	13	48	61	1
Total:	85262	129	156	1469	41

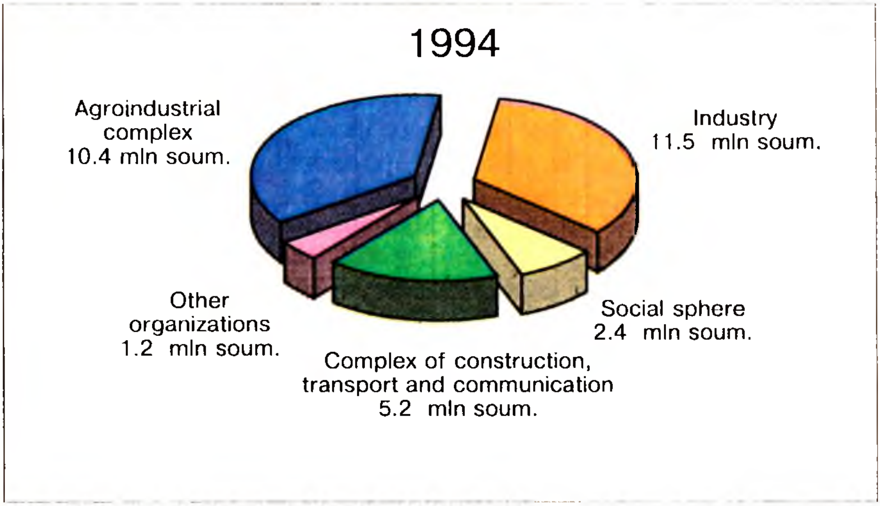
RESULTS OF CREDITS ISSUED BY THE FUND FOR BUSINESS IN 1995 — 1996 IN THE REPUBLIC OF UZBEKISTAN

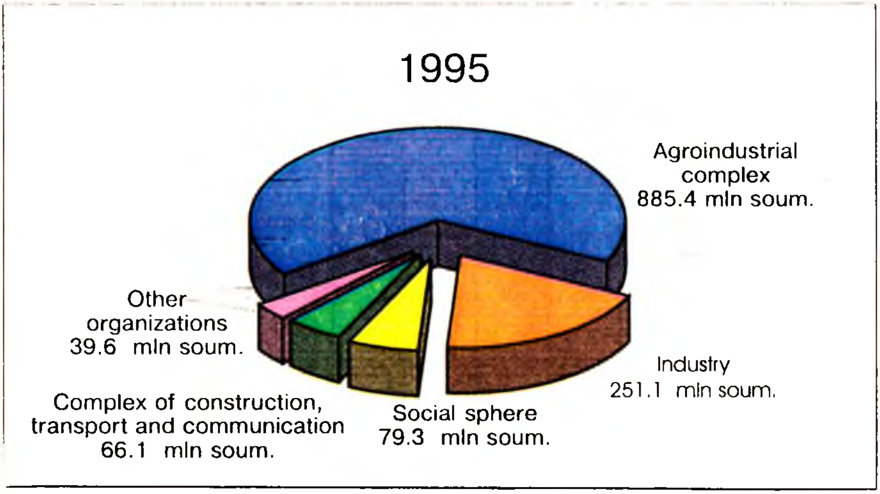
Regions	Credits (thous.soums)	Number of projects	Jobs created	Production output and services (thous.soums)	Rural infrastructure development (credit amounts, thous.soums)
Republic of Karakalpakstan	177021.2	167	264	905688.2	125702.04
Andijan region	164027.5	131	1378	1027500.0	116475.92
Bukhara region	110718.2	114	904	905603.1	78620.99
Dzhizak region	123772.1	161	895	819874.5	87890.56
Fergana region	86050.7	133	783	917507.1	61104.60
Kashkadarya region	127031.7	123	789	780334.2	90205.21
Khoresm region	96003.6	122	1687	845501.1	68172.15
Namangan region	122437.2	128	984	1217806.7	86942.65
Navoi region	105605.8	107	584	794042.0	74990.67
Samarkand region	135409.9	182	913	1099682.0	96150.30
Surkhandarya region	158744.2	119	698	835601.5	112724.25
Syrdarya region	83598.0	84	781	807572.6	59362.93
Tashkent region	98915.2	41	484	645668.2	70239.68
Tashkent City	246752.4	56	1180	4343208.0	175215.87
Total:	1836087.7	1668	12324	15945589.2	1303797.82

SHARE OF STATE-OWNED AND NON-STATE-OWNED PROPERTY IN BRANCHES OF THE ECONOMY IN 1995



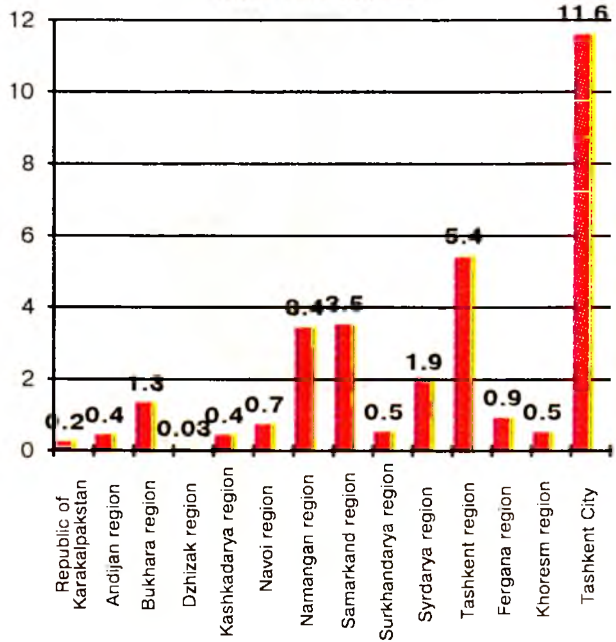
SALES OF STOCKS AND BONDS IN NATIONAL STOCK EXCHANGE "TOSHKENT" ACCORDINGLY TO BRANCHES OF THE NATIONAL ECONOMY



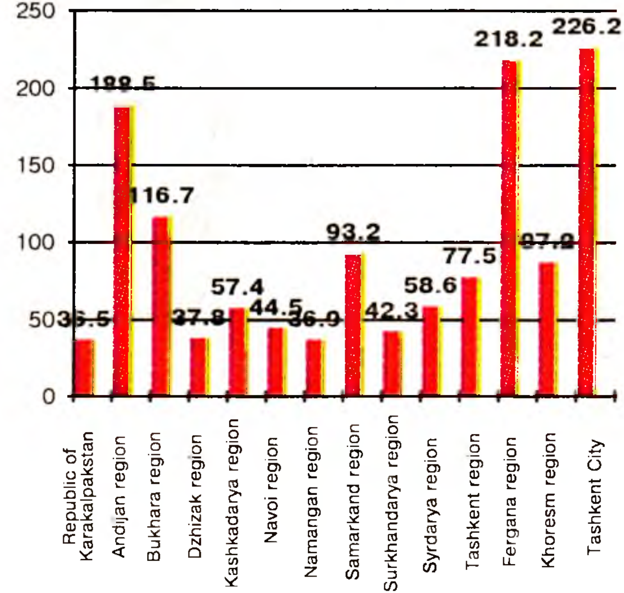


SALES OF STOCKS AND BONDS IN NATIONAL STOCK EXCHANGE "TOSHKENT" ACCORDINGLY TO ADMINISTRATIVE AREAS OF THE REPUBLIC OF UZBEKISTAN

1994 year
30.7 mln soums



1995 year
1321.5 mln soums



FINANCE AND CREDIT

The State budget, which had being formed in initial stages of the market reforms on inflationary basis and oriented to overcome social costs of the transition period, since 1993 has become the most important instrument of the macroeconomic regulations, allowing to concentrate financial resources on the priority issues of the economy development.

The financial year of 1994 became a turning point in the implementation of the strict financial and budget policies that helped to reduce the state budget deficit from 3.4% of the GDP to 2.8% in 1995.

The budget deficit reduction was mainly achieved by the increase of indirect taxation, a most stable income source during the transition period. In the structure of the budget incomes the share of indirect taxes grew from 0.7% in 1991 to 49.3% of total incomes in 1995. In 1996 more than 50% of total budget incomes are to be collected in the form of excise taxes, value added tax (VAT) and customs duties.

In 1995 the state budget revenues due to direct taxes were 38.5%, with 28.6% accounted for the tax on the enterprises' incomes, 9.9% for the population incomes, and only 0.3% for the taxes on the individual entrepreneurship incomes.

The general decrease of state incomes and expenditures in the Gross Domestic Product are entirely in correspondence with the implementation of the market principles of gradual restriction of the state intervention in the economic affairs. In the past 5 years of market reforms the share of state budget incomes in the GDP has shrinked from 49.1% to 37.2%, and expenditures from 52.7% to 40%.

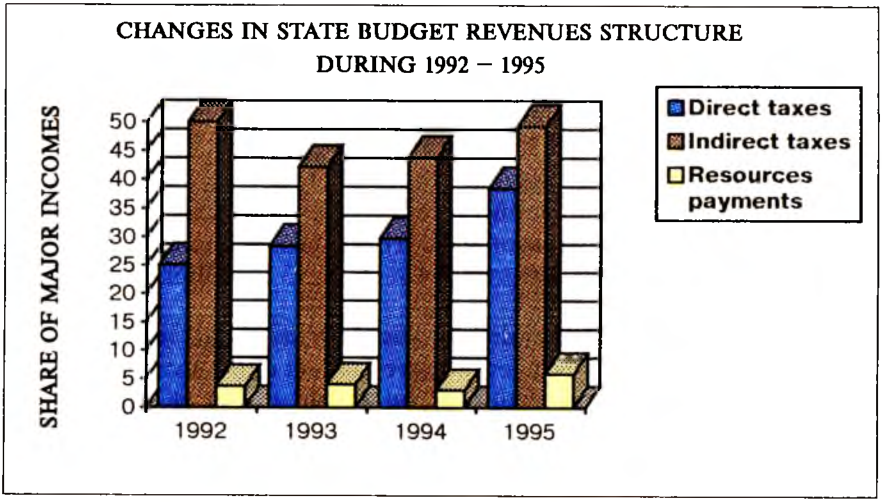
State support to the ongoing structural changes is carried on both within tax and credit policy and through direct financial assignment to the basic branches of the economy. The expected increase of current expenditures and capital investments will reach 13.65 billion soums during 1996.

The share of social expenditures has been stabilized on 50% of the total expenditures and guarantees the development of the socially important branches and the state protection of vulnerable groups of population by means of concrete aid and allowances.

More importance has been attached to such direct aid as monthly allowances to the families with children of the age under 16, subsidies to the low-income families through the "Makhallya" Fund, which makes the social protection more efficient.

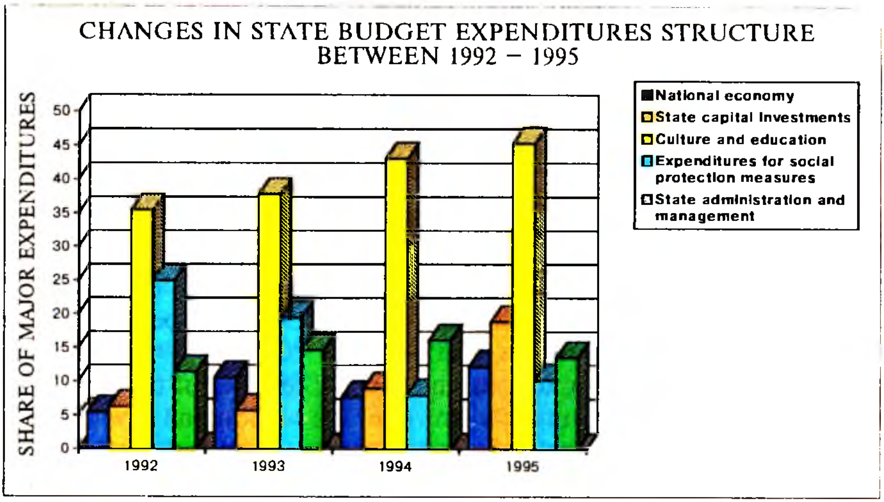
GENERAL STATE BUDGET REVENUE STRUCTURE OF THE REPUBLIC OF UZBEKISTAN (per cent)

	1992	1993	1994	1995
Incomes -total	100.00	100.00	100.00	100.00
including basic taxes:				
direct taxes	25.09	28.43	29.74	38.46
— income (profit) taxes	17.61	20.78	20.97	28.58
— state taxes on the population	7.48	7.65	8.77	9.88
indirect taxes	55.19	42.21	43.87	49.28
— value added tax	27.40	25.73	170.00	19.13
— excise taxes	27.51	15.72	25.15	27.04
— customs duties	0.29	0.76	1.71	3.11
resources payments	3.71	4.06	3.02	5.91



GENERAL STATE BUDGET EXPENDITURE STRUCTURE OF THE REPUBLIC OF UZBEKISTAN
(per cent)

	1992	1993	1994	1995
Expenditures — total	100.00	100.00	100.00	100.00
including main fields:				
national economy	5.47	10.56	7.64	12.22
state capital investments	6.29	5.67	8.94	18.83
culture and education	35.43	37.79	43.03	45.29
expenditures for social protection measures	24.96	19.41	7.95	10.22
maintenance of the state administration and management bodies	11.40	14.65	16.11	13.52

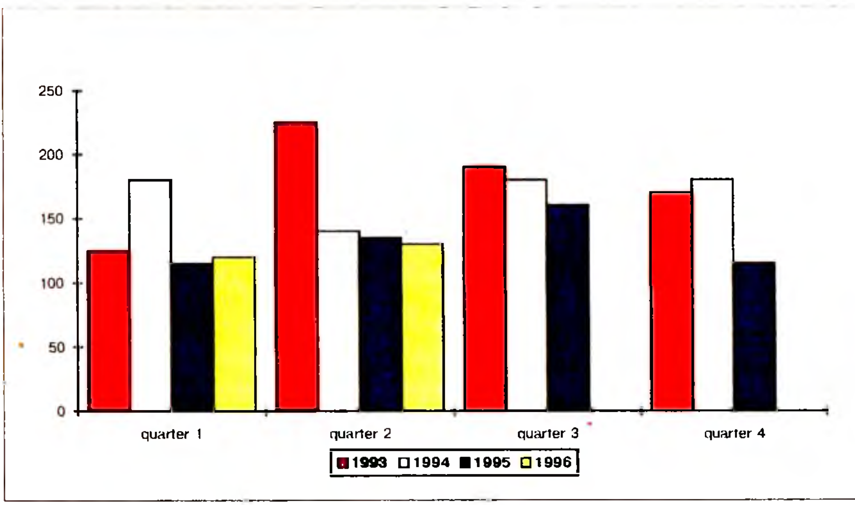


Money flow and credit. During the years of independence due to the implementation of the economic transformations the banking system of the Republic of Uzbekistan underwent radical changes.

The indroduction of the national currency has proven to be a mighty factor for the stabilization of the economy, for the strengthening of financial standing of the enterprises and the branches, for the social protection of the population and the domestic consumer market.

The rate of aggregated money mass as a result of a consistent application of antiinflationary policy is in constant decrease. The aggregated money mass in the 1st half of 1996 was 7.6 per cent points less than it had been in the respective period of 1995 and as twice as less if compared with the level of 1994.

AGGREGATED MONEY MASS
(per cent changes in quaterly growth)



Average monthly rates of increase of cash supply in the 1st half of 1996 were less in comparison with the level of 1995 by 1.3 per cent point. The share of cash emission was 15.8% against 20.7% in 1995.

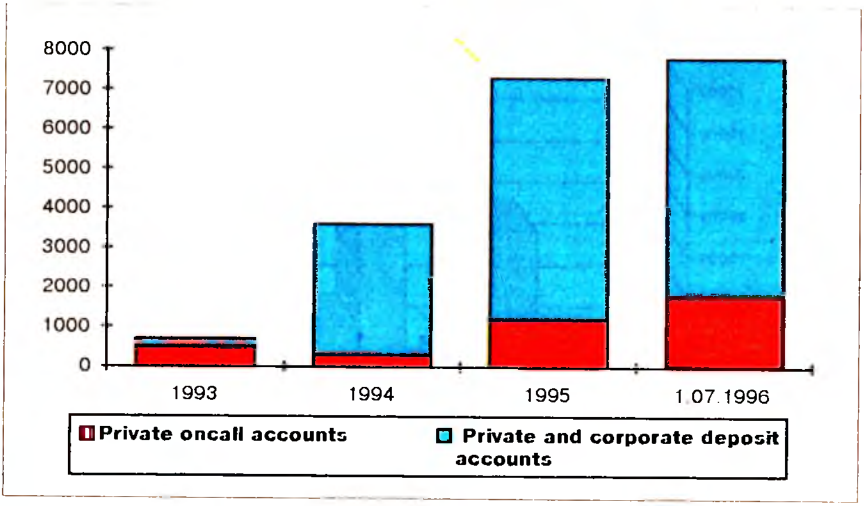
Given the objective conditions and specific features of the transition period credits were predominantly issued for the support and development of the priority branches and were important sources for financing such major projects like the Bukhara oil refinery, the car producing plant "UzDAEWOOavto" and some others.

The overcoming of inflationary processes in the country's economy has given grounds to an increase of deposits of the legal entities and savings of the population in the whole structure of the aggregated money mass. Most substantial increase in deposits and saving accounts was detected in 1994 and 1995 when the stabilization policy of the state has contributed to the fall of the high inflation rates.

SHORT-TERM CREDITS BY SECTOR OF ECONOMY
(by end of period)

	1992 (mln.roubles)	1993 (mln.soums)	1994 (mln.soums)	1995 (mln.soums)	1996 Ist half (mln. soums)
TOTAL	428507.4	3432.8	17318.2	26407.0	35245.2
including by sectors:					
fuel and energy	10928.7	202.8	904.9	972.2	1788.3
machine-building	15515.5	74.1	235.2	489.7	739.7
metallurgy	7026.4	53.1	205.2	191.1	182.9
chemical and forestry	8791.7	79.3	267.8	1209.7	214.4
construction	10524.1	61.8	545.1	731.5	645.9
agroindustrial	158410.2	1416.8	8474.7	14296.3	15819.2
social	64754.9	450.9	2284.7	2268.1	6225.5
transport and communication	7986.9	35.5	154.4	258.1	199.5
external economic relations	75387.8	585.3	1.5	0.9	6.6
other Ministries and Agencies	69181.2	473.0	4244.7	5989.4	9423.1

PRIVATE AND CORPORATE DEPOSITS IN THE BANKS OF THE REPUBLIC (mln. soums changes)



The share of commercial banks holding deposit and saving accounts is growing reflecting the formation of a competitive environment in the banking system. The share of commercial banks' deposit and saving accounts has grown from 1.3% by the end of 1993 to 24.6% by the half of 1996.

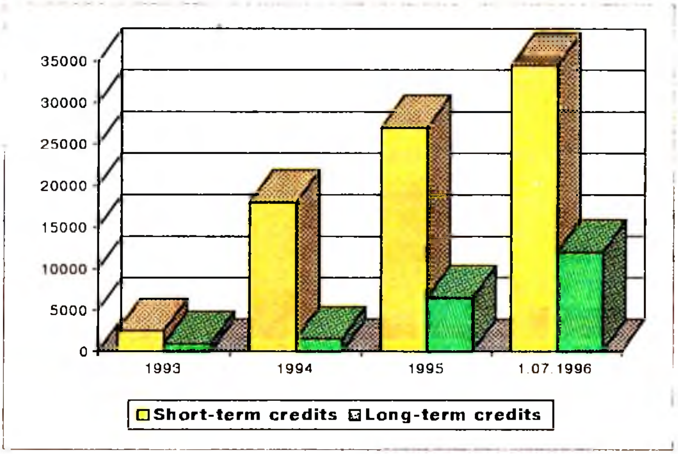
PRIVATE DEPOSITS (mln.soums)

	1993	1994	1995	as of 1.07.1996
Peoples' Bank	632.0	871.4	2704.1	3944.7
Share in %	98.5	87.2	78.9	75.4
Commercial banks	9.6	128.2	724.4	1287.4
Share in %	1.5	12.8	21.1	24.6
Total	641.6	999.6	3428.5	5232.1

As of July 1st of the current year in Uzbekistan there were 30 commercial banks and more than 3-7 thousand branches with 85% of them belonging to People's Bank. 22 banks (73%) operates as joint-stock companies, 8 banks (27%) are limited liability companies, 2 of them are joint and 2 private that helps to stimulate competition in the banking sphere.

In order to stimulate the private entrepreneurship the commercial banks have increased amount of loans issued to cover business operations.

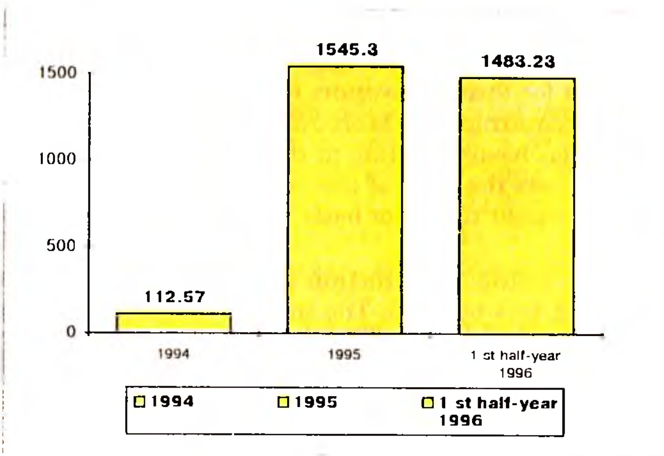
SHORT-TERM AND LONG-TERM CREDITS ISSUED BY COMMERCIAL BANKS



During the period between 1992 and 1996 the regulations in the sphere of hard currency transactions were aimed at a gradual creation of the necessary conditions for the introduction and strengthening of the national currency. Legal grounds for hard currency transactions have been created.

Since the 15th of April of 1994 the Uzbekistan's National Currency Exchange has been holding regular sales. In 1994 16 million and 558 thousand USA dollars were sold. In 1995 90 trading sessions were held with the total volume of 1545 million USA dollars, what means 14 times as much as in 1994.

HARD CURRENCY SALES AT THE UZBEKISTAN'S NATIONAL CURRENCY EXCHANGE (mln. US dollars)



STRUCTURAL CHANGES AND IMPLEMENTATION OF MAJOR INVESTMENT PROJECTS

During the years of independence structural changes as a result of the investments made to the priority branches in order to reduce imports of goods and to adjust the manufacturing of new products competitive in the world market have taken place in Uzbekistan.

Thanks to purpose-aimed investment policy and the creation of favourable climate for foreign investors it was possible to avoid an abrupt decline in capital construction. Moreover, since the second half of 1995 a stable increase has been detecting in this sphere.

During these years the bulk of the accumulated and lended financial resources has been used to create basis for the increase of the industrial output.

The share of industrial construction in the five years has grown by 26 points and reached 45% by 1995. The share of resources dedicated to the development of the fuel-energy complex has grown by 6 points, and to the machinery-building branches, by 16 points.

In the structure of fixed assets investments the share of resources used to purchases of equipment is getting larger. In 1995 for these purposes 31% of total fixed assets investments were used, against 28% in 1991 and 19% in 1994.

As a result of the ongoing structural changes the creation of productions of import-substituting goods, the adjustment of new types of goods is actively taking place. In 1995 alone more than 400 new goods has been manufactured, adding 120 more in the first half-year of the current year.

The ongoing structural transformations of the national economy are mainly aimed at the providing of energy and food self-sufficiency for our country. Accelerated growth of fuel-energy complex, non-ferrous metallurgy and car manufacturing has been ensured.

As a result of the large-scaled investments **into the fuel-energy complex** Uzbekistan has achieved in 1995 complete self-reliance in supplies of oil.

The works presently under way in Kokdumalak and Mingbulak oil fields, the construction of the Bukhara oil refinery and the reconstruction of the Fergana oil refinery will help to fix up this achievement and to improve considerably the supply of high quality fuel to enterprises and for private consumption.

Along with gas and oil industry great attention has been attached to the development of electric power production.

Power generation unit No.7 with the capacity of 300 thousand kwt was put into operation in the Novoangren Power Station, works on power generation unit No.1 of the Talimardjan Power Station are going on as it was planned.

Works are under way to reconstruct the Angren coal pit; in 1996 the construction of kaolin processing factory has begun there.

Due to the beginning in July of the current year of the operation of the Central Asian first **car manufacturing plant in the city of Asaka** jointly with the South-Korean "DAEWOO" Corporation, the formation of a new economy branch, **motor-car making**, is taking place in Uzbekistan, along with a wide range of car-related productions. In 1996 the construction of plants and factories to produce glass, seats, discs and electric devices for cars has begun.

Issues related with the creation of sophisticated manufacturing of car engines, main parts and devices, chemical and polymeric materials and other car elements and components are now being studied.

Special attention during the previous years was given to the development of the **metallurgical complex**. The development of this branch has been provided with both the country's own resources and big foreign investments.

With the participation of the American Company "Newmont Mining" and credits of the European Bank for Reconstruction and Development a joint venture was established to extract gold from the Navoi Mining and Metallurgical Plant productional residua.

By using the Uzbekistan's own financial sources, the construction of the first division of Hydrometallurgical Plant No.3 in Uchkuduk has been completed; the reconstruction of Hydrometallurgical Plant No.2 in Zarafshan, the Almalyk Mining and Metallurgical Plant, the Bekabad Metallurgical Plant and the Uzbek Refractory Metals Plant is under way.

Great investments were made to the county's **chemical complex**. Construction works in the Kyzylkum Phosphorites Plant and in the Kungrad Soda Plant have begun, additional shops to produce white spirits were put into operation in Andijan and Kokand.

Reconstruction works in the Fergana Plant "Azot" and the Chirchik Plant "Electrochimprom" have been finished in order to improve the protection of the environment and to adjust new technologies aimed at a more deep processing of the materials produced in Uzbekistan.

Large investments, included foreign investments, were used in the development of the **light and local industries**.

Big textile production centres in the cities of Nukus, Elikkala, Samarkand and Namangan were put into operation. Similar productions are now under construction in the cities of Andijan, Karshi, Kokand, Gurlen, Toy-tepa and Buka. Reconstruction of many other light and local industries' factories is being carried on.

Investments to the **agroindustrial complex** were aimed to support the ongoing structural changes within it. During the past period 100.2 thousand ha of new land were involved in production and 239.1 thousand ha of irrigated land were given amelioration treatment. Factories with capacity to produce 214.5 million conventional cans of fruit and vegetables, 14.7 thousand tonnes of sweets and 9.1 million dcl of non-alcoholic drinks were put into operation.

In order to improve the production of grain works are under way to modernize the existing agricultural machinery plants in cooperation with famous American and German companies and to manufacture an up-to-date harvestor and tractor capable to provide the complete agricultural cycle of production.

During these years **the development of transport and communications** was also dynamic. Investments were used to provide these branches with sophisticated equipment and technologies. Jointly with the South-Korean "DAEWOO" Corporation an enterprise capable to produce annually telecommunication systems for 200 thousand customers was set up in Urghench. In the Tashkent Carriage Repairing Plant new facilities were put into operation.

This year works in the Uzbekistan's section of the Transasian-European optic-fiber communication line have begun. This line will considerably improve the quality of the international and domestic communication. In order to improve transport links with some areas the construction of new railways Navoi — Uchkuduk — Sultanuizdag — Nukus and Guzar — Baisun — Kumkurgan has begun, the reconstruction of the highway Tashkent — Andijan in the zone of Kamchik pass is under way.

One of the key issue of reforming the economy is the **strong social development policy.** Thus approximately 13 thousand kilometers of water supply lines and 31 thousand gas supply lines were build.

Water supply canals Khanabad — Andijan, Dekhanabad — Gulistan, Tuyamuyun — Nukus, Tuyamuyun — Urghench and some others were put into operation.

As a result the quality of the drinking water in almost all areas of the country has been improved, over 988 thousand households have got gas supply. During the period between 1991 and 1995 hospitals with the capacity of 14703 beds, polyclinics of 45727 visits, secondary schools for 551.3 thousand pupils were built. 35.3 million square meters of living areas were also built, including more than 28.5 million square meters by individual householders (81%). More than 423 thousand families have improved their housing conditions.

CAPITAL INVESTMENTS MADE IN THE REPUBLIC OF UZBEKISTAN BETWEEN 1991 AND 1996
(at prices of respective years)

	1991 mln. roubles	1992 mln roubles	1993 mln. soums (coupons)	1994 mln. soums	1995 mln. soums	1996 1st half-year mln. soums
Capital investments — total	11570.0	103221.0	1272571.0	14117.0	82164.0	55529.0
As per cent to previous period, %		68.0	95.0	78.0	102.0	104.4

CAPITAL INVESTMENTS STRUCTURE BY SPHERE
(per cent)

	1991	1992	1993	1994	1995
Capital investments — total:	100	100	100	100	100
including					
industrial	56	49	56	63	68
non-industrial	44	51	44	37	32

CAPITAL INVESTMENTS STRUCTURE BY SECTORS OF ECONOMY (per cent of total)

Parameters	1991	1992	1993	1994	1995
Capital investments — total:	100	100	100	100	100
including:					
I.Industrial construction	56	49	56	63	68
Industry — total:	19	25	32	41	45
including:					
— fuel and energy complex	4	7	13	12	10
— metallurgical complex	1	5	5	14	6
— machine- builduing complex	4	2	2	3	20
— light and local industries complex	2	3	3	3	3
— food industry	2	3	2	2	2
Agriculture and forestry	25	16	15	11	8
Transport and communications	7	5	6	7	8
Other branches	3	2	2	3	6
II.Non-industrial construction	44	51	44	37	32
including:					
— housing construction	24	29	21	18	12
— municipal construction	8	9	9	7	7

DEVELOPMENT OF THE MATERIAL ECONOMY SECTORS

INDUSTRY

During the years of independence in the industrial sector of the Republic of Uzbekistan considerable structural changes have taken place. Hundreds of big-and medium-sized investments projects have been completed, modernization of many existing enterprises has been carried out.

As a result, the global industrial production has grown by 104.9% during last years; since 1993 a positive trend in the industrial output has been detected and that follows from data below:

	As per cent to the previous year					
	1991	1992	1993	1994	1995	1996 1st half
Industrial output	101.5	93.3	103.6	101.6	100.2	105.0

More accelerated growth rates are characteristic for machine-building and metal-working branch with the industrial output growth over the past years of 157.3%, fuel industry with 111.3%, wood-working industry with 145.5%, light industry with 129.8% and food industry with 108.3%.

Substantial increase has been achieved in the production of consumer goods, the volume of which increased by 122.2% over five years and half. More accelerated growth has been shown by the production of non-foodstuffs: their output has been one and a half times more in the mentioned period.

Today Uzbekistan possesses a well-developed industry, comprising over 100 branches of both manufacturing and raw materials extraction (oil, gas, coal, non-ferrous and precious metals) industries. The branches of heavy industry produce 65.2% of the total output, the light industry branches — 22.9%, and the food branch— 7.3%.

Due to a steadfast growth of the basic branches the share of the branches that provide the self-sufficiency of Uzbekistan in fuel and energy, the manufacturing of finished products for the domestic consumer market has grown.

Thus, in 1990 the share of finished products in total production was 35.0%, in 1993 it raised to 45%, achieving 65.6% in 1996.

Extraction of gas grew from 41.9 billion cubic meters to 48.6 billion, oil with gas condensate from 2.8 million tonnes to 7.6 million, production of cotton yarn from 94.3 thousand to 103.2 thousand tonnes, and cotton fabric from 391.7 million to 455.7 million square meters.

Considerable growth has been detected in the manufacturing of sophisticated home appliencies. TV sets production rose from 0.1 thousand to 58.7 thousand , videorecorders from 2.1 thousand to 25.3 thousand, electric irons from 1.0 thousand to 31.0 thousand pieces.

Special priority in the policy of structural changes has been attached to the development of import substituting productions which have already generated hundreds of new types of products instead of those that had been brought in. Among them gasoil for aircraft, transmission lubricants, jet engine combustion fuel, mills for minery, stripts for tube production, enamelled wire, household pumps, cash registers, motor-cars, fibre-optic cables, electricity meters, forage harvesters, home appliencies, salt and other items previously in shortage.

Over 2200 large and medium-sized enterprises produce wide range of products: aircrafts, tractors, cars, cable, cotton harvesters, textile machines, excavators, cranes, passenger and cargo lifts, power transformators, compressor plants, TV sets and radio recievers, refrigerators, mineral fertilizers, construction materials, paints, furniture, and many others.

In recent years along with changes in the manufacture list, an adequate increase of the quality and the reduction of production cost expenses also have taken place. Tangible results in overcoming the production fall has been succeded, along with correction of the industrial deformations caused by the previous decades.

INDUSTRIAL OUTPUT IN THE REPUBLIC OF UZBEKISTAN
(as per cent)

	1991	1992	1993	1994	1995	1996 1st half
Output to 1990	101.5	94.7	98.1	99.7	99.9	104.9
to previous years	101.5	93.3	103.6	101.6	100.2	105.0
Share in total output						
state-owned property	90.0	88.0	84.0	51.0	49.0	49.0
non-state-owned property	10.0	12.0	16.0	49.0	51.0	51.0

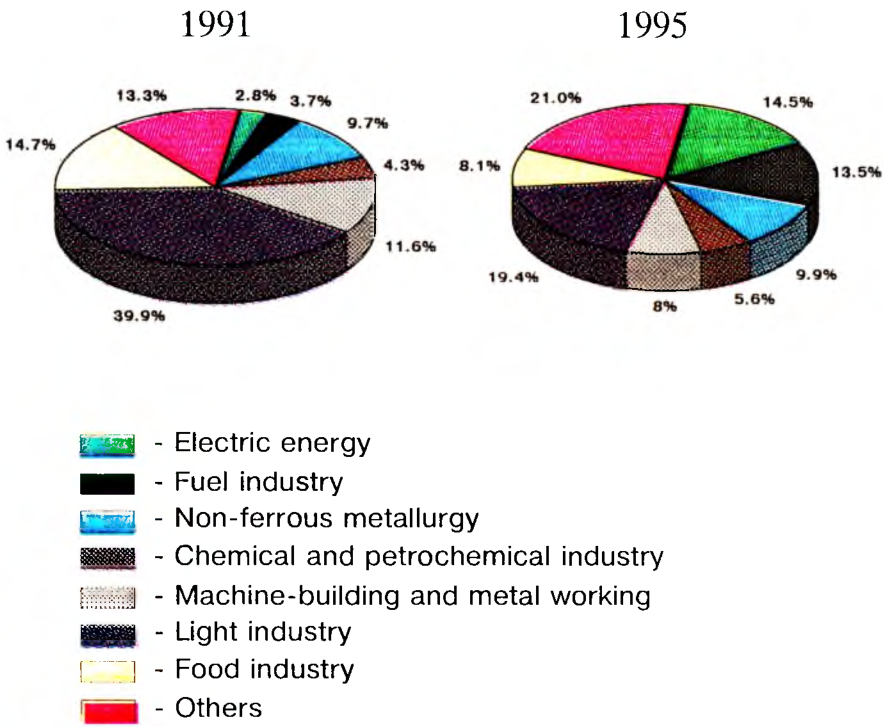
CONSUMER GOODS PRODUCTION
(at manufacturer's prices; mln. soums)

	1991	1992	1993	1994	1995	1996 lst half
Consumer goods including;:	24.7	178.3	1883.3	26873.7	77361.0	58673.1
foods	7.8	61.0	741.9	13653.7	40260.2	29039.0
alcoholic drinks	2.6	16.3	106.0	1663.2	5092.7	3359.9
non-food staff	14.3	101.0	1035.4	11556.8	32008.1	26274.2
including: light industry products	90.0	67.7	682.7	7554.1	17566.7	14094.0

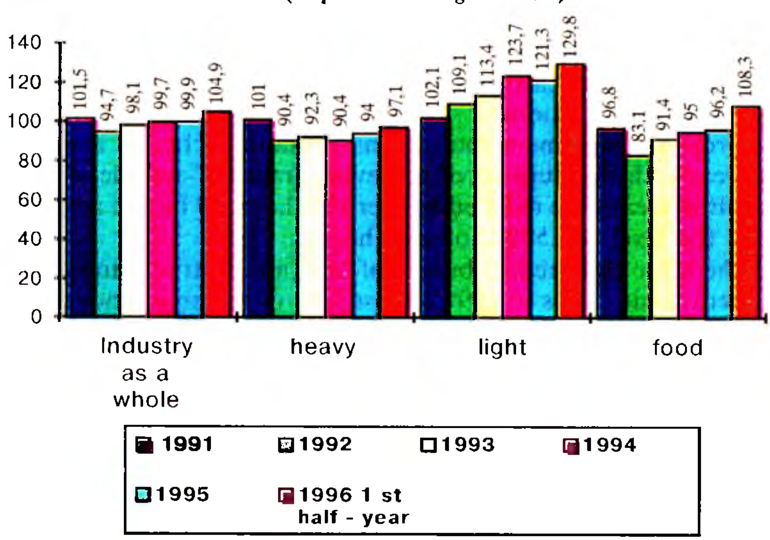
INDUSTRIAL OUTPUT BY BRANCHES OF THE ECONOMY OF THE REPUBLIC OF UZBEKISTAN (per cent to the previous year)

	1991	1992	1993	1994	1995	1996 1st half
Total	101.5	93.3	103.6	101.6	100.2	105.0
including:						
electric energy	96.8	93.7	98.3	96.4	100.3	102.1
fuel industry	102.2	92.9	111.9	102.5	99.8	102.4
metallurgical industry	95.5	85.8	98.6	89.4	99.3	112.3
chemical and petrochemical industry	97.4	74.1	88.7	77.8	112.6	115.3
machine-building and metal-working industry	104.9	100.0	106.9	109.0	119.7	107.5
wood, pulp and paper industry	107.9	95.9	107.9	100.0	109.7	118.8
building materials industry	103.9	85.5	82.9	87.9	89.8	106.5
light industry	102.1	106.9	103.9	109.1	98.1	107.0
food industry	96.8	85.8	109.9	103.9	101.3	112.6
flour-grinding and groats and mixed feed industry	119.3	89.1	104.8	99.4	100.1	107.3

STRUCTURAL CHANGES IN INDUSTRIAL OUTPUT

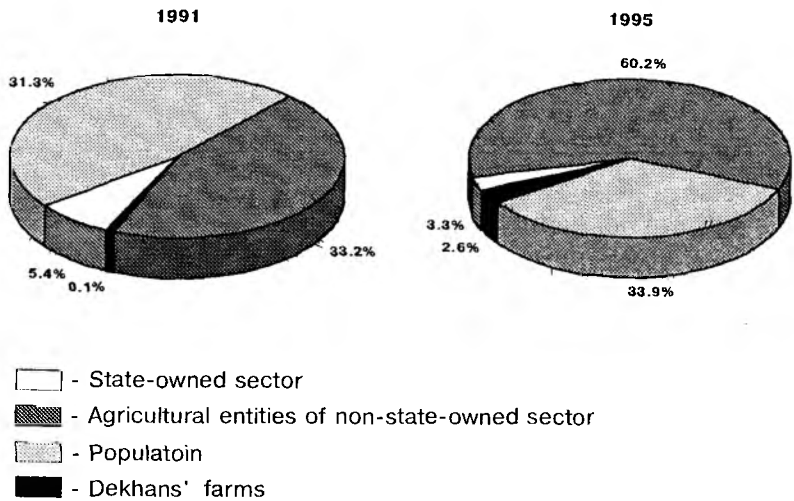


HEAVY, LIGHT AND FOOD INDUSTRIES' OUTPUT
(as per cent change to 1990)



During the independence years as a result of the agrarian reforms new agrarian economic structure has been developed. Reorganization of the state-owned farms into collective, cooperative, joint-stock and other non-state-owned agricultural entities has been carried out.

The share of non-state sector in the global agricultural output was in constant increase, achieving 96.7% in 1995.



Dekhans' (farmers) households have been widely expanded with 10 timefolds increase; as of July 1st, 1996 their number was 19.3 thousand.

More than half of cattle farms were transferred to collective ownership, 600 were sold in auctions.

In order to implement rational land rotation schemes and to expand grain areas with the purpose of achieving grain self-sufficiency, in recent years cotton areas were reduced by over 160 thousand ha and are maintained now on the level of 1500 thousand ha.

At the same time redistribution of land and restructuring of the sown areas were made. Thus in 1991 almost 60% of the areas under cultivation belonged to the state sector, and in 1995 its share accounted for only 3.4% of total area under cultivation.

In the years of independence private agricultural land plots of the population increased by 122 thousand ha. Total area of such plots amounts over 600 thousand ha. Its share in the global agricultural production amounts to 33.9%.

Total land area allotted to the farmers' households grew 19 timefolds and achieved 294.7 thousand ha in the first half-year of 1996. The farmers' entities' agricultural output increased 26 timefolds over the previous years.

Grain production marked a large growth. In 1996 grain crops area was of 2055.2 thousand ha increasing by 975 thousand ha in comparison with 1991. Grain crops area is now 48% of the country's total land under cultivation against 25% in 1991. Due to area extension and yields increase the grain production in 1995 was 1.7 times higher than in 1991.

The planned grain production of 3.2 million tonnes for 1996 will completely meet the domestic demand.

Altogether all types of agricultural farms produced in 1995 871.0 thousand tonnes of meat in brutto weight, 3677.4 thousand tonnes of milk, 1231.8 million eggs. The share of private agricultural households in the production of these products is 76.81% and 66% respectively against 59.71% and 37% in 1991.

Uzbekistan has achieved stable output of 5000 thousand tonnes of fruit and vegetables, grapes, potatoes. This figure considerably exceeds the domestic consumption.

Uzbekistan is a country with ancient irrigation. Suffice to say that almost 95% of global agricultural output is directly linked with irrigation. At present over 4.2 million ha of irrigated land are serviced by a widely developed water- supply network of reservoirs, pump plants and stations, canals, collectors and other hydrotechnical facilities.

BASIC AGRICULTURAL INDICATORS

	1991	1992	1993	1994	1995
Agricultural output indexes as % to the previous year	98.9	93.6	101.3	92.7	102.3
Area under agricultural crops in all types of entities, thous.ha	4200.3	4222.0	4229.7	4240.7	4250.0
including:					
grain crops	1079.9	1212.2	1280.3	1522.2	1656.5
technical crops	1760.4	1704.2	1731.8	1579.0	1532.6
cotton	1720.4	1666.7	1695.1	1540.0	1500.0
potatoes	40.0	42.9	44.5	53.0	45.9
Agricultural crops production, thous.t					
grain	1908.2	2257.2	2142.4	2466.9	3215.3
raw cotton	4645.8	4128.3	4234.5	3937.8	3934.1
potatoes	351.2	365.3	472.4	567.1	439.9
vegetables	3348.0	3494.3	3038.7	2962.3	2724.7
fruits	516.6	701.5	556.8	555.1	602.3
grapes	480.4	439.1	381.0	353.2	621.0
Cattle-breeding production					
meat (brutto), thous.t	491.8	469.2	503.6	509.2	523.5
milk, thous.t	3331.4	3679.2	3764.0	3731.6	3677.4
astrakhan, thous.pcs	1475.8	1603.8	1617.1	1540.2	1535.2
Private households share of the global output, as per cent					
grain	8.6	9.0	10.4	11.2	11.2
potatoes	47.8	51.9	43.2	55.4	66.3
vegetables	53.4	55.9	62.6	62.6	63.8
meat (brutto)	59.1	65.1	68.1	73.2	75.8
milk	71.0	75.7	75.8	76.3	80.8
eggs	37.2	49.1	55.1	58.1	65.6

BASIC INDICATORS OF THE PRIVATE AGRICULTURAL DEKHANS' FARMS DEVELOPMENT

	1991	1992	1993	1994	1995
Number of farms by the end of year, thous.	1.9	5.9	7.5	14.2	18.1
Land area allotted to the farms, thous.ha	13.7	45.1	70.6	193.1	264.6
Average land plot size, ha	7.3	7.6	9.4	13.6	14.6
Production of meat, t	—	4193.1	4495.3	13388.0	17644.0
milk, t	—	23629.0	24956.0	52560.0	71535.0
eggs, thous.pcs	—	1273.1	2608.2	3324.0	4938.9

CONSTRUCTION

Structural changes have also taken place in the construction sector: in 1995 61.9% of all contractor's works have been executed by non-state enterprises against 7.6% in 1991. Predominant form of property in the construction sector became joint-stock companies; they executed 37% of total amount of contractors' works, meanwhile collective and cooperative enterprises — 24%.

The structure of capital investments has also suffered changes: in 1991 more than 75% of investments were carried out by state-owned entities, in 1995 their share decreased to 55%.

In 1991 joint-stock companies and joint ventures practically made no capital investments, meanwhile in 1995 the share of joint ventures was 22.8% along with 5.6% belonging to joint-stock companies.

Structure of financial sources for capital investments has changed respectively. In 1991 44.5% of capital investments were made for account of budgetary funds and 38.7% for account of the enterprises own resources. In 1995 the share of capital investments financed by the state budget shrinked to 22.9%, meanwhile the share of enterprises' resources increased up to 47.1%.

One of the fundamental positive shifts in the investment sphere is an increasing amount of foreign investments and direct foreign loans whose share in total amount of capital investments has achieved 14% in 1995 against 0.6% in 1994 and a zero level in 1991—1993.

Principal investment partners of Uzbekistan are becoming state and private financial institutions of the USA, Germany, Japan, France, Great Britain, South Korea and other developed countries, as well as the World Bank and the European Bank for Reconstruction and Development.

The basic form of relationships in the contractors' activity is the contractual system and "key-on" construction.

The construction industry and the production of building materials were under dynamic development. In recent years production capacities to produce 555 million pieces of bricks, 154 thousand cubic meters of reinforced concrete, 1200 square meters of tiles and 180 thousand square meters of marble tiles were put into operation.

In the Akhangaran Cement Plant a craft bags packeting line with a capacity to pack 250 thousand tonnes of cement was completed and it allowed to improve ecological environment and to expand export potential of the plant.

In its final stage it is the construction of a shop for production of glass for civil purposes with the capacity of 10 million square meters in the Quarts Plant in Kuvasay. It will provide with domestically made glass for civil purposes the national demand in this kind of material.

CAPITAL INVESTMENTS STRUCTURE BY FORMS OF PROPERTY (as per cent of total)

	1991	1992	1993	1994	1995
Capital investments —total:	100	100	100	100	100
including:					
state	76	69	75	68	55
non-state	24	31	25	32	45

SHARE OF NON-STATE FORM OF PROPERTY IN BASIC CONSTRUCTION INDICATORS (per cent)

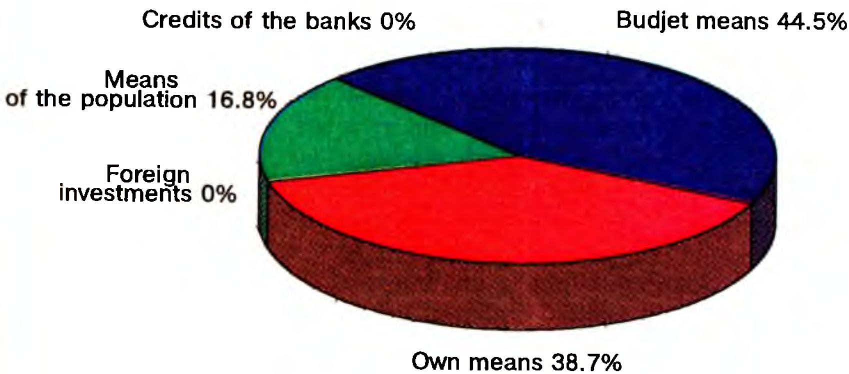
Indicators	1991	1992	1993	1994	1995
Basic fixed assets put into operation	27.2	42.3	28.4	34.6	41.1
Capital investments	24.4	31.1	24.9	31.6	44.9
Contractor's works amount	7.6	10.5	8.8	24.0	61.9
Houses put into operation	76.8	83.2	84.7	87.9	91.1

CAPITAL INVESTMENTS STRUCTURE BY FINANCING SOURCES *(as per cent of total)*

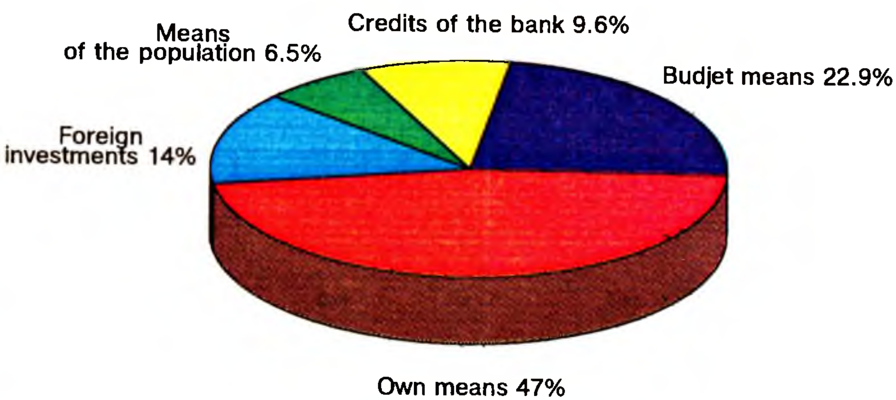
Sources	1991	1992	1993	1994	1995
Capital investments — total:	100.0	100.0	100.0	100.0	100.0
including:					
the state budget	44.5	26.6	32.1	25.3	22.9
own means	38.7	52.9	46.2	47.1	47.0
credits of the banks	—	0.3	8.3	11.1	9.6
foreign investments and loans	—	—	0.1	6.6	14.0
means of the population	16.8	20.2	13.2	9.9	6.5

STRUCTURE OF CAPITAL INVESTMENT
FINANCING SOURCES

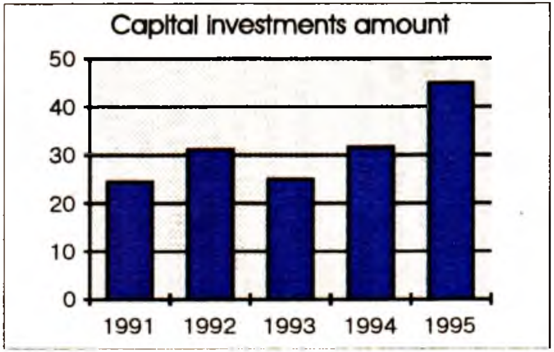
1991

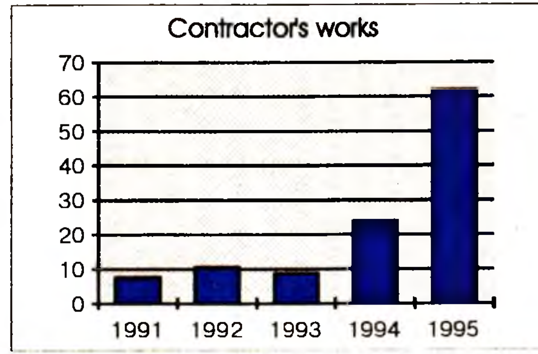


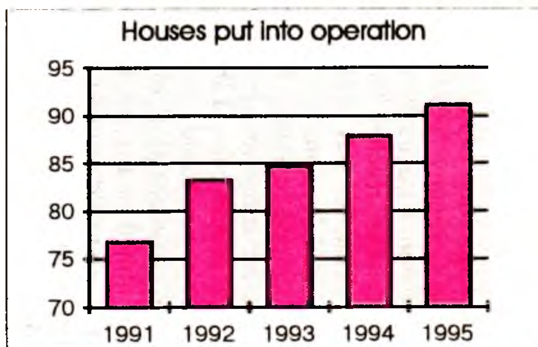
1995



SHARE OF NON-STATE FORM OF PROPERTY IN BASIC CONSTRUCTION INDICATORS







In the years of independence the transport and communication branches on the whole have been able to meet the demand of the national economy in cargo transportation and communication services and were given further development.

In spite of the sharp reduction in oil and grain transportation due to lower import of these items, the fall in cargo transportation volume was overcome by account of local cargo transportation increase. In 1995 alone by railways there were transported coal, ferrous metal, mineral fertilizers, construction cargoes 1.3-1.5 times more than in 1994.

The reconstruction of Tashkent Airport landing stripes, the upgrading of the air traffic management in accordance with the world standards of the ICAO, the acquisition of highly efficient intercontinental airliners A-310 for the National Company "Uzbekistan Khavo Yullari" secured the increase of air transportation. Particularly high increase rate were achieved in international flights whose share reached 40.9% in 1995 against 1.4% in 1994.

Proper attention was paid to the development of the transportation by the communal automobile traffic. New buses, lorries and cars of total 4630 units helped to renew the communal fleet.

Besides, for urban and municipal transportation 1174 buses of various types, 1782 motor-cars, 138 trams, 227 trolley busses and 36 metro wagoons were purchased.

Radical reconstruction of the National telecommunication network has begun aimed at the implementation of sophisticated digital systems for further incorporation to the world networks with wide participation of foreign capital.

Jointly with "DAEWOO TELECOM" digital telephone stations of total capacity for 45 thousand telephone lines in Fergana valley has been finished recently. The German "ALCATEL" has built new telephone stations of capacity for 11 thousand lines in Namangan and of capacity for 3 thousand lines in Tashkent; the telephone station-44 for 10.2 thousand lines, telephone station-36 for 5 thousand lines and an international telephone station (EWSD) for 4700 commutation points were also completed in Tashkent City.

Works has been completed to create the national network of communication data exchange by package commutation UzPAK, jointly with the Turkish Company Netash Norten Telekom.

Totally in the country 138.3 thousand telephone lines were put into operation, 12.9 thousand lines in rural areas included.

For worldwide post and correspondence delivery EMC-Uzbekistan has been created in order to meet the demand in express post deliveries in 42 to 72 hours.

CARGO HAULAGE AND PASSENGER TRAFFIC BY TRANSPORT OF GENERAL PURPOSE AND COMMUNICATION SERVICES

Parameters	Units	1991	1992	1993	1994	1995	1996 1st half
Cargoes	mln. tonnes	370.0*	295.2*	288.4	269.4	266.8	123.9
Passengers	mln. persons	2400.9*	2264.2*	2370.4	2423.6	2277.4	1244.7
Communication services incomes	mln. soums	577.8**	3006.6**	44663.6**	628.1	4102.5	3891.6

Notes:
* Central Asian Railroad within previous boundaries.
** Million roubles.

SOCIAL SPHERE

Population and demographic features. Uzbekistan is inhabited by over 23 million persons , among them 14 million (61.6%) are rural inhabitants. During 1991-1995 the rural population grew by 12%, meanwhile the urban population by 4%.

In the last 5 years demographic processes have been marked by positive trends. The implementation of the wide scale program "Soglom avlod uchun"("For healthy generation") motivated gradual changes in the reproductive approaches and bigger orientation towards the optimal family membership and , supported by the intensive development of protective measures of the motherhood and the childhood, provided lower annual population increase rate from 2.41% in 1991 to 1.97% in 1995, included rural population from 2.92% to 2.47% respectively.

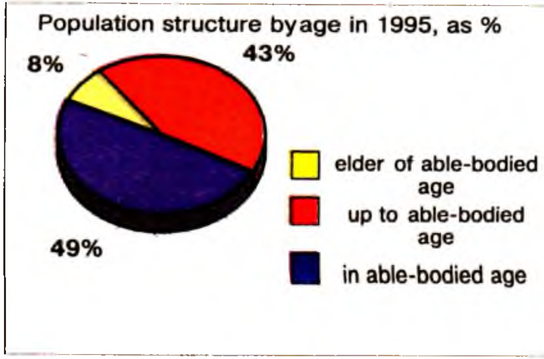
Social protection of the population. One of the main priorities in overall system of protective measures remains a permanent increase of the population incomes level. Raise of minimal wages, pensions and allowances is been made anticipatedly in connection with the consumer goods and services price increase in order to seek intact purchasing capacity of the population and preventing reduction in living standards.

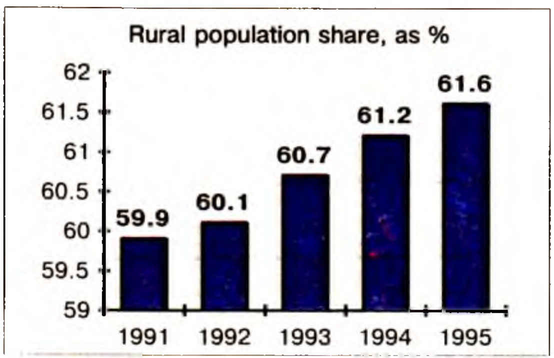
Economic stabilization in 1995 and the 1st half of 1996 helped to ensure higher living standards of the population. In 1995 real incomes per capita were of sustainable growth trend in comparison with December 1994, and during the 1st half of 1996 real incomes per capita calculated upon monthly basis were 18% higher than in the same period of 1995.

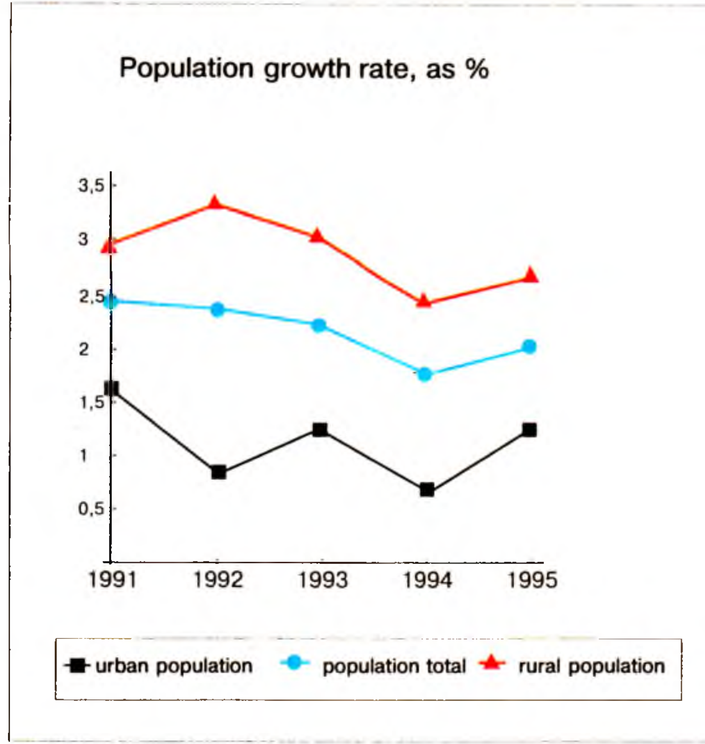
Important contribution to the creation of adequate system of social protection was the introduction of financial assistance to families with low incomes which is distributed through population self-

POPULATION AND AGE GROUPS IN THE REPUBLIC OF UZBEKISTAN
(annual average, thousand persons)

Years	All population			Up to able-bodied age			In able-bodied age			Elder of able-bodied age		
	total	including		total	including		total	including		total	including	
		town	village		town	village		town	village		town	village
1991	20863	8344	12519	9005	3078	5927	10234	4474	5760	1624	791	832
1992	21360	8451	12908	9239	3125	6114	10463	4524	5939	1658	802	856
1993	21853	8536	13316	9462	3167	6294	10707	4562	6145	1684	807	877
1994	22282	8623	13659	9604	3199	6405	10963	4611	6352	1716	813	903
1995	22690	8704	13985	9788	3228	6560	11157	4654	6503	1745	822	923


Population structure byage in 1995, as %
8%
43%
49%
elder of able-bodied age
up to able-bodied age
in able-bodied age


Rural population share, as %
62
61.5
61
60.5
60
59.5
59
59.9
60.1
60.7
61.2
61.6
1991
1992
1993
1994
1995


Population growth rate, as %
3,5
3
2,5
2
1,5
1
0,5
1991
1992
1993
1994
1995
urban population
population total
rural population

government institutions that evaluate financial aid needs of such families. In 1995 alone this kind of financial support were granted to 1 million families.

Economy reforming, new property relationships have considerably influenced the population income structure. Today substantional share of incomes structure accounts for the incomes generated by market-based laboral activity: entrepreneurship and private business, private land plots output, property revenue. These types of income generated about one third of total population income in 1995.

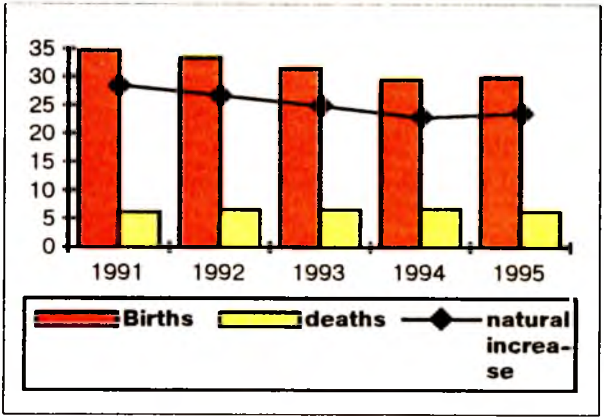
Employment and labour market. Exceptional importance is attached in Uzbekistan to the formation of adequate labour market because of the high increase rate of the labour force, extra labour force in rural areas and in certain industry branches resulting from the industrial transformation. The national legislation stipulates the principle of voluntary labour, bans forced work, creates mechanisms for the social protection of the unemployed people, and for their retraining. As a result of the implementation of structural changes, gradual transfer of the public property to the private ownership, dynamic development of individual and small businesses, joint-stock companies, encouragement of entrepreneurship, allotment of plots of land to citizens it has been possible to relieve tensions in employment sphere and motivate a considerable part of unemployed population to be engaged in labour activity. Nowadays the share of persons employed in the non-state sector has achieved 70%.

One of the main tasks in the implementation of market reforms in Uzbekistan is to avoid sharp increase in unemployment. For this purpose various methods of active regulation of the labour market are being applied. State employment offices network of over 240 units has been developed. In every city and district there is an employment bourse. The number of officially registered unemployed persons is among the lowest amongst the CIS countries (less than 1% of total labour force).

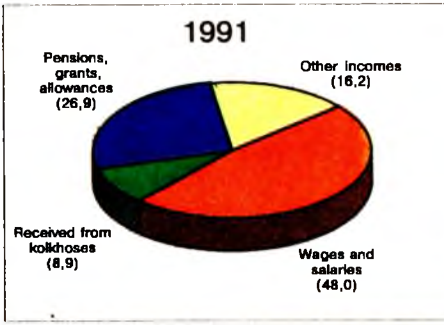
BIRTH , MORTALITY AND NATURAL INCREASE RATES OF THE REPUBLIC OF UZBEKISTAN'S POPULATION

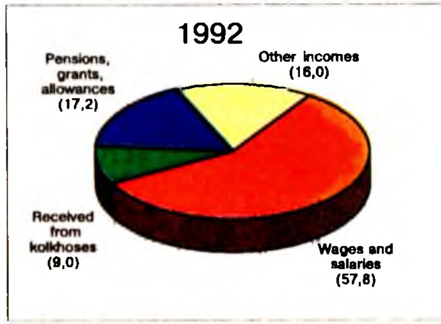
Years	Per 1000 of inhabitants		
	number of persons born	number of persons dead	natural increase rate
1991	34.7	6.2	28.5
1992	33.3	6.6	26.7
1993	31.5	6.6	24.9
1994	29.5	6.7	22.8
1995	29.9	6.3	23.6

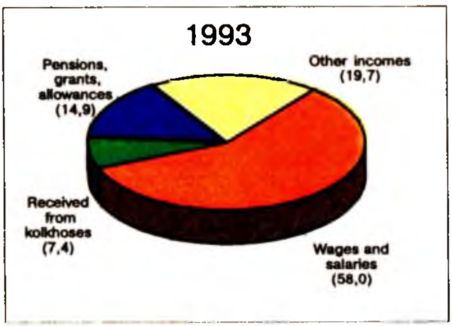
CRUDE BIRTH, MORTALITY AND NATURAL INCREASE RATES OF THE POPULATION (per 1000 inhabitants)

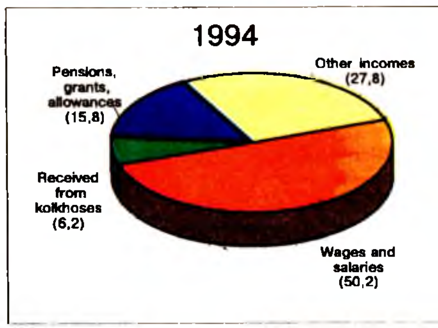


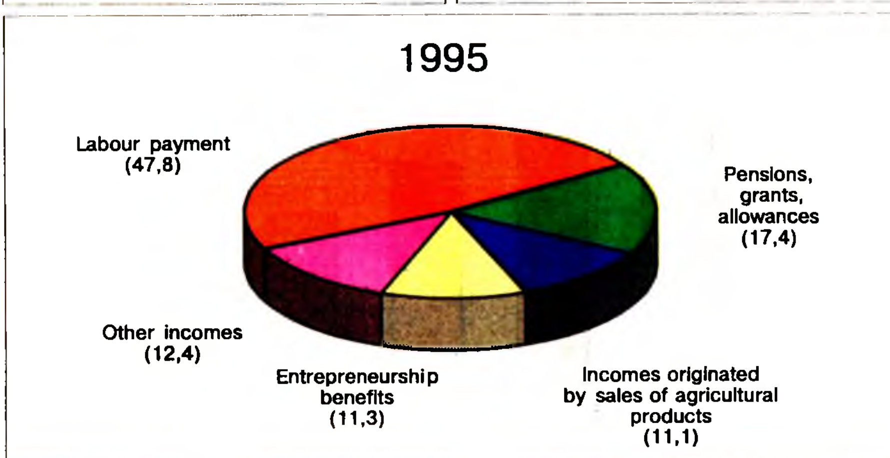
STRUCTURE OF HOUSEHOLDS' MONEY INCOMES
(according to households' budgets survey, as per cent)







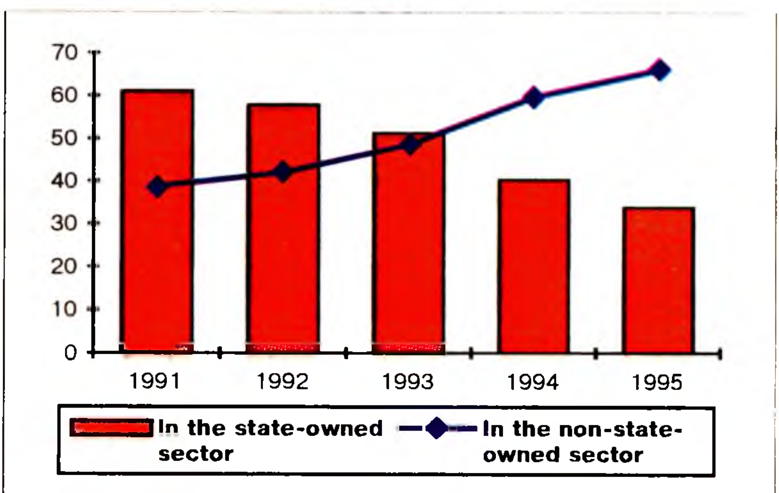




EMPLOYMENT BY FORMS OF PROPERTY (per cent)

Parameters	1991	1992	1993	1994	1995	1996 1st half
Employed — total	100.0	100.0	100.0	100.0	100.0	100.0
including:						
in state-owned sector	61.1	57.8	51.3	40.3	33.9	30.6
in non-state owned sector	38.9	42.2	48.7	59.7	66.1	69.4
including:						
in private enterprises	0.2	0.6	1.3	2.2	3.0	2.8
in leased enterprises	1.9	1.7	1.7	1.6	0.3	0.8
in joint-stock companies	0.1	0.6	1.2	5.5	9.7	9.3
in dekhans' farms	0.1	0.3	0.4	0.8	1.2	1.3

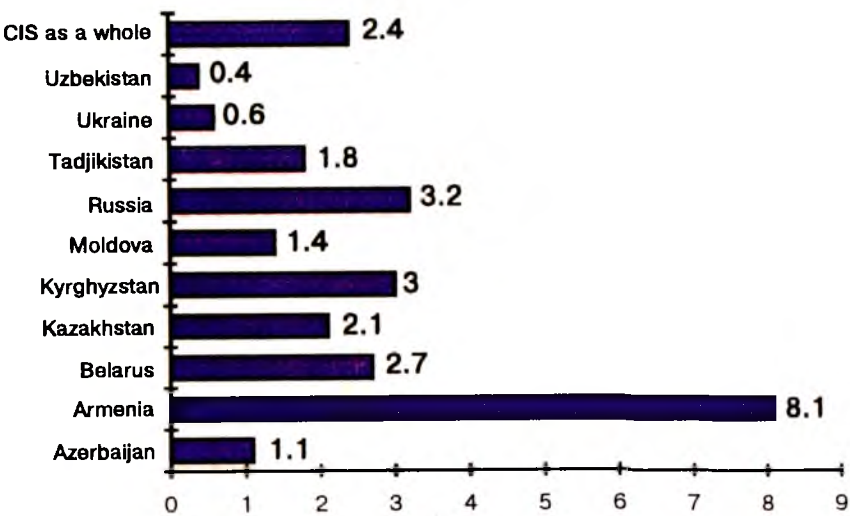
SHARE OF WORKERS EMPLOYED IN STATE-OWNED AND NON-STATE-OWNED SECTORS (per cent)



LABOUR MARKET AND UNEMPLOYMENT LEVEL IN THE REPUBLIC OF UZBEKISTAN

Parameters	Units	1991	1992	1993	1994	1995	1996 1st half
Number of persons registered with employment offices as seeking a job	thous. persons	—	—	191.6	202.9	246.1	146.6
those who got the job		—	—	115.7	130.0	153.5	91.2
Newly created jobs	thous. jobs	—	—	185.1	205.2	214.8	124.5
including:							
in rural areas	thous. jobs	—	—	101.9	107.4	110.0	63.4
in non-state-owned sector	thous. jobs	—	—	139.9	162.0	185.7	113.8
Number of registered jobless	thous. persons	—	—	28.9	29.4	31.0	41.0
Level of unemployment	%	—	—	0.3	0.3	0.4	0.5

LEVEL OF UNEMPLOYMENT IN UZBEKISTAN AND THE CIS COUNTRIES IN 1995(per cent)



Consumer goods market. During the period between 1991 and 1995 the consumer market was influenced by the common economic factors. Liberalization of domestic and foreign trade, restriction of the monopoly in the production sector, formation of competitive environment, introduction and stabilization of the national currency and its conversion in current transactions have improved the performance of goods and services market. As a result the demand and the offer had been balanced as a whole by the end of 1994, and the deficit of large variety of consumer goods had been overcome.

The saturation of the consumer sector of the economy was mainly motivated by a serie of governmental decisions encouraging both the domestic production of goods and services and the import of goods of limited production or unavailable within the country.

Deep economy reforming provided the basis for the emerging of various types of ownership in the retail trade and services sphere. Thus, in 1991 enterprises of non-state property ensured more than the half of total annual sales, and in 1995 this figure was more than 90% and by the middle of 1996 it has grown up to 94%.

RETAIL TURNOVER BY FORMS OF PROPERTY
(as per cent)

Parameters	1991	1992	1993	1994	1995	1996 1st half
Retail turnover — total	100.0	100.0	100.0	100.0	100.0	100.0
including by form of property						
state-owned	47.5	46.5	28.0	9.4	9.0	6.2
non-state owned	52.5	53.5	72.0	90.6	91.0	93.8

Housing improvement. During the years of independence in Uzbekistan measures and steps have been taken in order to raise the housing conditions at a new qualitative stage .

Average housing availability for the population grew by 6%. Housing availability for the rural population improved substantially and is very close now to urban population by living area per inhabitant.

The level of gas supply availability is constantly increasing. The number of rural households with gas supply doubled over this period.

HOUSING IMPROVEMENT

	1991	1992	1993	1994	1995	1996 1st half
Average housing availability (square meters per 1 inhabitant) — total	12.2	12.6	12.7	12.8	13.0	12.9
including:						
in urban areas	17.8	13.2	13.6	14.1	13.7	13.8
in rural areas	11.9	12.2	12.2	12.1	12.5	12.3
Houses and flats with gas supply (at beginning of the year, as %) — total	44.6	46.2	48.9	53.2	56.0	59.4
including in rural areas	19.3	21.3	25.3	32.5	37.8	43.3

Education . In Uzbekistan proper attention is given to ensure the youth with equal opportunities of the access to the education. The national legislation contemplates the compulsory basic education of nine years.

By the parameter of average educational time of inhabitants over the age of 25, being 11.3 years of study, our country is among the best economically developed countries. Uzbekistan has practically one hundred per cent literacy of the adults.

The selection of young people entering the higher and secondary specialized educational centres is made upon of the test controls.

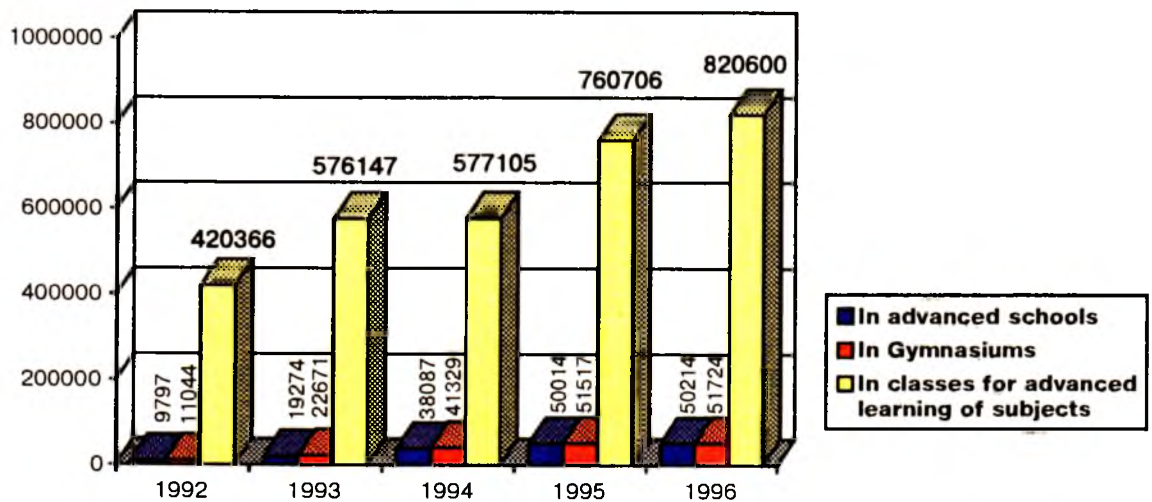
In order to stimulate expansion of individual and small business in rural areas and to involve the young people living there in entrepreneurship activity, a radical reorganization of the rural educational centres has been carried out. Entrepreneurship courses, professional and business schools, colleges to train staff for small and medium-sized business in agriculture and services have been creating in rural districts. 160 professional and business schools and 41 colleges were organized recently.

Growing international cooperation has provided opportunities for the young people to get education in prestigious higher learning centres outside the country. For example, the implementation of ACSELS program in Uzbekistan allows to send each year about 50 secondary school pupils selected by tests to USA colleges. Outside the country (in Turkey, Egypt, China) over 600 students from Uzbekistan are having training, predominantly in economic specialities (60%). Besides, in higher educational centres of the Republic of Uzbekistan there are 5.3 thousand students from foreign and CIS countries.

EDUCATION AND CULTURE

Parameters	1991	1992	1993	1994	1995	1996 1st half
Higher educational centers (units)	52	54	55	55	58	58
Secondary professional educational centers (units)	243	246	248	247	252	257
Number of pupils (thous.)	4655.5	4683.4	4788.8	4949.7	5090.2	5071.1
Schools for advanced learning of subjects (units)	21	55	141	211	291	297
including:						
advanced schools	11	31	85	134	187	190
Gymnasiums	10	24	56	77	104	107
Enrolment in schools for advanced learning of subjects	359866	441207	618092	656521	862237	922538
including:						
advanced schools	3612	9797	19274	38087	50014	50214
Gymnasiums	5320	11044	22671	41329	51517	51724
in classes for advanced learning of subjects	350934	420366	576147	577105	760706	820600
Nursery establishments capacity (thous.children)	9834	9467	9273	8908	8464	8464
New schools (thous.pupils)	184.6	122.9	123.4	72.5	47.9	8.5
Culture						
Radio broadcasting (daily hours)	48	48	48	48	58	50.3
TV broadcasting (daily hours)	11.9	12.9	14.9	14.9	26.5	40.1
Books (mln.copies)	55.7	47.5	44.0	42.1	38.2	19.6

ENROLMENT IN ADVANCED FORMS OF SECONDARY EDUCATION



Public health. Uzbekistan possesses a highly developed health care system that provides access of the population to various forms of medical services. New forms of medical assistance to the population are being implemented: day stay hospitals, medical assistance at home, centres of ambulant surgery. Network of medical assistance centres functioning on the basis of self-sufficiency, medical cooperatives, private doctors, pharmacological joint ventures have been developed. Privatization of pharmacies and of their material supply structure has been carried out.

A National Programme for reproductive women and children' health care, an Integral Programme for health care improvement of the young generation have been elaborated and are now under implementation with assistance of charity funds and non-governmental organizations.

Special attention is paid to the rural inhabitants' health protection. The Disposition of the Government approved a special Programme for the development of rural social infrastructure till the year 2000 targeted to improve medical assistance in the far distant rural areas which stipulates the construction of 1725 first aid facilities, hospitals for 4 thousand beds, reorganization of 177 medical units into rural physician assistance facilities.

The expansion of medical units equipped with modern medical devices and highly professional staff will help the primary health care institutions to meet growing requirements of prevention, proper detection and treatment of deseased rural patients.

PARAMETERS OF THE REFORMING OF PUBLIC HEALTH SYSTEM

Parameters	1991	1992	1993	1994	1995	1996 1st half
Payable medical services development, as % (share of health care budget)	1.7	2.1	1.1	3.6	5.8	5.2
New forms of health care services:						
Day-staying hospitals (thous.beds)	6.6	17.3	24.0	26.1	30.5	34.6
Hospitals at home (units)	180.0	438.0	943.0	1279.0	1769.0	1923.0
Centres of ambulant surgery	—	—	170.0	188.0	193.0	197.0
Share of private, self- and other forms of non-state health care sector to total number of medical establishments (%)	—	—	—	0.09	3.26	3.71
Share of physicians with private practice to total number of physicians in state medical establishments (%)	—	—	—	0.04	0.88	1.10
Hospital bed in use average days per year	299.0	312.0	314.0	314.6	314.8	—
Hospital bed circulation	19.4	21.7	21.7	21.9	22.3	—
Average hospital staying duration	15.6	15.0	14.7	14.3	14.2	—
Infant mortality rate (per 1000 persons)	35.5	37.0	32.0	28.2	26.0	—
Maternal death indicator (per 100000 persons)	65.3	51.0	40.6	38.6	32.2	—

EXTERNAL ECONOMIC ACTIVITY

The sovereignty of Uzbekistan has been recognized by over 150 countries of the world. Diplomatic relations have been established with about 90 states. Uzbekistan is a full-fledged member of all major prestigious international organizations and is increasingly building up trade and economic relationships with its partners from more than 100 countries.

In the years of independence all necessary institutional structures have been organized: the Ministry of External Economic Affairs, the National Bank for External Economic Activity, Customs. Analogous subdivisions began operating within the Government, Ministries and Governmental Agencies, local authorities bodies.

Up-to-date legislative and regulatory grounds for external economic relations development, attractive incentives and reliable guarantees for those who invest foreign capital in the Republic territory have been set up.

During 1992 — 1995 the Uzbekistan's global foreign trade turnover grew almost 2 times; along with deeper economic integration with the CIS countries, number and volume of trade ties with the developed countries also grew considerably.

In the structure of exports, along with the traditional supplies of cotton fibre, the trends to increase export of oil and gas, textile products are observed, as well as transport, tourist and other services. In imports there has been remarkable reduction in foodstuff supplies, whilst machinery and equipment purchases have greatly increased.

To date about 2500 enterprises with foreign investments have been registered in the Republic of Uzbekistan. During 1994 —1995 such joint ventures as the UzEllas, Zarafshan-Newmont, Uzsalaman, Zarispark, UzDAEWOOavto began operating in the country. This helped to meet the population demand in such comsumer goods like matches, footwear and some others.

Commodities and services export operations by the enterprises with foreign investments grew 2.1 times, and the number of persons employed, 3.7 times.

Colaboration in the sphere of international currency and loan relations is also expanding. The number of banks authorized to carry out currency transactions is growing. The largest bank, National Bank for External Economic Activity, has established correspondent accounts with 235 banks outside the country.

INDICATORS OF EXTERNAL ECONOMIC ACTIVITY OF THE REPUBLIC OF UZBEKISTAN BETWEEN 1992 AND 1996
(per cent change to the previous year)

	1992	1993	1994	1995	1996 1st half*
Foreign trade — total:					
foreign trade turnover	—	150.09	114.48	113.25	130.11
exports	—	171.41	110.20	111.87	104.77
imports	—	131.80	119.26	110.85	161.46
With the CIS countries					
foreign trade turnover	—	213.91	113.25	82.97	72.42
exports	—	279.58	110.11	77.24	49.78
imports	—	165.04	117.19	89.77	103.77
With other countries					
foreign trade turnover	88.22	105.76	116.21	154.71	181.66
exports	130.62	105.47	110.33	177.42	158.71
imports	67.49	106.03	121.75	135.34	207.54
Activity of joint ventures with foreign investments					
number of registered enterprises — total	360.76	176.32	123.98	145.91	142.76
including operational	246.15	288.28	174.53	161.34	162.07
foreign trade turnover	109.88	72.78	272.79	302.14	546.16
exports	71.46	66.09	76.52	415.34	619.85
imports	181.30	77.68	395.39	288.48	539.30
Number of employed	174.46	181.4	150.66	134.39	144.01

* 1st half of 1996 to 1st half of 1995

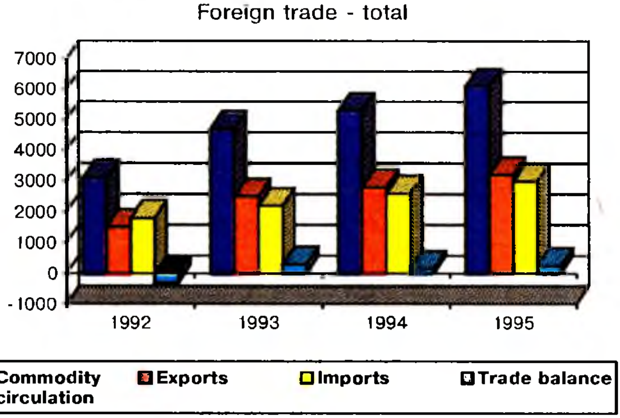
SHARE OF CIS-COUNTRIES AND FOREIGN COUNTRIES IN THE REPUBLIC OF UZBEKISTAN FOREIGN TRADE (per cent change)

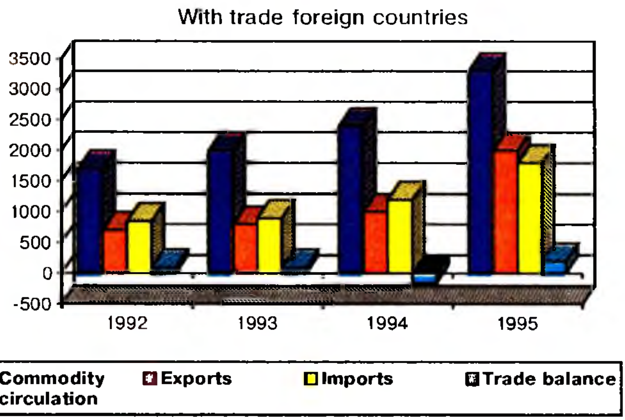
	1992	1993	1994	1995	1996 1st half
Foreign trade turnover	100.00	100.00	100.00	100.00	100.00
with CIS countries	40.99	58.42	57.79	42.34	26.30
with other countries	59.01	41.58	42.21	57.66	73.70
Exports	100.00	100.00	100.00	100.00	100.00
to CIS countries	37.87	61.77	61.72	41.25	23.52
to other countries	62.13	38.23	38.28	58.75	76.48
Imports	100.00	100.00	100.00	100.00	100.00
from CIS countries	43.66	54.68	53.73	43.51	28.54
from other countries	56.34	45.32	46.27	56.49	71.46

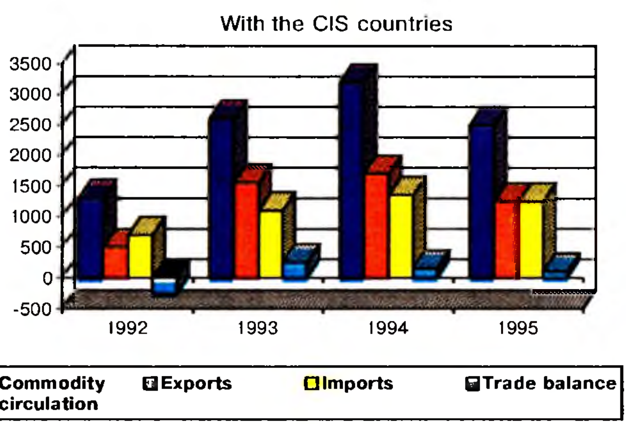
ACTIVITY OF ENTERPRISES WITH FOREIGN INVESTMENTS

	1992	1993	1994	1995	1996 1st half
Total of registered enterprises	570	1005	1246	1818	2397
including:					
operational	128	288	644	1039	1235
Volume of production (works, services), mln.soums	7.7	112.6	1708.1	7344.3	10561.4
Exports, mln.$US	34.8	23.0	17.6	73.1	81.2
Imports, mln.$US	47.5	36.9	145.8	420.6	743.7
Number of employed, persons	9126	16604	25016	33618	40000

FOREIGN TRADE OF THE REPUBLIC OF UZBEKISTAN

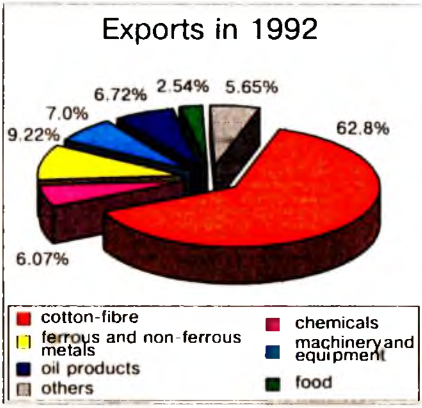


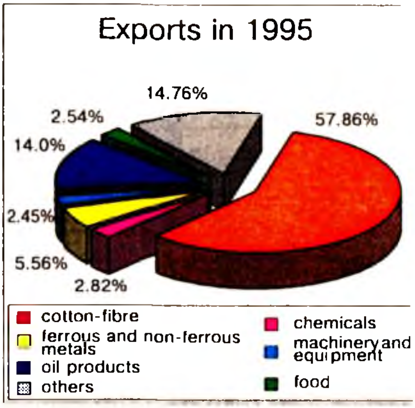


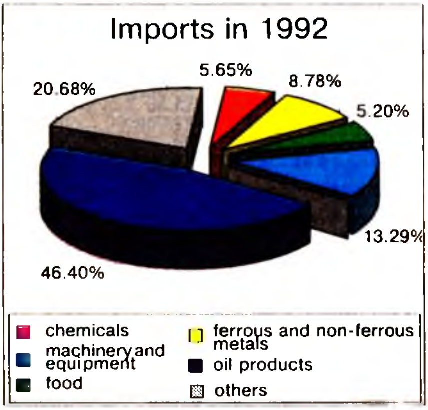


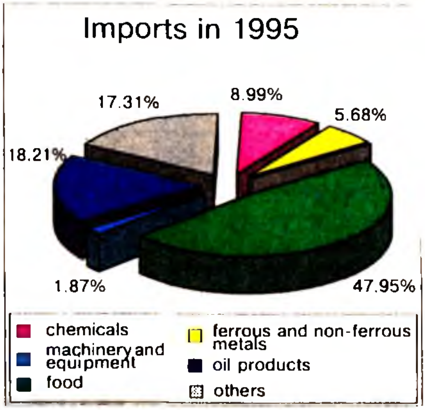
EXPORT AND IMPORT COMMODITIES STRUCTURE OF THE REPUBLIC OF UZBEKISTAN (as per cent)

	1992	1993	1994	1995
Exports				
Total	100.00	100.00	100.00	100.00
including:				
cotton-fibre	62.80	49.83	48.89	57.86
chemicals	6.07	4.29	3.12	2.82
ferrous and non-ferrous metals	9.22	6.02	4.36	5.56
machinery and equipment	7.00	9.14	5.65	2.45
oil products	6.72	19.91	26.10	14.00
food	2.54	2.08	3.50	2.54
others	5.65	8.73	8.38	14.76
Imports				
Total	100.00	100.00	100.00	100.00
including:				
chemicals	5.65	8.10	7.52	8.99
ferrous and non-ferrous metals	8.78	9.97	8.27	5.68
machinery and equipment	5.20	10.47	15.42	47.95
oil products	13.29	28.65	25.85	1.87
food	46.40	33.86	32.63	18.21
others	20.68	8.95	10.31	17.31


Exports in 1992
6.72%
2.54%
5.65%
7.0%
9.22%
62.8%
6.07%
cotton-fibre
ferrous and non-ferrous metals
oil products
others
chemicals
machinery and equipment
food


Exports in 1995
14.76%
2.54%
57.86%
14.0%
2.45%
5.56%
2.82%
cotton-fibre
ferrous and non-ferrous metals
oil products
others
chemicals
machinery and equipment
food


Imports in 1992
5.65%
8.78%
20.68%
5.20%
13.29%
46.40%
chemicals
machinery and equipment
food
ferrous and non-ferrous metals
oil products
others


Imports in 1995
17.31%
8.99%
5.68%
18.21%
1.87%
47.95%
chemicals
machinery and equipment
food
ferrous and non-ferrous metals
oil products
others

BASIC INDICATORS
OF ECONOMIC AND SOCIAL
DEVELOPMENT
OF THE REPUBLIC
OF KARAKALPAKSTAN,
OF THE REGIONS
AND TASHKENT CITY

REPUBLIC OF KARAKALPAKSTAN

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous. inhabitants	1273.8	1310.7	1342.8	1371.6	1396.7	1428.9
including rural	thous.inhabitants	659.4	676.0	688.4	703.9	718.8	738.4
Number of enterprises — total	unit	-	-	4354	5373	5416	5400
including:							
state-owned sector	as % to total	-	-	39.9	34.0	23.3	22.4
non-state-owned sector	as % to total	-	-	60.1	66.0	76.7	77.6
Share of employed in non-state-owned sector	as % to total employed	-	-	41.7	53.2	61.7	61.9
Industrial output	as % to previous period	98.1	89.4	105.0	100.6	92.6	100.6
Share of non-state-owned sector	as % to output	-	-	-	-	74.7	89.9
Consumer goods production	as % to previous period	103.8	88.0	108.5	98.7	107.2	94.1
Agricultural output	as % to previous period	90.5	96.1	114.4	87.9	92.8	100.6
Share of non-state-owned sector	as % to output	46.7	49.1	90.3	98.5	98.9	99.4
Number of dekhans' agricultural farms	unit	1092	1159	808	1404	1477	1428
Put into operation:							
houses	thous.sq.m of total area	642	454	445	344	235	100
gas supply network	km	667	544	925	899	329	87
water supply network	km	454	602	492	170	255	77
Retail turnover	mln.soums in current prices	-	-	-	1698.4	3382.4	2878.2
Share of non-state-owned sector	as %	56.4	55.9	54.8	91.8	94.6	95.1
Services	mln.soums in current prices	-	-	-	65.3	475.0	411.6

ANDIZHAN REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	1795.1	1838.7	1899.4	1951.4	1993.3	2063.6
including rural	thous.inhabitants	1216.4	1249.8	1310.1	1363.1	1392.3	1443.8
Number of enterprises — total	unit	-	-	6153	5903	8027	8000
including:							
state-owned sector	as % to total	-	-	62.5	20.6	14.5	13.3
non-state-owned sector	as % to total	-	-	37.5	79.4	85.5	86.7
Share of employed in non-state-owned sector	as % to total employed	-	-	48.4	69.6	73.0	78.2
Industrial output	as % to previous period	105.2	113.8	106.3	104.5	105.1	112.1
Share of non-state-owned sector	as % to output	-	-	-	-	66.8	88.6
Consumer goods production	as % to previous period	107.6	120.1	125.6	101.7	113.6	124.7
Agricultural output	as % to previous period	98.0	101.2	98.5	93.1	106.5	99.0
Share of non-state-owned sector	as % to output	76.5	81.0	95.9	99.0	99.4	98.2
Number of dekhans' agricultural farms	unit	5	184	505	1013	1253	1594
Put into operation:							
houses	thous.sq.m of total area	749	708	707	567	544	215
gas supply network	km	584	497	779	257	428	16
water supply network	km	187	119	200	61	41	1
Retail turnover	mln.soums in current prices	-	-	-	3556.1	11065.6	8041.8
Share of non-state-owned sector	as %	63.4	60.4	56.4	92.3	93.9	96.6
Services	mln.soums in current prices	-	-	-	171.4	917.7	867.6

BUKHARA REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous. inhabitants	1199.6	1232.3	1261.9	1290.3	1315.2	1350.5
including rural	thous. inhabitants	785.8	808.4	834.0	858.6	882.1	914.2
Number of enterprises — total	unit	-	-	3099	4346	5782	5800
including:							
state-owned sector	as % to total	-	-	36.1	23.0	13.9	14.0
non-state-owned sector	as % to total	-	-	63.9	77.0	86.1	86.0
Share of employed in non-state-owned sector	as % to total employed	-	-	48.8	70.7	75.0	73.1
Industrial output	as % to previous period	105.8	104.8	106.1	117.0	104.1	109.5
Share of non-state-owned sector	as % to output	-	-	-	-	94.7	95.1
Consumer goods production	as % to previous period	109.0	108.2	113.0	102.2	107.0	108.2
Agricultural output	as % to previous period	101.5	99.3	105.2	93.0	96.1	99.5
Share of non-state-owned sector	as % to output	76.3	84.5	91.7	98.6	98.9	99.4
Number of dekhans' agricultural farms	unit	55	112	285	748	864	873
Put into operation:							
houses	thous.sq.m of total area	569	430	373	402	435	197
gas supply network	km	424	353	573	600	672	1
water supply network	km	202	92	235	134	94	23
Retail turnover	mln.soums in current prices	-	-	-	1642.3	6057.0	5212.9
Share of non-state-owned sector	as %	62.0	60.1	58.4	93.1	93.8	96.2
Services	mln.soums in current prices	-	-	-	115.9	582.5	586.0

DZHIZAK REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	780.0	806.2	830.7	852.7	871.4	900.7
including rural	thous. inhabitants	551.4	567.9	561.7	576.3	590.5	615.2
Number of enterprises — total	unit	-	-	2272	2558	3921	3600
including:							
state-owned sector	as % to total	-	-	54.6	43.2	22.5	21.9
non-state-owned sector	as % to total	-	-	45.4	56.8	77.5	78.1
Share of employed in non-state-owned sector	as % to total employed	-	-	13.0	60.7	65.8	66.3
Industrial output	as % to previous period	107.0	105.8	89.7	110.3	107.3	102.3
Share of non-state-owned sector	as % to output	-	-	-	-	53.7	80.2
Consumer goods production	as % to previous period	112.6	126.2	115.1	96.2	109.2	115.2
Agricultural output	as % to previous period	102.0	91.2	103.6	89.3	113.0	89.3
Share of non-state-owned sector	as % to output	36.1	39.5	85.5	98.4	98.9	98.4
Number of dekhans' agricultural farms	unit	125	277	444	1165	1704	1799
Put into operation:							
houses	thous.sq.m of total area	270	207	107	138	115	34
gas supply network	km	293	168	179	170	147	19
water supply network	km	185	139	132	110	64	6
Retail turnover	mln.soums in current prices	-	-	-	842.9	2177.5	1558.9
Share of non-state-owned sector	as %	61.2	59.9	60.4	89.5	90.4	93.1
Services	mln.soums in current prices	-	-	-	52.3	384.9	222.0

FERGANA REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	2226.4	2282.2	2337.8	2398.0	2444.5	2522.7
including rural	thous. inhabitants	1531.3	1579.7	1620.2	1671.1	1717.5	1784.6
Number of enterprises — total	unit	-	-	5199	5396	7328	7330
including:							
state-owned sector	as % to total	-	-	38.8	32.7	19.1	18.6
non-state-owned sector	as % to total	-	-	61.2	67.3	80.9	81.4
Share of employed in non-state-owned sector	as % to total employed	-	-	40.8	64.5	73.2	77.0
Industrial output	as % to previous period	97.7	88.5	106.1	101.7	95.5	100.9
Share of non-state-owned sector	as % to output	-	-	-	-	36.2	50.5
Consumer goods production	as % to previous period	102.4	103.1	109.4	101.0	102.0	104.2
Agricultural output	as % to previous period	95.4	98.6	98.0	95.3	104.6	93.7
Share of non-state-owned sector	as % to output	70	75.1	97.4	98.0	98.6	99.0
Number of dekhans' agricultural farms	unit	-	331	1200	1215	1977	2009
Put into operation:							
houses	thous.sq.m of total area	981	628	432	341	290	69
gas supply network	km	489	542	1166	878	796	65
water supply network	km	166	91	164	62	94	8
Retail turnover	mln.soums in current prices	-	-	-	4295.7	9662.9	10936.1
Share of non-state-owned sector	as %	50.6	49.0	51.0	90.7	91.1	95.4
Services	mln.soums in current prices	-	-	-	214.4	115.5	1033.7

KASHKADARYA REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	1697.7	1756.2	1812.0	1867.9	1917.9	2004.0
including rural	thous.inhabitants	1251.9	1297.1	1344.3	1384.8	1426.2	1482.8
Number of enterprises — total	unit	-	-	3452	5444	6011	5600
including:							
state-owned sector	as % to total	-	-	67.1	18.0	13.9	13.6
non-state-owned sector	as % to total	-	-	32.9	82.0	86.1	86.4
Share of employed in non-state-owned sector	as % to total employed	-	-	19.8	71.7	72.3	73.5
Industrial output	as % to previous period	107.6	103.1	117.6	104.7	110.7	105.2
Share of non-state-owned sector	as % to output	-	-	-	-	58.5	72.6
Consumer goods production	as % to previous period	109.5	88.5	116.9	99.7	109.2	121.0
Agricultural output	as % to previous period	106.2	86.6	116.7	80.4	103.0	100.2
Share of non-state-owned sector	as % to output	47.0	46.8	59.5	68.5	99.3	99.4
Number of dekhans' agricultural farms	unit	-	435	606	1078	1034	1052
Put into operation:							
houses	thous.sq.m of total area	761	552	498	382	369	220
gas supply network	km	532	486	421	241	354	202
water supply network	km	352	239	214	94	168	40
Retail turnover	mln.soums in current prices	-	-	-	1795.0	5167.5	5139.8
Share of non-state-owned sector	as %	65.3	62.6	61.6	95.9	96.5	97.6
Services	mln.soums in current prices	-	-	-	116.8	663.3	483.3

KHORESM REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	1068.5	1100.3	1135.5	1169.5	1198.4	1238.2
including rural	thous.inhabitants	776.2	801.4	847.3	875.3	899.8	933.0
Number of enterprises (total)	units	-	-	2759	2901	4204	4251
including:							
state-owned sector	as % of total	-	-	38.0	34.9	17.8	16.2
non-state owned sector	as % of total	-	-	62.0	65.1	82.2	83.8
Share of employed in non-state-owned sector	as % of total employed	-	-	51.3	66.6	71.9	73.4
Industrial output	as % of previous period	105.3	103.0	108.9	145.2	129.4	100.4
Share of non-state-owned sector	as % to output	-	-	-	-	95.2	96.0
Consumer goods production	as % to previous period	103.7	101.3	108.0	102.5	101.8	107.2
Agricultural output	as % to previous period	93.6	100.8	111.8	97.8	102.8	98.6
Share of non-state-owned sector	as % to output	86.1	87.3	95.7	97.6	98.5	98.8
Number of dekhans' agricultural farms	units	-	481	221	616	878	967
Put into operation:							
houses	thous.sq.m of total area	512	468	278	269	273	65
gas supply network	km	329	250	229	206	136	29
water supply network	km	692	359	434	155	99	24
Retail turnover	mln.soums in current prices	-	-	-	1249.7	2638.2	2593.6
Share of non-state-owned sector	as %	60.8	68.4	60.7	90.8	90.9	97.7
Services	mln.soums in current prices	-	-	-	83.8	529.4	579.2

NAMANGAN REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	1557.8	1604.1	1651.6	1699.4	1741.2	1809.6
including rural	thous.inhabitants	963.1	988.5	1018.7	1051.3	1080.6	1124.6
Number of enterprises — total	unit	-	-	5959	6795	7630	6800
including:							
state-owned sector	as % to total	-	-	63.5	32.3	18.9	17.4
non-state-owned sector	as % to total	-	-	36.5	67.7	81.1	82.6
Share of employed in non-state-owned sector	as % to total employed	-	-	43.8	61.7	70.2	73.9
Industrial output	as % to previous period	99.6	93.7	107.1	107.8	100.0	103.8
Share of non-state-owned sector	as % to output	-	-	-	-	89.0	94.4
Consumer goods production	as % to previous period	110.3	96.7	116.8	109.4	103.6	109.2
Agricultural output	as % to previous period	104.2	93.7	97.9	100.3	109.5	108.9
Share of non-state-owned sector	as % to output	71.6	73.8	88.5	97.7	99.1	99.1
Number of dekhans' agricultural farms	unit	3	142	684	1317	1067	1034
Put into operation:							
houses	thous.sq.m of total area	1022	737	805	745	599	176
gas supply network	km	497	387	443	168	512	145
water supply network	km	392	137	219	83	242	6
Retail turnover	mln.soums in current prices	-	-	-	2971.3	8427.3	7634.8
Share of non-state-owned sector	as %	67.6	67.5	70.3	89.9	90.8	94.3
Services	mln.soums in current prices	-	-	-	163.5	868.1	574.4

NAVOI REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous. inhabitants	684.9	701.8	715.3	729.5	734.5	755.5
including rural	thous. inhabitants	402.9	414.8	425	434.4	441.6	451.5
Number of enterprises — total	unit	-	-	1900	1807	3033	3100
including:							
state-owned sector	as % to total	-	-	32.0	28.4	17.6	17.2
non-state-owned sector	as % to total	-	-	68	71.6	82.4	82.8
Share of employed in non-state-owned sector	as % to total employed	-	-	36.1	46.1	50.2	52.1
Industrial output	as % to previous period	99.8	94.9	98.4	94.9	102.1	105.3
Share of non-state-owned sector	as % to output	-	-	-	-	10.7	15.7
Consumer goods production	as % to previous period	143.7	115.7	118.6	105.6	97.6	98.5
Agricultural output	as % to previous period	97.4	88.1	105.2	96.2	101	94.1
Share of non-state-owned sector	as % to output	72.8	66.6	70.5	95.9	98.6	98.8
Number of dekhans' agricultural farms	unit	-	290	390	638	703	725
Put into operation:							
houses	thous. sq.m of total area	259	213	189	96	120	40
gas supply network	km	-	226	309	275	233	75
water supply network	km	-	232	303	90	87	14
Retail turnover	mln. soums in current prices	-	-	-	637.1	2356.5	2293.4
Share of non-state-owned sector	as %	53.3	47.1	42.4	68.7	70.9	77
Services	mln.soums in current prices	-	-	-	62.3	406	357.0

SAMARKAND REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous. inhabitants	2209.7	2264.8	2322.3	2377.6	2431.7	2518.4
including rural	thous. inhabitants	1530.2	1579	1635.7	1686.3	1728	1805.5
Number of enterprises — total	unit	-	-	4088	5083	8478	8340
including:							
state-owned sector	as % to total	-	-	50.2	41.4	20.7	20.5
non-state-owned sector	as % to total	-	-	49.8	58.6	79.3	79.5
Share of employed in non-state-owned sector	as % to total employed	-	-	42	61.1	66.8	70.3
Industrial output	as % to previous period	103.5	86.3	98.1	93.3	92.9	111.6
Share of non-state-owned sector	as % to output	-	-	-	-	65.4	74.4
Consumer goods production	as % to previous period	106	90.4	113.3	86.8	92	115.6
Agricultural output	as % to previous period	94.8	90.9	99.3	93.8	103.9	98.8
Share of non-state-owned sector	as % to output	75.9	81.4	90	97.2	98.5	98.7
Number of dekhans' agricultural farms	unit	588	1125	277	817	1967	2213
Put into operation:							
houses	thous. sq.m of total area	982	774	959	906	897	414
gas supply network	km	596	227	857	581	924	350
water supply network	km	347	102	222	111	90	67
Retail turnover	mln. soums in current prices	-	-	-	3080	11389.2	11920.6
Share of non-state-owned sector	as %	52.6	46.5	48.7	79.6	93.6	95.7
Services	mln.soums in current prices	-	-	-	204.3	1123.4	928.9

SURKHANDARYA REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous. inhabitants	1335.9	1384.7	1436.5	1489.5	1535.8	1606.4
including rural	thous. inhabitants	1078.7	1120.4	1167	1206.9	1216.2	1278.2
Number of enterprises — total	unit	-	-	3207	3656	6010	6100
including:							
state-owned sector	as % to total	-	-	48.9	39.5	22.3	21.6
non-state-owned sector	as % to total	-	-	51.1	60.5	77.7	78.4
Share of employed in non-state-owned sector	as % to total employed	-	-	50.8	64.2	72	76.5
Industrial output	as % to previous period	106.4	92.8	98	113.8	99.4	101.5
Share of non-state-owned sector	as % to output	-	-	-	-	91.7	92.4
Consumer goods production	as % to previous period	104.6	99.5	109.9	92.8	111.1	112
Agricultural output	as % to previous period	106.8	75.6	107.6	85.6	89.1	93.5
Share of non-state-owned sector	as % to output	58	59.6	89.6	98.5	99.2	99.7
Number of dekhans' agricultural farms	unit	-	261	676	1036	2003	2341
Put into operation:							
houses	thous. sq.m of total area	900	806	586	306	290	118
gas supply network	km	376	489	518	317	347	99
water supply network	km	360	375	308	78	63	16
Retail turnover	mln. soums in current prices	-	-	-	1033.7	3458	2600.6
Share of non-state-owned sector	as %	69.7	67.7	66.5	86.7	89	89.5
Services	mln.soums in current prices	-	-	-	68.1	365.9	312.6

SYRDARYA REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous. inhabitants	580.3	587.1	599.8	617	626.1	637.2
including rural	thous. inhabitants	393.5	401.6	412.3	421.4	431.7	441.4
Number of enterprises — total	unit	-	-	2307	2596	3332	3330
including:							
state-owned sector	as % to total	-	-	47.2	34.3	22.7	22.3
non-state-owned sector	as % to total	-	-	52.8	65.7	77.3	77.7
Share of employed in non-state-owned sector	as % to total employed	-	-	36.5	55.6	61.7	66.5
Industrial output	as % to previous period	101.3	91.1	104.2	94.5	106	112.4
Share of non-state-owned sector	as % to output	-	-	-	-	75.8	95
Consumer goods production	as % to previous period	105.1	120.5	120.5	106.8	102.7	100.7
Agricultural output	as % to previous period	97	92.6	84.1	98.7	115.3	90.9
Share of non-state-owned sector	as % to output	44.5	47.7	83.3	96	98.3	98.9
Number of dekhans' agricultural farms	unit	-	588	645	1071	997	1034
Put into operation:							
houses	thous. sq.m of total area	259	151.9	110.9	84.4	85	37
gas supply network	km	226	115	252	142	162	26
water supply network	km	103	117	1119	44	53	2
Retail turnover	mln. soums in current prices	-	-	-	856.6	2451.7	2679.2
Share of non-state-owned sector	as %	59.2	61.1	57.8	82.6	93.7	96
Services	mln.soums in current prices	-	-	-	39.3	208.3	223.7

TASHKENT REGION

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	2149.5	2175.9	2206.3	2234.5	2239.8	2276.3
including rural	thous.inhabitants	1201.3	1216.2	1255.8	1282.1	1304.5	1359.5
Number of enterprises — total	unit	-	-	5540	7008	7892	7892
including:							
state-owned sector	as % to total	-	-	35.3	23.6	16.8	15.2
non-state-owned sector	as % to total	-	-	64.7	76.4	83.2	84.8
Share of employed in non-state-owned sector	as % to total employed	-	-	39.9	58.5	62.6	70.9
Industrial output	as % to previous period	96	83.8	94.5	94.2	102.1	114.8
Share of non-state-owned sector	as % to output	-	-	-	-	35.2	46.8
Consumer goods production	as % to previous period	90.8	96.2	100.5	88.5	101.1	104.5
Agricultural output	as % to previous period	95.8	107.2	84	101.6	99.5	97.9
Share of non-state-owned sector	as % to output	68.3	75.9	86.2	91.1	94.7	97.2
Number of dekhans' agricultural farms	unit	-	557	797	2118	2161	2238
Put into operation:							
houses	thous.sq.m of total area	579	430	338	311	268	105
gas supply network	km	562	895	647	606	674	91
water supply network	km	179	146	178	108	70	2
Retail turnover	mln.soums in current prices	-	-	-	2459	7636.6	6526.3
Share of non-state-owned sector	as %	55.9	52.2	58.4	90.2	90.6	91.6
Services	mln.soums in current prices	-	-	-	305.9	1537.2	1331.3

TASHKENT

	Units	1991	1992	1993	1994	1995	1996 1st half
Population	thous.inhabitants	2149.0	2161.8	2150.8	2143.6	2116.1	2116.3
Number of enterprises (total)	units	-	-	8318	10836	14178	14274
including:							
state-owned sector	as % of total	-	-	30.7	21.0	15.8	15.2
non-state owned sector	as % of total	-	-	69.3	79.0	84.2	84.8
Share of employed in non- state-owned sector	as % of total employed	-	-	23.6	29.8	43.3	46.4
Industrial output	as % of previous period	104.2	96.7	107.4	96.9	105.3	120.0
Share of non-state-owned sector	as % to output	-	-	-	-	67.0	72.4
Consumer goods production	as % to previous period	108.2	93.1	113.8	97	104	135.60
Put into operation:							
houses	thous.sq.m of total area	879	693	617	451	457	211
gas supply network	km	76	70	176	55	76	20
water supply network	km	86	37	53	29	51	35
Retail turnover	mln.soums in current prices	-	-	-	7862.4	28359.1	25601.8
Share of non-state-owned sector	as %	3.8	4.6	4.6	88.3	88.6	91.8
Services	mln.soums in current prices	-	-	-	688.7	4194.3	3926.0

BASIC SOCIAL AND ECONOMIC INDICATORS OF THE COMMONWEALTH OF INDEPENDENT STATES' MEMBERS BETWEEN 1991 AND 1995 (1995 as per cent to 1990)

	Gross domestic product	Global industrial output	Agricultural output	Capital investment (all sources of financing)	Houses put into operation	Money income of population, times	Consumer prices index, times	Retail turnover (all channels of sales)
Uzbekistan	82	99.9	89	54	50	5470.1	9257	51.6
Azerbaijan	38.2	45	54	33	15	5319.4	23751	7.2
Armenia*	—	47	114	—	15	3883.3	53478	10.4
Belarus	60.5	61	73	41	35	25162	51538	37.4
Georgia	—	17	26	—	—	—	—	9
Kazakhstan	45.4	48	54	20	20	4488	27712	16.9
Kyrghyzstan	50.3	35	57	37	24	249.6	1531	32.5
Moldova	38.6	44	66	14	26	417.5	2534	14.3
Russia	62.2	50	67	30	69	2458.6	4652	88.6
Tadjikistan	—	44	36	21	8	—	8134	2.7
Turkmenistan	—	65	76	—	—	—	—	—
Ukraine	44.4	53	61	26	49	21566	118572	36.1

N o t e s: data of the Interstate Statistical Committee of the CIS members.

BASIC SOCIAL AND ECONOMIC INDICATORS OF THE COMMONWEALTH OF INDEPENDENT STATES' MEMBERS IN JANUARY — JUNE OF 1996 (as per cent to the 1st half of 1995)

	Gross domestic product	Global industrial output	Capital investments	Money income of population, times	Retail turnover (all channels of sales)
Uzbekistan	101.4	105.0	104.4	2.2	121.1
Azerbaijan	94.3	89.8	197.0	1.6	116.3
Armenia*	103.2	100.1	—	149.9	122.5
Belarus	99.8	101.6	85.0	170.0	109.0
Georgia	—	104.0	—	—	122.2
Kazakhstan	99.2	100.2	58.8	—	122.3
Kyrghyzstan	100.3	113.2	124.0	127.5	103.1
Moldova	96.5**	108.7	56.0	139.2*	—
Russia	95.0	96.0	86.0	172.0	98.0
Tadjikistan	79.8*	75.1	—	—	—
Turkmenistan	—	132.0	—	—	—
Ukraine	91.3	96.9	69.0	225.5*	—

* January — May of 1996 to January — May of 1995.
** January — March of 1996 to January — March of 1995.

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за 1991—1996 гг.

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