



Seminar on the new stage developments in Uzbekistan

Uzbekistan has more than half of the population in the Central Asia and thus has great potentials under the new economic reform and open door policy of the new President starting in late 2016. It is not only aspiring to the geo-economic hub in the Central Asia because of its oil and gas and great agricultural resources; it has also been considered to be the coming geostrategic hub of the Central and of the Eurasian landmass as a whole. It is in the heart of Eurasia, and who controls it controls the world. Its economic revitalization would again bring the great glory of the Ancient Silk Road life again joining China, India, Iran, Russia and beyond for a great synergy of production, trade and civilizations.

We would like to present a ground-breaking seminar in Hong Kong to open the window to Uzbekistan and to the Central Asia.

Organizers: Silk Road Economic Development Research Center, One Belt One Road Research Institute of the Chu Hai College, and Institute for Entrepreneurship, The Hong Kong Polytechnic University

Date: 10 January 2018

Time: 2:15-5:15 pm

Venue: The Hong Kong Polytechnic University

Programme:

1. *Opening speech* by Mr. Joseph Chan, Chairman of the Silk Road Economic Development Research Center
2. *Key note speech – the new development plans of Uzbekistan in the new era*, by Mr. Vladimir Norov, Director of the Institute for Strategic and Interregional Studies under the President of Uzbekistan, formerly Minister of Foreign Affairs and State Advisor to the President, Republic of Uzbekistan

3. *Speech on reforms and the prospects for foreign investments in Uzbekistan*, by Mr. Oybek Khamraev, Head of Department, The State Investments Committee of the Republic of Uzbekistan
4. *Speech on Uzbekistan, Central Asia and the opportunities for Hong Kong*, by Dr. Thomas Chan, Director of the One Belt One Road Research Institute of the Chu Hai College, Hong Kong
5. Interactive session co-chaired by Mr. Joseph Chan, Chairman of the Silk Road Economic Development Research Center, and Dr. Alwin Wong, Director of the Institute for Entrepreneurship, The Hong Kong Polytechnic University
6. *Concluding remarks* by Dr. Alwin Wong, Director of the Institute for Entrepreneurship, The Hong Kong Polytechnic University

Notes on Uzbekistan in 2018

Uzbekistan is the third largest country of the former Soviet Union after Russia and Kazakhstan. Since its independence in 1991, it has preserved political, social and economic stability under the rule of the last President Karimov. The economy has experienced an economic take-off since the 2000s. Economic growth rate has been averaging at around 8%. Despite the recent slowdown, it continues to achieve 7.8% growth in 2016 and 2017. It is the best performed country of Central Asia and Caucasus and has enjoyed almost persistent fiscal and trade surpluses with little public and external debts. It has limited external connections in the past, and the economy has been under-rated (current GDP estimated by the World Bank is US\$ 63.4 billion in 2016, but the calculation on the basis of purchasing power parity puts it at US\$ 202 billion), and its chief resources, oil, gas and minerals including gold and copper have also been underexplored. With stability, healthy fiscal and trade balances, a large young population aged at the medium of 26.7 years old and a reasonable infrastructure (with the only high-speed railway in the region), it has great potential for rapid growth under liberalization and reform.

The new President Mirziyoyev was elected in December 2016. In the past months he has initiated a sweeping reform and open-door policy, including improvement of relations with neighbouring countries and floating the national currency in September 2017 with an aim for full convertibility in 2019. The new government invites foreign direct investment and plans to offer visa-free visits to 27 countries in the near future. It works with the Asian Development Bank and IMF in its reform and infrastructural development and has already attracted large investments from the China, USA and Korea. The European Bank of Reconstruction and Development has also returned to support investment projects of the new government. Uzbekistan has a long term contract to supply natural gas to China via the China-Uzbekistan pipeline in addition to other long term oil exploration contracts with Chinese firms. It would become another Kazakhstan to prosper on oil, gas and mineral revenues and proceed to middle income country status. (Its current per capita GDP is around US\$ 2,100.)

In February the government has launched the Strategy of Actions for the Development of Uzbekistan for 2017-2022 and has started massive infrastructural investment programmes. The Angren-Pap railway line financed and built by China has just completed in 2017. There has been

agreement on the creation of a new automobile corridor, Uzbekistan – Kyrgyzstan – China. More significantly, within a short period of time, the new government established 11 Free Economic Zones all over the country together with technology innovation zones and industrial zones. A major focus is on pharmaceutical industry. It has been suggested that the reform and open up policy of the current administration is following the Chinese model. The emphasis on trade liberalization, privatization (in particular in the rural sector), focus on FDI and revision of investment and trade legislation, all bear some reference to the Chinese experiences in the past decades. Locally President Mirziyoyev is being compared with Deng Xiaoping of China.

As the largest country and with a strategic location in the heart of Asia, the Central Asia, Uzbekistan will be the crucial link for regional development and for the revival of the Silk Road routes that connects China, South and West Asia. It borders all the countries in Central Asia making it the hub of transport links of the region and through the region. The Uzbek reforms start with a much better economic and infrastructure foundation than China in the 1980s. Its 33 million population is about half of the total population of 70 million in Central Asia, its awakening and reform should therefore have a much larger impact than the economic development of Kazakhstan, which by virtue of the revenues of oil and gas has reached a per capital GDP of just over US\$ 10,000.

Hong Kong should be in a good position to facilitate investment as well as trade in and out of Uzbekistan taking advantage of the city state's super global financial and services centre and air transport hub functions. It could leverage on its experiences in the reform and opening up of the Pearl River Delta region of China to serve Uzbekistan. In particular it could draw on the support from the Belt and Road Initiative with all its institutional arrangements and investment funding.

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Reply form

Please fill in the reply form and return by email to beankalee@chuhai.edu.hk before 8 January 2018

☒ I / We shall be pleased to attend the seminar on 10 January 2018

Name: (English) _____ (Chinese) _____

Organization: _____ Title: _____

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