

Program of Open South International Business

2-3 June, 2018 in Termez city, Surkhandarya region, Uzbekistan.

First day of Business Forum

02nd June (Saturday)

- 09:30 – 13:00 Business Conference (*Welcome speech by Governor of Surkhandarya region E.Turdimov, Presentations by home region, Coffee break.*)
- 13:00 – 14:30 Lunch.
- 14:30 – 16:00 Visiting the Sightseeing places (*such as Termiz Archaeological museum (unique in Middle Asia), Afghan-Uzbek school and others.*)
- 16:00 – 17:00 Business exhibition of industrial goods.
- 17:00 – 19:00 Special concert for Guests.
- 19:00 – 21:00 Dinner.

Second day of Business Forum

03rd June (Sunday)

- 08:30 – 9:30 Breakfast.
- 9:30 – 13:00 Visiting the factories (*Surxon Ipagi, Termiz Chinni, Bio Techno, Surxon Sandwich, Gold Dried Fruits and other Companies.*)
- 13:00 – 14:30 Lunch.
- 14:30 – 18:30 Sightseeing places.
- 19:00 – 21:30 Dinner.

Invitation letter for Open South International Business Forum, which will be held from 2-3 June, 2018 in Termiz city, Surkhandarya region, Uzbekistan.



▶ **Dear Business entrepreneurs,**

- ▶ We would like to invite you to “Open South International Business Forum” being held in Termez City, Surkhandarya region, Uzbekistan on the date of June 2nd, 3rd. The Forum is going to cover a deep knowledge of investment, expert and tourism spheres. Aside from assimilating these fields, you can stand a chance to take a part in a trip where you will be negotiated with agricultural and industrial places devoted to business operations. This is going to be conducted so as to sign up bilateral contracts.
- ▶ **There is given some information about Surkhandarya region (next pages)**

TAX OPPORTUNITY FOR FOREIGN INVESTORS

The best opportunity for foreign investors; exempt from the following tax and mandatory deductions:

- ❖ corporate income tax
- ❖ property tax
- ❖ social infrastructure development and improvement tax
- ❖ payment of single tax
- ❖ as well as for compulsory contributions to the Republican Road Fund

From \$ 300,000 to US \$ 3 million for a 3-year term

From \$ 3 million to \$ 10 million - for a 5-year term

Over \$ 10 million - for a period of 7 years



Within the investment projects with a share of more than \$ 50 million and foreign investor's share of at least 50%, construction of external engineering and communication networks outside the production area will be financed by budgetary and other sources of internal financing.

The list of sectors of the economy, where the privileges for Foreign Investments are introduced include the following sectors of the economy; (1)

1. Production of radio-electronic equipment and components for computer and computing equipment.
2. Light industry: production of ready - made cotton, wool and combination fabrics, as well as knitted fabrics; manufacture of ready - made sewing, knitting, hosiery and textile trimmings; natural leather production, meat and dairy industry, footwear industry.
3. Silk industry: production of silk fabrics and producing silk materials.
4. The building materials industry: Production of new types of building materials as specified in Annex of the President of the Republic of Uzbekistan dated March 24, 2005, PF-3586.
5. Industrial production of poultry meat and eggs.
6. Food Industry: Production of industrial foodstuffs, manufactured from domestic raw materials, excluding alcoholic beverages, non-alcoholic beverages and tobacco products.
7. Meat and milk industry: manufacture of finished products of meat and dairy products, cheeses and butter, as well as processed products of internal organs of animals.
8. Recycling and preserving of fish and fish products.
9. The chemical industry.

The list of sectors of the economy, where the privileges for Foreign Investments are introduced include the following sectors of the economy; (2)

10. Oil and chemical industry.
11. Manufacture of medical products, as well as veterinary drugs.
12. Production of packaging materials.
13. Construction of power stations on the basis of alternative energy sources.
14. Coal industry: coal enrichment; production of coal briquettes; shale industry.
15. Metal products for production.
16. Machine-building and metalworking: machine-building; tractor and agricultural machine building; construction, road and utility machinery; light and food industry and machine-building machinery.
17. Machine tools and instrument industry.
18. Glass and porcelain-tile industry.
19. Microbiology industry.
20. Production of toys.
21. Tourism (privileges are effective from June 1, 2017): hotel services; tourist services.

About region



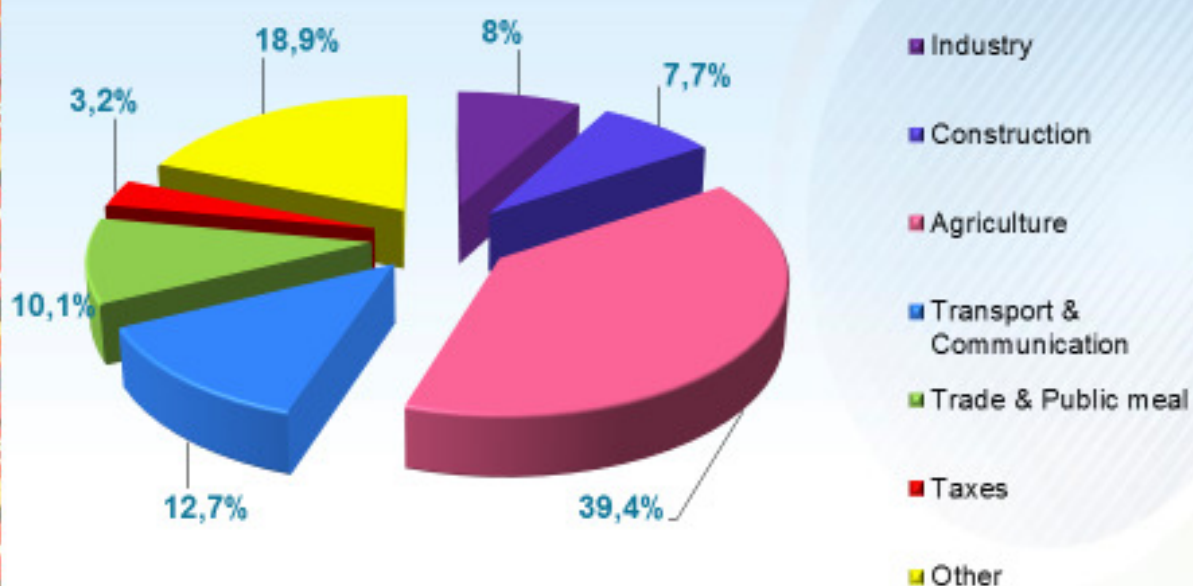
- ▶ Total area – **20,1** ths. sq. km
- ▶ Consists of – **13** districts and Termez city
- ▶ Population – **2,5** mln. People
- ▶ Climate - sub continental with warm winter and hot, dry and long summer
- ▶ Regional centre - Termez city (131 thousand people)

Logistics

- ▶ Roads – **2844** km, including international roads **M-39, M-41** – (Turkmenistan, Tajikistan, Afghanistan)
- ▶ Railways – **372** km. (Turkmenistan, Tajikistan, Afghanistan)
- ▶ Railroad stations- **14**
- ▶ Airports – **1** (Termez-Tashkent-Termez, Termez-Moscow-Termez)
- ▶ Logistic center – **1** (Termez Cargo)



The share of industry in gross regional product (GRP) in 2017



Industrial output (mln.\$)

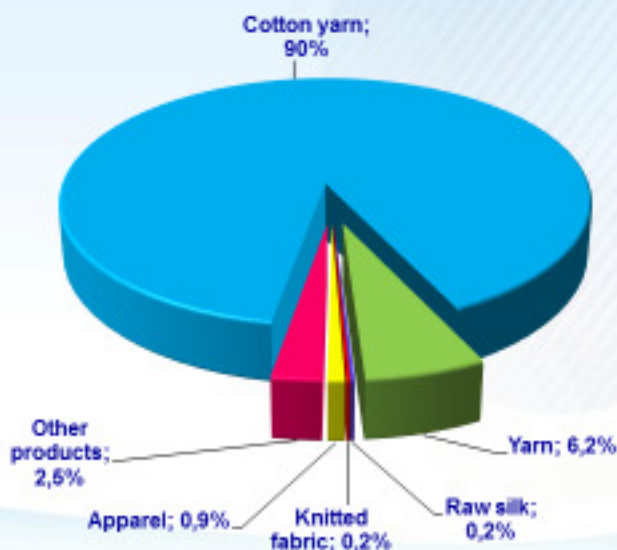
Main indicators	2016	2017	Change, %
Industrial output	275,3	294,0	106,8%
No. of industrial enterprises	1 549	1 743	112,5%
<i>Output by main industries</i>			
Mining industry	15,9	16,0	100,8%
Processing industry	240,8	256,3	106,4%
Food Processing	88,1	93,5	106,1%
Textiles	64,7	65,4	101,2%
Constructiion materials	1,3	2,5	186,3%
Oil processing industry	25,2	29,4	117,0%
Chemicals	0,5	1,2	233,5%
Pharmaceuticals	1,5	1,6	108,4%
Others	59,5	62,6	105,2%
Power and Gas production	16,2	17,8	110,2%
Water provision	2,5	3,9	156,5%

Production and processing of cotton fiber

- Annual production – 97 ths. tn.
- Processed in 2017 – 14,7 ths. tn
- Potential of processing – 82,3 ths. tn.
- Enterprises in light industry – 284



Structure of textile processing



Production and processing of raw silk in 2017

- Cocoon production - 1 600 tn.
- Processing capacity - 1 600 tn.
- Number of enterprises in silk industry - 2
with annual capacity of processing 700 tn. dry cocoon
- Type of produced products:
raw silk - 49,4 tn., silk fabric - 11,3 ths. sq.m.



Foreign investments in the region

- Joint ventures in the region – 64 with companies of Germany, Greece, Russia, Indonesia and others.
- Including 5 enterprises in textile industry in cooperation with companies of Great Britain, South Korea and China.







Foreign investments in the region

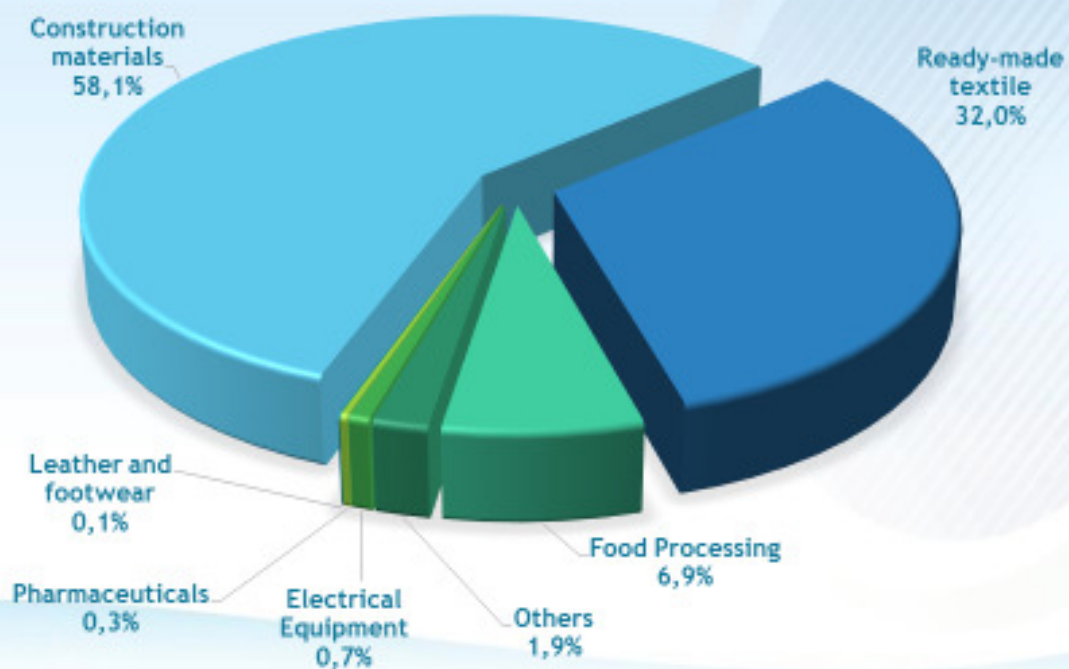
- **“Shindong Spinning Termez” JV LLC** with capacity of production 2500 tones of cotton yarn per year established in cooperation with “Shindong Enercom Inc” (South Korea)
- **“Surhonteks” JV LLC** with capacity of production 4200 tones of cotton yarn per year established in cooperation with “Nortex Corporation L.P.” (Great Britain)
- **“Nortex Style” JV LLC** with capacity of production 5000 tones of cotton yarn per year established in cooperation with “Nortex Corporation L.P.” (Great Britain)



PROJECTS UNDER IMPLEMENTATION

Number of projects		671
Total cost		\$ 1085,4 mln.
Foreign investments		\$ 133,1 mln.
Workplace (people)		16 372

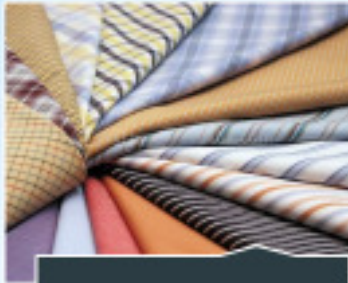
PROJECTS BY INDUSTRIES



INVESTMENT OPPORTUNITIES



Pharmaceuticals



Ready-made textile



Processing of agricultural products



Polymers and plastics



Construction materials



Leather and footwear

«Boysun-pharm» Free Economic Zone, specialized in pharmaceutical industry

Established on May, 2017

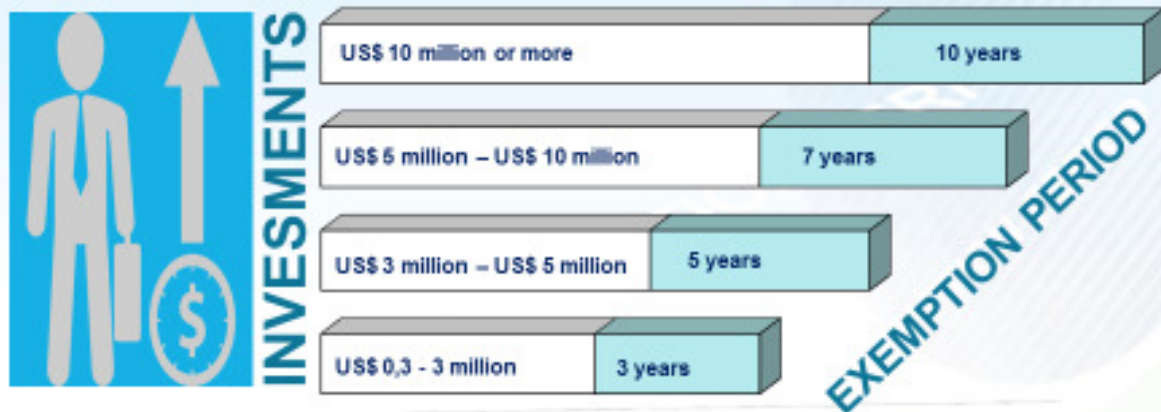
Operation period – 30 years



«Boysun-pharm» FEZ

Tax Preferences in «Boysun-pharm» Free Economic Zone, specialized in pharmaceutical industry

Residents of Free Economic Zone are exempted from all types of taxes if FDI amount is :



Privileges and preferences in FEZ

FEZ residents are exempted from:



Land tax



Property tax



Corporate tax



Single tax payment for small businesses



Customs payment for imported equipment, raw materials and components



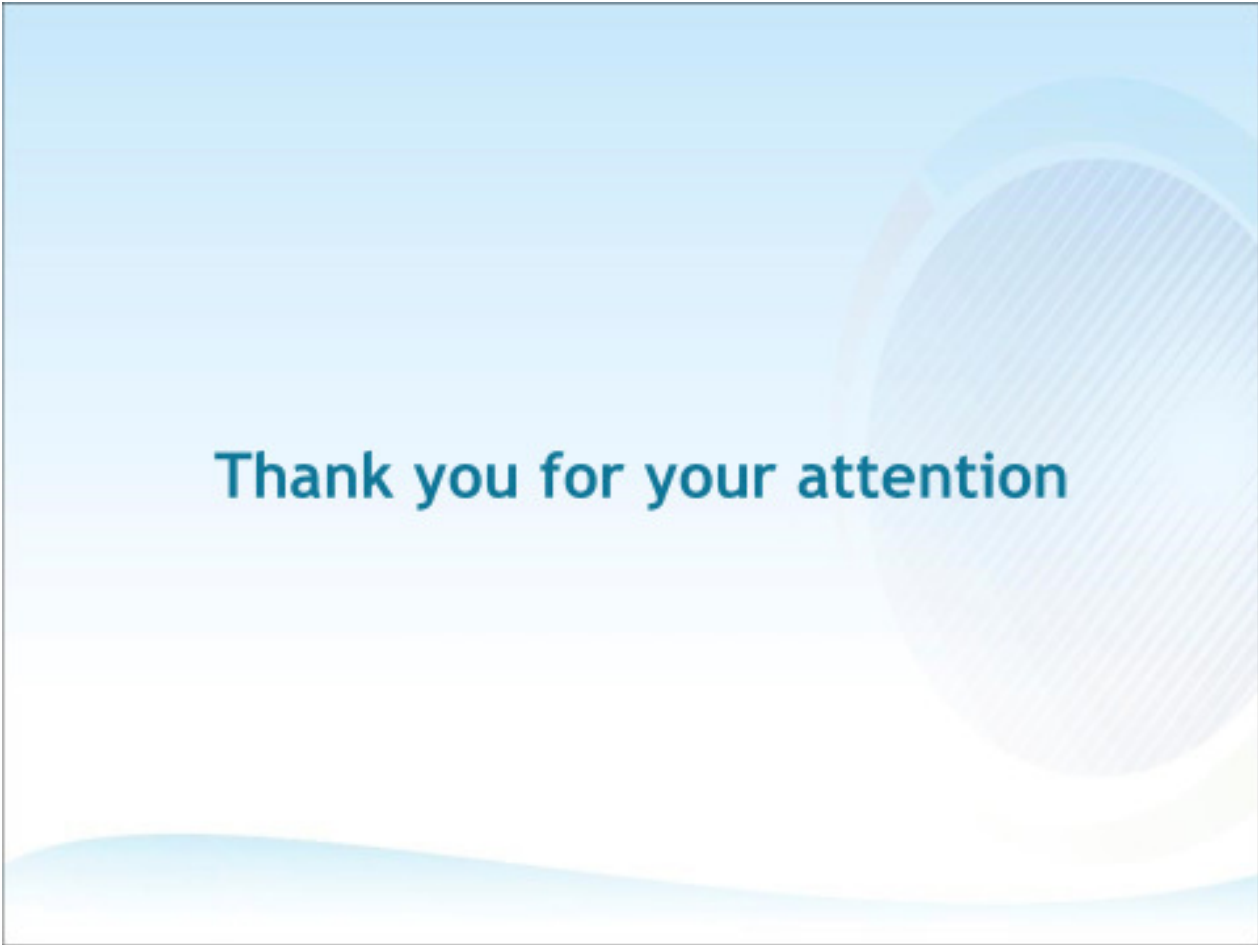
Social infrastructure development tax



Contributions to Road fund



Contributions Extrabudgetary fund



Thank you for your attention