

To the 16th anniversary of Independence of the Republic of Uzbekistan

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SIXTEEN YEARS: ALONG THE PATH OF PROFOUND CHANGES AND PROFOUND REFORMS

This year the people of Uzbekistan are going to celebrate the 16th anniversary of Independence, the country's most important holiday, with a special pride and inspiration. Undoubtedly, the traversed path - the path of independent development has been marked by epochal transformations, establishment of the statehood, the rebirth of the national self-consciousness.

At the moment, Uzbekistan having stepped on the way of democratic renovation of society, fundamental reforms of economy and production relations, confidently overcomes the transition period, integrates into the world community, secures sustainable macroeconomic development. Each year, which is worth decades, bears its own results of implemented reforms, sets new tasks, and requires the well-thought and pragmatic approach towards their solution.

The outcomes of social and economic development of the country in the first half of 2007, which have recently been drawn by the government, are impressive and give a full ground to look to the future with optimism.

The 9,7% GDP growth is worth noting since it is more than it had been predicted at the beginning of the year. The measures aimed at building the industry-oriented state are now consistently being implemented. And in this context, one should note that the growth in some spheres of economy, in particular, the volume of industrial production, for over the last period has accounted for 11,6%. Yet one cannot but to underscore the tendency of the country's economy to transfer from the raw supply into the exports of finished products to the world markets. As the indicators demonstrate there are significant moves in this direction: the products exports have grown by 39%, 70% of which had accounted for the non-raw products. All this had provided for the positive dynamics of foreign trade growth – for over this period the country maintained the positive balance of foreign trade, which had accounted for USD 1,7 billion.

The IMF mission which has visited Uzbekistan this year had noted that following the last year's high indicators the economic indicators of the country also have been remaining on a good level this year while Uzbekistan had ensured the high GDP growth rates, which had exceeded 9% in the first quarter, significant surplus of current account foreign economic operations,

and further accumulation of currency reserves. The Fund's experts have agreed that further cut-down of inflation rate and development of financial sector remains as the main priorities for Uzbekistan. The inflation rate during the last six months did not exceed the forecast parameters and accounted for only 2,7%. This confirms Uzbekistan's commitment to these priorities.

Maintaining the sustainable and balanced growth rates, structuring and modernization of economy, technical and technological renovation of its most important sectors, further liberalization of the tax policy are also among the first and foremost objectives of development of economy. The enormous work has been continued in this direction this year, and almost half of all amounts of capital inflows have been channeled to the said objectives. Also Uzbekistan has adopted the programs of modernization, technical and technological re-equipment of enterprises of cotton processing, oil and fat industry, industry of construction materials, and ferrous metallurgy.

Commissioning of large and small industrial enterprises the number of which has accounted for 154, including the 30 sites of light and textile industry, testify to the significance of works, which had been accomplished in this direction. They have been commissioned mainly thanks to the high growth rates of assimilated investments. This indicator has accounted for 140,2% compare to the same period of 2006. And the amount of attracted foreign investments grew by 1,9 times of which nearly 85% are the direct investments.

Achievements of the country in reforming the agriculture also cannot but make one pleased. Only for over the first half of 2007 its growth has accounted for 5,5%. If the accelerated development of farming has been set as the key direction of agriculture reforms beginning from 2002, then this year the process of transformation of shirkats into farms has almost been finished. More potatoes, vegetables, melons and gourds, meat and silk cocoons have been produced during the last period of time.

For over the last seven to eight years the Uzbek grain-growers have been proving in practice that Uzbekistan had secured the grain self-sufficiency. Recently, they have achieved a big success by having harvested more than 6 million 250 thousand tons of grain, which is 150 thousand tons more than it was harvested last year. As President Islam Karimov has said in his congratulatory address to the grain-growers of Uzbekistan: "Speaking about the factors, which have ensured this rare agricultural success, we should especially note that it is, above all, thanks to the strengthening sense of an ownership among our dekhkans (peasants) and farmers, who make up the main moving force of reforms now carried out in agriculture, their attitude to the work, active life position, the sense of being interested and responsibility, as well as being a part of the common work. The fact that 100% of this year's crop has been harvested exclusively by farmers is a bright prove of that".

The profound reforms underway in all fields of economy allowed in the first half of this year to create 314,800 new jobs, including in the sphere of services – more than 75,000 thanks to establishment of the home-based labor – 40,200. The real incomes of population had grown by 21,3%. The issues of consistent raising the material well being of people, maintaining their reliable purposeful social protection are under the constant attention of President and government of the country. Thus, recently President Islam Karimov has signed another decree on raising the wages, pensions, stipends and social allowances. In accordance with this document, starting August 1, 2007 the amount of wages for the workers at the budget establishments and organizations, pensions and social allowances, stipends shall be increased on average by 1,25 times. All these give grounds to the citizens of the country to look to the future with optimism, as well as strengthen their trust to the reforms.

The economic reforms in Uzbekistan are now continuing. They are being implemented not for the sake of reforms, but have a clearly outlined social directivity. In this context, one should also highlight the measures on implementing the State program "Year of Social Protection", which has been announced as such in Uzbekistan this year. Thus, for over the last half-year within the framework of implementation of the aforesaid program 440,000 unemployed mothers busied in the care after a child at the age of up to 2 years old, as well as 880,000 families with children of up to 18 years old, have received allowances. The material aid has been rendered to 44,000 less well-off families, and 28,500 less well-off and large families had received free cattle. 2049 jobs have been created for the disabled. The young families received loans worth UZS 20,4 billion, including the soft micro-loans to launch one's own business – worth UZS 10,6 billion.

Undoubtedly, the modern and dynamically developing economy of Uzbekistan, which now confidently joins the world community and also which is being shaped as a result of a well-elaborated strategy of development of state – this is the basis to achieve the high prosperity of the people, as well as peace and tranquility in the country.

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