

# Privatization in Uzbekistan: new investment opportunities

June 3, 2019

The Resolution of the President of the Republic of Uzbekistan No. 4300 “On further measures for the improvement of the mechanisms for attracting foreign direct investment to the economy of the Republic of Uzbekistan” (the **Resolution**) shows the strong intention of the government to liberalize the economy and boost its effectiveness by selling its shares in domestic companies.

In particular, the Resolution approves four strategies for the implementation of the above mentioned plan through:

- selling state-owned shares in the chemical, oil and gas, mechanical engineering, banking, and insurance sectors;
- developing investment proposals;
- using investment opportunities, business forums, marketing companies, and road shows;
- creating priority areas for the implementation of public-private partnership projects.

In two weeks, the State Commission on the Organization of Tenders for the Sale of State-owned Shares (the **Commission**), headed by the prime minister, is instructed to make a plan for the preliminary estimation of the price and sale of state-owned shares. The Commission is granted a right to make changes in the procedure and conditions of sale of the state shares, which we understand will provide flexibility to both the Commission and to the investors to negotiate terms.

Aside from organization of road shows in different business and financial hubs on investment opportunities, and a heavy accent on marketing in social media, Uzbekistan will be hosting the “Tashkent International Investment Forum” in autumn 2019. The Ministry of Foreign Affairs will be assisting participants in obtaining entry visas without charging consular fees. Further details of the forum are yet to be confirmed and approved.

The Resolution approved the sale of shares in around 64 business entities in:

- insurance company “Kafolat” JSC (25%);
- banks “Turonbank” JSC (25%), “Asia Alliance Bank” JSCB (25%);
- FMCG company “Coca Cola Ichimligi Uzbekistan” JV LLC;
- chemical companies Kungrad Soda Plant LLC (51%), Ferghana Azot LLC (48.05%);
- energy companies Angren Power Plant JSC, Yangi Angren Power Plant JSC;
- other companies, including Qizilqum Cement Plant (35.9%), Ferghana Oil-Base JSC.

The Resolution also approves the list of prospective investment offers to foreign investors, and the list of public-private

partnership projects to be developed in 2019. The latter ranges from the reconstruction of the airports to construction of solar and gas-fired power plants, toll roads and management of water supply and electricity supply systems.

## Your Key Contacts



**Eldor Mannopov**

Country Managing Partner,  
Tashkent

D +99 878 150 31 05

[eldor.mannopov@dentons.com](mailto:eldor.mannopov@dentons.com)



**Bobur Shamsiev**

Partner, Tashkent

D +99 878 150 31 05

M +99 890 358 97 63

[bobur.shamsiev@dentons.com](mailto:bobur.shamsiev@dentons.com)