

## Highlights

In this period new foreign policy surprises and strategic turns attracted international audiences, as did domestic events. Meanwhile, the country's economy has benefitted from new investments.

## Internal affairs

On 17 July the State Agency for Communication and Information suspended all licences of mobile phone operator Uzdurobita, a wholly-owned subsidiary of Russia's Mobile TeleSystems (MTS), charged with continuous violations of Uzbek legislation and regulations (illegal business, concealment of income and taxes, financial violations). Top managers of the company were arrested. The closure of the MTS subsidiary in Uzbekistan sparked panic among MTS's 9.5 million subscribers who, having suddenly lost their means of communication, rushed to other cell phone companies, overwhelming dealer offices for the next two weeks. Russia expressed serious concern about the decision taken by the Uzbek authorities claiming that its subsidiary had done nothing to violate Uzbek law, that it had been operating in full compliance with its license agreement and that the seizure of its property and arrest of its senior management was completely unjustified. Russia insisted that the overall anti-MTS campaign was nothing but an unwarranted attack on its business. Interestingly, this scandal attracted the attention of the U.S. authorities, with Congress also expressing concern over the situation. After pressure was brought to bear

by America, top managers of Uzdurobita were released.

On 1 August entrance examinations were held in higher education institutions of Uzbekistan. The enrolment quotas for students for the 2012/2013 academic year were as follows: 56,607 students for undergraduate degree courses and 5,880 for MA courses. State scholarships were awarded to 19,560 undergraduate students and 37,047 students were received on a contractual basis.

On 31 August Uzbekistan celebrated its 21st anniversary of independence. The traditional official ceremony devoted to Independence Day took place on the central Navoi square in which President Islam Karimov made a speech. Traditionally, new grandiose constructions are officially commissioned to coincide with these celebrations, on this occasion a heart surgery complex, the Bunyodkor football stadium in Tashkent and a new children's football school at the Bunyodkor football complex, with Uzbekistan adding a new symbol of independence in the annually growing collection of such symbols.

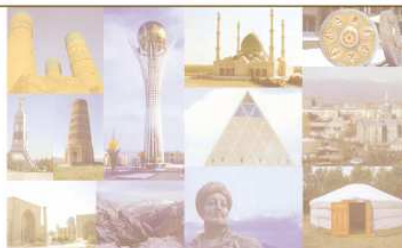
## Foreign and international policy

On 6 July, a group of US Congressmen headed by Dan Burton, chairman of the subcommittee on Europe and Eurasia of the House of Representatives, visited Uzbekistan where they attended a meeting at the foreign affairs ministry to discuss questions related to Uzbek-American relations and particularly ties between their respective parliaments.



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### UZBEKISTAN

Bimonthly article

Prof. Farkhod Tolipov\*

On 31 July, the Oliy Majlis -Uzbekistan's parliament- adopted the new Concept on Foreign Policy Activity of the Republic of Uzbekistan, sparking a great deal of international interest in the process, with numerous discussions of its content and possible implications taking place. The adoption of the new Concept was a timely message to the international community and to geopolitical rivals in Central Asia and a response to various allegations and speculations about Tashkent's foreign policy strategies. On examination of this draft Concept, which was recently approved by the Senate, four particular "no's" can be noted in the text, namely no to the deployment of foreign bases in Uzbekistan; no to membership of any military block; no to participation in international peacekeeping operations; and no to the mediation of any external power in the resolution of regional conflicts in Central Asia.

On 15-17 August, the US delegation headed by the Assistant Secretary of State for Central and South Asia, Robert Blake, visited Tashkent for the third annual bilateral political consultations (ABPC). The sides discussed the realization of agreements achieved in previous ABPCs in political, trade-economic, investment, security and humanitarian spheres, as well as key international issues. Within the framework of the visit, an Uzbek-American business forum took place resulting in agreements being signed between American and Uzbek companies for the implementation of 21 projects worth \$2.8 billion in the spheres of machinery, metalworking, energy, oil and gas extraction, oil and gas chemistry, electro

technic and mining industry, pharmacy, food production and some others.

On 26 July, President Karimov met with the EU's newly appointed Special Representative for Central Asia, Patricia Flor. They discussed the state of relations between Uzbekistan and the EU and expressed strong interest in developing these relations.

### Economy and business enterprise

The grain harvest in Uzbekistan totaled 7.17 million tons this season. President Karimov congratulated grain growers on this occasion. He pointed out that since independence, Uzbekistan has successfully developed grain production and become self-sustainable in this sphere.

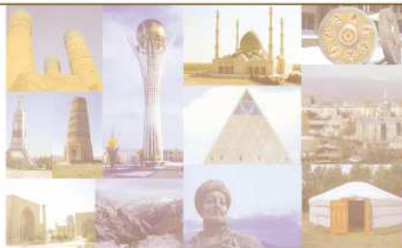
On 12 July a presentation of TVs ARTLCD with liquid-crystal displays of the Artel brand took place in Tashkent. The project of producing LCD TVs under the Artel brand name was launched in 2011 and the television set is adapted to local conditions, featuring a menu in Uzbek. 20% of the television parts are produced in plants of Uzbekistan. Each TV is given a three-year warranty. Artel models are 20-25% cheaper than their western manufactured counterparts.

The State company Uzpharmsanoat announced that in 2012-2013, 39 new investment projects worth \$290.5 million will be realized in the pharmaceutical industry of Uzbekistan. Of these, 23 projects (\$157 million) are included in the State Investment Program for 2012. Priority will be given to projects which involve producing medicines



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that are in high demand and which have, for the most part, hitherto been imported. 12 projects will be realized in Tashkent, 4 in Tashkent province, 2 in Syrdarya province, 1 in Surkhandarya province and 1 in Navoi province. Due to these projects, the production growth rate in this sphere is expected to be 40% in 2012 whereas the share of national products in the total volume of pharmaceutical market will reach 43%.

The share of the private sector in Uzbekistan's road transport services market is rapidly growing. Today, it compounds 100% in the passenger transportation and more than 90% in cargo carriage. Such data was presented at the press conference in Tashkent on "Implemented reforms and achievements in the field of road transport in the years of independence", organized by the Uzbek Agency of Automobile and River Transport.

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