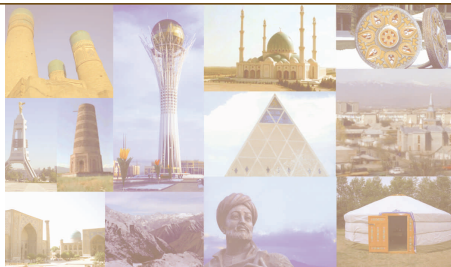


CENTRAL ASIA OBSERVATORY



The Central Asia Observatory (CAO) was established in 2007 by three institutions that are interested in the area: Casa Asia, CIDOB Foundation and Royal Institute Elcano



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UZBEKISTAN



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Highlights

The first two months of 2011 have been relatively calm and even boring in terms of Uzbekistan's domestic policy, albeit quite dynamic vis-à-vis foreign policy which continues to demonstrate pro-western leanings.

Internal affairs

On 28 February several South Korean citizens were extradited from Uzbekistan. They were blamed for illegal missionary activity. Two people –Cho Khvan (from the Korean institute of Asian culture and development) and Khvang Do En (from «Siloam Medical» Ltd.)– allegedly violated the law of Uzbekistan “On freedom of consciousness and religious organizations”. They belonged to the Protestant church and have been engaged in proselytizing among the local population in cooperation with such organizations as INGO New Hope and Young Nak (USA), ISDI (Korea), Friendship and Hope International (Switzerland).

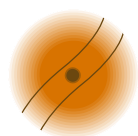
On 22-24 February the 6th international exhibition “Education and Career-2011” was held in Tashkent. The main goal of that event was the popularization of education among youth, demonstration of professions and specialties, as well as helping young people to choose future professions and finding jobs. Leading educational institutions of different levels, including foreign universities, were represented at the exhibition, where they explained the teaching programmes they offer and job openings/opportunities. The exhibition attracted a great deal of interest among students and young people presently searching for higher education. This is important because today's youth clearly wishes to be more informed about and better prepared for future careers.

Foreign and international Policy

On 24 January, President Islam Karimov visited EU and NATO headquarters in Brussels, where he met with the President of the EU Commission Jose Manuel Durao Barroso, EU energy commissioner Gunther Oettinger and NATO General Secretary Anders Rasmussen. Rasmussen stated that NATO had not invited the President and that the visit had been initiated by Tashkent itself, adding that NATO has constant dialogue with all partners, including dialogue on democracy and human rights. Among the topics discussed at the meeting were the operation in Afghanistan and the transit of cargo through Uzbek territory. The visit was preceded by criticism from Uzbek human rights organizations of the EU for receiving the Uzbek leader. Nevertheless, it seems that Uzbekistan has learned how to sell its agreement on shipment of goods to Afghanistan in exchange of better EU-Uzbekistan relations. It would also appear that this visit was designed to send out a message to the domestic audience, namely that the frozen period of EU-Uzbekistan relations is over; the EU has forgiven Uzbekistan for “Andijan-2005”; the President has restored his international legitimacy.

A political quasi-scandal was sparked between Russia and Uzbekistan in February. The retired Russian Colonel Korepanov –a former citizen of Uzbekistan– was arrested when he arrived in this country from Russia to visit his son. He was punished for “betrayal of the state” (Uzbekistan). Some years ago Korepanov left Uzbekistan for Russia and changed his citizenship. It should be noted that by law, anyone can renounce Uzbek citizenship in two legal ways: 1) by addressing an official written statement to the President; 2) by spending 5 years outside the country. Korepanov chose the second option, but was nonetheless sentenced to 16 years in prison. Some groups and

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political parties in Russia tried to take the issue to the Kremlin in a bid to get the Russian government to intervene and help Korepanov in this personal tragedy. However, the Kremlin appears to be reluctant to get involved and has hitherto refrained from making waves. The Uzbek authorities are keeping silent about the genuine reasons for Korepanov's arrest.

On 24 February, the ninth round of political consultations between the foreign ministries of Uzbekistan and Latvia took place in Tashkent. The Latvian delegation was headed by the political director of the foreign ministry, Andris Razans. The two sides discussed a wide range of Uzbek-Latvian relations in political, trade-economic, investment, cultural-humanitarian and other spheres, as well as current regional and international policy issues. The Latvian delegation highly appreciated the introduction of democratic reforms and the development of civil society in Uzbekistan. In this regard, it expressed readiness to provide assistance in the form of inter-parliamentary cooperation between the two countries. The two sides also discussed issues concerning interactions in the framework of the UN and OSCE, as well as Uzbekistan-EU dialogue.

Interestingly, the Latvian side recognized that the recent visit made by Islam Karimov to Brussels and his meetings with the EU and NATO officials was a turning point in relations between Uzbekistan and the EU and NATO. Attitudes towards Uzbekistan could possibly be interpreted as an indirect and modest demonstration of reciprocity from the EU in response to President Karimov's recent "goodwill" visit to Brussels.

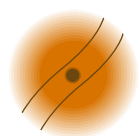
When discussing the situation in Afghanistan, the Uzbek side repeatedly insisted on its 4-year almost obsolete initiative of establishing under the UN aegis the so-called "6+3" group. It is very strange that Tashkent keeps insisting on this out-of-date initiative and has not sought to modify it in any way.

The Latvian side also expressed an interest in attracting potential investors of Latvia to different investment projects including those realized in the Special Investment Economic Zone "Navoi".

Economy and business enterprise

President Karimov visited Japan at the invitation of Japanese prime minister Naoto Kan on 8-10 February 2010. During the visit Karimov met with the speakers of the upper and lower chambers of the Japanese parliament, the foreign affairs minister, chairs of members of parliamentary leagues of friendship DPJ-Uzbekistan and LDPJ-Uzbekistan. Perspectives of Uzbekistan-Japan cooperation were discussed during the visit. The Japanese side noted Uzbekistan's key role in strengthening regional security, stability and sustainable development, including Uzbekistan's role in resolving regional water problems and stabilizing the situation in Afghanistan. Various agreements were signed with major companies specialized in high technologies, oil and gas, chemicals, energy, textile industries and machinery. Agreements were also signed concerning the long-term supply of uranium to Japan and geological explorations of the perspective fields in Uzbek territory. A memorandum on economic cooperation and a memorandum on the development of foreign trade and investments were signed.

President Karimov received the delegation of the American-Uzbek Chamber of Commerce headed by chairwoman Carolyn Lamm at Oqsaroy residence in Tashkent on 18 February. During the meeting Lamm announced that the American-Uzbek Chamber of Commerce had assigned an honourable award to President Karimov for ensuring a stable transformation of Uzbekistan's economy into an effectively run market economy. She stressed that the decision –taken by the chamber whose membership includes global industry leaders Boeing, Honeywell, General Electric, Exxon Mobil, General Motors, Sikorsky Aircraft, Zeppelin International, Nobel and others– was indicative of international recognition of



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the concept of gradual transition to market economy, developed by President Karimov and acknowledged across the world as the Uzbek model of development. Thanks to this, US companies like General Motors, Texaco, Chartis and a number of others have already been successfully realizing major investments in Uzbekistan, while such renowned high-tech leaders as Honeywell, Sikorsky Aircraft, Exxon Mobil and General Electric are in the process of commencing investment activities in the Uzbek economy.

On 21 January, the cabinet of ministers met in Tashkent to examine the results of socio-economic development in 2010. President Karimov made a report during the meeting in which he highlighted the main achievements of the country in 2010. Accordingly, GDP grew 8.5% in 2010. Industrial production growth was 8.3%, agricultural production growth - 6.8%; construction works – 8.1%, etc. Investments in the sphere of modernizing leading branches of economy, building houses, transport and communication infrastructure increased by 13.6%. The share of small business and private entrepreneurship reached the level of 52.5% of GDP as compared to 50% in 2009. Of the 953,700 new jobs that were created, 576,500 were in rural areas.

The President provided a detailed analysis of existing problems and priority tasks for 2011.

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