

## Highlights

In the period May-June 2012, international attention was drawn by the political dynamism of Uzbekistan, with Tashkent demonstrating a new visible turn in its domestic and foreign policies.

### Internal affairs

On 9 May President Islam Karimov went to Memorial Square in the centre of Tashkent to preside over the Day of Memory and Tribute ceremony devoted to the 67th anniversary of the great victory in World War II. The ceremony was attended by war veterans, members of government, senators, military and the general public. The President congratulated the war veterans and spoke about the terrible times they had been through. It is interesting to note that this war is now being mentioned in the official rhetoric again after a period in which it appeared to have been put aside.

Another event of social and cultural significance took place in May, when the khokim -mayor- of Tashkent Rahmonbek Usmonov banned showy and sumptuous weddings and wake ceremonies. Public councils are to be created in each mahalla or neighbourhood community to ensure that the ban is enforced. The corresponding bylaw stipulates that such events may only be conducted from 7 to 9 a.m. or from 12 to 2 p.m. and under no circumstances should wedding celebrations drag on after 11 p.m. Restaurants and cafes must comply with these rules and ensure that residents and other citizens are not disturbed by these events. Rules of this sort had already been introduced in Uzbekistan in the past, but state functionaries and officials continued to organize ostentatious ceremonies which are why people doubt that the new regulation will have much effect.

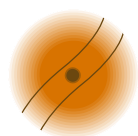
## Foreign and international policy

On 2 May Yab Kubish, the Special Representative of the UN Secretary General and head of the UN's assistance mission in Afghanistan, visited Uzbekistan. An exchange of opinions on international and regional issues took place in the foreign affairs ministry, during which the two sides discussed the social and economic situation in Afghanistan and ways of resolving the long-standing conflict in this country.

On 21 May an Uzbek delegation headed by foreign minister Abdulaziz Komilov and defence minister Kobul Berdiyev took part in the Afghanistan special session within the NATO summit in Chicago, devoted to the issue of stabilizing the situation in Afghanistan and the country's socio-economic recovery. Uzbekistan would appear to be activating its partnership with NATO, particularly in the sphere of Afghan affairs, despite Tashkent having avoided the Istanbul meeting on Afghanistan last year.

At the invitation of the President Karimov, President Putin of Russia made a one-day official visit to Tashkent on 4 June. Putin and Karimov discussed bilateral relations between their countries, particularly in the field of economic affairs and trade which has reached \$6.7 billion and continues to grow. Karimov raised and discussed questions relative to central Asian regional affairs and the situation in Afghanistan. He addressed issues such as the distribution of water and energy resources and expressed serious concerns about the anticipated increase of terrorist and extremist activity and drug trafficking in the region after the withdrawal of international forces from Afghanistan by 2014. In this respect, Putin stressed the special significance of interactions between Uzbekistan and Russia in the context of this withdrawal. The two presidents signed a declaration

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on deepening the strategic partnership between Uzbekistan and Russia, and a memorandum of understanding between the two countries on further joint measures geared to securing Uzbekistan's adherence to the free trade zone treaty signed in October 2011.

On 6-7 June President Karimov attended the Shanghai Cooperation Organization summit in Beijing, a visit that was important not only as an SCO forum but also for furthering Uzbek-Chinese relations. Karimov and the Chinese leader Hu Jintao signed a joint declaration on strategic partnership. Uzbekistan now has similar strategic partnership agreements with three great powers, America, Russia and China, all supposedly geopolitical competitors in Central Asia.

On 28 June, however, the foreign affairs ministry surprisingly announced that Uzbekistan had suspended its CSTO membership. This sudden and seemingly paradoxical decision not only revealed yet again the organization's lack of collectivity but also raised the more conceptual question of revising the regional security arrangement in Central Asia. Tashkent's decision contrasts sharply with the demonstration a few days earlier of good relations with Russia. The foreign affairs ministry ambiguously explained that this decision stemmed from alleged disagreements between Uzbekistan and the CSTO regarding the organization's position and role with respect to Afghanistan after 2014. It would nonetheless appear that Uzbekistan wanted to free itself from obligations within the CSTO for more serious reasons which may well have far-reaching implications.

## **Economy and business enterprise**

The BP report on world energy published in May confirmed that Uzbekistan has proven oil reserves of 0.1 billion tons. (0.6 bbl.) and gas reserves of 1.6 trillion cubic meters. According to this report,

Uzbekistan extracted 3.6 million tons of oil in 2011, the same amount as in 2010, which means 86,000-87,000 barrels a day. In the same year, 57 billion cubic meters of gas was extracted in Uzbekistan. BP noted that domestic energy consumption in Uzbekistan in 2011 increased by 6.8%, reaching 52.2 million tons of oil.

The Central Bank of Russia and certain companies announced that 126.9 billion roubles were transferred from Russia to Uzbekistan in 2011 as remittances of seasonal migrant workers (gastarbaiters). Uzbekistan heads the list of recipient countries in terms of the money transferred from Russia, followed by Switzerland and Tajikistan.

84% of companies in Uzbekistan which are obliged to deliver regular tax reports use now electronic reporting formats, as per the announcement made at the press-conference organized by the state tax committee on 22 June. The committee chairman Botir Parpiev noted that the introduction of information and communication technologies in the work of tax agencies has served to increase the effectiveness of tax agents' work as well as creating better conditions for tax payers. Currently there are 16 types of state interactive services, the most popular being the "Electronic Tax Reports" system that allows companies to send regular tax and financial reports in electronic format. Due to the introduction of electronic-digital signatures, electronic reports have been given the status of official documents.

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