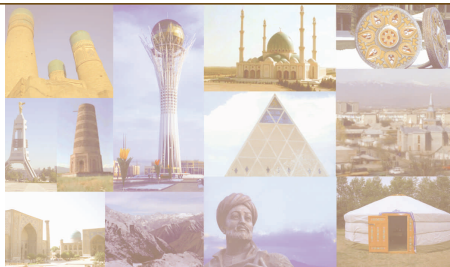


CENTRAL ASIA OBSERVATORY



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



CASA ASIA



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UZBEKISTAN



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Bimonthly article

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Highlights

The New Year started with an ambitious political message from the top about the new shift in Uzbekistan's domestic and foreign policy. The newly elected parliament began its work and impetus was given to the new pro-Western policy.

Internal affairs

On 10 January a repeat vote took place in 39 voting districts. Finally the new lower chamber of parliament -*Oliy Majlis*- was set up. Its first session was held in Tashkent on 22 January. The newly elected members considered a range of organizational questions and appointed the Speaker of the legislative chamber of parliament, Dilorom Tashmuhamedova, who was in fact a speaker during the previous term of the *Majlis*. She is the first woman speaker of Parliament in all Central Asia. Elections to the upper house of the parliament -the Senate- took place on 26 January. The newly elected Senate also held its first session and appointed its previous speaker Ilgizar Sobirov for a second term. At a joint session of the two chambers on 27 January, former Prime Minister Shavkat Mirziyayev was reappointed for the next five-year period at the proposal of President Karimov.

The reappointment of the same two persons to key posts in these state bodies symbolized the continuity of the political course and the stability of the political regime.

Foreign and International Policy

The thrust of Uzbekistan's foreign policy at the outset of the year has a symbolic connotation in that it is proving to be rather pro-Western. On 28 January

the President approved the Action Plan to strengthen bilateral cooperation with the United States for the year 2010, in which the main emphasis was interaction in the sphere of security and providing assistance to Afghanistan. This document is based on the results of the first round of Uzbek-American political consultations that took place in Washington on 17-18 December 2009. The Plan provides for the visit to Tashkent by the State Secretary Hillary Clinton and a group of U.S. congressmen in the first half of this year.

Following up on this motion, on 19 February President Karimov received the U.S. Special Representative for Afghanistan and Pakistan, Richard Holbrooke. The two sides discussed the situation in Afghanistan and Uzbek-American relations with a view to establishing sustainable peace and stability in that country and in all Central Asia.

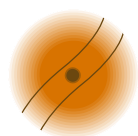
Economy and business enterprise

Economic activity, in terms of international economic and financial assistance to Uzbekistan, was quite dynamic in January-February.

President Karimov made a state visit to South Korea and met with the Korean President Lee Myung-bak on 11 February.

During the summit, the two sides exchanged opinions on the development and strengthening of bilateral, regional and international cooperation. The two heads of state expressed their satisfaction with the gradual development of bilateral relations in politics, economy and cultural-humanitarian spheres and stated their intention to cooperate to fill strategic partnership with real content. They also evaluated the expansion of mutual beneficial cooperation in oil

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and gas, petrochemical, ICT construction, agriculture, ecology and textile sectors, and agreed to support the activity of businesses.

The two leaders stated that cooperation in energy and resource sectors is expanding, singling out the agreement on exploration works at the Western-Ferghana and Chinabad blocks as evidence of this. They also welcomed the project to construct a gas-chemical complex at Surgil field. The sides inked a Basic Investment Agreement on 11 February and the project has now entered the active realization phase. The sides also agreed to boost cooperation in “green development”, including projects on LNG production. The two presidents agreed that the Navoi free industrial-economic zone provides excellent perspectives for cooperation and expressed their intention to continue working towards this goal. Navoi international logistic centre, managed by Korean Air, will create favourable conditions for supplying goods to international markets through a multi-modal logistics network.

Korean President Lee Myung-bak underlined that the government of Korea will increase support for healthcare, education, renewable energy, industry and infrastructure spheres within the scope of official development aid. He said Uzbekistan had been selected as key state in the programme on knowledge exchange in 2010.

The Uzbek and Korean leaders expressed hope that the situation in Afghanistan will stabilize soon and agreed to cooperate in international projects targeting the rehabilitation of Afghanistan. They also agreed to cooperate within international organizations, including the U.N.

The World Bank granted Uzbekistan a loan of US\$ 65.54 million to improve the quality of reclaimed land and water management of the Ferghana Valley. The project has three main components: improvement of irrigation systems and construction

of drainage systems; institutional strengthening and development of the agricultural sphere; and project management, monitoring and evaluation of results. On 16 February, President Karimov received the President of the Asia Development Bank Kharukhiko Kurodu. They discussed the upcoming annual meeting of the ADB which will be held in early May this year in Tashkent. This event will be the first forum of this financial institution in Central Asia.

When Uzbekistan became an ADB member in 1995, the bank’s total credit resources of US \$1.2 billion had already been delivered for the implementation of strategically important projects for the development of transport infrastructure, energy sector, agriculture, education, small business and others. It should be noted that ADB is presently one of the leading international financial institutions operating in Uzbekistan in terms of the size of its credit portfolio

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