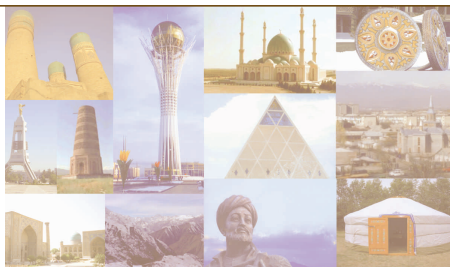


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UZBEKISTAN



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Bimonthly article

Prof. Farkhod Tolipov*

Highlights

During the period September-October 2009, Uzbekistan's foreign policy continued to show a pro-Western shift. The stagnating domestic policy began to show signs of life.

Internal affairs

The election campaign for 27 December elections in Uzbekistan was officially announced on 22 September. These elections are for parliament and local legislative bodies.

Election venues were created by 28 October and local election commissions by 17 November. Political parties have from 23 October to 11 November to nominate their candidates. The election campaign begins on the day the candidate is registered and runs until 26 December.

This year the number of seats in the lower chamber of the parliament has increased from 120 to 150. Of these, 135 deputies will be elected from territorial election districts and the remaining 15 from the newly established Ecological Movement of Uzbekistan.

The period September-October saw a flurry of activity among political parties preoccupied with the task of nominating parliamentary candidates.

A number of conferences were conducted in Uzbekistan, all devoted to the upcoming elections. Political life in the country is now focusing exclusively on this "event of the year".

Foreign and International Policy

The conference on the implementation of the nuclear

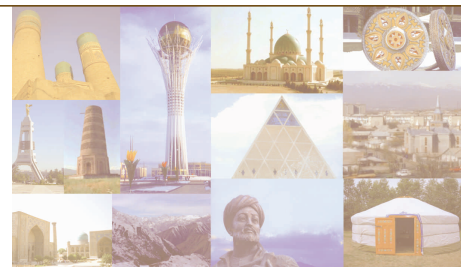
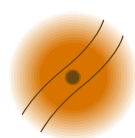
test ban treaty (TBT) was held in October. Uzbekistan's official representative at the UN Murad Askarov recalled the creation of the Nuclear Weapon Free Zone (NWFZ) in Central Asia and urged other regions to follow the same example. This event highlighted the active role Uzbekistan has played in this process. It was Uzbekistan that first proposed the idea of a Central Asian NWFZ at the UN General Assembly session in 1993, the treaty establishing the Zone being fully ratified in 2007.

The U.S. Assistant State Secretary for South and Central Asian Affairs Robert Blake visited Uzbekistan on 11-14 October 2009. He was received by the President of Uzbekistan Islam Karimov and met with the Minister of Foreign Affairs Vladimir Norov, the Speaker of the Legislative Chamber Dilorom Tashmukhamedova and the Chairman of the Senate Ilgizar Sabirov. The Uzbek and American sides agreed on annual bilateral consultations on all aspects of mutual relations. They discussed the development of bilateral trade and economic relations, cooperation in the field of maintaining peace and stability in the region, fighting drug trafficking, the reconstruction of Afghanistan, as well as the development of civil society and protection of human rights.

The parties also reached an agreement on the annual meetings of the Uzbek-American intergovernmental commission which will consider all aspects of bilateral cooperation.

It is noticeable that the chain of visits to Tashkent by high-ranking officials from Washington reflects the serious degree of mutual understanding that has been reached in the last couple of years, a tendency that could yield innovative agreements between the United States and Uzbekistan, particularly regarding Afghanistan.

*Department of Political Science, the National University of Uzbekistan.



October was a decisive month for Uzbekistan because the European Union lifted the last remaining sanctions imposed in 2005, ie, the embargo on arms supply to Uzbekistan. Some analysts argue that the EU sanctions did not yield any results which is why it had to drop its policy towards Uzbekistan. However, sanctions were useful in terms of the lessons both sides have learnt in last four years. Uzbekistan will have learnt not to repeat the policy that engendered the sanctions and the EU should be better equipped to deal with Uzbekistan in the future, having learnt a lot about this undemocratic country.

Economy and business enterprise

On 2 October 2009 the meeting of the Cabinet of Ministers of the Republic of Uzbekistan was held in Tashkent. Their discussion focused on the main macroeconomic indicators, the conceptions of the tax and budget policy as well as the draft State Budget of Uzbekistan for 2010.

These documents imply a further reduction of the tax burden, stimulation of modernization, technical and technological resupply of the production sphere, the growth of the population's incomes and purchasing power, and facilitation of the tax administration. The meeting also discussed the implementation of the anti-crisis programme adopted earlier this year.

The cotton-picking campaign in Uzbekistan officially ended on the last day of October and cotton growers harvested 3.4m tons of cotton. It should be noted that Uzbek cotton is in great demand on international cotton markets and Uzbekistan occupies a central position on those markets. The fifth international cotton trade fair took place in Tashkent with the participation of several foreign companies and several major contracts were signed. Uzbekistan ranks second worldwide in terms of cotton exports and sixth in terms of production. About 75% of cotton fibre is exported.

President Karimov received the president of the General Motors International Operations and executive vice president of General Motors Nick Reilly on 9 October in Tashkent to discuss issues concerning the organization of the production of the new car models in Uzbekistan, expanding localization, improving export strategies and implementing joint projects in the car industry.

President Karimov said cooperation between Uzbekistan and General Motors was developing intensively and that the meeting had been a good opportunity to consider issues geared to strengthening this cooperation.

A mission of IMF executive directors visited Tashkent on 13-14 October 2009, meeting with a number of civil society and private sector representatives to discuss overall issues concerning Uzbekistan's economic policy. The IMF delegation noted that Uzbekistan has managed to steer a steady course against the backdrop of the international economic crisis. As a result of this and due to its rational policy of participation in world financial markets, the Uzbek government has managed to accumulate significant resources for ensuring growth in this period.

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