



Highlights

The year began with relatively innovative and far-reaching decisions adopted by the government of Uzbekistan in both domestic and economic affairs. Some were quite controversial and caused social concerns.

Internal affairs

On 14 January President Islam Karimov congratulated the military forces on the occasion of the 21st anniversary of the armed forces and the Day of Defender of the Motherland. He stated that throughout this period Uzbekistan had created a modern, mobile, well-equipped and well-trained army.

He emphasized that the situation in the region is troublesome and that a number of non-traditional threats may well spread therein, such as proliferation of weapons of mass destruction, political and religious radicalism and extremism, conflicts near our borders, activation of terrorist groups, exacerbation of socio-economic problems, political and inter-ethnic enmity as well as rivalry among external forces in the region. All these factors, he said, are likely to lead to a destabilization of the military-political situation, especially in the context of the NATO ISAF withdrawal from Afghanistan.

He also mentioned the recently adopted new foreign policy concept, based on a strong strategic approach, especially in the security sphere, and requiring *inter alia* the use of all means to achieve vital ends. Interestingly, the President pointed out that today, conscripts serving in the army differ from those of past years in that they were born in an independent country and have received a modern education in colleges and lyceums; they speak foreign languages and are aware of modern computer technologies as well as having their own independent worldview, their own moral values.

On 8 November the state committee on communications informatization and telecommunication technologies announced the launch of a single portal Gov.uz, interactive governmental services working in the “one window” regime. The purpose of this innovation is to provide the conditions for enhancing data exchanges in electronic format, accelerating the processing of inquiries and achieving more effective interactions of subjects of entrepreneurship and population with state bodies. The single portal has been designed to ensure access of physical and legal persons to information on services and functions of state and economic management bodies as well as local state power branches.



Foreign and international policy

On 19 February President Karimov received a delegation of the US Congress headed by the chairman of the subcommittee on Europe and Eurasia, Dana Rohrabacher. The group of American congressmen visited Tashkent in the framework of regular contacts between the parliaments of the two countries. President Karimov and the US delegation discussed bilateral cooperation in political, trade-economic, business and investments spheres as well as the situation in Afghanistan. Visits of US delegations to Uzbekistan have become a frequent phenomenon. This intensification of US-Uzbekistan relations is basically underpinned by the strategically important context of the withdrawal of NATO/US forces from Afghanistan.

On 7 February the newly appointed UN resident coordinator and UNDP permanent representative Stefan Priesner was received at the foreign affairs ministry, where he delivered the UN Secretary General's letter on his appointment and discussed perspectives of future cooperation as well as international and regional issues. He also discussed the UN's development assistance programme for Uzbekistan for the period 2010-2015.

On 22 January OSCE Secretary General Lamberto Zannier was received at the foreign affairs ministry, where he discussed the status and perspectives of cooperation between Uzbekistan and the OSCE as well as regional issues, trans-national threats and other issues. The Uzbek side informed the Secretary General of the status of ongoing reforms in the country and the realization of the presidential concept of "deepening

democratic reforms and the formation of civil society in Uzbekistan". Zannier also held meetings with ombudsman Sayora Rashidova and the director of the national centre for human rights, Akmal Saidov, as well as with other organizations.

Economy and business enterprise

On 18 January a special meeting of the Cabinet of Ministers took place in Tashkent at which President Karimov signed a resolution "On results of socio-economic development of the Republic in 2012 and main priorities of economic programme for 2013". These priorities include preserving high growth rates, macro-economic stability and increasing the competitiveness of the national economy, modernization, technical and technological renovation of economy and its leading branches, diversification of production, development of road-transport and communication infrastructure. Besides, priorities imply conducting an active investment policy, creation of new jobs and raising living standards. The resolution requires the implementation of the special state programme "A year of well-being and prosperity" in which concrete measures are worked out to improve legislation in the sphere of human rights, protection of socially vulnerable strata of the society, material-technical supply of education sphere, healthcare and sport. Broadly speaking, this resolution looks very ambitious and promising. It appears to have been designed to make this year really successful in economic and social terms in the run-up to new parliamentary and presidential election campaigns next year.



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In the second decade of January, the cabinet of ministers issued a resolution concerning the organization of regional exhibitions and fairs of non-food consumer goods produced inside the country. Exhibitions and fairs will be held throughout the year in all city and district centres. This decision was adopted with the aim of satisfying the consumer market and saturating it with locally produced qualitative and competitive goods. It has yet to be seen how such an interesting innovation will stimulate local production.

On 20 January President Karimov signed a resolution "On measures on further liberalization of the rules of sales of foreign currency to physical persons". This consists of a mechanism for selling foreign currency through authorized banks in a non-cash form by transferring national currency from personal plastic bankcards into foreign currency that will be credited to international payment cards. Cards holders will only be able to withdraw Som from cards, and dollars solely when they travel abroad. This measure has been adopted to discourage citizens from selling their dollars on the black market. There are widespread rumours that mass arrests of black market moneychangers have taken place. The market rate of the dollar dropped from 2,800-2,900 Som to 2,500-2,600 Som. Whether this decision will cause inflation to fall has yet to be seen.

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