**Cabinet of Ministers sums up the results of 2016 1Q**

*On 15 April the Cabinet of Ministers held a session, dedicated to the results of socio-economic development of the Republic of Uzbekistan in the first quarter of the this year and the appraisal of the implementation of the major directions and priorities of economic program for 2016, defined by the President of the Republic of Uzbekistan Islam Karimov at the governmental session on 15 January of the current year.*

The meeting comprehensively considered and deeply analyzed the main macroeconomic indicators of the country's development and the results of implementation of the medium-term programs on further reforms, structural transformation and modernization of the economy and its sectors, approved by the President, including the industry and agriculture, accelerated development and updating of engineering communications and road infrastructure, ensuring reliable protection of private property, entrepreneurship and small business, as well as raising the level of employment and welfare.

Due to the systematic and consistent implementation of the most important tasks and priorities of the economic program adopted for 2016, Uzbekistan ensured sustainable economic growth and macroeconomic balance despite the ongoing crisis in the global economy and the slowdown in its development rates. For the first quarter of the current year the gross domestic product of the country increased by 7.5 percent. The volume of industrial production increased by 7%, agriculture – 6.7%, retail turnover - 12.8%. The state budget was executed with a surplus of 0.1 percent of GDP. Inflation has not exceeded forecast parameters.

Measures, taken on accelerated development of modern types of services, primarily based on information and communication technologies, contributed to the growth of the volume of services by 12.1 percent and increasing their share in GDP to 59.5 percent compared to 59.3 percent in the first quarter of 2015.

The continued implementation of measures to stimulate small business development, to further improve the conditions for organizing and carrying out business activity contributed to the creation of approximately 8.4 thousand new small businesses in the first quarter of the current year, or 5.5% more than the same period of 2015. Since the beginning of the year, small businesses have been allocated bank loans amounting to 3.6 trillion soums *(currency rates of CB RU from 22.04.2016, 1$= 2893.92 soums)*, which is 1.3 times more than in the first quarter of 2015.

The number of new jobs, created within the Programme of jobs creation and increasing employment of the population for 2016, has reached 167.4 thousands, of which 57.7 percent are in rural areas.

Active implementation of measures within the State program "Year of a healthy mother and child" has kicked off, which is aimed at further strengthening the system of protection of a family, motherhood and childhood, raising the level and quality of health care for mothers and children. Over the reporting period, the government directed about 1.3 trillion soums for these purposes.

During the discussion of the issues on the agenda of the meeting, the attention was paid to detailed analysis of the progress and impact of implementation of the priority tasks on further deepening of structural reforms, modernization and diversification of industrial production, including the gradual increase in the depth of processing of domestic raw material resources, expansion of volumes and range of production with high added value, accelerated development of industrial potential of territories of the country. Currently about 80 percent of the growth of industrial production is provided by manufacturing industries.

The attention of the Deputy Prime Ministers of the Republic of Uzbekistan, heads of ministries, agencies, economic associations was drawn to the need to expedite the completion of drafting and submitting for the approval of draft programs on developing leading industries, covering the periods till 2020, 2025 and 2030, providing for the transition to 3-4-phasic cycles of deep processing of raw materials, resulting in the production of finished products highly demanded in the world market.

Managers of a number of economic associations, large enterprises, khokimiyats of regions and districts of the country have been entrusted with specific tasks on unconditional, timely and quality implementation of activities and achievement of target parameters of the adopted programs on deepening processing of fruits and vegetables, meat and dairy products, non-ferrous and rare metals in 2016-2020.

The Council of Ministers of the Republic of Karakalpakstan, khokimiyats of areas and Tashkent city have been instructed to take additional measures for organizing effective work at the newly established integrated regional departments for comprehensive development of the territories, as well as developing in conjunction with industry policy measures for accelerated development of industrial potential of the regions, the creation of new high-tech production of competitive products with high added value, including for export.

The implementation of active investment policy on continuous technological and technical renewal of industrial production, rapid expansion of the industrial and social infrastructure has provided growth of volumes of investments by 8.5 percent, including foreign investments – by 14.4%. In the framework of the Investment program for 2016, work has started on the implementation of 368 new investment projects. The production of 37 new kinds of localized products has been mastered.

Projects are underway for the development of road-transport, engineering-communication and social infrastructure, rural housing construction. The construction of new electrified railway Angren-PAP, which directly connects the Fergana valley with the rest of the territory of the Republic is nearing completion. A project on the electrification of the railway line Samarkand-Bukhara with the organization of high-speed traffic of passenger trains is being implemented at an accelerated rate.

The Council of Ministers of the Republic of Karakalpakstan, khokimiyats of areas and Tashkent city have been instructed to take the necessary measures to ensure the establishment in the regions of more than 400 new, financially sustainable and equipped with the necessary equipment construction and installation organizations, that meet the growing demand for construction work in industries and spheres of economy.

Particular attention at the session was paid to the comprehensive analysis of the effectiveness of measures on diversification of the structure and extension of the range of exports, development of new export markets, ensuring on this basis the achievement of export forecast for 2016. Despite a sharp decline in demand, increasing uncertainty and intense competition on the world markets, Uzbekistan is taking effective measures to encourage exporters and to provide them the necessary support in the promotion of products to foreign markets, which in turn contributes maintaining the growth trends in exports and a positive balance of foreign trade turnover.

Another issue under scrutiny was the implementation of measures aimed at attracting foreign investors to the charter capital of joint stock companies and corporate governance, as well as radical reduction of state intervention in the economy through the sale of state shares and assets, including at zero redemption rate. During the first quarter of this year, 178 state assets were converted into private property. Investment obligations on them amounted to about 216 billion soums. The number of joint stock companies with state share in authorized funds decreased to 209 against 378 in the same period of 2015.

According to the agenda, the session heard the reports of heads of complexes of the Cabinet of Ministers, ministries, departments, economic associations, large enterprises of the Republic and regional administrations. The relevant decisions adopted following the discussion identified measures to ensure the unconditional implementation of major directions and priorities of the program of socio-economic development of the country in 2016.