

FDI into Uzbekistan

January 2003 to June 2014



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Introduction

The report examines foreign direct investment (FDI) trends by all companies investing in Uzbekistan between January 2003 and June 2014.

The report includes estimated values on capital investment and the number of jobs created in cases where information was not available at project announcement.

Headline figures	
No of FDI projects	176
Total jobs created	46,225
Average project size (jobs)	262
Total capital investment	USD 23,148.31 m
Average project size	USD 131.50 m

Executive Summary

FDI projects peaked in 2003

Some 31 projects, or 17.6% of projects, were recorded in 2003. This was the year in which the highest numbers of projects were recorded. During this period a total of 9,569 jobs were created and USD 4.18 billion capital was invested by these projects, equating to a 20.7% and 18.1% of total jobs and capital investment respectively.

Key investors account for more than one-quarter of projects.

The top 10% of investors have created a total of 46 projects, 26% of the total projects. These investors have created a combined total of 19,883 jobs, which equates to more than two-fifths of the overall total. The combined capital investment from these companies reached USD 15.01 billion, equating to almost two-thirds of the total for all companies.

Coal, Oil and Natural Gas is top sector with one-sixth of projects.

Out of a total of 25 sectors, Coal, Oil and Natural Gas accounted for 17% of projects. Project volume in this sector peaked during 2003, with seven projects tracked. Total jobs creation and capital investment in this sector was 7,451 jobs and USD 11.22 billion respectively.

Largest projects originate in Singapore

With an average project size of USD 318.50 million, projects originating in Singapore are approximately two and a half times larger than the average across all source countries. Ranked ninth in overall projects recorded with 4 in total, Singapore created a total of 4,654 jobs and USD 1.27 billion capital investment.

Top five destinations attract more than two-fifths of projects.

Out of a total of 22 destination cities, the top five account for more than two-fifths of projects. Tashkent is the top destination city accounting for more than one-third of projects tracked. Total investment into Tashkent resulted in the creation of 6,308 jobs and USD 1.80 billion capital investment, equating to an average of 106 jobs and USD 30.40 million investment per project.

Key FDI Trends

Between January 2003 and June 2014 a total of 176 FDI projects were recorded. These projects represent a total capital investment of USD 23.15 billion, which is an average investment of USD 131.50 million per project. During the period, a total of 46,225 jobs were created.

The largest number of projects was announced in 2003, with 31 projects that year. Average project size peaked in 2011 for both capital investment and jobs created.

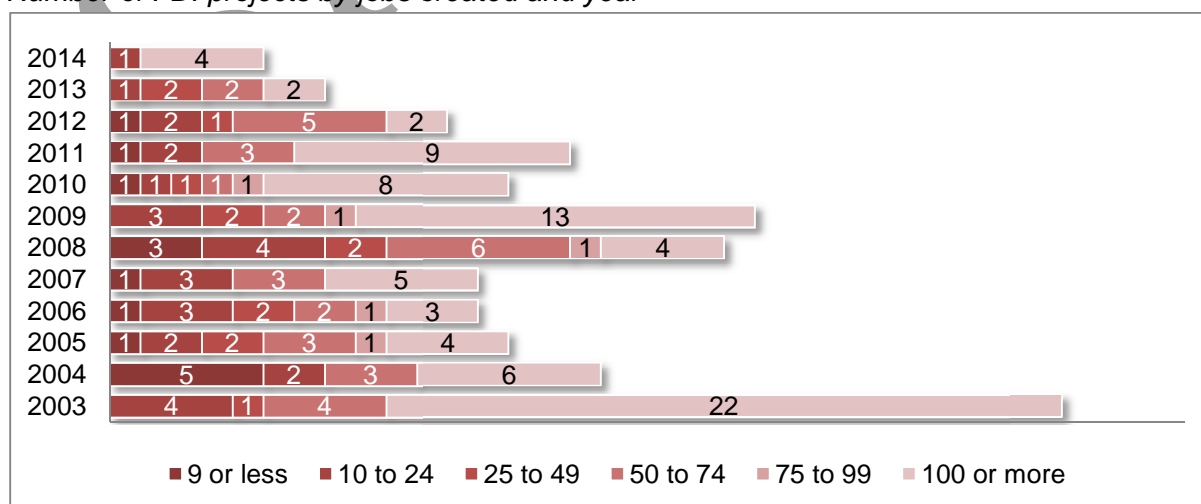
Headline FDI trends by year

Year	Number of projects	% growth per annum	Jobs created		Capital investment	
			Total	Average	Total (USD m)	Average (USD m)
2014	5	n/a	862	172	88.30	17.70
2013	7	n/a	1,127	161	265.70	38.00
2012	11	n/a	3,524	320	4,478.30	407.10
2011	15	15.4	9,950	663	7,388.00	492.50
2010	13	n/a	2,765	212	867.70	66.70
2009	21	5	5,750	273	1,342.40	63.90
2008	20	66.7	3,840	192	964.70	48.20
2007	12	n/a	2,026	168	936.50	78.00
2006	12	n/a	962	80	601.40	50.10
2005	13	n/a	2,616	201	1,548.70	119.10
2004	16	n/a	3,234	202	485.10	30.30
2003	31	n/a	9,569	308	4,181.50	134.90
Total	176	n/a	46,225	262	23,148.30	131.50

Source: fDi Markets from The Financial Times Ltd

When allocated into bands, projects creating 100 jobs or more represent almost half of projects, while projects creating between 50 and 74 jobs represent almost one-fifth of projects.

Number of FDI projects by jobs created and year

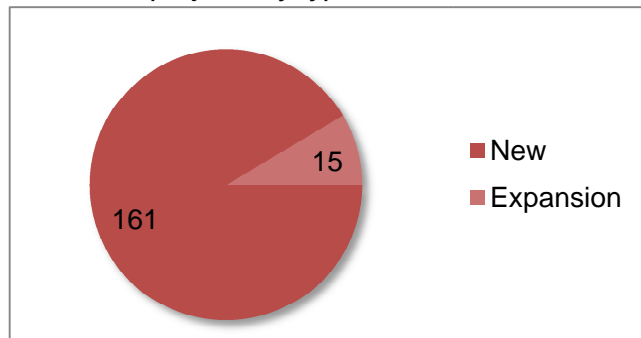


Source: fDi Markets from The Financial Times Ltd

In terms of project type, 91.5% of projects are new investments. New projects have an average capital investment of USD 106.20 million and job creation of 248 per project.

The average capital investment for expansion is USD 403.80 million and the average number of jobs created in this project type is 415.

Number of projects by type



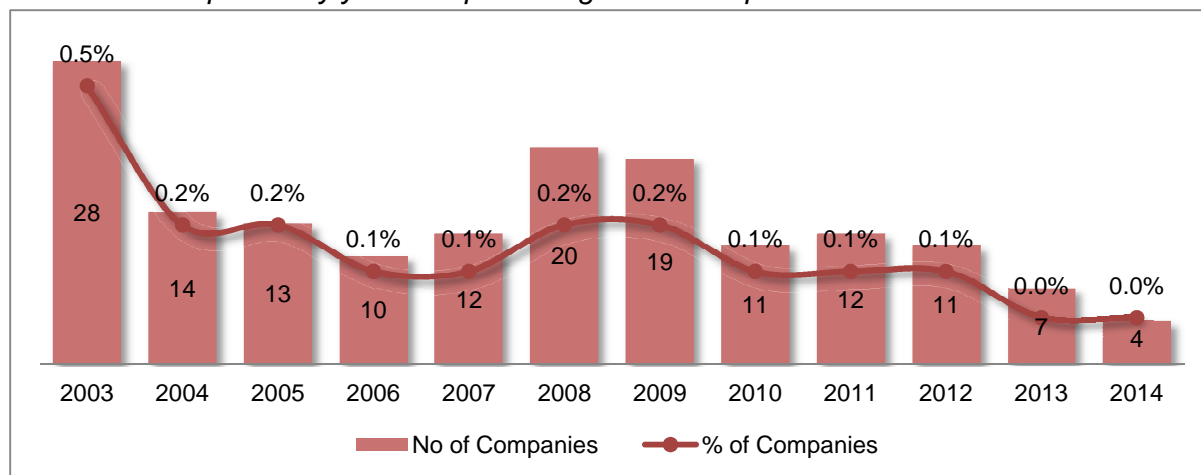
Source: fDi Markets from The Financial Times Ltd

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Companies

A total of 132 companies invested in Uzbekistan between January 2003 and June 2014, out of a total 47,804 companies investing in FDI globally.

Number of companies by year and percentage of all companies



Source: fDi Markets from The Financial Times Ltd

The top 10 companies accounted for a combined total of 40 projects (22.7% of projects). Within the past 12 months, Indorama was the only company, with one projects, among the top 10 to have announced projects.

Top 10 companies: number of projects

Company name	Source country	No of projects	Global projects*	% of global projects**	Projects in last 12 mths
Lukoil	Russia	8	98	8.1	0
Oxus Gold	UK	5	6	83.3	0
Gazprom	Russia	5	148	3.3	0
Daewoo	South Korea	4	24	16.6	0
General Motors (GM)	United States	3	306	0.9	0
Indorama	Indonesia	3	14	21.4	1
China National Petroleum (CNPC)	China	3	51	5.8	0
China International Trust & Investment (CITIC)	China	3	5	60	0
Teliasonera	Sweden	3	67	4.4	0
VimpelCom	Russia	3	54	5.5	0

*Total number of projects worldwide from the company regardless of report criteria.

** The share of global projects from the company which match report criteria.

Source: fDi Markets from The Financial Times Ltd

The top 10 companies account for 34.9% of job creation and 46.2% of capital investment. Collectively, they provide higher job creation at 404 jobs on average. These companies generally provide considerably higher capital investment at an average of USD 267.12 million per project.

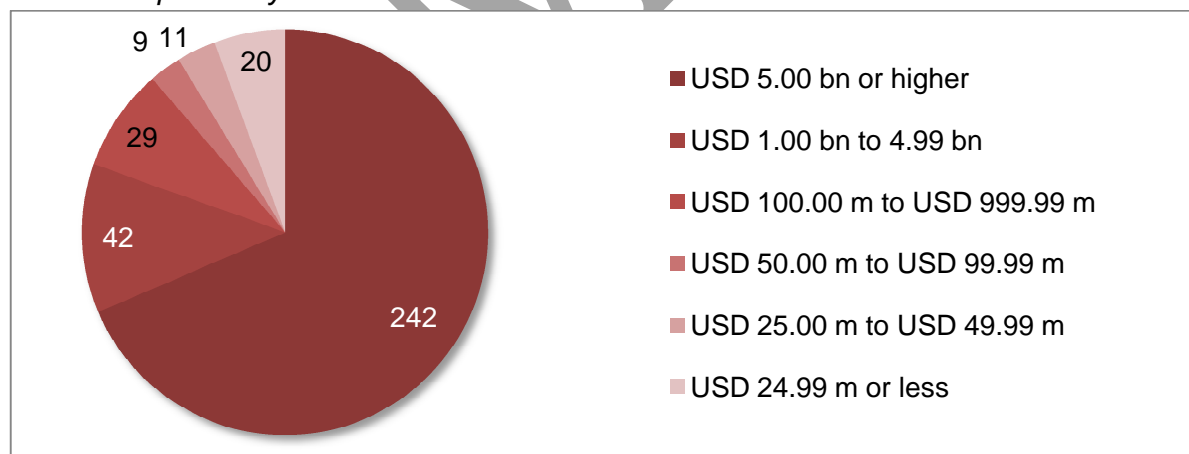
Top 10 Companies: Jobs Created and Capital Investment

Company Name	Jobs created		Capital investment	
	Total	Average per project	Total (USD m)	Average (USD m)
Lukoil	4,773	596	6,698.00	837.30
Oxus Gold	659	131	355.00	71.00
Gazprom	680	136	773.60	154.70
Daewoo	1,817	454	140.40	35.10
General Motors (GM)	2,543	847	468.10	156.00
Indorama	4,643	1,547	1,264.10	421.40
China National Petroleum (CNPC)	268	89	267.80	89.30
China International Trust & Investment (CITIC)	414	138	182.20	60.70
Teliasonera	144	48	214.60	71.50
VimpelCom	204	68	321.00	107.00

Source: fDi Markets from The Financial Times Ltd

In terms of company size, more than two-thirds of companies have an annual turnover of USD 5.00 billion or higher, while 5.7% of companies have a turnover of USD 24.99 million or less.

Size of companies by turnover



Source: fDi Markets from The Financial Times Ltd

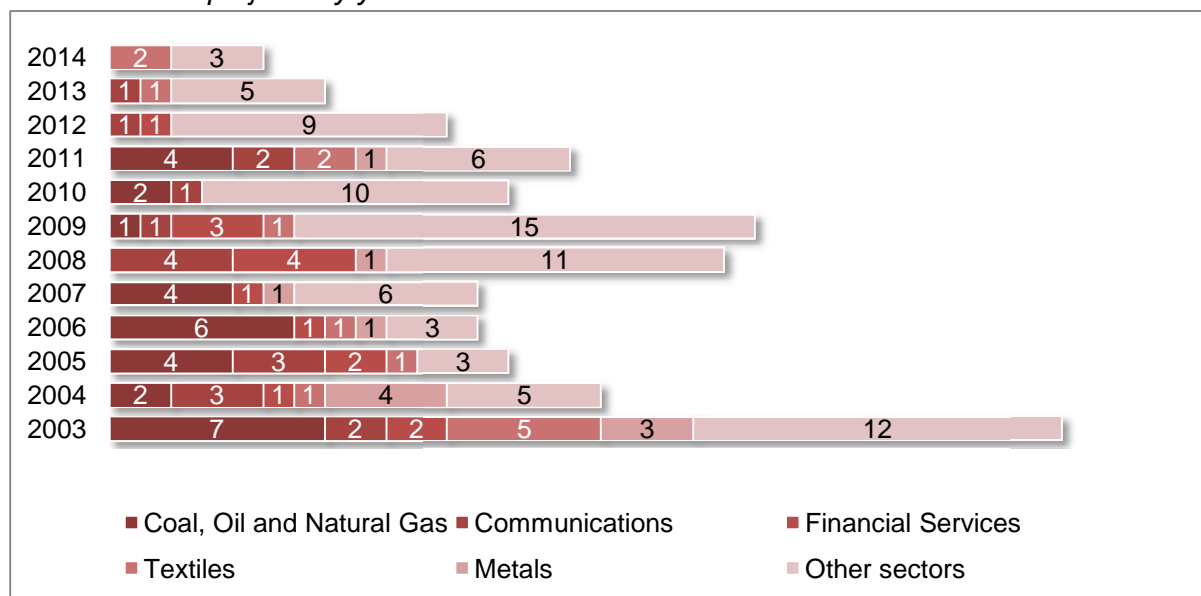
During the period July 2013 to June 2014, 3 projects were announced by 3 companies that had not previously had a project recorded by fDi Markets since 2003.

These investments created a total of 222 jobs and generated USD 31.60 million capital investment.

Industry Analysis: Sectors

Out of a total of 25 sectors, the top five account for the majority of projects. Coal, Oil and Natural Gas is the top sector accounting for one-sixth of projects tracked. Project volume in this sector peaked during 2003, with seven projects tracked.

Number of FDI projects by year and sector



Source: fDi Markets from The Financial Times Ltd

Textiles has generated the highest number of total jobs and has the largest project size with 873 jobs per project on average. Coal, Oil and Natural Gas has the highest total investment, while Chemicals has the highest average investment at USD 502.60 million per project.

FDI trends by sector

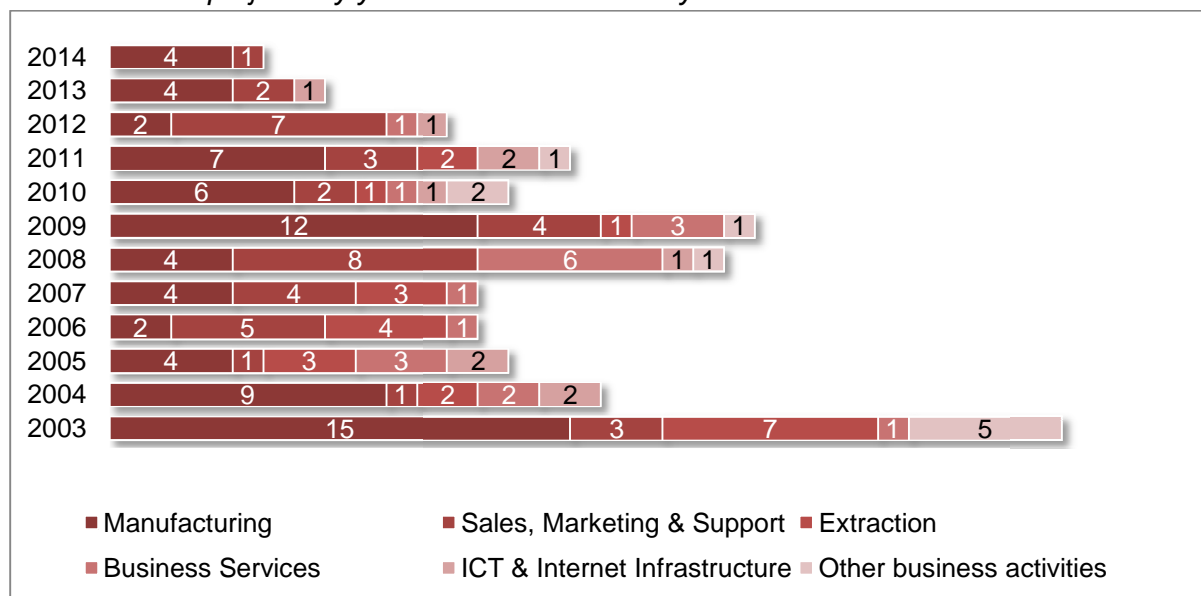
Sector	No of projects	Jobs Created		Capital investment	
		Total	Average	Total (USD m)	Average (USD m)
Coal, Oil and Natural Gas	30	7,451	248	11,216.40	373.90
Communications	18	1,549	86	832.50	46.30
Financial Services	15	1,555	103	573.20	38.20
Textiles	14	12,228	873	536.30	38.30
Metals	11	948	86	574.00	52.20
Chemicals	9	4,176	464	4,523.40	502.60
Transportation	9	575	63	649.50	72.20
Industrial Machinery, Equipment & Tools	9	996	110	121.80	13.50
Pharmaceuticals	8	500	62	225.10	28.10
Software & IT services	7	785	112	23.70	3.40
Other sectors	46	15,462	336	3,872.40	84.20
Total	176	46,225	262	23,148.30	131.50

Source: fDi Markets from The Financial Times Ltd

Industry Analysis: Business Activity

Out of a total of 12 business activities, the top five account for the majority of projects. Manufacturing is the top business activity accounting for more than two-fifths of projects tracked. Project volume in this business activity peaked during 2003, with 15 projects tracked.

Number of FDI projects by year and business activity



Manufacturing has generated the highest number of total jobs and greatest investment with a total of 35,821 jobs and USD 16.39 billion investment. Construction has the largest project size on average in terms of both investment and jobs creation.

FDI trends by business activity

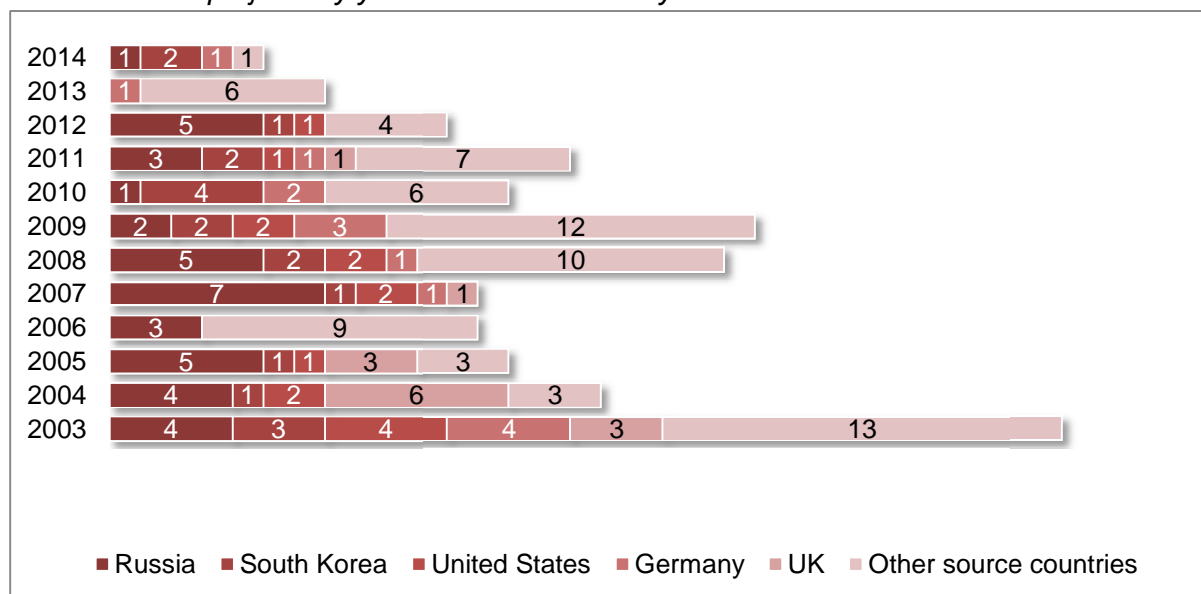
Business activity	No of projects	Jobs Created		Capital investment	
		Total	Average	Total (USD m)	Average (USD m)
Manufacturing	73	35,821	490	16,388.20	224.50
Sales, Marketing & Support	41	1,891	46	916.10	22.30
Extraction	23	3,825	166	3,788.80	164.70
Business Services	19	1,578	83	429.80	22.60
ICT & Internet Infrastructure	10	434	43	710.20	71.00
Construction	3	1,924	641	698.80	232.90
Logistics, Distribution & Transportation	2	184	92	122.60	61.30
Maintenance & Servicing	1	159	159	18.80	18.80
Technical Support Centre	1	232	232	10.40	10.40
Education & Training	1	55	55	9.60	9.60
Other business activities	2	122	61	55.00	27.50
Total	176	46,225	262	23,148.30	131.50

Source: fDi Markets from The Financial Times Ltd

Source Countries

Out of a total of 32 source countries, the top five account for the majority of projects. Russia is the top source country accounting for almost one-quarter of projects tracked. Project volume in this source country peaked during 2007, with seven projects tracked.

Number of FDI projects by year and source country



South Korea has generated the highest number of total jobs, while Russia has the highest total investment. Singapore has the largest project size on average in terms of both investment and jobs creation.

FDI trends by source country

Source country	No of projects	No of companies	Jobs Created		Capital investment	
			Total	Average	Total (USD m)	Average (USD m)
Russia	40	31	7,187	179	9,146.80	228.70
South Korea	19	17	10,662	561	5,268.50	277.30
United States	15	13	4,450	296	2,025.70	135.00
Germany	14	13	3,910	279	698.90	49.90
UK	14	11	1,248	89	752.30	53.70
China	13	12	2,514	193	834.30	64.20
Turkey	5	5	3,499	699	152.50	30.50
Netherlands	5	3	552	110	651.60	130.30
Singapore	4	2	4,654	1,163	1,274.10	318.50
Czech Republic	4	4	245	61	140.10	35.00
Other source countries	43	38	7,304	169	2,203.50	51.20
Total	176	149	46,225	262	23,148.30	131.50

Source: fDi Markets from The Financial Times Ltd

Source Cities

Out of a total of 64 source cities, the top five account for almost two-fifths of projects. Moscow is the top source city accounting for almost one-fifth of projects tracked. Project volume in this source city peaked during 2007, with six projects tracked.

Moscow has generated the highest number of total jobs and greatest investment with a total of 6,740 jobs and USD 7.96 billion investment. Seongnam and Singapore have the largest project size on average in terms of investment and jobs creation, respectively.

FDI trends by source city

Source city	Projects		Companies		Jobs Created	Capital Investment (USD m)
	No	%	No	%		
Moscow	32	18.18	23	15.44	6,740	7,964.40
Seoul	13	7.39	12	8.05	5,602	1,017.90
Beijing	9	5.11	8	5.37	1,211	655.70
London	7	3.98	6	4.03	1,008	572.70
Singapore	4	2.27	2	1.34	4,654	1,274.10
Amsterdam	3	1.70	1	0.67	204	321.00
Seongnam	3	1.70	2	1.34	3,427	4,149.80
Stockholm	3	1.70	1	0.67	144	214.60
Vienna	3	1.70	2	1.34	216	26.70
Riga	3	1.70	3	2.01	83	36.10
Munich	3	1.70	3	2.01	1,495	321.90
Detroit (MI)	3	1.70	2	1.34	2,543	468.10
Prague	2	1.14	2	1.34	92	79.60
Raleigh (NC)	2	1.14	1	0.67	130	69.60
Dusseldorf	2	1.14	2	1.34	138	163.60
Iphofen	2	1.14	1	0.67	444	97.50
Copenhagen	2	1.14	2	1.34	254	83.30
Minsk	2	1.14	2	1.34	884	71.30
Istanbul	2	1.14	2	1.34	1,064	52.80
Dubai	2	1.14	2	1.34	104	44.50
Other source cities	46	26.14	46	30.87	8,569	4,187.70
Not Specified	28	15.91	24	16.11	7,219	1,275.40
Total	176	100.00	149	100.00	46,225	23,148.30

Source: fDi Markets from The Financial Times Ltd

Destination Cities

Out of a total of 22 destination cities, the top five account for more than two-fifths of projects. Tashkent is the top destination city accounting for more than one-third of projects tracked. Project volume in this destination city peaked during 2008, with 12 projects tracked.

Tashkent has received the highest number of total jobs and greatest investment with a total of 6,308 jobs and USD 1.80 billion investment. Dharkurgan and Kokand have the largest project size on average in terms of investment and jobs creation, respectively.

FDI trends by destination city

Destination city	Projects		Companies		Jobs Created	Capital Investment (USD m)
	No	%	No	%		
Tashkent	59	33.52	57	38.26	6,308	1,795.30
Navoiy (Navoi)	7	3.98	7	4.70	2,201	403.60
Samarkand	5	2.84	5	3.36	2,425	362.50
Karakalpakiya	4	2.27	3	2.01	793	278.10
Kungrad	2	1.14	2	1.34	310	180.60
Farghona	2	1.14	2	1.34	622	75.50
Andijon	2	1.14	2	1.34	97	114.80
Altynkul	2	1.14	2	1.34	300	132.20
Bagat	2	1.14	2	1.34	1,596	72.00
Namangan	2	1.14	2	1.34	221	30.30
Angren	2	1.14	2	1.34	45	26.80
Bukhara	2	1.14	2	1.34	1,408	63.50
Guliston	1	0.57	1	0.67	8	0.60
Kokand	1	0.57	1	0.67	1,200	54.10
Andizhan	1	0.57	1	0.67	1,175	53.00
Asaka	1	0.57	1	0.67	1,075	226.70
Mubarek	1	0.57	1	0.67	145	221.50
Qarshi	1	0.57	1	0.67	17	8.80
Churchik	1	0.57	1	0.67	1,200	44.00
Dharkurgan	1	0.57	1	0.67	266	1,047.90
Other destination cities	2	1.14	2	1.34	278	134.30
Not Specified	75	42.61	66	44.30	24,535	17,822.20
Total	176	100.00	149	100.00	46,225	23,148.30

Source: fDi Markets from The Financial Times Ltd

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