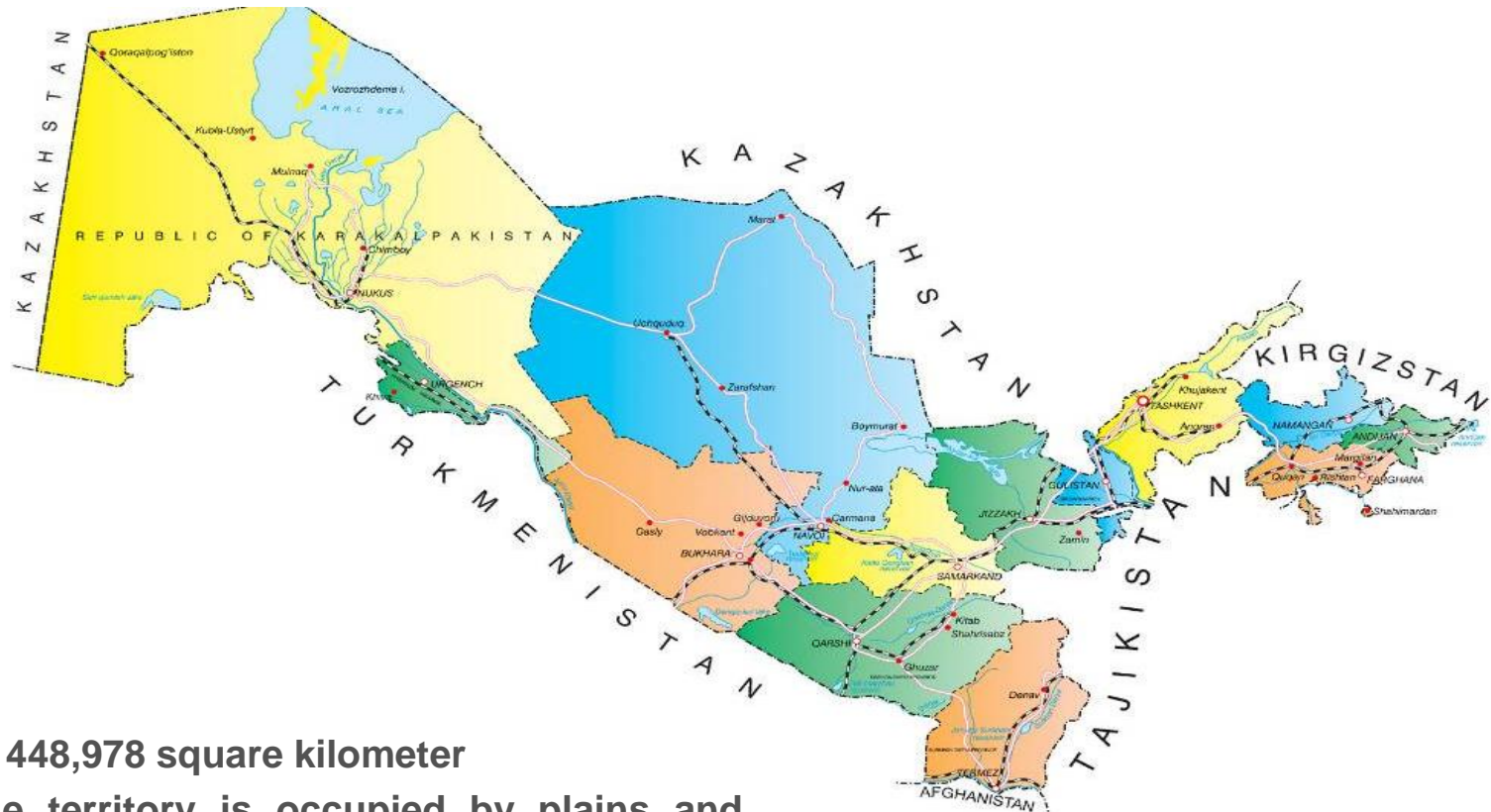


# **MEASURES OF STATE SUPPORT TO AGRICULTURAL ENTERPRISES, MODERNIZATION AND TECHNOLOGICAL RE-EQUIPMENT**

**N.Najimov**

**Director General of Rural Restructuring Agency**

# Republic of Uzbekistan: Overview



- Total area - 448,978 square kilometer
- 80% of the territory is occupied by plains and 20% mountains and foothills, including 4.3 million hectares of irrigated land
- Share of agriculture in GDP – 16,6%
- Population engaged in agriculture – more than 25%

# Government Support Mainstreams

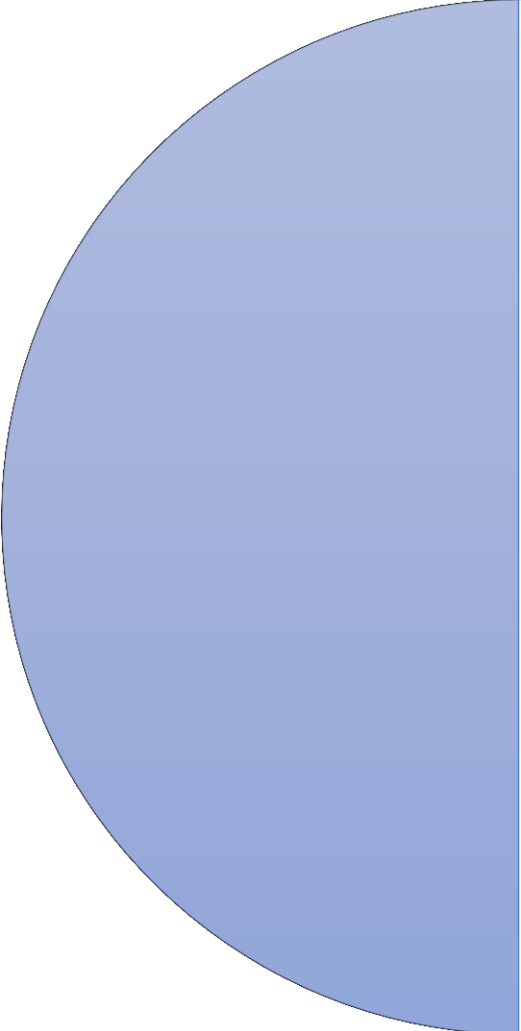
Improvement and increase of stimulating role of legislative and legal framework.

Access to financial resources in the form of long-term preferential loans as well as tax and customs privileges.

Technical, technological modernization of agricultural enterprises.

Development of market infrastructure.

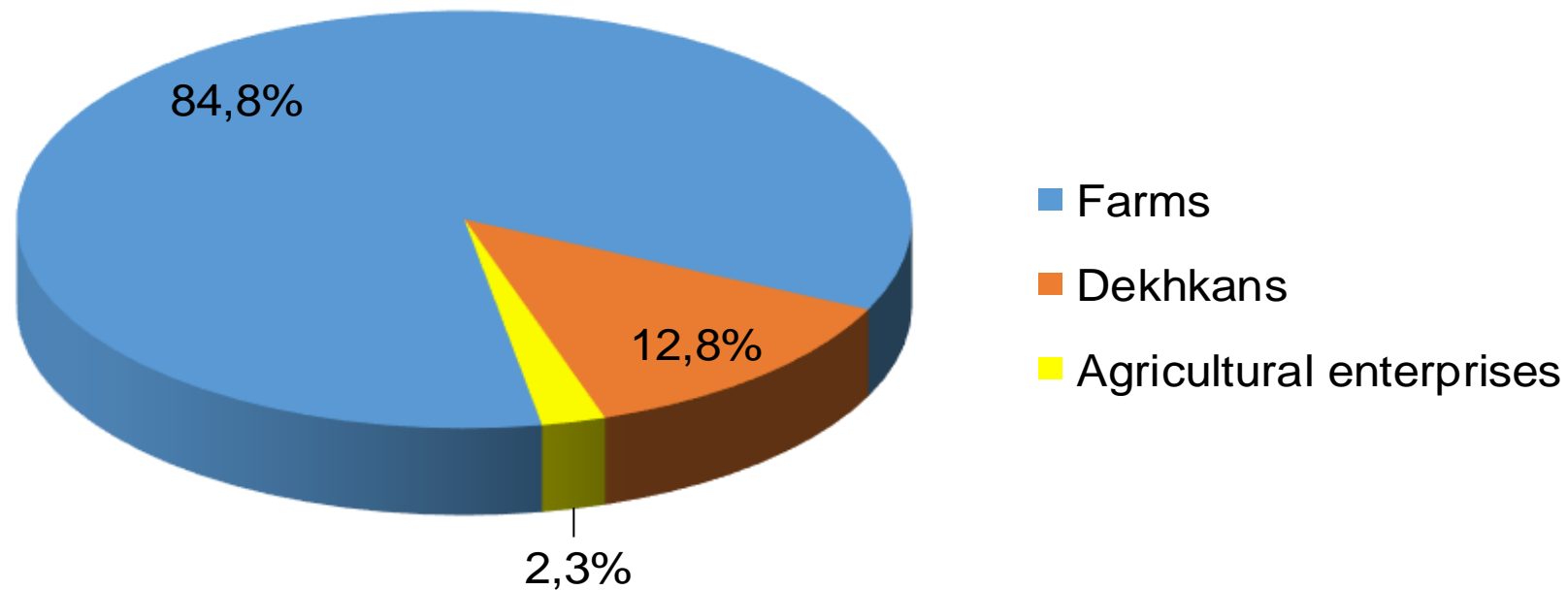
# Stimulating Role of Legal Framework



Existing legal acts  
provide  
comprehensive  
measures  
concerning:

- supporting financial stability and strengthening material-technical base of agricultural enterprises;
- land improvement and rehabilitation of irrigation infrastructure;
- introduction of water-saving technologies, as well as improving the competitiveness of agricultural products in the domestic and foreign markets.

# Structure of agricultural land use according to the types of enterprises



73,5 thousand farms, 4,3 million dekhkans, more than 100 agricultural enterprises

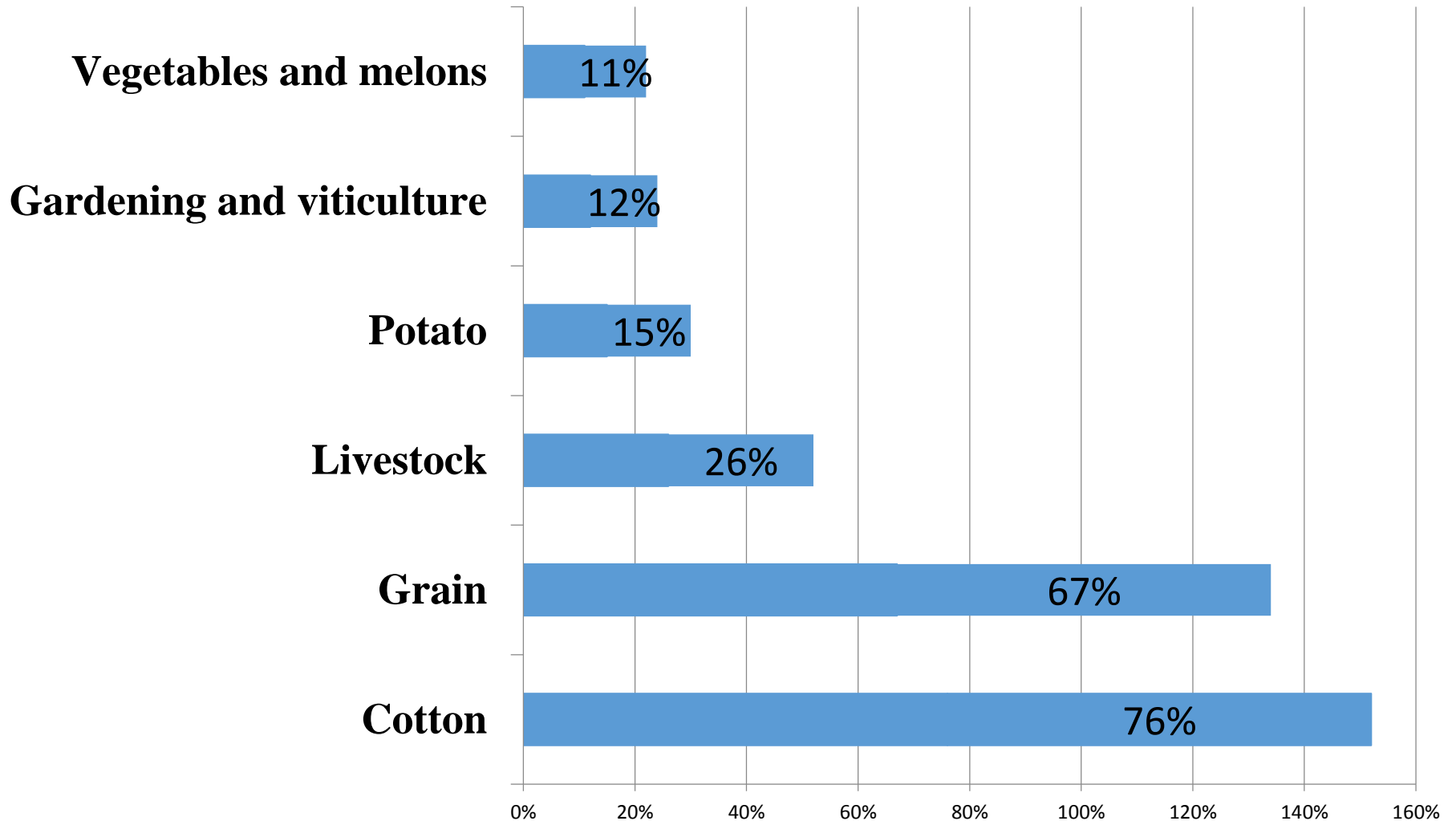
# Government Programs

- ❑ The Government program on further modernization, technical and technological re-equipment of agricultural production in 2012-2016;
- ❑ The Government program on improvement of irrigated land for the period 2013-2017 years;
- ❑ The Government program on introduction of drip irrigation system and other water-saving technologies for the period 2013-2017;
- ❑ The Government program on the development and strengthening of material and technical base for storage of fruits and vegetables for 2011-2015.

## **Objectives:**

Cardinal increase of the level of mechanization in Agricultural enterprises and Processing enterprises with technologies and technological equipment based on International Standards.

# Level of Mechanization in Crop Production



# Privileges and Preferences for Agricultural Enterprises

## **A. Enterprises participating in the localization program are exempted from:**

- Custom fees while importing technological equipment and spare parts thereof;
- Income tax;
- Property tax.

## **B. Simplified taxation system:**

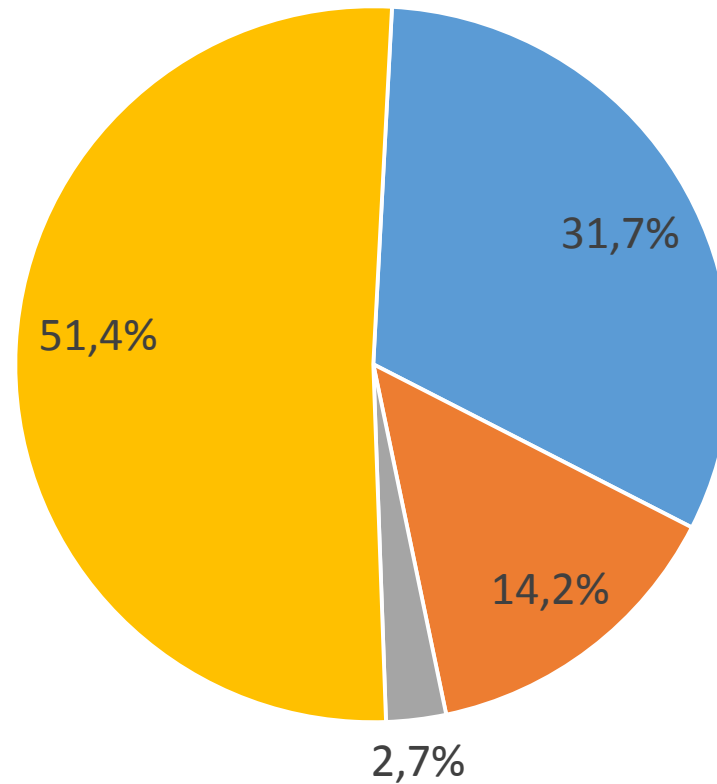
- Agricultural enterprises pay single land tax instead of generally established taxation;
- Agriculture Enterprises are exempted from fees to Road Fund, Pension Fund, Medical and Educational Fund;
- Newly established farms are exempted from single land tax for two years;
- Agribusiness micro firms pay single tax instead of the generally established taxation.

## **C. Incentives for rational and careful use of water resources:**

- Agricultural Enterprises in the implementation of drip irrigation systems are exempted from the single land tax for five years.



# Salinity Level of Irrigated Land



■ low saline soil   ■ moderate saline soil   ■ heavy saline soil   ■ unsalinized

# Government Support for Land Improvement

## Fund for Land Reclamation

- Rehabilitation works at collector drainage network throughout **84,000 km** completed;
- More than **1,600 units** of ameliorative equipment purchased to water management enterprises;
- The Fund invested **563,5 million USD** for these purposes.
- **As a result:** Improved **1,5 million ha** of irrigated land.



# Government Financial Support

**Fund for settlements  
of agricultural  
products purchased  
for state needs**

- During the vegetation period the Government provides preferential financial support to agricultural enterprises for the purchase of **fuel, fertilizer, farm equipment** and other resources needed to grow crops.



# Annual International Exhibition: Mini-technologies and Compact Equipment

Since 2006 Annual International Exhibition and Sale of mini technologies and compact equipment:

- ❑ Participants more than 240 Companies from 30 countries;
- ❑ Visited more than 40 thousand representatives of farms and agribusiness;
- ❑ As a result of last previous exhibition concluded contracts on delivery of mini technologies and compact equipment for more than **50 million USD**.

**For note**, Foreign Companies are exempted from customs duties, as well as from paying VAT on the sale of imported agricultural equipment mini-technologies to residents of Uzbekistan.



# INTERNATIONAL COOPERATION

## Rural Restructuring Agency



- ❑ Implemented Investment projects for the amount of **160 million USD** in cooperation with International Financial Institutes.
- ❑ Presently, Investment Projects with total **349,7 million USD** are being implemented with following Partners
  - International Development Association – **131,6 million USD**,
  - International fund for Agricultural Development – **28,3 million USD**,
  - Asian Development Bank – **USD 166,4 million**,
  - Grants of Global Environment Facility – **15,7 million USD**,
  - Swiss Development Cooperation – **7,7 million USD**.
- ❑ **Newly prepared** projects in collaboration with
  - International Bank for Reconstruction and Development - **150,0 million USD**,
  - International Fund for Agricultural Development - **24,0 million USD**.
- ❑ A Project proposal submitted to Government of Japan for amount of **250 million USD** on horticultural sector development.
- ❑ Taking this great opportunity, the Rural Restructuring Agency invites International Financial Institutes and donor countries for cooperation to implement development projects in sectors such as animal husbandry, aviculture, fishery, apiculture, processing of agricultural products, as well as the production of confectionery products.

**Thank you!**