

**The speech of the Head of Department for Development of Regional Foreign
Economic Activities
Ministry for Foreign Economic Relations, Investments and Trade of the
Republic of Uzbekistan
O.Egamberdiev**

“The export potential of horticultural sector of Uzbekistan”

Uzbekistan has a high agricultural resource potential and produces more than 15 million tons of fruits and vegetables annually. The amount of fruits and vegetables produced in the country allows to procure not only the demand of the population of the republic, but also to deliver high-quality products to the foreign markets.

Due to the distinctive taste of Uzbek horticultural products, their export have been increasingly growing year by year in terms of volume and value. Furthermore, the geography of export is expanding to the international market.

For instance, the content of sugar in grapes reaches to 30 percent and the content of solid particles in tomatoes exceeds 5.5 percent that can be significantly higher contents rather than similar types of products among other producers.

Traditionally, there is a high demand in the foreign markets for fresh and dried grapes, pomegranate, melon and watermelon, apricot and peach, plum and apple, tomato, onion, cabbage and many other of types of fruits and the vegetables that have been grown up in a fertile soil of Uzbekistan.

As a result of measures taken since independence, the export of major items of fruits and vegetables such as apricot, grape, persimmon, pomegranate, bean, plum, cucumber, carrot, walnut and others increased by 7 times from 72 thousand tons up to 500 thousand tons while the export value developed by more than 25 times.

The growth of export value confirms the high quality of fruits and vegetables produced in Uzbekistan and increasing demand for Uzbek products in the world market.

In the beginning of 90th the export volume of fresh fruits and vegetables was 267 thousand tons and by 2013 it doubled significantly and reached to 548 thousand tons, beans grew by 12.5 times and amounted to 48 thousand tons, dried fruits and vegetables increased by 3.5 times and reached 96 thousand tons.

In the structure of export, the prevalent share of fresh products showed 79% of the total export volume of fruits and vegetables, the share of dried and processed products – 14%, and the share of beans – 7% respectively.

According to the results of 2013, the export value of agricultural products has reached to 1.3 billion USD.

It is necessary to note that the geography of export has been extending. Fresh and processed fruits and vegetables delivered to the markets of more than 100 countries around the world since independence of Uzbekistan.

Regarding to the export volumes of fruits and vegetables in the Russian market Uzbekistan confidently surpasses such suppliers as China, Spain, Argentina, Morocco, The Republic of South Africa, Italy and Poland.

Previously, Uzbekistan delivered fruits and vegetables mostly to Russia and Kazakhstan. In recent years, the demand for Uzbek fruits and vegetables has been considerably increasing in European and Asian markets.

During the last five years, the geography of export has expanded to countries that are namely Norway, Thailand, Vietnam, Malaysia, Indonesia, Brazil, Cyprus and Macedonia, the USA and others.

Fruits from Uzbekistan can be found in the distribution networks of the Austrian hypermarkets "REWA", "Zotter" chocolate factory which is using our products as a raw component to produce chocolates, and also other large distribution networks of hypermarkets such as German "Marap Handels", Russian "Aushan" hypermarkets which give preference to Uzbek products because of environmental standards and taste properties.

Thanks to the created modern transport infrastructure, optimum allocation of cold stores and preferential tariffs of NAC «Uzbekistan Airways» Uzbek fruits and vegetables exported by air transport to foreign markets, including through the international center of logistics "Navoi".

At the same time, in Uzbekistan special attention is given to development of agricultural products processing industry, which includes manufactures of canned, dried and frozen fruits and vegetables, juices, wine and soft drinks, pastes and others.

Processing industry of agricultural products is one of the industries with all the basic conditions for the rapid development. There is a significant labor potential, many processing plants are re-equipped with modern equipment and the agricultural output is increasing in the country annually.

Existing conditions in the country allowed to increase export volume of processed fruits and vegetables, in particular juices. For example, over the last ten years export volume of juices increased twice from 8.3 thousand tons to 18.3 thousand tons and the value of their export increased by 6 times from 4 mln. USD to 24 mln. USD. In 2013 export of juices carried out by 30 enterprises of the republic.

The Government of Uzbekistan is carry out constantly research of the current state and prospects of export of fresh and processed fruits and vegetables. Based on the results identified factors constraining export growth and development of the industry in general, appropriate measures are taken to eliminate them.

The complex system of privileges and preferences is created in order to stimulate domestic exporters and increase the production of exports in the global financial and economic crisis.

Export procedures and concerning costs have been greatly simplified and reduced. The mechanism of customs clearance of export transactions on a "one-window" principle providing simultaneous customs clearance, declaration, certification, sanitary and epidemiological supervision and other procedures have been implemented.

In order to create favorable conditions for the expansion of business activities, active participation of small businesses in increasing export potential of the country by the decree of the President of the Republic of Uzbekistan from 25.08.2011 No PP-1604 "About measures on elimination of bureaucratic barriers and the further enhancement of freedom of entrepreneurial activities" approved on October 1, 2011, the rate of charges for customs clearance for export of goods, providing for the decrease in 2 times. Implemented the system of electronic declaration of goods exported.

In order to create additional facilities and support national exporters State Customs Committee provides the implementation of export cargo clearance process, day and night, weekends and holidays, as soon as possible, examine the treatment of exporters and measures taken to resolve emerging issues.

Specialized structures created to assist exporters, primarily small businesses in matters of standardization and certification of products, its promotion on foreign markets.

Particular attention is being paid to adopt modern quality management systems and product certification in accordance with international standards, which is the most important task for enterprises to increase the output intended for export.

In order to ensure further growth of production and export of horticultural products, by reducing the acreage under cotton increasing amount of area set aside for the production of various kinds of agricultural products.

Based on the best international practices research institutes carry on due to the seed development and viticulture and implementation of the most modern technologies in production.

Taking into account a growing demand in the world market, the following comprehensive work is being carried out on:

- the creation of new highly productive and competitive crop varieties, appropriate soil and climatic conditions of the regions;
- development of intensive gardening;
- the introduction of modern farming methods into production;
- the creation of domestic small tractors and agricultural machinery for the needs of producers of horticulture, viticulture and vegetable crops.

The program was approved by the Government of Uzbekistan to develop and strengthen the material and technical base for storage of fruits and vegetables in 2011-2015. The program identified the target parameters of construction of new and reconstruction of existing refrigerating bases for storage of horticultural products.

Until 2015, companies working in the sector of storage are released from payment of customs duties on refrigeration and storage equipment, components and materials, cargo-handling technics that have not been manufactured in the country and imported under the program.

Implementation of the program will allow to increase the volume of simultaneous storage of fruits and vegetables to 121 thousand tons. For the construction of new cold stores and reconstruction of all existing facilities will be allocated 187 billion uzbek soums, companies own 71.3 billion soums, and 115.7 billion soums - loans from commercial banks.

Thus, it is assumed that by creating a more efficient system of harvesting and storage, as well as the organization of sale of vegetables in the offseason, its exports due to year-round availability can be increased several times.

The leader of the country is paying considerable attention to the development of fruit and vegetable sector in Uzbekistan. The Decree "About measures to deepen economic reforms in the horticulture and viticulture" (№UP-3709 from 09.01.2006) and the Resolution of the President of the Republic of Uzbekistan "About organizational measures on reforming the horticulture and viticulture" (№ PP-255 from 11.01.2006), identified the most important conditions for further development of the horticultural sector in the republic.

Considering the high demand for fresh and processed products of viticulture, wine industry was allocated as an independent branch by the Presidential Decree (№ 255 from 11.01.2006), which is today represented by "Uzvinprom-holding".

The holding company owns 67 enterprises that produce wine beverages.

Currently, in the republic zoned and grown over 37 grape varieties that take in specialized farms about 88.6 thousand hectares, including 26.6 hectares of wine European varieties.

Modern methods of determination of the quality of products and technology of their production are being applied throughout the entire cycle from crop cultivation to the finished product.

Today Uzbekistan wine, thanks to its excellent quality, enjoy recognition, steadily receiving high quality assessment at the international specialized exhibitions, competitions and tastings high marks, they won 147 gold, silver, bronze medals and a number of diplomas.

Domestic wines along with the CIS countries are exported to Turkey, Korea, Italy and Japan.

In order to further improve production base of agricultural enterprises, annually since 2006 in the pavilions NEC "UzExpoCenter" held the international exhibition-sale of mini-technologies and compact equipment for agriculture "Uzbekistan Agrominitech Expo"

During a successful exhibition-sale in 2006-2013 more than 220 companies from 30 countries of the world, including from Europe, Israel, South Korea, China, Turkey and other countries became as participants.

Over 32 thousand representatives of small businesses visited the exhibition. As a result of them, more than 2 000 projects for the sum about 70 mln. USD were concluded and realized.

The Working Group was created based by the Resolution of the Cabinet of Ministers (№PKM-311 from 20.11.2013) in order to solve the rational use of fruits and vegetables, potatoes, melons and grapes in the domestic market of the country, as well as organizing the export of these products, whose mission is to prompt consideration of issues related to the organization of transportation, timely provision of cars and refrigerators, customs clearance for export of horticultural products.

Moreover, there are issues related to further improvement of conditions for the processing and packaging of fruits and vegetables.

In this regard, the country needs to work on the further development of infrastructure, equipped with modern equipment for receiving, processing, sorting, grading, packaging and labeling of products for further organization of export.

Thanks to the measures for the development and modernization of the industrial base, food security of the country is enhancing, by means of maintaining a stable supply volumes and prices in the domestic market during the year.

Considering the huge potential of the existing fruit and vegetable sector and measures to support and develop the industry in the future, Uzbekistan will be a major exporter of high quality fresh and processed fruits and vegetables in the world.

In the medium term, the export potential of the fruits and vegetables sector is estimated at over 5 billion USD.