Responding to the Coronavirus Crisis
Update on Uzbekistan (13/05/20)

Key short-term priorities
Assist vulnerable households, workers, provide targeted support for SMEs and export-oriented sectors

EBRD Policy Comparator

<table>
<thead>
<tr>
<th>Financial Sector</th>
<th>Direct support to firms</th>
<th>Payment holidays</th>
<th>Temporary controls</th>
<th>Support to individuals</th>
<th>Increased social benefits</th>
<th>Health</th>
<th>External Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy rate reduced</td>
<td>Liquidity increased</td>
<td>Prudential req. loosened</td>
<td>Wage</td>
<td>Wage subsidies</td>
<td>Tax/social sec. def.</td>
<td>Loans</td>
<td>Social benefits</td>
</tr>
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</tbody>
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Economic channels of disruption

External demand (mining, tourism), remittances
- Severe lockdown conditions impact domestic business activities, consumption, international trade and tourism.
- Remittances, constituting 11% of GDP, will decline due to travel restrictions and slower economic activity in Russia.
- Commodity exports (50% of total exports) may slow down but gold (more than half of commodity exports) serves as a natural hedge.
- Tourism (about 6% of GDP) is extremely vulnerable to travel disruptions.

Selected crisis impact indicators
EBRD GDP growth outlook
- (May 2020) 2020: 1.5%
- (January - March 2020) GDP growth 4.1%
- Export down 11% y/y
- Exchange rate (1 January – 13 May 2020) down 6%
Sovereign bond spread to benchmark (7 May 2020) 402 bps (up from 136 bps on 1 January 2020)

Crisis response measures to date
Support for healthcare, workers and businesses
- Anti-Crisis Fund of UZS 10 trillion (US$ 1 billion) to strengthen the healthcare system and support vulnerable workers and affected businesses.
- Public works to improve regional infrastructure and support employment.
- Reduced social contributions for individual entrepreneurs.
- Moratorium on tax audits, delay of income tax declarations until August 2020, local taxes reduced by 30%, a 6-month grace period on paying property tax.
- State-owned banks extending maturity of loan repayments for the affected sectors.

Selected crisis response indicators
Direct support to firms
- Tourism sector: exemption from taxes on land, property till end 2020; social contribution slashed from 12 to 1%
- Exemption from income tax for affected entrepreneurs

Support to individuals
- Exemption of staples, hygiene products from excise tax, customs; extension of expiring child benefits by 1 year; delivery of a food basket to persons with disabilities, elderly

Committed external assistance
- WB: US$ 95 million emergency financing to combat COVID-19; ADB: discussions on US$ 1 billion budget support loan

To learn more about EBRD’s support to Uzbekistan visit: https://www.ebrd.com/uzbekistan.html
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