

## Basic economic and social indicators

	Bln. soums	As % of January-June 2007
Gross domestic product	13559,9	109,3
Industrial output	10965,1	112,2
Consumer goods	3172,8	116,6
Agricultural output	4281,3	105,4
Investments in fixed capital	3713,1	119,8
Construction work	1464,1	109,1
Freight turnover, bln. t-km	39,9	104,2
Passenger turnover, bln. pas-km	30,1	111,7
Retail trade turnover	5522,2	114,4
Paid services rendered to population	1816,4	118,9
External trade turnover, USD mln.	9821,6	131,1
exports	6129,9	148,4
imports	3682,7	109,8
Money incomes of population	9649,5	131,8
Money expenditures and savings	9474,2	129,3
Money expenditures of population on goods purchasing and services payment	7278,2	131,2
Number of citizens registered as looking for a job (end of reporting period) thous. persons <sup>*)</sup>	30,5	104,6
of which officially registered as unemployed, thous. persons	24,1	96,8

<sup>\*)</sup> Data of the Ministry of Labor and Social Protection of Population

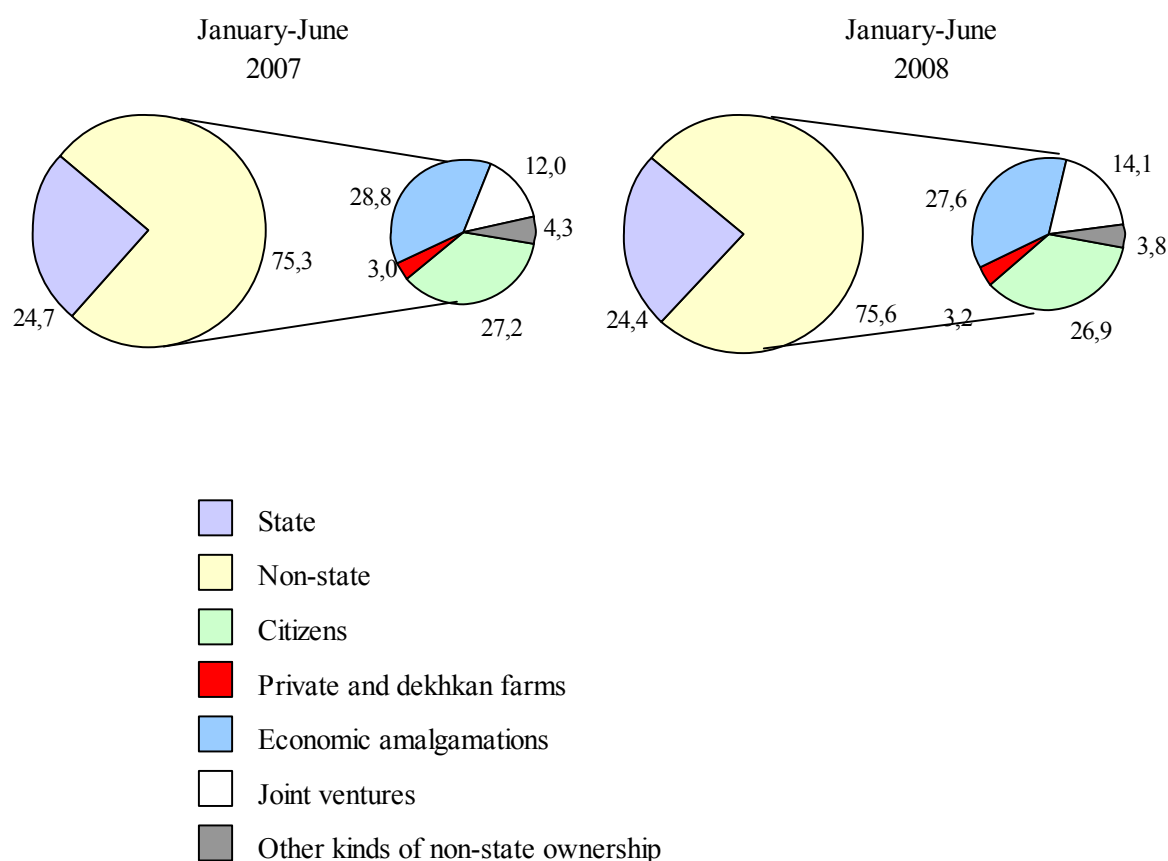
## Production of gross domestic product

In January-June of the current year according to the preliminary data the volume of gross domestic product amounted to 13559,9 billion soums or 109,3 percent in comparison with the corresponding period of the previous year.

In the structure of GDP production by forms of ownership the share of the non-state sector is 75,6 percent (in January-June 2007 – 75,3 percent) and that of the state sector – 24,4 percent (in January-June 2007 - 24,7 percent).

The gross domestic product by forms of ownership:

as % of total

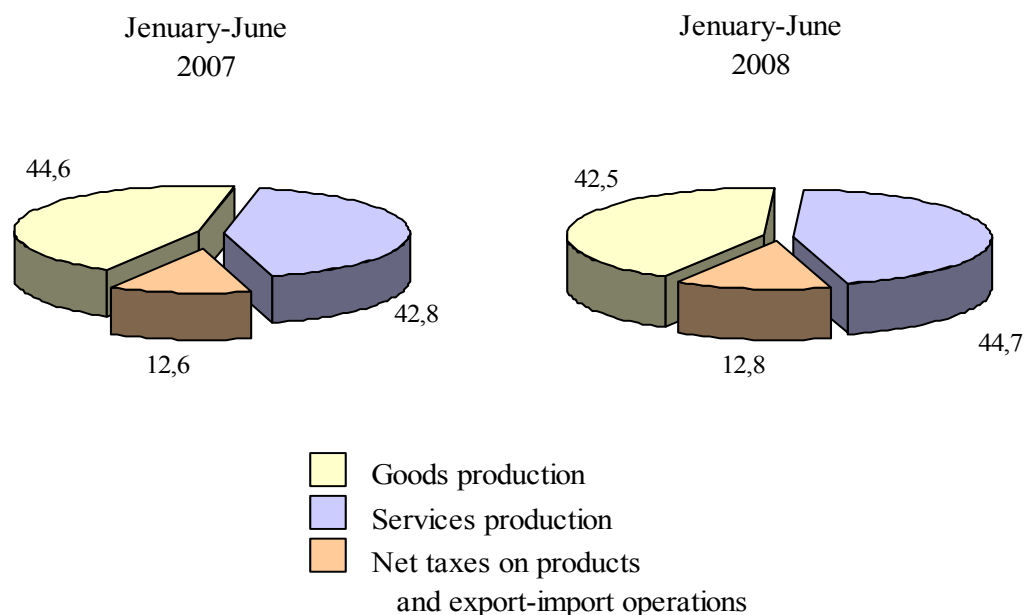


The sectoral structure of GDP production in January-June is characterized by the following data:

	As % of total		January-June 2008 as % of January-June 2007
	January-June		
	2007	2008	
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>109,3</b>
of which:			
industry	25,9	24,4	106,5
agriculture	11,8	10,8	105,4
construction	6,7	6,8	109,1
transport and communication	11,3	12,3	113,4
trade	10,8	11,2	120,3
others	20,9	21,7	108,8
Net taxes on products and export-import operations	12,6	12,8	106,6

The structure of GDP production:

as % of total



The increase in value added of industry (106,5 percent), communications (113,4 percent) and trade (120,3 percent), the share of which reached 47,9 percent of GDP in the reporting period, had a great effect on the GDP growth.

Small business entities produced 40,2 percent of the total volume of GDP which was 2,1 percentage points higher than in the corresponding period of the previous year (38,1 percent). Out of the total volume of GDP produced by small business entities the share of small enterprises and microfirms was 22,7 percent or 1,7 percentage points higher than in January-June 2007 (21,0 percent).

The significant growth of the real volume of gross regional product was observed in the city of Tashkent (116,3 percent), Kashkadarya oblast (114,5 percent), Samarkand oblast (113,0 percent), Namangan oblast (110,6 percent) and Andizhan oblast (110,5 percent).

## General characteristic of activity of enterprises and institutions

According to the data of the Uniform State Business Register, as of July 1, 2008, the number of registered legal persons was 481,6 thousand units, 451,5 thousand of them (93,8 percent of total registered enterprises) were operating.

The greatest number of enterprises and institutions was registered in agriculture (59,8 percent of total registered enterprises), trade and catering (14,3 percent), industry (6,0 percent) and construction (4,2 percent).

The distribution of registered and operating enterprises by branches of economy, as of July 1, 2008, is characterized by the following data:

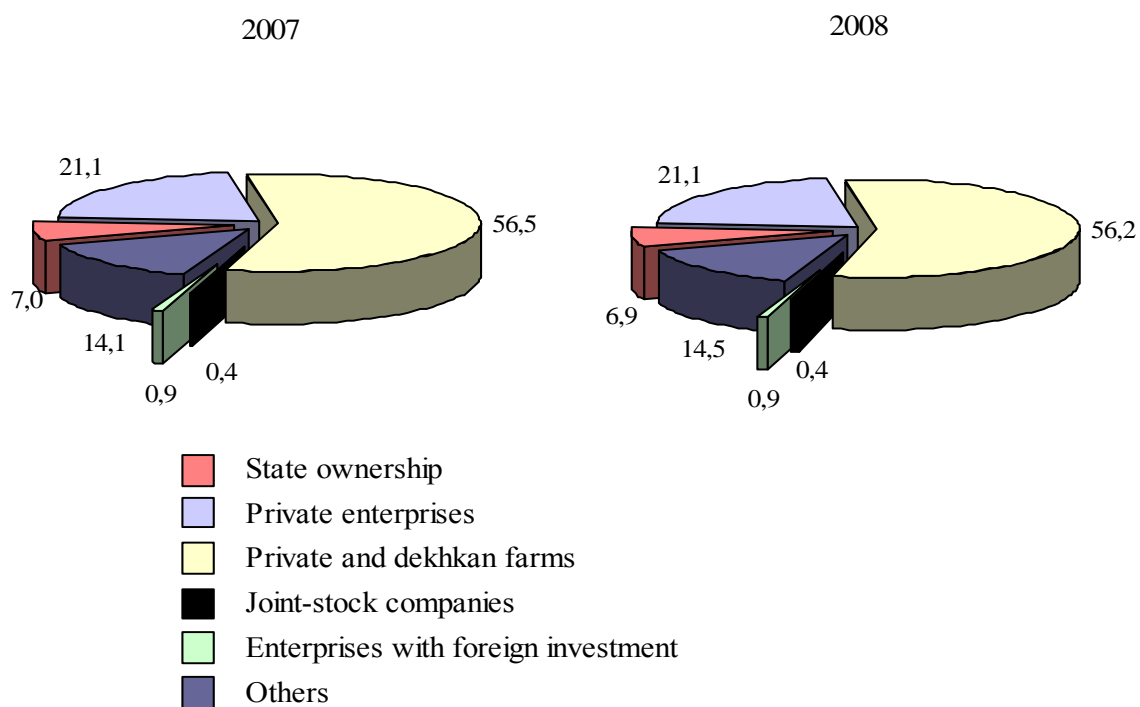
	Registered		Operating	
	thous.	as % of total	thous.	as % of total
<b>Total</b>	<b>481,6</b>	<b>100,0</b>	<b>451,5</b>	<b>100</b>
of which:				
industry	28,8	6,0	23,5	5,2
construction	20,1	4,2	16,6	3,7
agriculture and forestry	287,8	59,8	284,5	63,0
transport and communication	6,7	1,4	6	1,3
other branches of material production	19,3	4,0	17,6	3,9
trade and catering	69,1	14,3	55,7	12,4
personal services	3,2	0,7	2,8	0,6

	Registered		Operating	
	thous.	as % of total	thous.	as % of total
health care, physical culture, sports and social security	9,6	2,0	9,1	2,0
education, culture and art, science and scientific services	16,1	3,3	15,7	3,5
other branches of non-material production	20,9	4,3	20	4,4

In the total number of registered enterprises the share of enterprises with non-state form of ownership was 93,1 percent of which 60,3 percent - private and dekhkan farms, 22,6 percent - private enterprises, 1,0 percent - enterprises with participation of foreign capital, 0,4 percent - joint-stock companies, 15,7 percent – other enterprises.

The distribution of registered economic entities - legal persons by forms of ownership is given below:

as of July 1,  
as % of total number

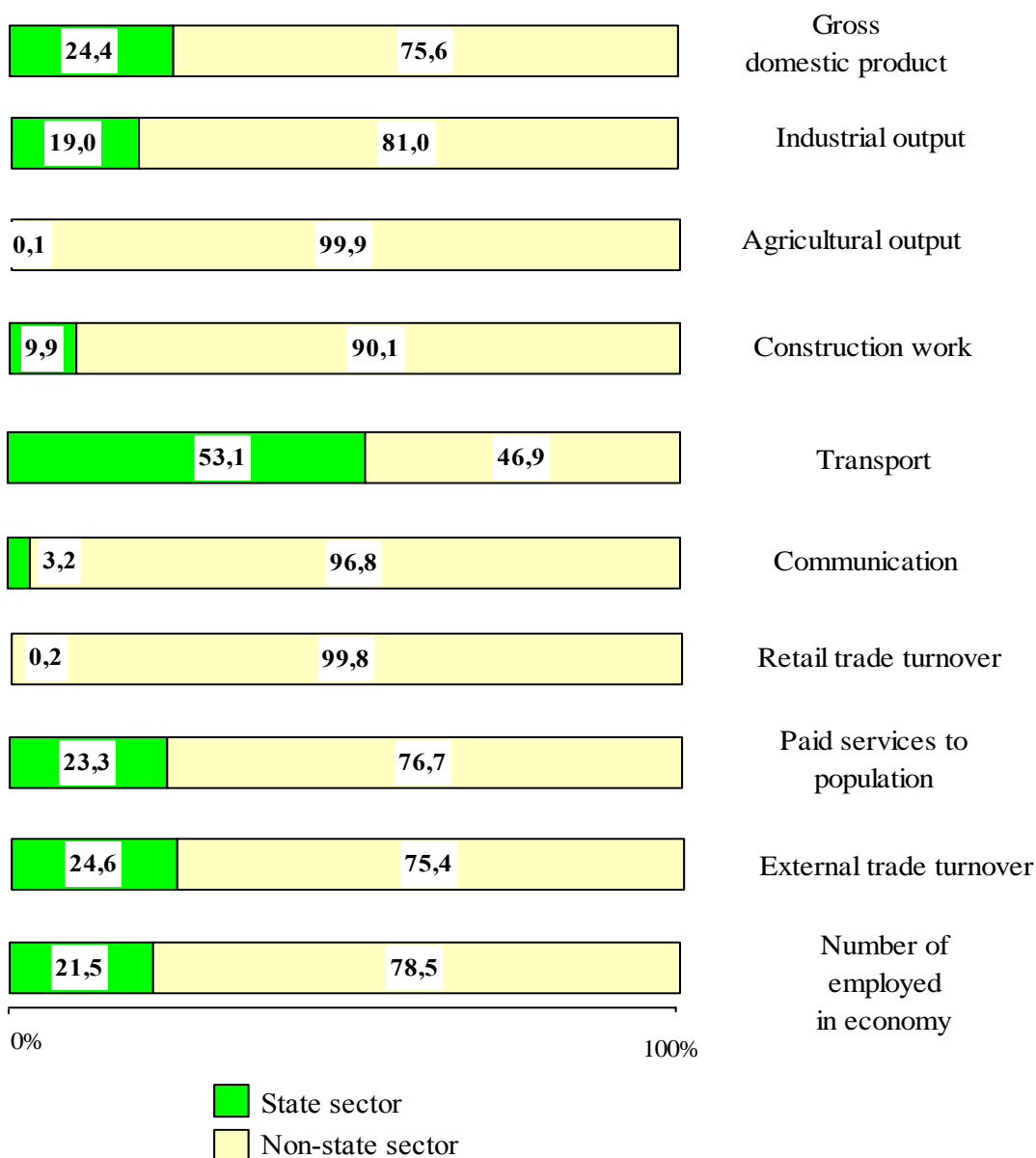


The number of newly registered enterprises and institutions was 22,9 thousand in January-June 2008. Their significant number was marked in the city of Tashkent (15,2 percent of total registered enterprises in the republic), Fergana oblast (10,1 percent), Andizhan oblast (9,1 percent) and Samarkand oblast (8,4 percent).

In the sectoral structure of newly created enterprises 42,7 percent - the share of agriculture, 22,3 percent - trade and catering, 11,2 percent - industry.

The ratio between state and non-state sector in GDP, main branches of economy and employment in January-June 2008 is characterized by the following data:

as % of total volume



## Small business

The measures for support and stimulation of small business and free enterprise have ensured the high growth rates of output in this sector.

In the first half of 2008 the share of small business in GDP production increased to 40,2 percent (in January-June 2007 – 38,1 percent), including 9,6 percent of small enterprises, 13,1 percent of microfirms and 17,5 percent of individual entrepreneurs.

In January-June of the current year small business entities:

provided 7964,9 thousand persons with employment or 73,2 percent of total persons employed in the economy, including 55,3 percent (6024,2 thousand persons) of the individual sector and 17,9 percent (1940,7 thousand persons) of small enterprises and microfirms;

produced industrial output to the amount of 1361,9 billion soums (12,4 percent of total industrial production) or 118,7 percent to the level of January-June 2007, agricultural output to the amount of 4189,3 billion soums (97,9 percent of total gross agricultural production) and 106,0 percent respectively;

utilized 21,6 percent of total investments in fixed capital of the republic, executed construction works to the amount of 810,7 billion soums (55,4 percent of total construction works) or 123,3 percent to January-June 2007;

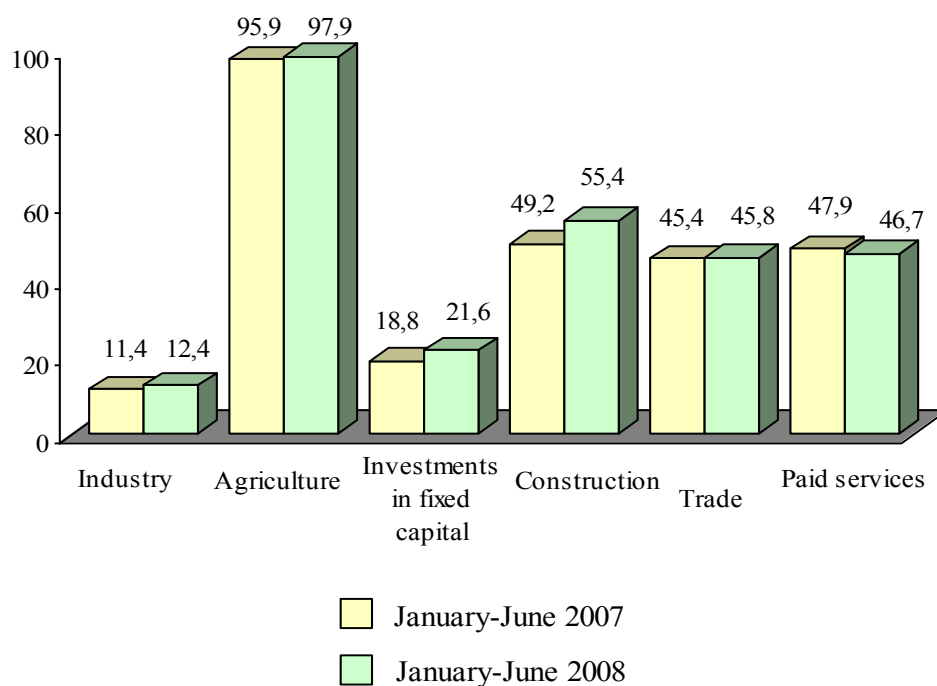
ensured the growth of freight turnover of motor transport by 18,3 percent (66,9 percent of total freight turnover), that of passenger turnover - by 11,2 percent (84,5 percent of total passenger turnover);

formed 45,8 percent of total retail trade turnover amounting to 2532,9 billion soums (the growth by 15,3 percent), 46,7 percent of total paid services rendered to population amounting to 848,7 billion soums (the growth by 15,9 percent);

exported goods to the amount of USD 643,1 million (10,5 percent of total export) or 127,6 percent to the corresponding period of 2007, imported goods to the amount of USD 1280,8 million (34,8 percent of total import) or 112,0 percent to the corresponding period of 2007.

The change in share of small business in total volume of goods (works, services) by branches of economy is characterized by the following data:

as % of total volume



The share of goods of private entrepreneurship (ownership of citizens) in total volume of goods (works, services) of small business in January-June 2008 is characterized by the following data:

	Volume of goods (works, services) of small business, bln. soums	Share of private sector in volume of goods (works, services) of small business, in %
Industry	525,8	38,6
Agriculture	4189,3	100
Construction	574,9	70,9
Retail trade turnover	2030,3	80,2
Paid services	661,9	78,0
Cargo transportation, mln. tons	112,0	93,1
Passenger transportation, mln. pass.	1888,7	97,8
Exports, USD mln.	143,5	22,3
Imports, USD mln.	318,5	24,9



## Privatization of enterprises and projects

During implementation of the Program on Decentralization and Privatization, according to the Goskomimushchestvo data, 237 enterprises and projects (hereinafter projects) were privatized in the reporting period.

The greatest number of projects was privatized in the city of Tashkent (24,9 percent of the total), Tashkent oblast (18,1 percent), Kashkadarya oblast (8,4 percent), Namangan oblast (7,6 percent).

In the structure of privatized state property the highest share falls on projects of the local authority (43,5 percent), Ministry of Health (17,7 percent), Ministry of National Education (6,3 percent), Ministry of Agriculture and Water Industry (4,2 percent), Petroleum Chemical Complex "Uzbekneftgaz" (3,4 percent).

The data stated below characterize departmental structure of projects privatized in January-June 2008:

	Number of privatized projects, units	As % of total
<b>Total</b>	<b>237</b>	<b>100</b>
of which:		
Khokimiyats	103	43,5
Ministry of National Education	15	6,3
Ministry of Health	42	17,7
Ministry of Agriculture and Water Industry	10	4,2
Petroleum Chemical Complex "Uzbekneftgaz"	8	3,4
Other ministries and departments	59	24,9

Receipts of money from privatization and decentralization amounted to 84,9 billion soums in January-June 2008.

The most part of receipts was marked in the city of Tashkent (38,3 percent of total monetary means received from privatization), Khorezm oblast (21,2 percent), Syrdarya oblast (19,3 percent), and Tashkent oblast (13,1 percent).

## External economic links

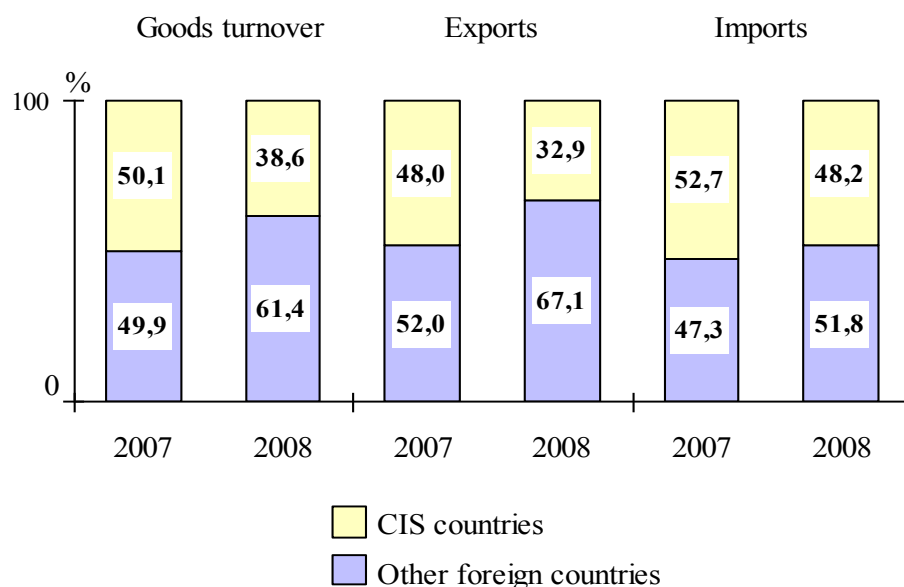
In January-June 2008 the republic's external trade turnover amounted to USD 9812,6 million and increased by 31,1 percent, including USD 6129,9 million of exports and USD 3682,7 million of imports (by 48,4 and 9,8 percent respectively).

Positive balance was USD 2447,2 million, including USD 241,6 million with the CIS countries and USD 2205,6 million with other foreign countries.

The republic's external trade turnover in January-June is characterized by the following data:

	(USD mln.)	
	2008	As % of 2007
External trade turnover	9812,6	131,1
of which with:		
CIS countries	3789,6	101,1
other foreign countries	6023,0	161,3
Export	6129,9	148,4
of which to:		
CIS countries	2015,6	101,8
other foreign countries	4114,3	191,5
Import	3682,7	109,8
of which from:		
CIS countries	1774,0	100,3
other foreign countries	1908,7	120,4

The share of the CIS and other foreign countries in the republic's external trade in January-June is characterized as follows:



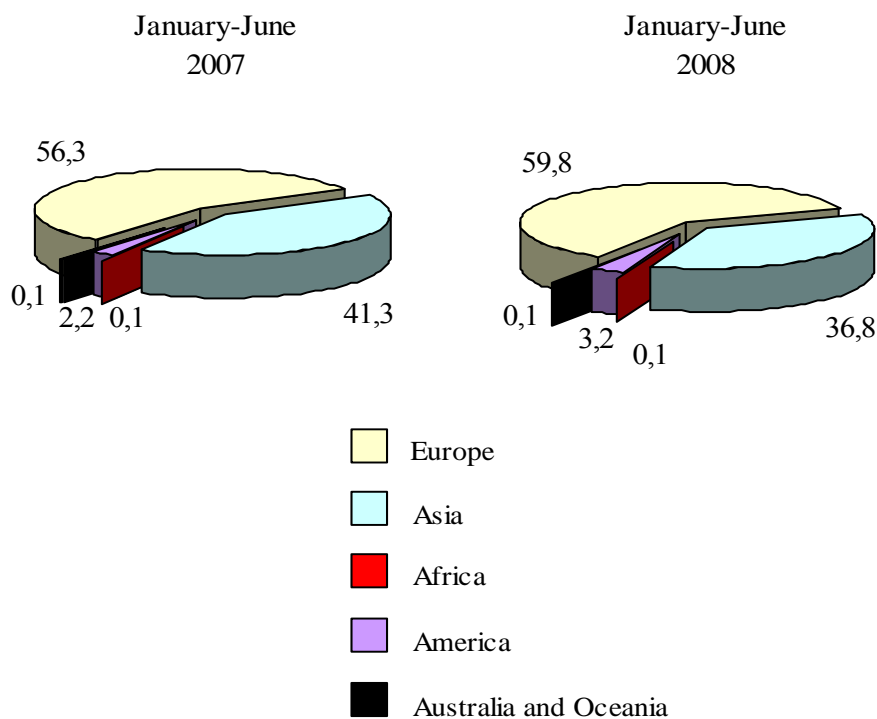
#### Dynamics of change in volume and structure of exports and imports

	Structure in %		Change in volume, %
	January-June 2007	January-June 2008	January-June 2008 to January-June 2007
Exports	100,0	100,0	148,4
cotton fibre	16,7	13,5	120,0
food products	7,0	3,2	66,5
of which consumer	6,3	2,9	69,6
chemical products and articles thereof	5,6	5,6	148,0
energy and oil products	19,8	21,6	162,3
ferrous and non-ferrous metals	12,3	8,0	97,2
machines and equipment	9,6	7,6	116,2
services	10,9	9,2	125,8
others	18,1	31,3	257,2
Imports	100,0	100,0	109,8

	Structure in %		Change in volume, %
	January-June 2007	January-June 2008	January-June 2008 to January-June 2007
food products	8,0	8,9	121,2
of which goods for production needs	5,4	4,6	93,4
chemical products and articles thereof	14,2	13,0	101,9
energy and oil products	4,6	2,8	67,1
ferrous and non-ferrous metals	7,6	8,7	125,9
machines and equipment	45,0	48,8	119,1
services	6,1	6,0	104,9
others	14,5	11,8	89,4

### Structure of external trade turnover by continents

as % of total volume



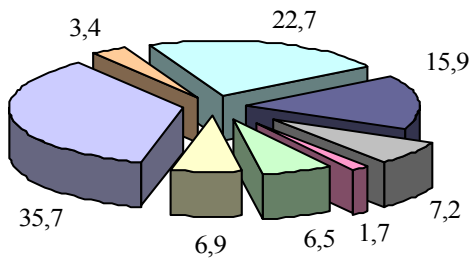
The trade turnover with the states having the greatest share in the republic's goods turnover is presented below:

	Share in republic's goods turnover, %	As % of January- June 2007
Russia	19,9	91,1
Kazakhstan	7,7	103,3
Ukraine	7,1	146,0
China	6,2	140,9
Turkey	4,8	114,2
Republic of Korea	4,2	116,7
Switzerland	4,2	2,6 t.m.
Iran	3,9	107,1
Germany	2,8	142,1
Afghanistan	2,3	169,1
USA	2,1	2 t.m.
Singapore	1,5	172,7
Latvia	1,5	2,8 t.m.
Kyrgyzstan	1,1	112,0
Tajikistan	0,9	66,0
Japan	0,9	2,3 t.m.
Great Britain	0,8	82,6
France	0,8	62,5
Belarus	0,7	90,3
Italy	0,6	2,2 t.m.
Turkmenistan	0,6	177,1
Netherlands	0,5	166,4
UAE	0,4	58,3
India	0,4	98,5
Austria	0,3	69,3
Azerbaijan	0,3	73,9
Belgium	0,3	118,0

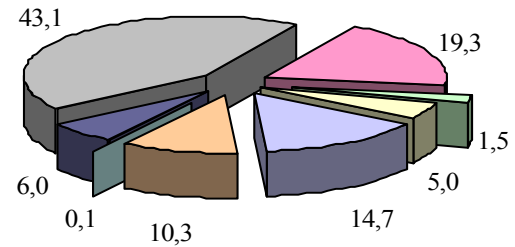
The structure of external trade with the CIS and other foreign countries in January-June 2008 is characterized by the following data:

## Exports

CIS countries

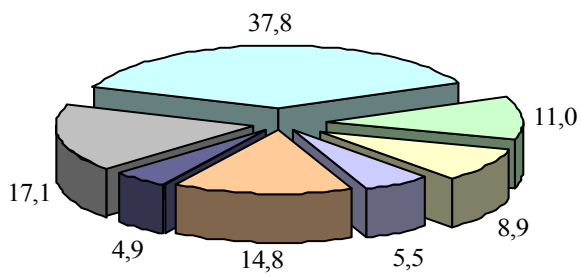


Other foreign countries

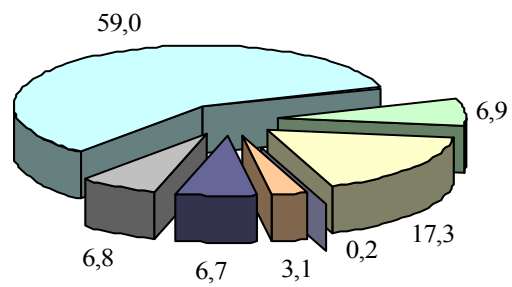


## Imports

CIS countries



Other foreign countries



- Cotton fibre
- Food products
- Chemical products and plastics
- Energy products
- Ferrous and non-ferrous metals
- Machines and equipment
- Services
- Others

## Industry

In January-June 2008 the industrial output was 10965,1 billion soums or 112,2 percent to the level of January-June 2007.

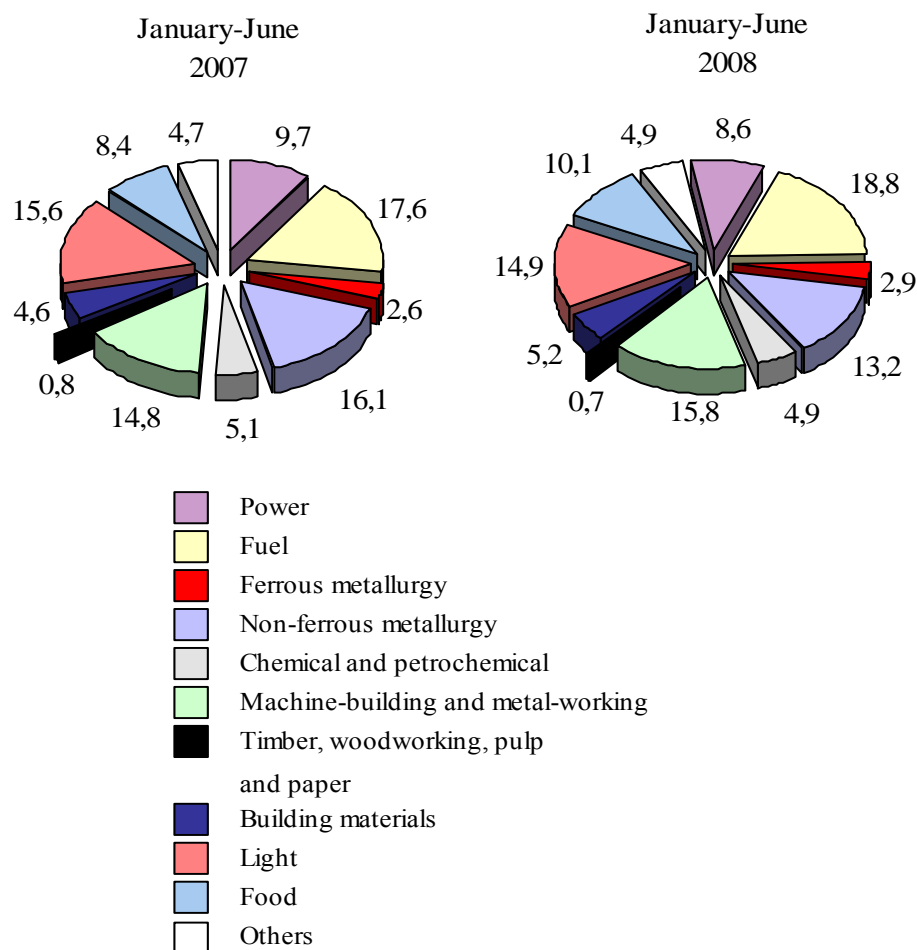
In the reporting period consumer goods were produced to the amount of 3172,8 billion soums (116,6 percent to January-June 2007). Out of them food products were produced to the amount of 1313,8 billion soums (126,0 percent to the level of the previous year), non-food products - to the amount of 1859,0 billion soums (110,8 percent).

The output of products by industries and production of consumer goods in January-June 2008 are characterized as follows:

	Bln. soums	As % of January-June 2007
Total	10965,1	112,2
of which:		
electric power	943,8	100,7
fuel	2065,8	119,5
ferrous metallurgy	322,7	103,3
non-ferrous metallurgy	1446,5	93,9
chemical and petrochemical	532,9	108,4
machinery and metal-working	1728,2	120,3
logging, woodworking, pulp and paper	80,7	129,8
building materials	570,5	108,2
light	1638,0	112,4
food	1109,0	130,2
Consumer goods	3172,8	116,6
of which:		
food	1313,8	126,0
non-food	1859,0	110,8

The structure of output of industrial products by branches is presented below:

as % of total volume



**Production of selected products by industries  
(by large enterprises)**

	January-June 2008	As % of January- June 2007
<b>Fuel and energy</b>		
Electric power, bln. kWh	25,6	103,0
Heat energy, mln. Gcal	10,4	95,0
Petroleum and gas condensate, mln. t	2416,9	94,9
Gasoline, thous. t	727,9	103,9
Diesel fuel, thous. t	616,1	86,9
Fuel oil, thous. t	265,4	67,8
Kerosene, thous. t	171,7	100,9
Lubricating oils, thous. t	134,2	90,9
Condensed gas, thous. t	120,6	107,5



	January-June 2008	As % of January- June 2007
<b>Ferrous metallurgy</b>		
Steel, thous. t	351,7	102,6
Finished steel, thous. t	332,9	102,8
<b>Chemical and petrochemical</b>		
Synthetic ammonia, thous. t	623,4	102,3
Chemical fertilizers, thous. t	535,3	104,4
Carbamide, thous. t	226,5	109,4
Chemical agents for plant protection, t	890	109,1
Sulphuric acid, thous. t	453,1	89,9
Chemical fibre and threads, t	6929	89,8
Soda ash, thous. t	37,2	166,1
<b>Machine-building and metal working</b>		
Motor cars, pcs	90168	108,8
Buses, pcs	771	191,8
Spare parts for motor cars, mln. soums	66874,7	126,1
Tractors, pcs	1364	159,3
Accumulators, thous. pcs	234	112,5
Tractor cultivators, pcs	990	107,7
Refrigerators and freezers, pcs	3209	51,0
Cable products, mln. soums	102797	2,1 t.m.
Installation wires, kms	6469	139,4
Cables of urban telephone communication, kms	4485	76,5
<b>Building materials</b>		
Cement, thous. t	3122,0	99,2
Asbestos cement sheets (roofing slate), mln. standard plates	218,8	90,9
Prefabricated ferro-concrete structures and units, thous. m <sup>3</sup>	78,8	76,7
<b>Glass and porcelain - faience</b>		
Window glass, 2 mm, thous. m <sup>2</sup>	5459,5	105,4
Bottles, mln. pcs	141,5	99,2
<b>Light</b>		

	January-June 2008	As % of January- June 2007
Cotton fibre, thous. t	717,5	109,4
Cotton seeds, thous. t	1120,7	110,1
Cotton lint, thous. t	50,9	114,4
Raw silk threads, t	150,7	86,1
Cotton yarn, thous. t	71,0	97,5
Fabric - total, mln. m <sup>2</sup>	64,2	77,4
Knitwear articles, thous. pcs	16841	89,8
Carpets and rugs, thous. m <sup>2</sup>	4436	99,8

### **Food**

Milk and dairy products, thous. t	8,9	109,4
Canned products, mln. standard cans	52,6	100,1
Granulated sugar, thous. t	129,9	2,1 t.m.
Vegetable oil, thous. t	156,8	107,7
Macaroni, thous. t	8,2	96,2
Vodka and liqueur beverages, thous. dal	3912	111,6
Grape wine, thous. dal	1169	100,2
Bear, thous. dal	6786,1	118,8
Mineral water, mln. half-liters	100,7	124,8
Papirossy and cigarettes, mln. pcs	4854	124,1

### **Flour-milling and feed mill**

Flour, thous. t	676,2	91,1
Groats, thous. t	1,2	197,9
Mixed fodder, thous. t	308,4	106,9

## **Agriculture**

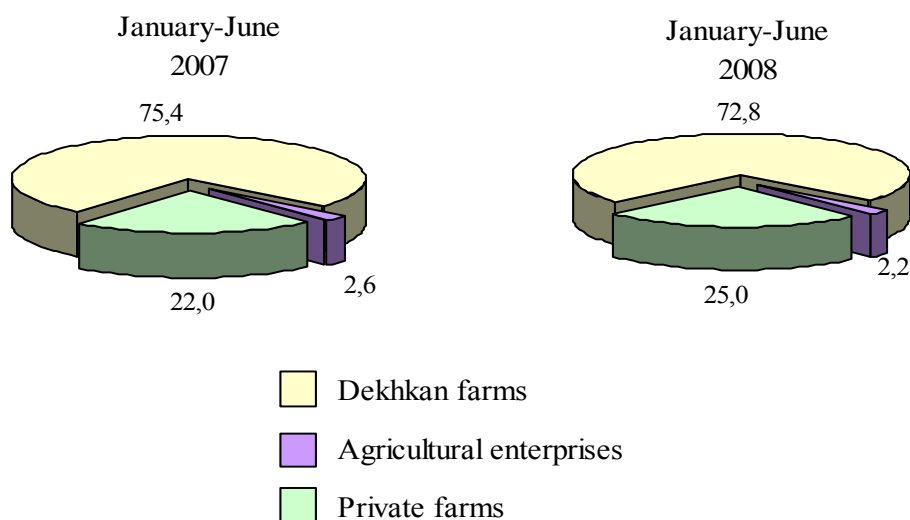
In January-June 2008 the output of agricultural products amounted to 4281,3 billion soums and increased by 5,4 percent in comparison with January-June 2007.

In the total volume of agricultural production the output of plant-growing was 2169,1 billion soums (104,9 percent) and that of animal husbandry – 2112,2 billion soums (106,0 percent).

In total agricultural output the share of crop products was 50,7 percent and that of animal products – 49,3 percent.

The distribution of output of agricultural products by types of farms:

as % of total volume



**Plant-growing.** According to the preliminary data the total sown area of agricultural crops for the yield of the current year in farms of all types was 3568,3 thousand hectares which was 8,0 thousand hectares more that has been sown for the yield of 2007.

The area under grains was 1542,5 thousand hectares, cotton - 1418,6 thousand hectares, potatoes - 59,2 thousand hectares, vegetables - 157,9 thousand hectares, forage crops - 271,8 thousand hectares.

The sown area under main agricultural crops for yield of 2008:

(thous. hectares)

	January- June		2008 as % of 2007	Structure, in %	
	2007	2008		2007	2008
<b>Sown area</b>	<b>3560,3</b>	<b>3568,3</b>	<b>100,2</b>	<b>100,0</b>	<b>100,0</b>
of which:					
grains	1538,5	1542,5	100,3	43,2	43,2
of which:					
spiked cereals	1431,5	1465,3	102,4	40,2	41,1
of which:					
wheat	1382,2	1368,6	99,0	38,8	38,4
rice	48,0	25,7	53,5	1,3	0,7
corn for grain	34,1	30,7	85,6	1,0	0,9
industrial crops	1477,1	1496,1	101,4	41,5	41,9
of which:					
cotton	1451,3	1418,6	97,7	40,8	39,8
potatoes	55,6	59,2	106,5	1,6	1,7
vegetables	159,8	157,9	98,8	4,5	4,4
melons and gourds	39,0	40,5	104,6	1,1	1,1
forage crops	290,0	271,8	93,7	8,1	7,6

**Harvesting.** As of July 1, 2008 farms of all types have threshed 5402,7 thousand tons of grains, including 5398,1 thousand tons of spiked cereal of which 5315,3 thousand tons of wheat.

As of July 1 of the current year farms and agricultural enterprises of Kashkadarya oblast have threshed 654,8 thousand tons of spiked cereals, Surkhandarya oblast - 448,4 thousand tons, Andizhan oblast – 420,1, Samarkand oblast – 404,0 thousand tons, - Tashkent oblast – 403,0 thousand tons.

According to the preliminary data the yield of spiked cereals as a whole by the republic was 46,0 c/ha, including 58,0 c/ha of Andizhan oblast, 50,3 c/ha of Samarkand oblast, 48,1 c/ha of Kashkadarya oblast, 47,2 c/ha of Surkhandarya oblast , 42,6 c/ha of Tashkent oblast.

The production of potatoes was 646,3 thousand tons, vegetables – 1137,7 thousand tons, melons and gourds – 73,9 thousand tons, fruit and berries – 393,2 thousand tons, grapes – 10,9 thousand tons.

**Animal husbandry.** As of July 1, 2008 the population of cattle has increased by

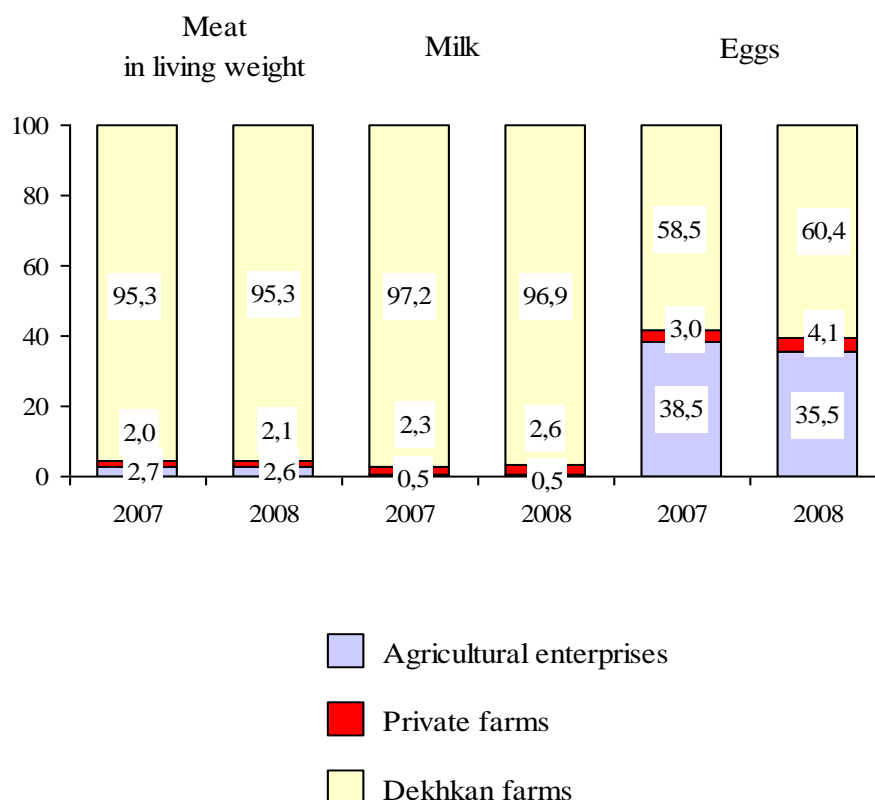
427,0 thousand (by 5,9 percent) of which cows by 158,6 thousand (by 5,2 percent), sheep and goats - by 618,7 thousand (by 4,7 percent), poultry - by 3228,1 (by 13,8 percent).

In January-June 2008 farms of all types produced 597,8 thousand tons of meat in living weight (6,4 percent more than in the corresponding period of the previous year), 2463,8 thousand tons of milk (6,6 percent), 1075,8 million eggs (7,5 percent), 12,2 thousand tons of wool (6,7 percent), 784,7 thousand pieces of karakul (13,2 percent) 23,5 thousand tons of silkworm cocoons (9,5 percent).

The production of animal products (meat, milk, eggs) in all regions has mainly increased at the expense of dekhkan and private farms. Their share in total production of meat was 97,4 percent, milk – 99,5 percent, eggs – 64,5 percent.

The structure of output of animal husbandry products by types of farms in January-June is characterized by the following data:

as % of total output



**Private farms.** As of July 1 of the current year the number of operating private farms was 223,8 thousand. The total area of lands allotted to private farms was 5830,7 thousand hectares, on average 26,1 hectares per farm. The number of workers was 1420,0 thousand persons, 235,9 thousand of them were hired workers.

In comparison with the corresponding period of the previous year, as of July 1, 2008

the number of cattle has increased by 59,4 thousand (by 14,9 percent), of which cows – by 28,1 thousand (by 21,7 percent), sheep and goats – by 81,6 thousand (by 9,1 percent), poultry – by 1292,5 thousand (2,3 times more).

The output of basic agricultural produce in private farms for January-June:

	2008		2008 as % of 2007
	thous. t	share in total output, %	
Spiked cereals	4448,2	82,4	98,7
of which wheat	4378,7	82,4	98,1
Potatoes	43,9	6,8	129,9
Vegetables	162,6	14,3	159,8
Melons and gourds	31,0	41,9	2,2t.m.
Fruit and berries	122,8	31,2	131,3
Grapes	2,1	19,3	76,9
Meat in living weight	12,7	2,1	114,2
Milk	64,1	2,6	120,1
Eggs, mln.	44,4	4,1	145,2
Wool, t	752	6,2	120,4
Karakul, thous. pcs	31,9	4,1	107,9
Cocoons, t	22416,0	95,6	124,0

**Silkworm breeding.** As of July 1 of the current year 23450,2 tons of silkworm cocoons were produced (109,5 percent to the level of 2007), of which 1,1 tons are of prime quality, 16,7 tons - grade elite, 223,9 tons - seed cocoons, 9807,6 tons - first grade, 6292,6 tons – second grade, 795,0 tons – nonstandard, 4299,5 tons – off-quality, 2013,8 tons - karapachak.

## Investments and construction

In January-June of the current year the investments used to increase fixed capital reached 3713,1 billion soums, or 119,8 percent to January-June 2007.

The distribution of investments in fixed capital by sources of financing is presented below:

(as % of total)

	Total invest-ments, bln. soums	Of which by sources of financing:				
		republi-can budget	resources of enterprises and population	foreign invest-ments and credits	bank credits and other borrowed funds	means of off-budget funds
Total	3713,1	13,8	53,3	20,4	3,1	9,4
of which by enterprises of:						
state ownership	1156,3	44,2	21,4	8,7	0,2	25,5
non-state ownership	2556,8	-	67,8	25,7	4,4	2,1

The structure of investments in fixed capital by branches of economy is presented by the following data:

	January-June 2008		Memo:
	bln. soums	as % of total volume	January-June 2007 as % of total
Total	3713,1	100,0	100,0
Production branches	2549,0	68,6	64,8
industry	1065,5	28,7	28,7
of which:			

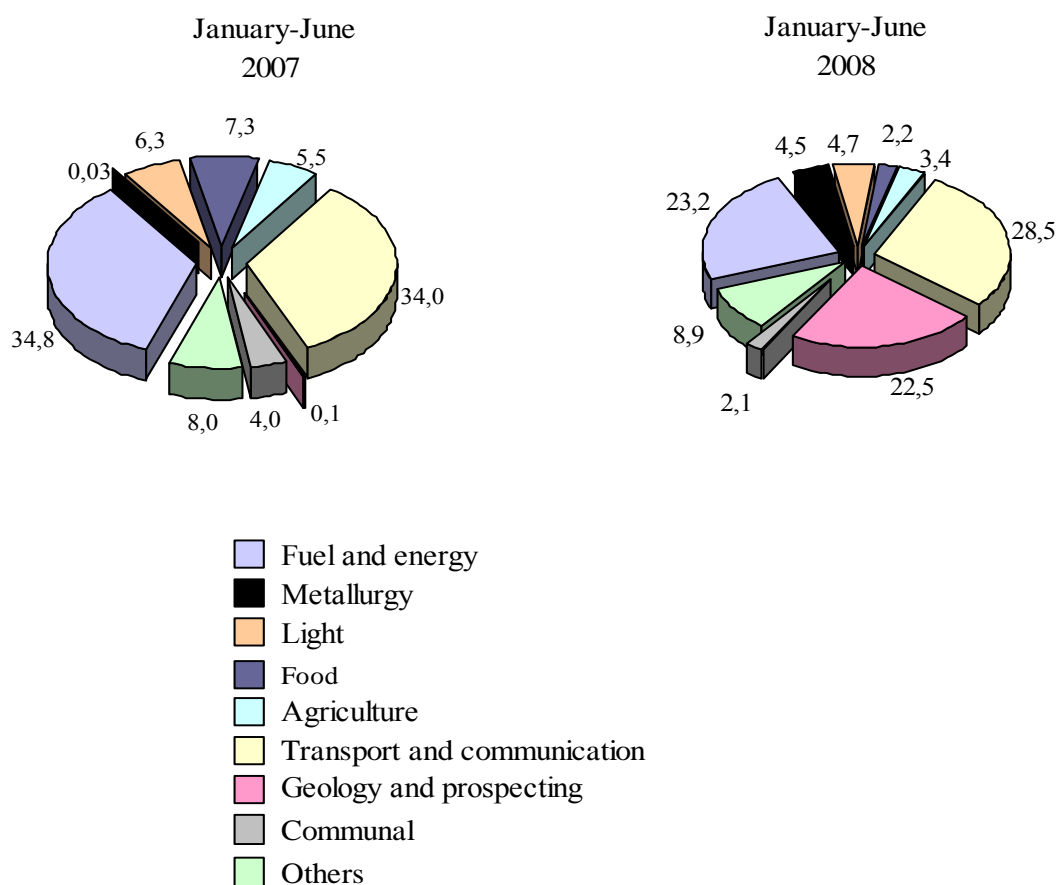
	January-June 2008		Memo:
	bln. soums	as % of total volume	January-June 2007 as % of total
fuel and energy	580,9	15,6	15,8
metallurgy	182,1	4,9	4,1
chemical and petrochemical	43,5	1,2	0,9
machine-building	65,1	1,7	1,5
light	65,4	1,8	2,0
food	51,2	1,4	2,4
building materials	51,7	1,4	1,3
agriculture	114,3	3,1	3,3
construction	45,4	1,2	0,9
transport and communication	932,5	25,1	26,5
trade and catering	52,6	1,4	1,4
other production branches	338,7	9,1	5,6
Non-production branches	1164,1	31,4	35,2
housing construction	411,3	11,1	11,1
public utilities	48,2	1,3	1,8
education	567,7	15,3	19,2
health care	47,8	1,3	1,1
culture and arts establishments	21,8	0,6	0,2
other non-production branches	67,3	1,8	1,8

2549,0 billion soums (68,6 percent of total investments) were used in production branches of the economy, 1164,1 billion soums (31,4 percent) – in non-production branches.



The use of foreign investments and credits in separate branches of economy is characterized by the following data:

as % of total foreign investments and credits



### Construction of projects in social sphere

Out of the total volume of investments in the non-production sphere 411,3 billion soums were used in housing construction, or 35,3 percent of their volume.

In January-June of the current year 33,3 thousand apartments with the total space of 3941,7 thousand m<sup>2</sup> (106,5 percent to the level of January-June 2007), including 3417,9 thousand m<sup>2</sup> (104,7 percent) of the rural area, were built and put into operation.

234,5 billion soums of investments were used for new construction and capital reconstruction of general education schools, which made up 20,1 percent of investments in the non-production sphere and 41,3 percent of investments in education.

Out of the total investments used for new construction and capital reconstruction of general education schools means of the school education fund amounted to 87,7 percent and that of the fund for children sports development – 8,3 percent.

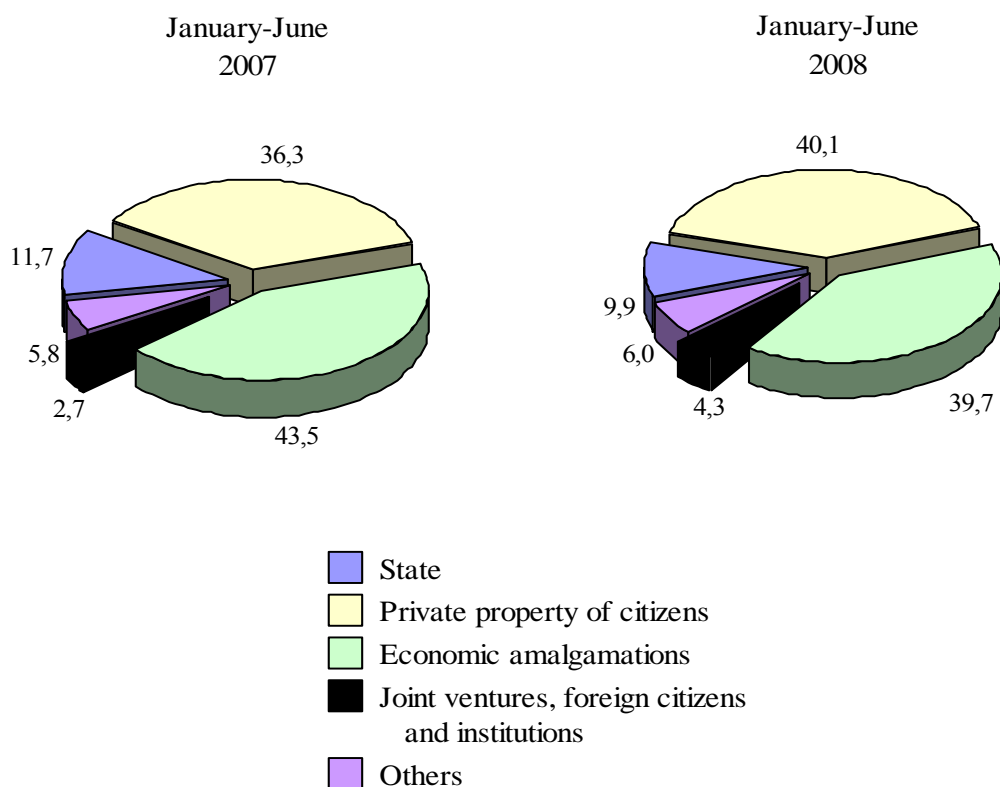
306,8 billion soums of investments were used for construction and reconstruction of academic lyceums and vocational colleges, which made up 26,4 percent of investments in the non-production sphere and 54,0 percent of investments in education.

27,0 billion soums were used for construction of water-supply networks, of which 9,7 billion soums - budgetary funds (36,0 percent of their total volume), 4,3 billion soums - means of enterprises and population (15,8 percent); 3,2 billion soums were used for construction of gas networks, of which 3,16 billion soums - means of population (98,4 percent).

**Construction activity.** In January-June 2008 construction works were fulfilled to the amount of 1464,1 billion soums, which made up 109,1 percent to January-June 2007. Out of the total volume of construction works 67,2 percent fall on new construction, reconstruction, expansion and technical re-equipment of enterprises, 21,2 percent – on capital and current repair and 11,6 percent – on other contract works.

The structure of construction works fulfilled by building organizations by forms of ownership is presented below:

as % of total volume



## Transport

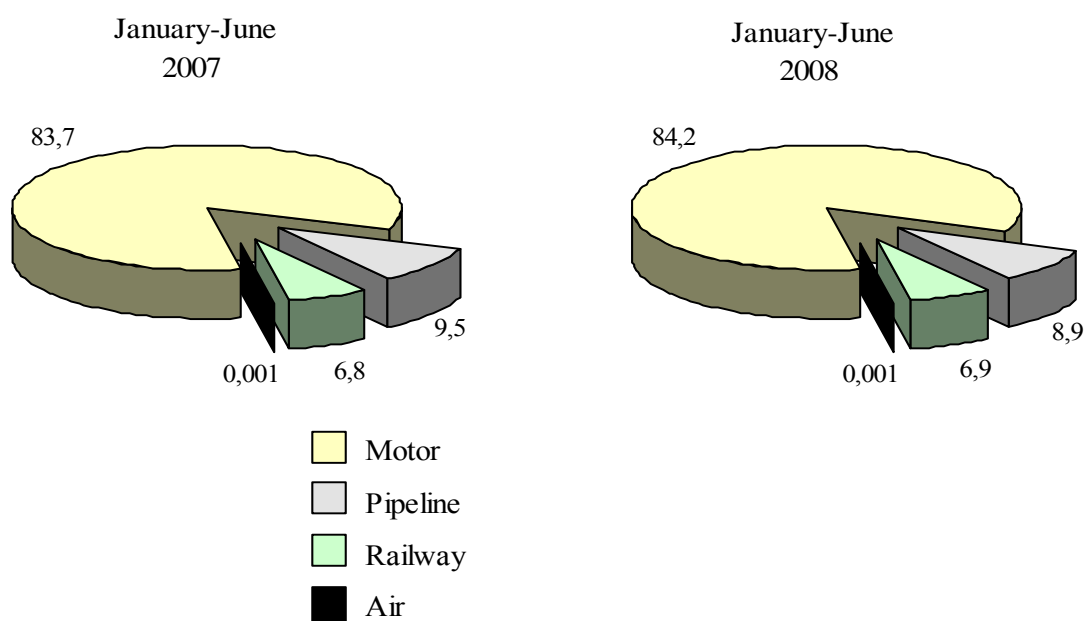
**Cargo transportation.** In January-June 2008 the volume of cargo transported by all types of transport was 435,0 million tons, which was 6,6 percent higher than in January-June 2007. The freight turnover was 39,9 billion t-km, the increase – by 4,2 percent.

The cargo transportation and freight turnover by types of transport are characterized by the following data:

	January-June 2008	As % of January-June 2007
Freights shipped by transport, mln. t	435,0	106,6
railway	30,1	108,1
motor	366,3	107,2
air, thous. t	3,3	97,1
pipeline	38,6	99,6
Freight turnover of transport, bln. t-km	39,9	104,2
of which:		
railway	11,1	103,7
motor	9,4	114,5
air, thous. t	45,5	112,9
pipeline	19,3	100,1

The structure of cargo transportation by types of transport is presented below:

as % of total cargo transportation



The volume of basic types of freights shipped by main-line railway transport in January-June 2008 is presented below:

	Thous. tons	As % of January-June 2007
Freights - total	30076,1	108,1
of which:		
coal	1683,0	119,0
oil	7093,7	105,1
ferrous metals	549,2	134,2
iron-and-steel scrap	512,4	98,1
chemical and mineral fertilizers	2154,4	104,0
building materials	4358,4	79,9
cement	2930,2	114,7
timber	123,0	128,1
grain and milling products	688,8	82,2

366,3 million tons of freights were shipped by motor transport, which was 7,2 percent more than in January-June 2007. Under the same comparison the freight turnover increased by 14,5 percent and was 9437,7 million t-km.

The freight turnover of motor transport of individual entrepreneurs has exceeded the level of January-June 2007 by 19,1 percent and was 6204,3 million t-km. The share of private carriers in total freight turnover of motor transport was 65,7 percent versus 63,2 percent in January-June 2007.

3,3 thousand tons of freights were shipped by air transport, which was 2,9 percent lower than in January-June 2007, at the same time the freight turnover increased by 5,2 million t-km or by 12,9 percent.

The freight turnover of main pipelines has increased by 0,1 percent and was 19,3 billion t-km.

**Passenger transportation.** In comparison with January-June 2007 passenger transportation carried out by all types of transport increased by 9,7 percent and totaled 2524,3 million persons. The passenger turnover was 30,2 billion pass-km and increased by 11,7 percent.

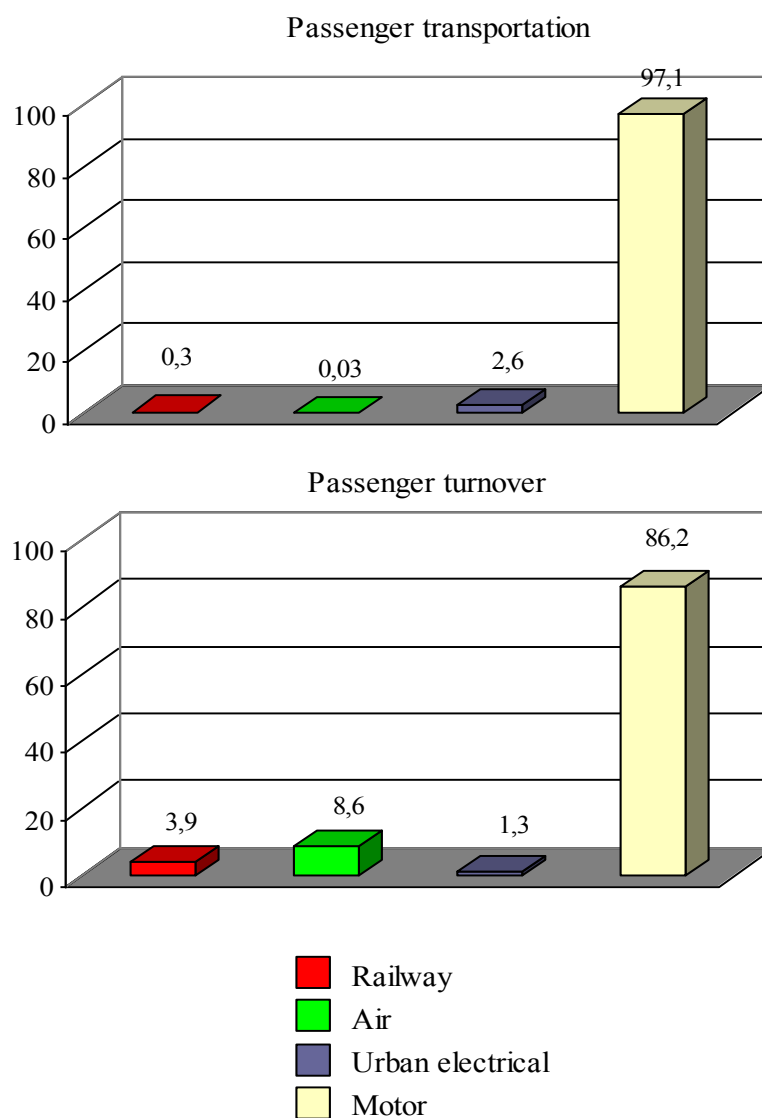
Passenger transportation and passenger turnover by types of transport are characterized by the following data:

	January-June 2008	As % of January- June 2007
Passengers carried by transport, mln. persons	2524,3	109,7
railway	6,6	114,8
motor	2451,2	110,0
air	0,7	122,2
urban electrical	65,8	98,6

	January-June 2008	As % of January- June 2007
Passenger turnover of transport, bln. pass-km	30,2	111,7
railway	1,2	109,3
motor	26,0	112,5
air	2,6	107,1
urban electrical	0,4	101,1

The structure of passenger transportation and passenger turnover by types of transport in January-June 2008 is presented below:

as % of total volume



The share of motor transport in passenger transportation and passenger turnover was the highest – 97,1 percent (2451,2 million persons) and 86,2 percent (26,0 billion pass-km) respectively.

The number of passengers carried by railway transport increased by 14,8 percent and was 6,6 million persons, the passenger turnover increased by 9,3 percent and totaled 1177,5 million pas-km.

736,9 thousand persons were carried by air transport, which was 22,2 percent more than in January-June 2007, the passenger turnover totaled 2586,9 million pass-km and was 7,1 percent higher than in January-June 2007.

65,8 million persons were carried by urban electrical transport, which was 1,4 percent lower than in January-June 2007. Passenger transportation carried out by trolleybus transport decreased by 34,4 percent or 2,7 million persons, tram transport – by 3,4 percent or 0,8 million.

## Market of goods and services

In the reporting period the retail trade turnover was 5522,2 billion soums or 114,4 percent to the level of January-June 2007 .

The structure of retail trade turnover by forms of ownership of economic entities is characterized by the following data:

	Bln. soums	As % of January- June 2007	As % of total
Total	5522,2	114,4	100,0
state ownership	11,5	101,9	0,2
non-state ownership	5510,7	114,4	99,8
of which private ownership of citizens	4288,9	111,6	77,7

The retail trade turnover of trade enterprises amounted to 1975,1 billion soums or increased by 28,5 percent in comparison with the corresponding period of 2007. In the structure of the retail trade turnover the turnover of trade enterprises was 35,8 percent (in January-June 2007 – 27,5 percent).

In total turnover of trade enterprises the share of the retail trade turnover of trade enterprises in the rural area was 32,0 percent.

The sale of agricultural products and livestock in dekhkan markets increased by 7,1 percent and reached 2157,9 billion soums, the share of sales in the retail trade turnover was 39,1 percent.

The goods turnover of the informal sector (commodity and specialized markets) amounted to 1389,2 billion soums, which was 8,8 percent higher than in January-June 2007. The share of the informal sector in the total volume of goods turnover was 25,1 percent.

The structure of retail trade turnover in January-June 2008 is characterized by the following data:

	Bln. soums	As % of January-June 2007	As % of total
Total	5522,2	114,4	100,0
of which:			
trade enterprises	1975,1	128,5	35,8
markets	3547,1	107,8	64,2
of which:			
commodity and specialized	1389,2	108,8	25,1
dekhkan (food)	2157,9	107,1	39,1

The volume index of sale of food products was 114,7 percent and that of non-food products – 114,1 percent.

In January-June 2008 in the structure of retail trade turnover the share of food products was 49,7 percent and that of non-food products – 50,3 percent (in January-June 2007 – 49,5 and 50,5 percent respectively).

The volume of paid services rendered to population in January-June 2008 amounted to 1816,4 billion soums, the real increase was 18,9 percent in comparison with January-June 2007.

The main part of paid services was rendered to population by the official sector (65,6 percent), the volume of services rendered by this sector was 1190,9 billion soums, the growth rate – 121,3 percent.

The volume of paid services rendered to population by individual entrepreneurs increased by 14,6 percent and by the estimation amounted to 625,5 billion soums, the share of this sector in the total volume of paid services – 34,4 percent.

The share of the non-state sector in the total volume of paid services rendered to population was 76,7 percent (in January-June 2007 – 77,4 percent).

The paid services rendered to population by forms of ownership of economic entities are characterized by the following data:

	Bln. soums	As % of total	Memo: January-June 2007 as % of total
Total	1816,4	100,0	100,0
state ownership	422,3	23,3	22,6
non-state ownership	1394,1	76,7	77,4
of which:			
private property of citizens	676,1	37,2	37,8

The share of personal services in the total volume of paid services was 10,3 percent or 187,3 billion soums. Their real volume has exceeded the level of January-June 2007 by 22,0 percent. The share of services rendered by individual entrepreneurs in the personal services sector was 88,8 percent. By the estimation the volume of services rendered by this sector was 166,3 billion soums, the growth – by 23,4 percent.

**In January-June of the current year the total volume of market services by all kinds of activity** was 7853,3 billion soums, including 1760,6 billion soums of the rural area, or 22,4 percent of the total volume of rendered services. In comparison with January-June 2007 the real increase of services was 19,0 percent.

The production of market services by kinds of activity in January-June 2008 is characterized by the following data:

	Bln. soums	As % of January-June 2007	As % of total
<b>Services - total</b>	<b>7853,3</b>	<b>119,0</b>	<b>100,0</b>
of which by main kinds of activity:			
Trade and catering	1429,8	120,2	18,2
Transport	2608,5	106,1	33,2
Communication and information, including services of information and resource centers	570,0	145,6	7,3
Financial, including microcredit granting	561,9	139,6	7,2
Tourism	11,4	115,4	0,1
Hotel	24,3	111,5	0,3
Communal	1210,0	113,4	15,4
Personal	122,6	125,8	1,6
Repair of cars and other equipment	62,4	135,8	0,8
Other market services, including services of children's institutions for health improvement and sports organizations	1252,4	133,0	15,9

The high growth rates were achieved in the following services: communication and information, including services of information and resource centers - 145,6 percent, financial, including microcredit granting – 139,6 percent, repair of cars and other equipment – 135,8 percent and personal – 125,8 percent.

The following services prevailed in the structure of services: transport (33,2 percent of total services), trade and catering (18,2 percent), communal (15,4 percent), communication and information, including services of information and resource centers (7,3 percent) and financial, including microcredit granting (7,2 percent).



## Prices and inflation

### Changes in indices of prices and tariffs in January-June 2007-2008 (increase in prices, %)

	Average monthly level		June to December of the previous year	
	2007	2008	2007	2008
Consumer price index	0,4	0,6	2,7	3,4
food products	0,2	0,3	1,3	1,8
non-food products	0,4	0,5	2,2	2,9
services	1,4	1,6	8,5	10,3
Industrial producer price index	0,9	0,8	5,4	4,7
Indices of freight tariffs	1,4	6,0	8,7	42,1
Indices of tariffs for communication services for legal persons	0,1	0,5	0,8	3,0

### Producer price indices by branches of industry in January-June 2007-2008 (in % to December of the previous year)

	2007	2008
Total industries	105,4	104,7
of which:		
electric power	113,2	118,4
fuel	107,2	105,2
ferrous metallurgy	103,9	112,4
non-ferrous metallurgy	105,1	79,9
chemical and petrochemical	107,8	117,0
machine-building	101,7	104,5
logging, woodworking, pulp and paper	107,1	113,9

	2007	2008
building materials	106,9	108,4
light	100,8	104,7
food	103,7	116,1
flour milling and grain	100,0	126,7

**Indices of freight tariffs by separate types of transport  
in January-June 2007-2008**

(in % to December of the previous year)

	2007	2008
Transport – total	108,7	142,1
of which:		
railway	103,4	115,5
truck	111,4	110,2
air	102,0	171,2
pipeline	108,3	151,4

**Indices of tariffs on communication services for legal persons by types of  
communication in January-June 2007-2008**

(in % to December of the previous year)

	2007	2008
Communication services - total	100,8	103,0
of which:		
postal	100,0	124,7
local telephone	100,0	100,0
long-distance telephone	100,0	100,0
telegraph	100,0	100,0
cellular	102,0	101,6

## Living standards

In the first half of 2008 **nominal money incomes** of population increased by 31,8 percent and amounted to 9649,5 billion soums, money expenditures and savings by 29,3 percent and 9474,2 billion soums respectively.

The dynamics of money incomes, expenditures and savings of population is characterized by the following data:

	Money incomes	Money expenditures and savings	Excess of money incomes over expenditures
	(bln. soums)		
January-June			
2007	7321,3	7328,5	-7,2
2008	9649,5	9474,2	175,3

The structure of balance of money incomes and expenditures of population in January-June 2008 is characterized by the following data:

	Bln. soums	Share, in %	As % of January-June 2007
<b>Total incomes</b>	9649,5	100,0	131,8
of which:			
remuneration of labor and other incomes from enterprises	3218,2	33,4	143,4
entrepreneurial incomes, including sale of agricultural products, property incomes and others	4690,4	48,6	122,1
social transfers	1740,9	18,0	141,0
<b>Total expenditures and savings</b>	9474,2	98,2	129,3
of which:			

	Bln. soums	Share, in %	As % of January-June 2007
consumer expenditures	7278,2	75,4	131,2
compulsory payments and contributions	650,2	6,8	125,6
increase of savings in deposits, securities, including purchase of currency, other expenditure	1545,8	16,0	122,2

In January-June 2008 the most part of money incomes of population was formed at the expense of entrepreneurial incomes, including sale of agricultural products, property incomes and others (48,6 percent of total money incomes) and increased by 22,1 percent in comparison with January-June 2007.

Out the total money incomes of population the share of labor remuneration and other incomes from enterprises was 33,4 percent and that of social transfers – 18,0 percent.

Consumer expenditures increased by 31,2 percent and amounted to 7278,2 billion soums. The share of consumer expenditures in the total volume of money incomes decreased from 75,7 percent in January-June 2007 to 75,4 percent in January-June 2008.

Expenditures on compulsory payments and contributions increased by 25,6 percent and amounted to 650,2 billion soums, their share in money incomes decreased from 7,1 to 6,8 percent. The share of savings in deposits, securities, including purchase of currency and other expenditures was 16,0 percent.

The structure of use of money incomes of population is characterized by the following data:

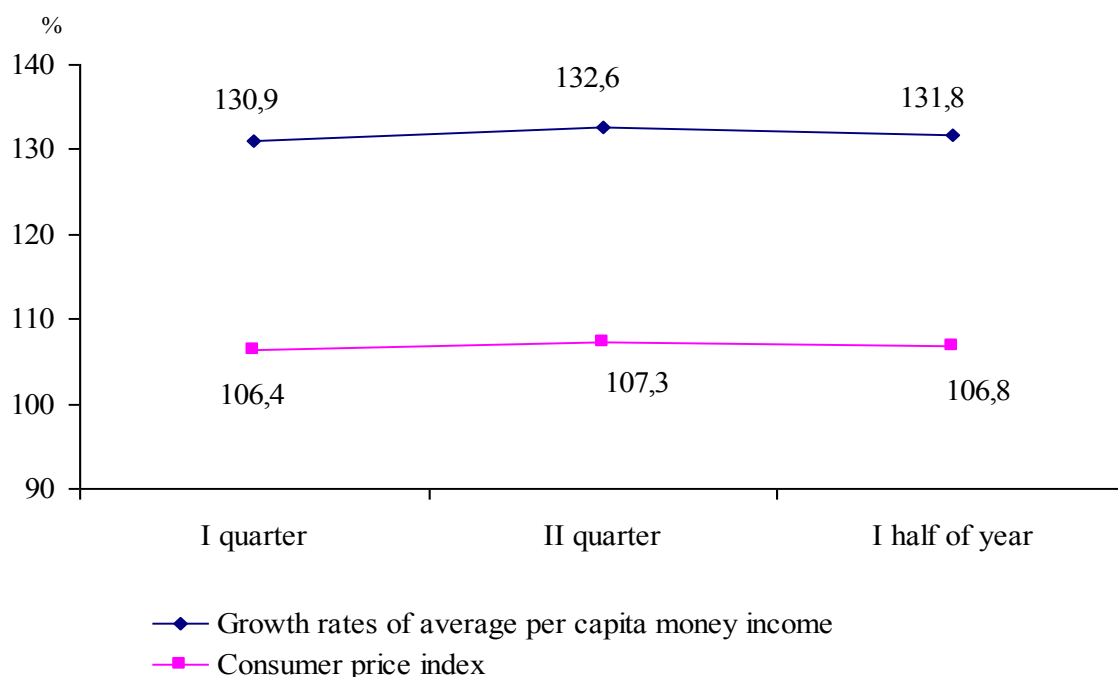
(as % of money incomes)

January-June	Total Money incomes	Of which used for			
		goods purchasing and services payment	compulsory payments and contribu- tions	accumulation of savings in deposits and securities, including purchase of currency and others	Increase of money
2007	100	75,7	7,1	17,3	-0,1
2008	100	75,4	6,8	16,0	1,8

In comparison with the corresponding period of 2007 the average per capita nominal money incomes of population increased by 29,7 percent and amounted to 355,0 thousand soums.

The growth rate of nominal money incomes of population outstripped that of consumer prices and as a result real money incomes increased by 23,4 percent, which is characterized by the following data:

in % to January-June 2007



In the reporting period real disposable money incomes of population increased by 23,8 percent.

## Demography and labor market

As of July 1, 2008 according to the preliminary data the number of the resident population in the republic was 27,3 million persons and increased from the beginning of the current year by 217,9 thousand persons or by 0,8 percent.

According to the preliminary data the balance of migration in the first half of 2008 was minus 13,9 thousand persons versus minus 27,3 thousand persons in the corresponding period of 2007.

In January-June of the current year the natural increase was 231,8 thousand persons, 166,6 thousand of them (71,9 percent) are rural inhabitants.

The natural movement of population in January-June is characterized by the following data:

	Thous. persons			Per 1000 population	
	2007	2008 <sup>*)</sup>	increase, decrease (-)	2007	2008 <sup>*)</sup>
Births	287,2	305,1	17,9	21,6	22,5
Deaths	74,6	73,3	-1,3	5,6	5,4
of which children aged under 1 year	4,1	4,1	0,0	14,4 <sup>**)</sup>	13,2 <sup>**)</sup>
Natural increase	212,6	231,8	19,2	16,0	17,1
Marriages	94,8	97,7	2,9	7,1	7,2
Divorces	9,2	9,1	-0,1	0,7	0,7

In January-June 2008 the number of births was 305,1 thousand persons and increased by 17,9 thousand persons or 6,2 percent in comparison with January-June 2007. The birth rate increased from 21,6 pro mil in January-June 2007 to 22,5 pro mil in January-June 2008.

The significant increase in birth rate was observed in Andizhan oblast (from 20,7 to 22,8 pro mil), Namangan oblast (from 21,8 to 23,5 pro mil) and the Republic of Karakalpakstan (from 21,0 to 22,3 pro mil). The low birth rate remains in the city of Tashkent – 18,3 pro mil and Bukhara oblast – 19,9 pro mil.

In comparison with January-June 2007 the number of dead decreased by 1,3 thousand persons or 1,7 percent. The decrease of death rate was marked in all regions of the republic, except Fergana oblast and Bukhara oblast. The highest death rate remains in the city of Tashkent (8,4 pro mil).

Out of the total number of dead 60,5 percent died of cardiovascular diseases, 6,6 percent - respiratory diseases, 5,7 percent - accidents, poisonings and traumas.

According to the preliminary data, in January-June of the current year 4,1 thousand children died at the age under one year. The infant mortality rate decreased from 14,4 pro mil in January-June 2007 to 13,2 pro mil in January-June 2008.

Out of the total number of children died at the age under one year 36,2 percent died of respiratory diseases, 45,0 percent - states occurring in perinatal period, 9,4 percent - congenital anomalies and 4,3 percent - infectious and parasitic diseases.

In first half of the current year 97,7 thousand marriages and 9,1 thousand divorces were registered. The divorce rate remained at the level of 2007 and was 0,7 pro mil, the

<sup>\*)</sup> Estimation

<sup>\*\*)</sup> Per 1000 births

marriage rate increased and was 7,2 pro mil versus 7,1 pro mil in the corresponding period of 2007.

In January-June 2008 **the number of employed population** by estimation was 10886,6 thousand persons and increased by 2,9 percent in comparison with January-June of the previous year.

The growth of employment occurred due to increase of number of employed in non-production sphere by 3,5 percent and in branches of material production by 2,6 percent.

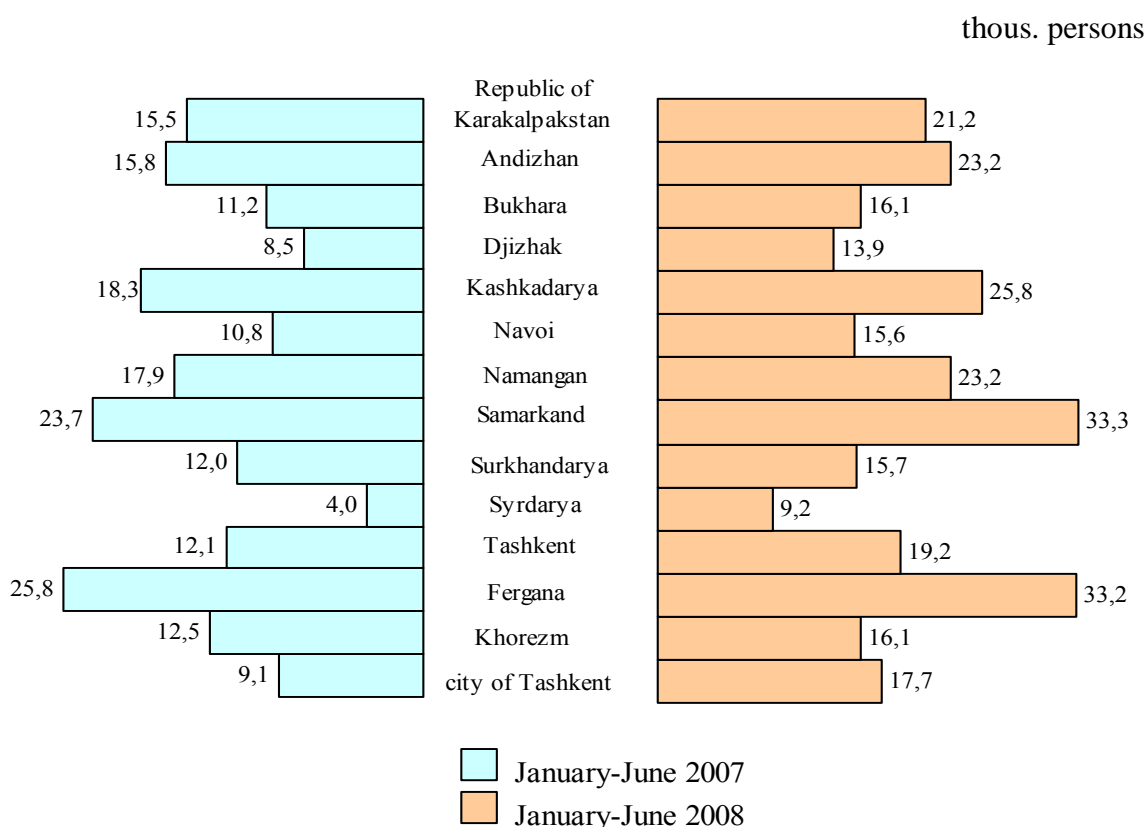
In branches of material production the most intensive growth in number of employed was observed in trade and catering (by 7,2 percent), construction (by 4,2 percent), industry (by 3,9 percent), transport and communication (by 3,9 percent).

**Unemployment.** In January-June of the reporting year 325,3 thousand persons applied to labor agencies for employment, which was 92,2 thousand persons or 39,6 percent more than in January-June 2007.

Out of the total number of citizens registered as those who are looking for a job 72,1 percent are rural citizens, 1,0 percent - persons at the age of 16-18 years old, 53,2 percent - persons at the age of 18-30 years old, 45,1 percent - persons at the age of 30-50 years old.

In January-June of the current year 283,4 thousand persons were placed in a job with assistance of labor agencies (87,1 percent of all applied to labor agencies for employment), which was 2,5 percentage points more than in January-June 2007.

The number of citizens who are placed in a job through labor agencies is characterized by the following data:



Out of total workers, of employees, of young people (persons at the age of 16-30), of women, of men, of rural citizens who applied to labor agencies 88,8, 85,0, 88,2, 86,0, 88,1, 87,4 percent respectively were provided with employment.

As of the end of June 2008 the number of citizens registered through labor agencies as those who are looking for a job was 30,5 thousand persons.

As of the end of June 2008 the greatest number of citizens registered through labor agencies as those who are looking for a job was marked in the city of Tashkent – 4,4 thousand persons (14,6 percent of the total number of persons who applied to labor agencies for employment as a whole by the republic), Khorezm oblast – 3,5 thousand persons (11,5 percent), Kashkadarya oblast – 3,4 thousand persons (11,2 percent).

As of the end of June 2008 out of the total number of citizens registered through labor agencies 24,1 thousand persons or 79,1 percent were recognized as unemployed, out of them 8,4 thousand persons (34,8 percent) receive unemployment benefit.

The realization of adopted target complex programs on development of services, animal husbandry, hired labor ensured the creation of 372,1 thousand<sup>\*)</sup> new workplaces in the first half of 2008.

The greatest number of workplaces was created in Samarkand oblast (11,3 percent of total newly created workplaces), Kashkadarya oblast (9,6 percent), Fergana oblast (9,4 percent), Tashkent oblast (8,0 percent) and the city of Tashkent (9,5 percent).

Out of the total number of newly created workplaces 69,9 percent (260,2 thousand workplaces) belong to the rural area.

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<sup>\*)</sup> Data of the Ministry of Labor and Social Protection of Population