

Basic economic and social indicators

	Bln. soums	As % of January-June 2006
Gross domestic product	10115,6	109,7
Industrial output	8566,7	111,6
Consumer goods	2442,7	119,0
Agricultural output	3479,9	105,5
Investments in fixed capital	2631,2	140,2
Construction work	1084,8	120,5
Freight turnover, bln. t-km	38,0	106,4
Passenger turnover, bln. pas-km	26,7	112,8
Retail trade turnover	4339,2	116,8
Paid services rendered to population	1260,4	125,1
External trade turnover, USD mln.	6602,3	126,3
exports	4129,4	139,0
imports	2472,9	109,5
balance (+,-)	1656,5	x
Money incomes of population	7321,3	128,0
Money expenditures and savings	7328,5	130,7
Money expenditures of population on goods purchasing and services payment	5546,3	132,7
Number of citizens registered as looking for a job (end of reporting period) thous. persons ^{*)}	29,1	87,6
of which officially registered as unemployed, thous. persons	24,9	85,1

*) Data of the Ministry of Labor and Social Security of Population

Production of gross domestic product

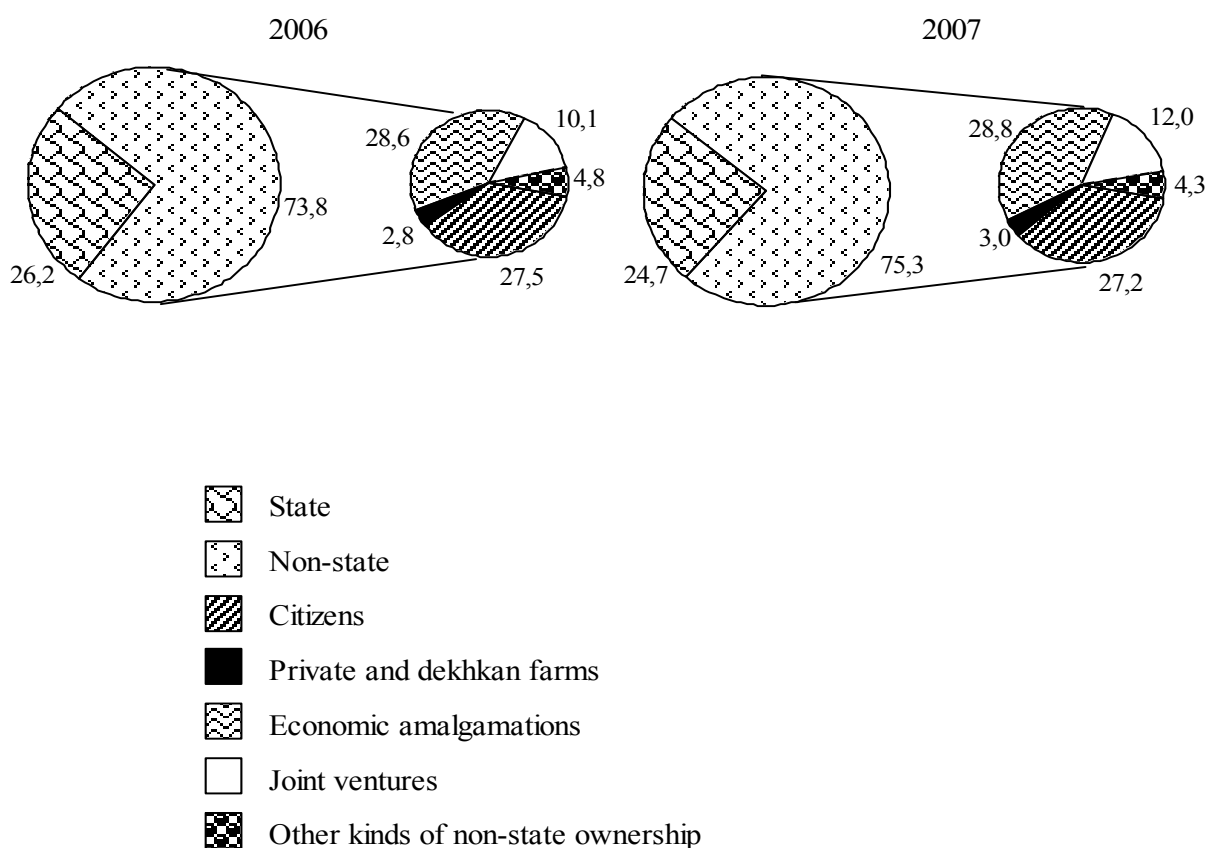
The gross domestic product produced in the first half of 2007 is estimated at 10115,6 billion soums at market prices. The increase of its real volume was 9,7 percent as compared to the first half of the previous year.

In January-June 2007 the GDP index-deflator was 117,8 percent as compared to the prices of January-June 2006.

75,3 percent of GDP were produced in the non-state sector of the economy (1,5 percent more than in January-June 2006), 24,7 percent - in the state sector.

The gross domestic product by forms of ownership:

as % of total

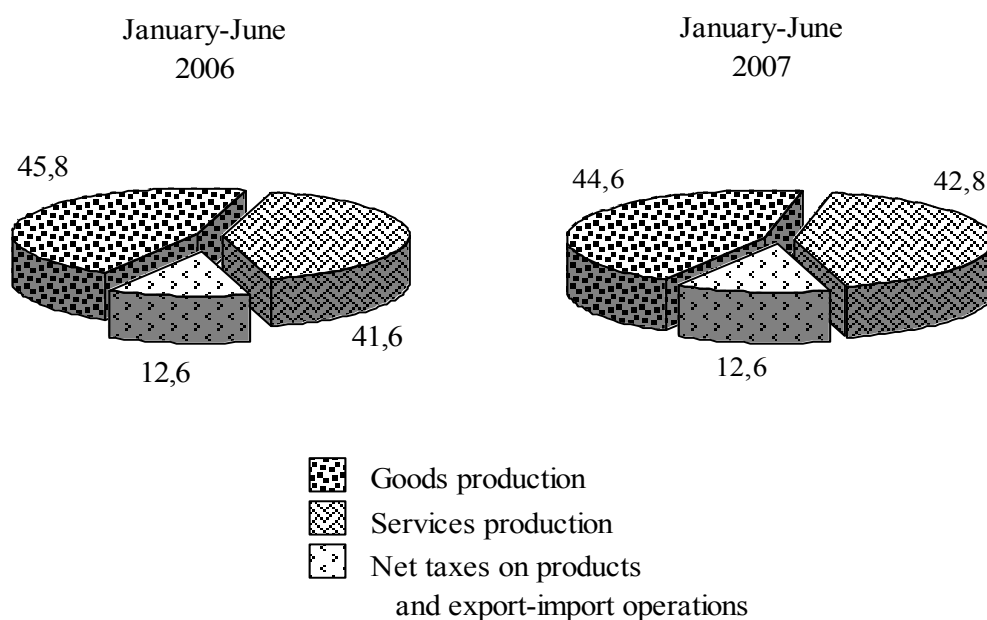


The structure of GDP production by industries in January-June is characterized by the following data:

	As % of total		January-June 2007 as % of January-June 2006
	2006	2007	
Total by economy	100,0	100,0	109,7
of which:			
industry	27,2	25,9	106,5
agriculture	12,6	11,8	105,5
construction	5,8	6,7	120,5
transport and communication	11,4	11,3	115,2
trade and catering	10,5	10,8	118,9
other	19,9	20,9	108,2
Net taxes on products and export-import operations	12,6	12,6	105,6

The structure of GDP production:

as % of total



In the first half of the current year the high growth of value added volume index of industry - 106,5, communication - 115,2 and trade - 118,9 percent had a great effect on increase in GDP.

The share of small business in the total volume of GDP was 38,1 percent, which exceeds the analogous indicator of the corresponding period of the previous year by 4,0 percentage points. Small enterprises and microfirms produced 21,0 percent of GDP, which is 3,9 percentage points higher than in the first half of the previous year.

In some regions – the Republic of Karakalpakstan (112,1 percent), Andizhan oblast (112,0 percent), Bukhara oblast (111,4 percent), Samarkand oblast (111,4 percent), Kashkadarya oblast (110,6 percent), Surkhandarya oblast (109,8 percent) and the city of Tashkent (111,8 percent) the growth rates of gross regional product outstripped the average republican level.

General characteristic of activity of enterprises and institutions

According to the data of the Uniform State Business Register, as of July 1, 2007, the number of registered legal persons in all sectors of the economy reached 461,2 thousand units, 423,0 thousand of them (91,7 percent of total registered enterprises) were operating.

The greatest number of registered enterprises and institutions falls upon the branches of agriculture (60,1 percent of total registered enterprises), trade and catering (14,2 percent), industry (6,1 percent) and construction (4,2 percent).

The distribution of enterprises and institutions by branches of economy, as of July 1, 2007, is given below:

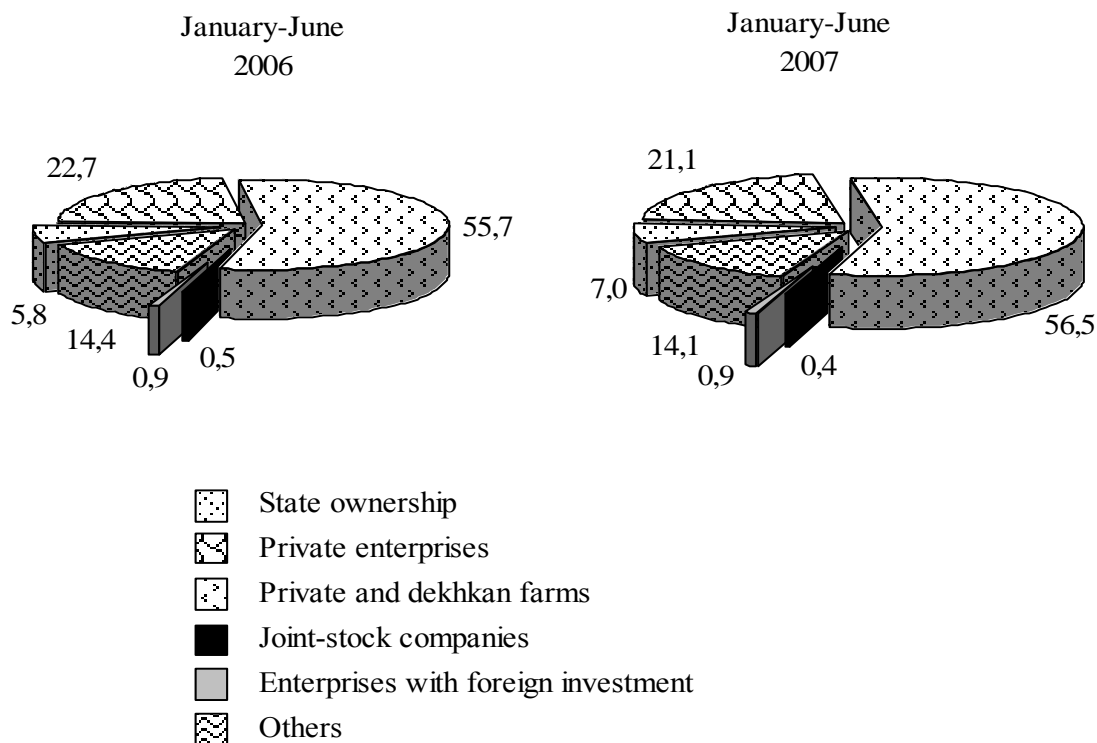
	Registered		Operating	
	thous.	as % of total	thous.	as % of total
Total	461207	100	422958	100
of which:				
industry	28096	6,1	21425	5,1
agriculture	276999	60,1	271669	64,2
construction	19239	4,2	14944	3,5
transport and communication	5638	1,2	4901	1,2
trade and catering	65905	14,3	49496	11,7
other branches of material production	17642	3,8	15598	3,7

	Registered		Operating	
	thous.	as % of total	thous.	as % of total
personal services	2875	0,6	2417	0,6
health care and sports	8884	1,9	8212	1,9
education	12451	2,7	12298	2,9
culture and art	1817	0,4	1536	0,4
science and scientific services	1064	0,2	923	0,2
other branches of non-material production	20597	4,5	19539	4,6

Out of the total number of registered enterprises the share of enterprises with non-state form of ownership was 93,0 percent of which 56,5 percent - private and dekhkan farms, 21,1 percent - private enterprises, 0,9 percent - enterprises with participation of foreign capital, 0,4 percent - joint-stock companies, 14,1 percent – other enterprises.

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

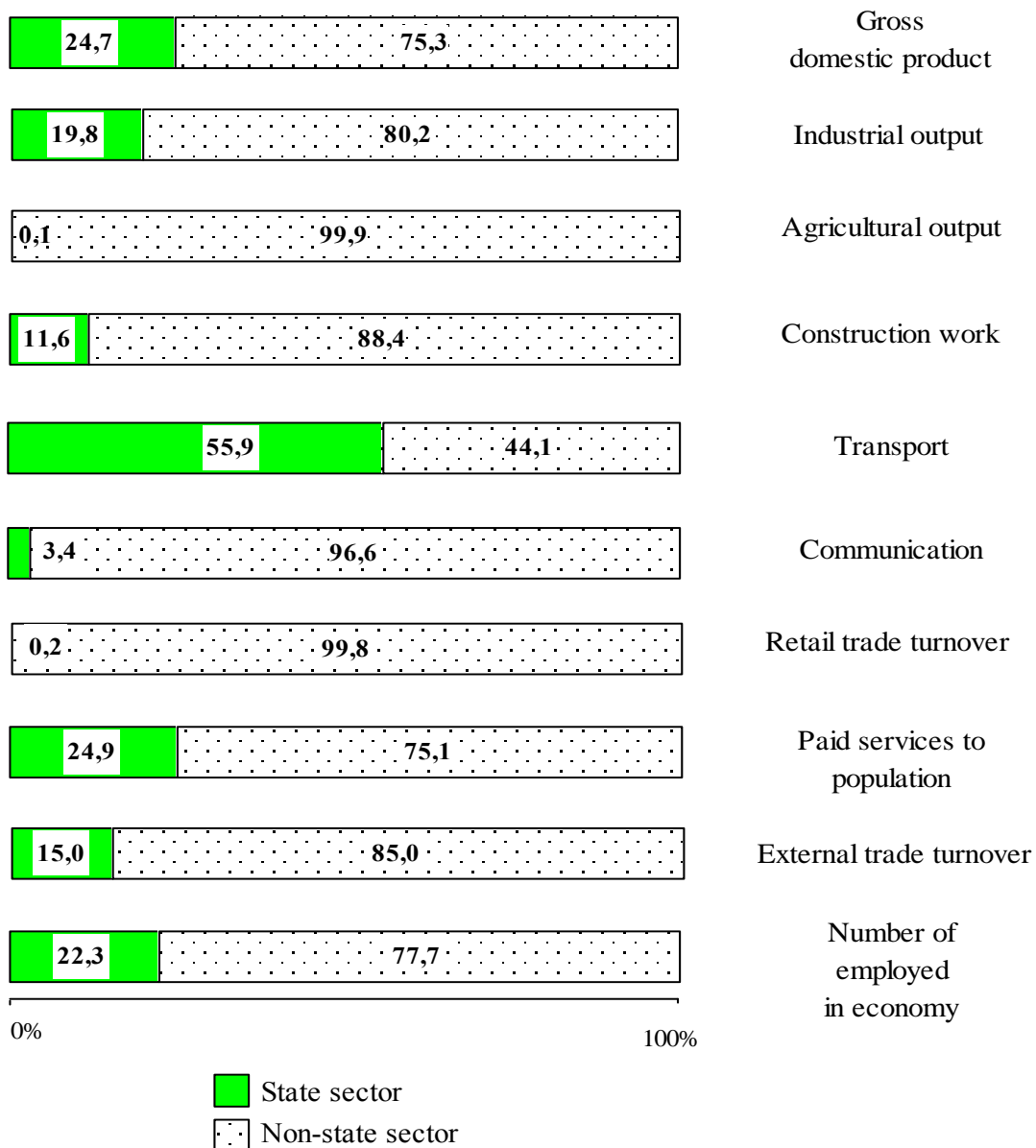
as of July 1;
as % of total



In January-June 2007 the number of newly registered enterprises and institutions was 46,3 thousand. Their significant number was registered in Fergana oblast (14,0 percent of total registered enterprises in the republic), Samarkand oblast (13,3 percent) and Andizhan oblast (11,2 percent).

The ratio between state and non-state sector in GDP, output of products of basic branches of economy and employment in January-June 2007 is characterized by the following data:

as % of total volume



Small business

As of July 1, 2007 the number of registered small business entities was 415 thousand units. In the first half of 2007 small business economic entities produced 38,1 percent of GDP (in January-June 2006 – 34,1 percent), of which 7,7 percent belong to small enterprises, 13,3 percent – to microfirms and 17,1 percent – to individual entrepreneurs.

71,8 percent of total employed in the economy (or 7594,4 thousand persons) are occupied in the small sector. The most part of employed falls upon the share of the individual sector – 54,6 percent of total employed (or 5780,5 thousand persons) and small enterprises and microfirms – 17,2 percent (or 1813,9 thousand persons).

The output of industrial products of small business entities increased by 38,8 percent and reached 978,1 billion soums (11,4 percent of total industrial production), the output of agricultural products increased by 8,9 percent and amounted to 3385,8 billion soums (97,3 percent of gross agricultural production).

The share of investments of small business entities in fixed capital investment of the republic was 18,5 percent, construction works – 49,1 percent.

The freight turnover of motor transport of small business entities increased by 20,3 percent and accounted for 66,6 percent of the total volume of freight turnover, the passenger turnover increased by 20,9 percent and reached 85,5 percent of the total volume of passenger turnover.

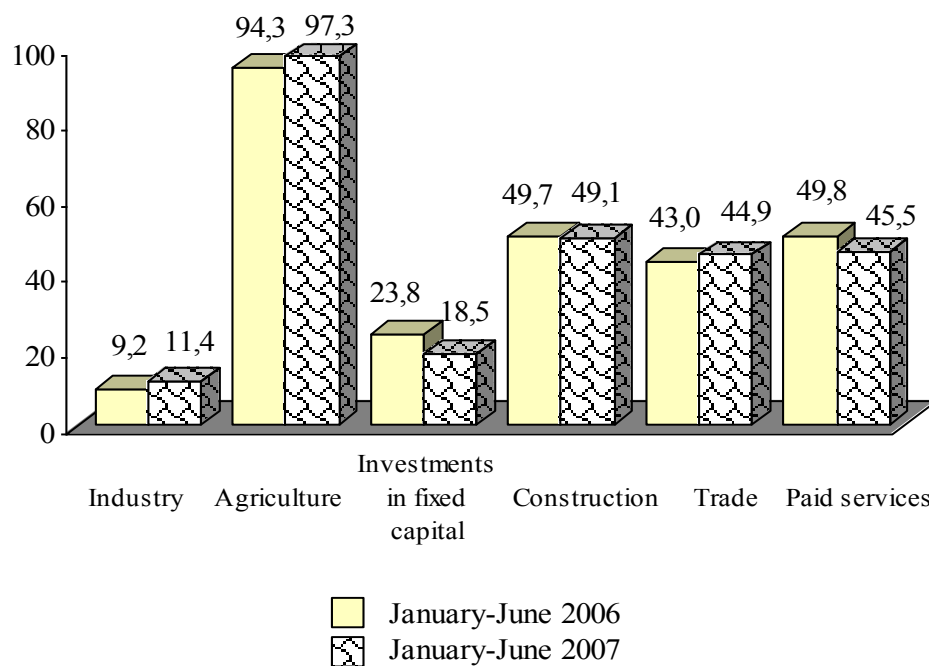
Small enterprises contributed 44,9 percent or 1947,3 billion soums to the total volume of retail trade turnover (growth – by 22,0 percent) and 45,5 percent or 573,6 billion soums to the total volume of paid services rendered to population (growth - by 14,3 percent).

The share of small business entities in foreign trade turnover of the republic was 19,5 percent. Small business entities exported goods to the amount of USD 511,2 million (12,4 percent of total exports) and imported goods to the amount of USD 776,6 million (31,4 percent of total imports).

Credits extended to small business entities by commercial banks at the expense of their own resources amounted to 374,2 billion soums, by credit lines of international financial institutions - USD 20894,5 thousand.

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

as % of total volume



The share of the private sector in small business is high. The share of output of private entrepreneurship (ownership of citizens) in total volume of goods (works, services) of small business in January-June 2007 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	403,9	41,3
Agriculture	3385,8	100,0
Construction	380,4	71,5
Retail trade turnover	1592,2	81,8
Paid services	469,3	81,8
Cargo transportation, mln. tons	97,3	93,1
Passenger transportation, mln. pass.	1620,1	97,6
Exports, USD mln.	235,4	46,0
Imports, USD mln.	176,1	22,7

Privatization of enterprises and projects

During implementation of the Program on Decentralization and Privatization, according to the Goskomimushchestvo data, 281 enterprises and projects (hereinafter projects) were privatized in January-June 2007.

The greatest number of projects (out of the total number of projects privatized in the republic) was privatized in Tashkent oblast (20,6 percent), the city of Tashkent (16,4 percent), Fergana oblast (8,9 percent), Samarkand oblast (7,1 percent) and Surkhandarya oblast (7,1 percent).

In the structure of privatized state property the highest share falls upon projects of khokimiyats (31,7 percent), Ministry of National Education (14,9 percent), Ministry of Health (8,2 percent), Ministry of Agriculture and Water Industry (7,5 percent), Petroleum Chemical Complex "Uzbekneftgaz" (5,3 percent).

The data stated below characterize departmental structure of projects privatized in January-June 2007:

	Number of privatized projects, units	As % of total
Total	281	100
of which:		
Khokimiyats	89	31,7
Ministry of National Education	42	14,9
Ministry of Health	23	8,2
Ministry of Agriculture and Water Industry	21	7,5
Petroleum Chemical Complex "Uzbekneftgaz"	15	5,3
Other ministries and departments	91	32,4

In January-June 2007 actual receipts from privatization and decentralization of projects amounted to 50,8 billion soums.

The most part of receipts was observed in the city of Tashkent (48,1 percent of total means received from privatization), Tashkent oblast (31,5 percent), Khorezm oblast (7,0 percent) and Samarkand oblast (4,4 percent).

External economic links

In January-June 2007 the republic's external trade turnover amounted to USD 6602,3 million or 126,3 percent to January-June 2006, of which exports - USD 4129,4 million and imports - USD 2472,9 million (139,0 and 109,5 percent respectively to January-June 2006).

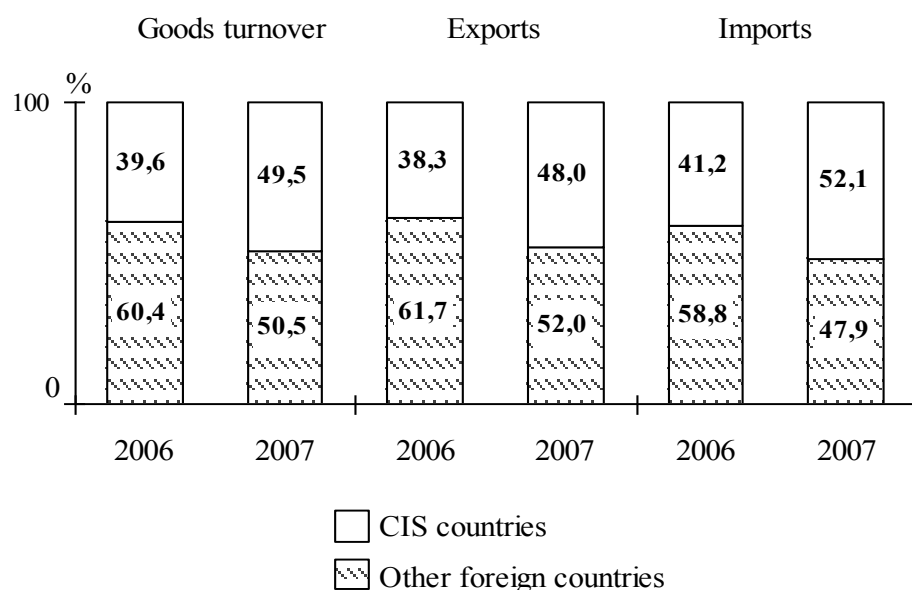
The trade balance was positive and made up USD 1656,5 million including USD 692,3 million with the CIS countries and USD 964,2 million with other foreign countries.

The republic's external trade turnover is characterized by the following data:

(USD mln.)

	January-June		As % of January- June 2006
	2006	2007	
External trade turnover	5229,0	6602,3	126,3
of which with:			
CIS countries	2068,9	3269,5	158,0
other foreign countries	3160,1	3332,8	105,5
Exports	2971,2	4129,4	139,0
of which to:			
CIS countries	1137,8	1980,9	174,1
other foreign countries	1833,4	2148,5	117,2
Imports	2257,8	2472,9	109,5
of which from:			
CIS countries	931,1	1288,6	138,4
other foreign countries	1326,7	1184,3	89,3

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



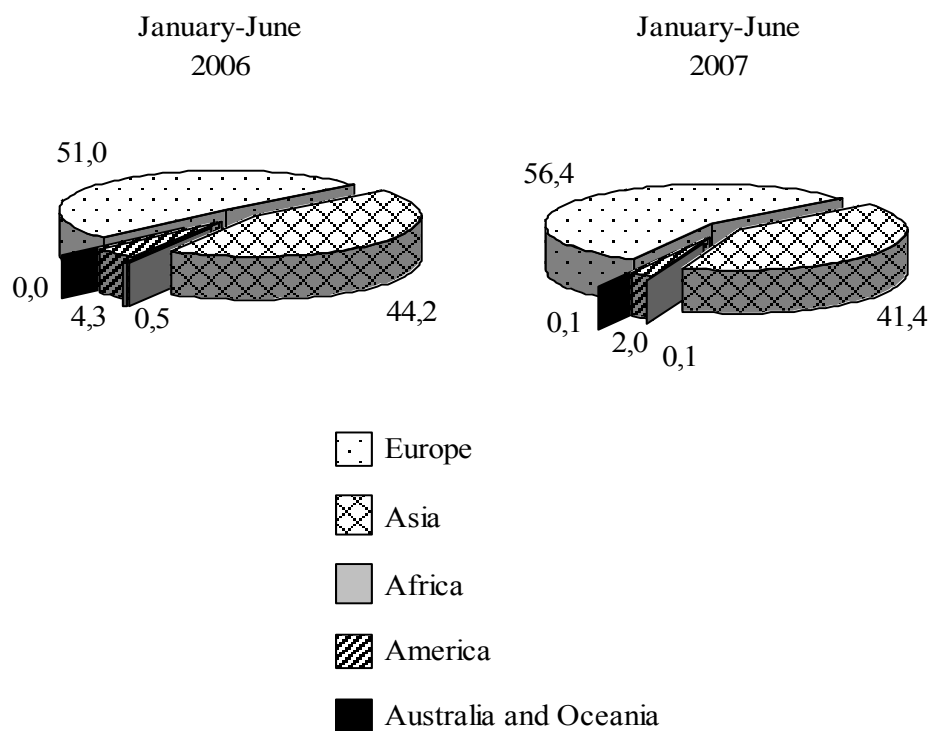
Dynamics of change in volume and structure of exports and imports

	Share in total volume of exports and imports, %		Change in volume, %
	January-June 2006	January-June 2007	January-June 2007 to January-June 2006
Exports	100	100	139,0
cotton fibre	22,8	16,7	102,1
food products	4,7	7,0	2,1t.
of which consumer	3,8	6,3	2,3t.
chemical products and articles thereof	4,9	5,6	162,1
products of power and oil industry	13,3	19,8	2,1t.
ferrous and non-ferrous metals	11,8	12,3	143,9
machines and equipment	8,8	9,6	151,9
services	12,2	10,9	124,4
other	21,5	18,1	116,7

	Share in total volume of exports and imports, %		Change in volume, %
	January-June 2006	January-June 2007	January-June 2007 to January-June 2006
Imports	100,0	100,0	109,5
food products	8,3	8,0	105,4
of which consumer goods for production needs	4,6	3,7	87,6
chemical products and articles thereof	14,2	14,8	113,7
products of power and oil industry	3,4	4,9	157,4
ferrous and non-ferrous metals	7,1	7,9	121,1
machines and equipment	47,6	44,4	102,3
services	7,7	8,3	118,4
other	11,7	11,7	110,0

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:

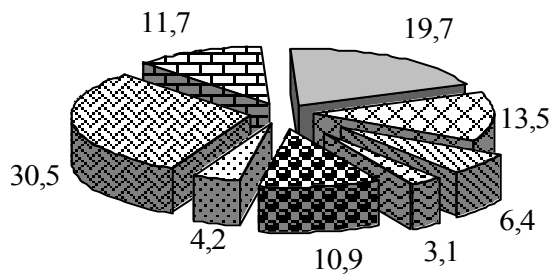
	Share in republic's goods turnover, %	As % of January- June 2006
Russia	28,8	155,8
Kazakhstan	8,8	193,2
Ukraine	6,3	146,8
Turkey	5,8	108,1
China	5,5	91,0
Iran	5,4	97,4
Korea	4,5	99,5
Germany	2,3	74,4
Switzerland	2,3	4,9p.
Tajikistan	1,9	121,1
France	1,8	2,3p
Great Britain	1,4	56,5
Kyrgyzstan	1,3	164,2
USA	1,2	62,6
Belarus	0,9	167,0
UAE	0,8	87,6
Latvia	0,7	132,9
Azerbaijan	0,6	100,0
India	0,5	114,4
Japan	0,5	79,9
Turkmenistan	0,5	134,3
Austria	0,4	189,3
Netherlands	0,4	114,3
Italy	0,3	61,9
Belgium	0,3	61,4

In the reporting period Uzbekistan carried out external trade operations with 143 countries of the world and with 78 of them it had positive balance of external trade turnover.

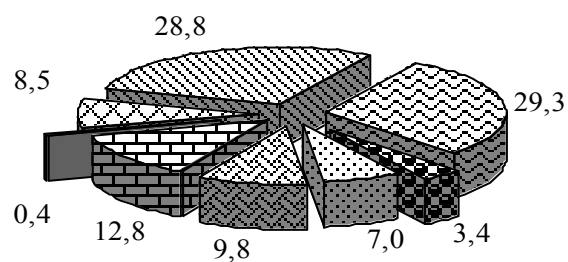
The structure of external trade with the CIS and other foreign countries in January-June 2007 is characterized by the following data:

Exports

CIS countries

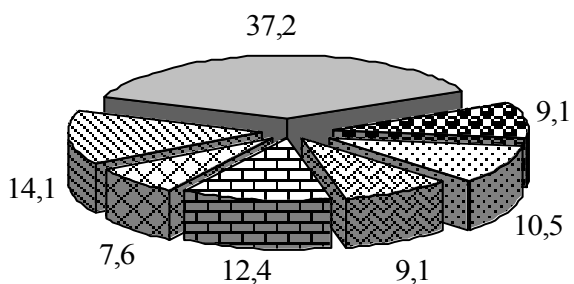


Other foreign countries

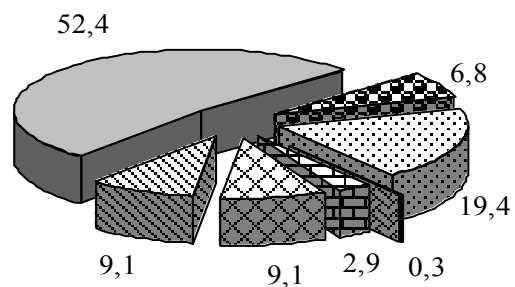







Imports

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 2007 the output of industrial products was 8566,7 billion soums or 111,6 percent to the level of January-June 2006.

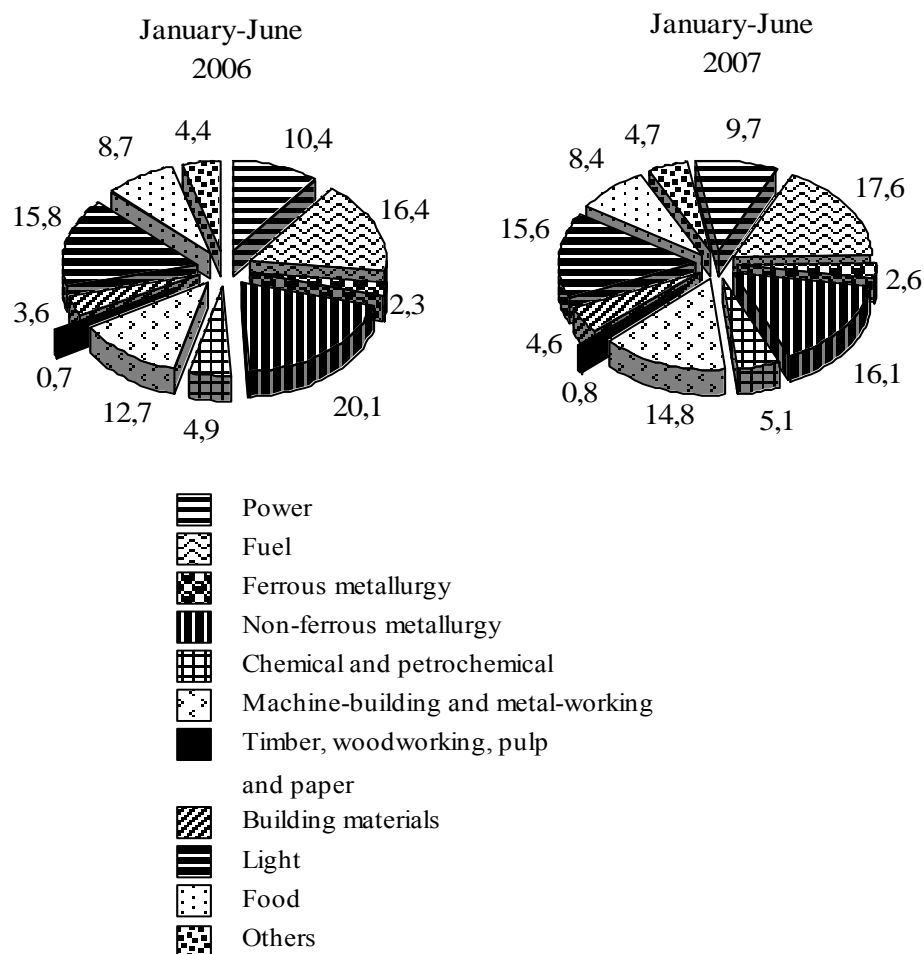
In the reporting period consumer goods were produced to the amount of 2442,7 billion soums (119,0 percent to January-June 2006). Out of them food products (including spirits) were produced to the amount of 925,6 billion soums (109,1 percent to the level of the previous year), non-food products - to the amount of 1517,1 billion soums (125,9 percent).

The output of products by industries and production of consumer goods in January-June 2007 are characterized as follows:

	Bln. soums	As % of January- June 2006
Total	8566,7	111,6
of which by industries:		
electric power	831,6	99,4
fuel	1504,2	112,0
ferrous metallurgy	224,9	110,5
non-ferrous metallurgy	1381,2	98,3
chemical and petrochemical	435,2	120,3
machinery and metal-working	1265,6	129,5
logging, woodworking, pulp and paper	66,5	125,3
building materials	390,4	116,4
light	1339,7	112,1
food	721,1	107,9
Consumer goods	2442,7	119,0
of which:		
food	925,6	109,1
non-food	1517,1	125,9

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 2007	As % of January- June 2006
Fuel and energy		
Electric power, bln. kWh	24,9	97,4
Heat energy, mln. Gcal	10,9	100,6
Petroleum and gas condensate, mln. t	2,5	98,2
Gasoline, thous. t	700,4	106,7
Diesel fuel, thous. t	708,7	102,5
Fuel oil, thous. t	391,2	96,7

	January-June 2007	As % of January- June 2006
Kerosene, thous. t	170,1	102,9
Lubricating oils, thous. t	147,7	130,5
Condensed gas, thous. t	112,2	105,4
Ferrous metallurgy		
Steel, thous. t	342,7	102,0
Finished steel, thous. t	323,5	102,9
Chemical and petrochemical		
Synthetic ammonia, thous. t	609,1	103,8
Chemical fertilizers, thous. t	512,5	107,2
Carbamide, thous. t	207,0	94,7
Chemical agents for plant protection, t	816	67,2
Sulphuric acid, thous. t	503,8	123,6
Chemical fibre and threads, t	7599	154,8
Acetic acid, t	5084	106,3
Soda ash, thous. t	22,4	-
Machine-building and metal working		
Motor cars, pcs	82876	130,0
Buses, pcs	402	13t.
Spare parts for motor cars, mln. soums	48783,0	136,1
Tractors, pcs	856	59,1
Tractor cultivators, pcs	919	83,5
Accumulators, thous. pcs	208	103,0
Compressors, pcs	36	150,0
Cables, mln. soums	46789	141,2
Wiring cables, km	4641	158,3
Cables of urban telephone communication, km	5865	129,1
Refrigerators and freezers, pcs	6288	3,8t.
Television sets, pcs	31463	98,2
Building materials		
Cement, thous. t	3148,6	113,3
Asbestos cement sheets (roofing slate), mln. standard plates	240,6	131,2

	January-June 2007	As % of January- June 2006
Soft roofing materials and isol, mln. m ²	2,9	37,7
Prefabricated ferro-concrete structures and units, thous. m ³	97,9	103,4
Glass and porcelain - faience		
Porcelain-faience dishware, mln. soums	1125,0	58,7
Window glass, 2 mm, thous. m ²	5178	93,9
Bottles, mln. pcs	143,9	111,6
Light		
Cotton fibre, thous. t	656,1	98,7
Cotton seeds, thous. t	1018,1	97,3
Cotton lint, thous. t	44,4	97,5
Raw silk threads, t	218,8	102,7
Cotton yarn, thous. t	72,3	108,0
Fabric - total, mln. m ²	83,5	77,5
Knitwear articles, thous. pcs	16325	88,8
Carpets and rugs, thous. m ²	5239	124,0
Food		
Milk and dairy products, thous. t	8,1	125,5
Canned products, mln. standard cans	52,5	163,3
Granulated sugar, thous. t	63,1	61,0
Vegetable oil, thous. t	145,7	98,4
Macaroni, thous. t	8,6	102,7
Vodka and liqueur beverages, thous. dal	3408	136,6
Grape wine, thous. dal	1244	118,7
Bear, thous. dal	5710	100,0
Mineral water, mln. half-liters	80,6	161,4
Papirossy and cigarettes, mln. pcs	3912	113,0
Flour-milling and feed mill		
Flour, thous. t	742,2	108,7
Mixed fodder, thous. t	288,6	131,9

Agriculture

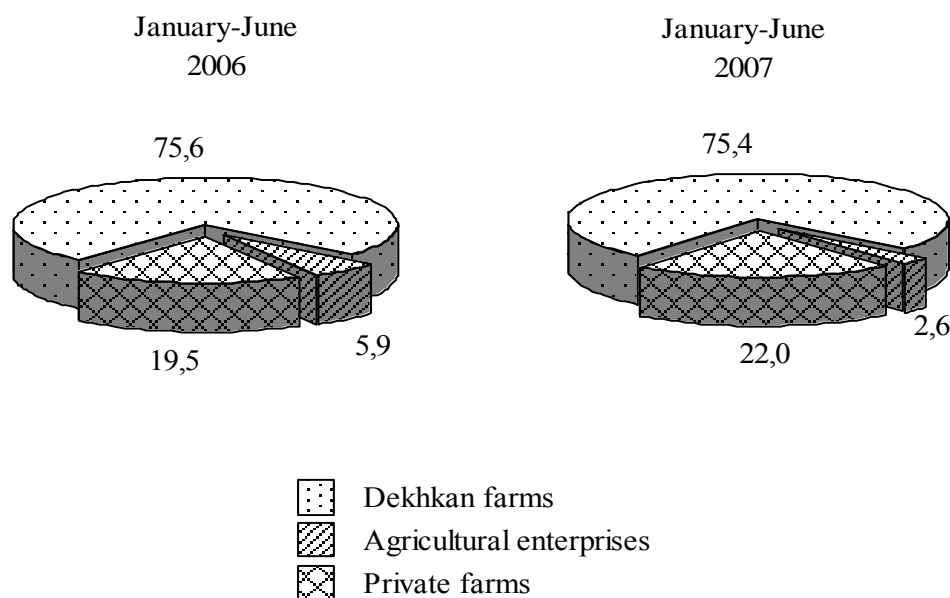
In January-June 2007 the output of agricultural products made up 3479,9 billion soums at current prices which is 105,5 percent as compared to January-June 2006.

In total volume of agricultural production plant-growing products made up 1766,3 billion soums (105,1 percent to the level of 2006) and livestock products – 1713,6 billion soums (106,0 percent).

In total volume of agricultural output the share of plant-growing products was 50,8 percent and that of livestock products – 49,2 percent.

The output of agricultural products by types of farms:

as % of total volume



In the structure of output of agricultural products the share of private and dekhkan farms increased while that of agricultural enterprises decreased.

Plant-growing. According to the preliminary data the total area under crops for the yield of the current year in farms of all types was 3530,0 thousand hectares which is 107,4 thousand hectares lower than the total area under crops for the yield of the previous year.

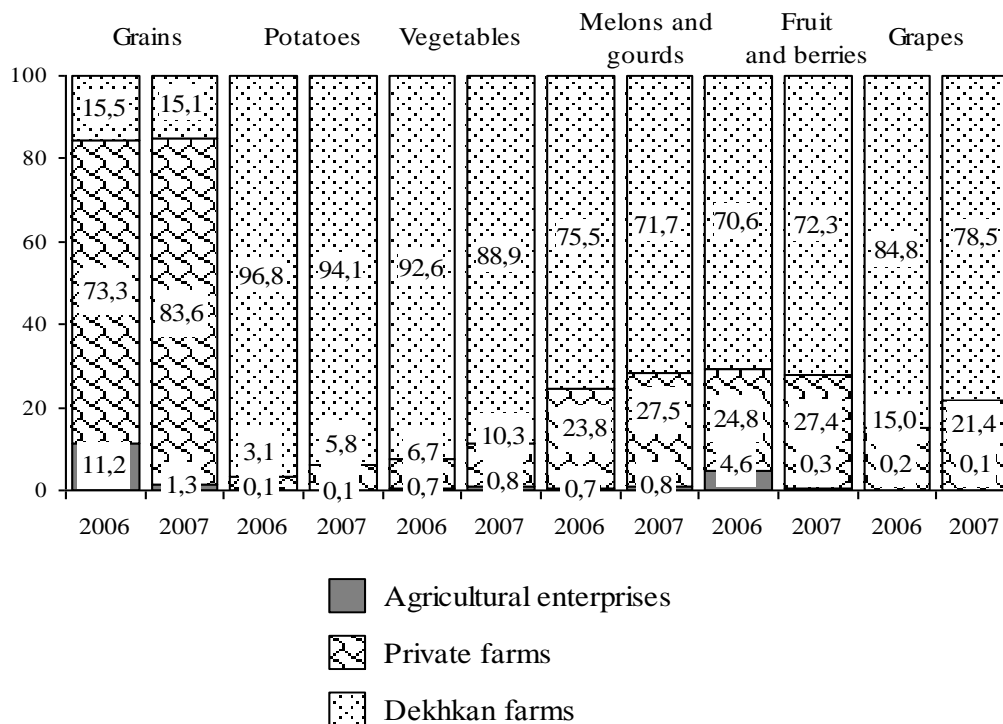
The area under grains made up 1532,0 thousand hectares. The area under cotton was 1448,4 thousand hectares. The area under potatoes was 55,5 thousand hectares and that of vegetables – 158,7 thousand.

Harvesting. As of July 1, 2007 farms of all types (agricultural enterprises, private, dekhkan farms) threshed 5388,8 thousand tons of grains including 5318,0 thousand tons of wheat which is 5,5 and 5,4 percent more respectively than on this date of 2006.

The production of potatoes was 577,8 thousand tons, vegetables – 992,5 thousand tons, melons and gourds – 52,4 thousand tons, fruit and berries – 341,5 thousand tons, grapes – 12,6 thousand tons. As compared to 2006 the production of potatoes increased by 8,2 percent, vegetables – by 10,2 percent, melons and gourds – by 14,4 percent, fruit and berries – by 4,8 percent and grapes – by 15,7 percent.

The structure of output of plant-growing products:

as % of total volume



In the first half of 2007 the purchase amount of grains was 2276,8 thousand tons including 2241,7 thousand tons of wheat (as of the same date of 2006 - 2313,8 and 2295,9 thousand tons respectively), besides seed stock made up 252,9 thousand tons, or 111,6 percent to the level of 2006.

Animal husbandry. As of July 1, 2007, in comparison with the same period of the previous year, the population of cattle increased by 430,7 thousand (by 6,4 percent) of which cows by 131,7 thousand (by 4,5 percent), sheep and goats - by 580,9 thousand (by 4,7 percent), poultry - by 2210,9 (by 10,4 percent).

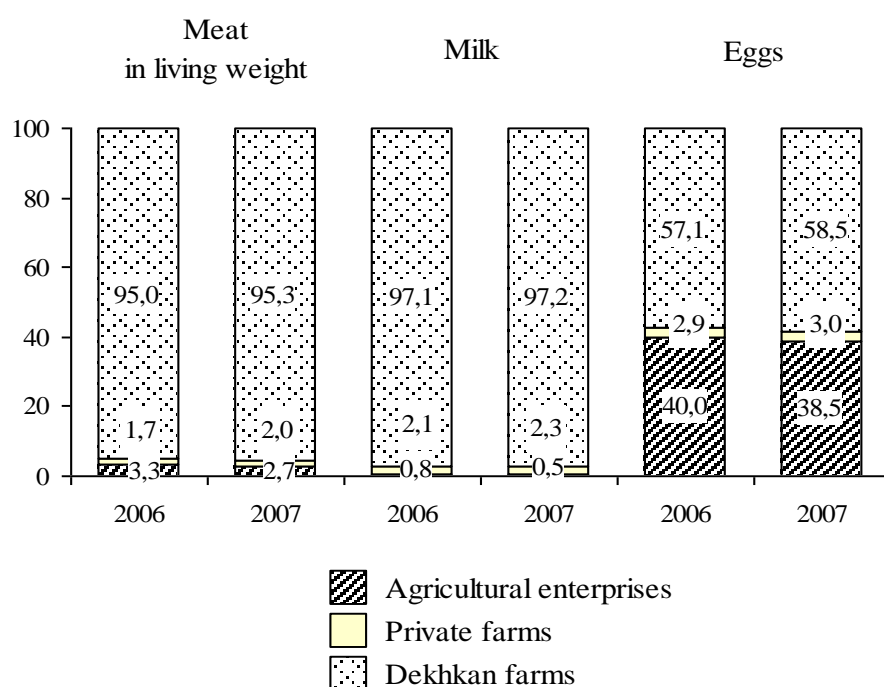
In January-June 2007 farms of all types produced 561,6 thousand tons of meat in living weight (6,2 percent more than in the corresponding period of the previous year), 2312,3 thousand tons of milk (5,8 percent), 1000,7 million eggs (9,2 percent), 11452 tons of wool (8,7 percent), 693,0 thousand pieces of karakul (12,0 percent) 21,4 thousand tons of cocoons (5,9 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 97,3 percent, milk – 99,5 percent, eggs – 61,5 percent.

The structure of output of livestock products

as % of total volume



Private farms. As of July 1, 2007 the number of operating private farms was 212,5 thousand. As compared to the corresponding period of the previous year their number increased by 30,8 thousand.

The total area of lands allotted to private farms was 5677,0 thousand hectares, on average 26,7 hectares per farm. The number of workers was 1317,1 thousand persons, 214,5 thousand of them were hired workers.

As of the beginning of July, private farms had 397,4 thousand heads of cattle, including 128,2 thousand cows, 897,9 thousand sheep and goats, 13,4 thousand pigs, 989,6 thousand poultry.

As compared to the first half of 2006 the population of cattle increased by 11,2 percent, cows – by 9,0 percent, sheep and goats - by 46,7 percent, poultry - by 19,2 percent

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

	2006		2007		2007 as % of 2006
	thous. t	share in total output, %	thous. t	share in total output, %	
Grains - total	3745,7	73,3	4507,4	83,6	120,3
including wheat	3708,8	73,5	4461,9	83,9	120,3
Potatoes	16,6	3,1	33,8	5,8	2,0t.
Vegetables	60,2	6,7	101,8	10,3	169,0

	2006		2007		2007 as % of 2006
	thous. t	share in total output, %	thous. t	share in total output, %	
Melons and gourds	10,9	23,8	14,4	27,5	132,0
Fruit and berries	80,7	24,8	93,5	27,4	115,9
Grapes	1,6	15,0	2,7	21,4	163,4
Meat in living weight	9,2	1,7	11,1	2,0	121,1
Milk	45,7	2,1	53,3	2,3	116,8
Eggs, mln.	26,5	2,9	30,5	3,0	115,3
Wool, t	440	4,2	625	5,5	142,0
Karakul, thous. pcs	27,0	4,4	29,6	4,3	109,6
Cocoons, t	13495	66,7	18085	84,3	134,0

Investments and construction

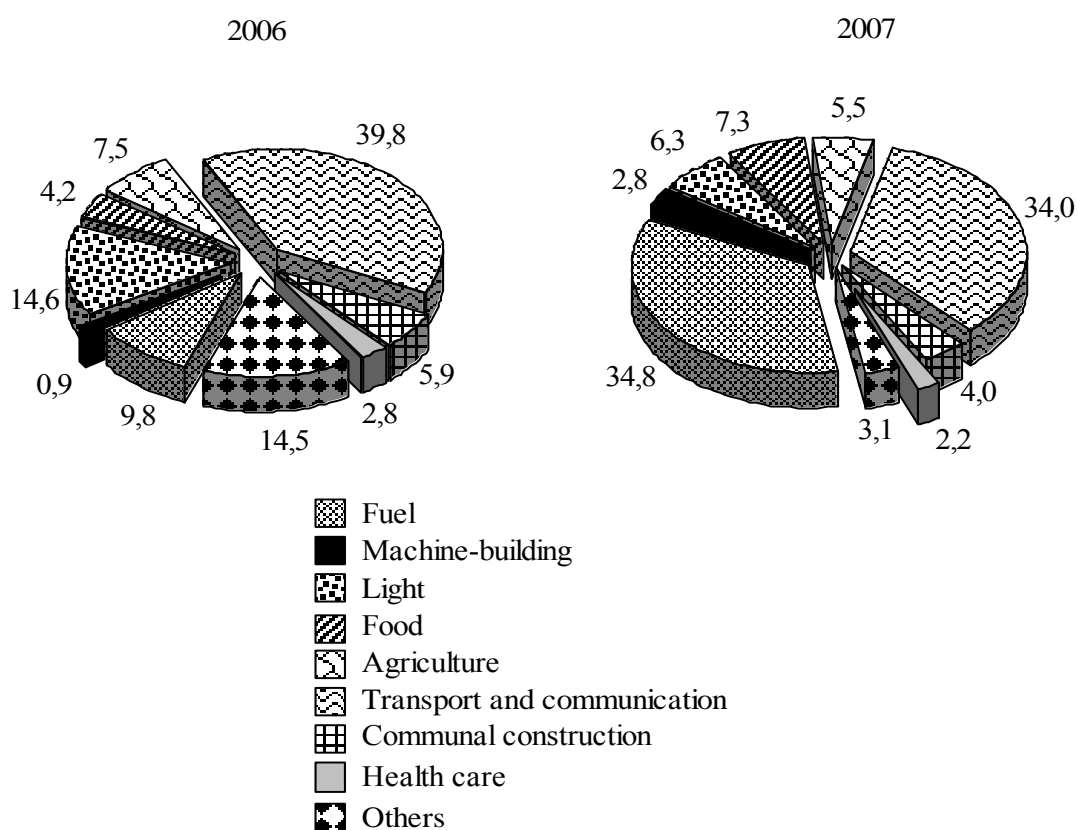
In January-June of the current year 2361,2 billion soums of investments were used to increase fixed capital, or 140,2 percent to January-June 2006.

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

	Total investments, bln. soums	Of which by sources of financing:					as % of total
		republican budget	resources of enterprises and population	foreign investments and credits	bank credits and other borrowed funds	means of off-budget funds	
Total	2361,2	13,9	55,3	19,8	2,4	8,6	
of which by enterprises of:							
state ownership	955,1	38,2	23,4	14,7	0,2	23,5	
non-state ownership	1676,1	0,1	73,5	22,7	3,6	0,1	

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



The structure of investments in fixed capital at the expense of all sources of financing by branches of economy is characterized by the following data:

	January-June 2007		Memo: January-June 2006 as % of total volume
	bln. soums	as % of total volume	
Investments in fixed capital - total	2631,2	100,0	100,0
Production branches	1682,0	63,9	63,4
industry	743,7	28,3	26,9
of which:			
fuel and energy	409,6	15,5	10,9
metallurgy	106,2	4,0	5,5

	January-June 2007		Memo: January-June 2006 as % of total volume
	bln. soums	as % of total volume	
chemical and petrochemical	22,9	0,9	2,1
machine-building	39,8	1,5	1,5
light	52,1	2,0	3,1
food	62,8	2,4	1,1
building materials	32,7	1,2	1,1
agriculture	86,1	3,3	4,7
construction	23,5	0,9	1,4
transport and communication	688,7	26,2	23,3
trade and catering	35,4	1,3	1,5
other production branches	104,6	3,9	5,6
Non-production branches	949,2	36,1	36,6
housing construction	287,1	10,9	13,0
public utilities	47,8	1,8	2,2
health care	27,7	1,1	2,1
education	497,7	18,9	16,2
Other non-production branches	88,9	3,4	3,1

1682,0 billion soums of investments (63,9 percent of total volume of investments) were used in production branches of the economy, 949,2 billion soums (36,1 percent) – in non-production branches.

Construction of projects in social sphere

Out of the total investments in the non-production sphere 287,1 billion soums (30,2 percent of their volume) were used in housing construction. In January-June of the current year 31,2 thousand apartments with the total space of 3700,6 thousand m² (107,6 percent to the level of January-June 2006) including 3264,4 thousand m² (107,1 percent) of the rural area were put into operation.

In the reporting period 182,6 billion soums of investments were used for new construction and capital reconstruction of general education schools, or 19,2 percent of investments in the non-production sphere and 36,7 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 made up 88,8 percent, the fund of children sports development – 7,9 percent.

In January-June of the current year 151 general education schools with 67,7 thousand places were repaired, 2 new academic lyceums with 1440 places were put into operation in Namangan oblast and the Republic of Karakalpakstan.

286,3 billion soums of investments were used for construction and reconstruction of academic lyceums and vocational colleges, or 30,2 percent of investments in the non-production sphere and 57,5 percent of investments in education (in January-June 2006 – 18,5 and 41,8 percent respectively).

In the reporting period 12 vocational colleges with 7,9 thousand places were put into operation and 9 new projects with 4,8 thousand places were built, which is 2,2 and 1,5 times more respectively than in January-June 2006.

In January-June of the current year there were put into operation outpatient-and-polyclinic institutions with 795 visits per shift, including rural medical stations with 595 visits per shift.

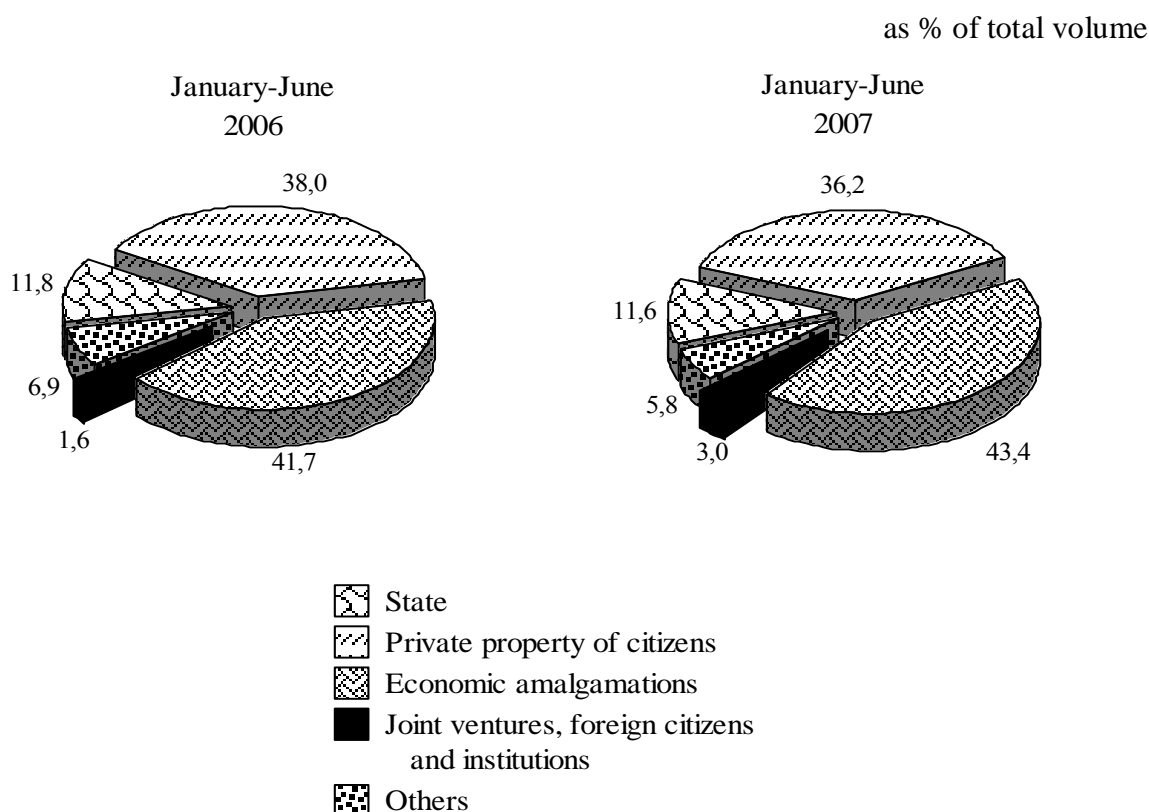
In communal construction there were put into operation 862,3 kilometers of water-supply networks and 410,2 kilometers of gas networks which made up 77,4 and 45,7 percent respectively to January-June 2006. Out of total gas networks and of water-supply networks put in place 89,6 percent of each are for rural area.

22,7 billion soums were used for construction of water-supply networks, of which 3,8 billion soums - budgetary funds (16,7 percent of their total volume), 3,1 billion soums - means of enterprises and population (13,6 percent). 2,7 billion soums were used for construction of gas networks, of which 2,6 billion soums – means of enterprises and population (94,8 percent).

Construction activity. In January-June 2007 construction works were fulfilled to the amount of 1084,8 billion soums (120,5 percent to January-June 2006). Out of the total volume of construction works 72,7 percent fall upon new construction, reconstruction, expansion and technical re-equipment of operating enterprises, 21,0 percent – upon capital and current repairs and 6,3 percent – upon other contract works.

Building organizations of non-state forms of ownership fulfilled construction works to the amount of 958,7 billion soums, which made up 88,4 percent to the total volume of construction works (as compared to the first half of 2006 their share increased by 0,2 percentage points).

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



Transport

Freight shipment. In January-June of the current year 419,2 million tons of freights were shipped by all types of transport, which is 8,1 percent higher than in January-June 2006.

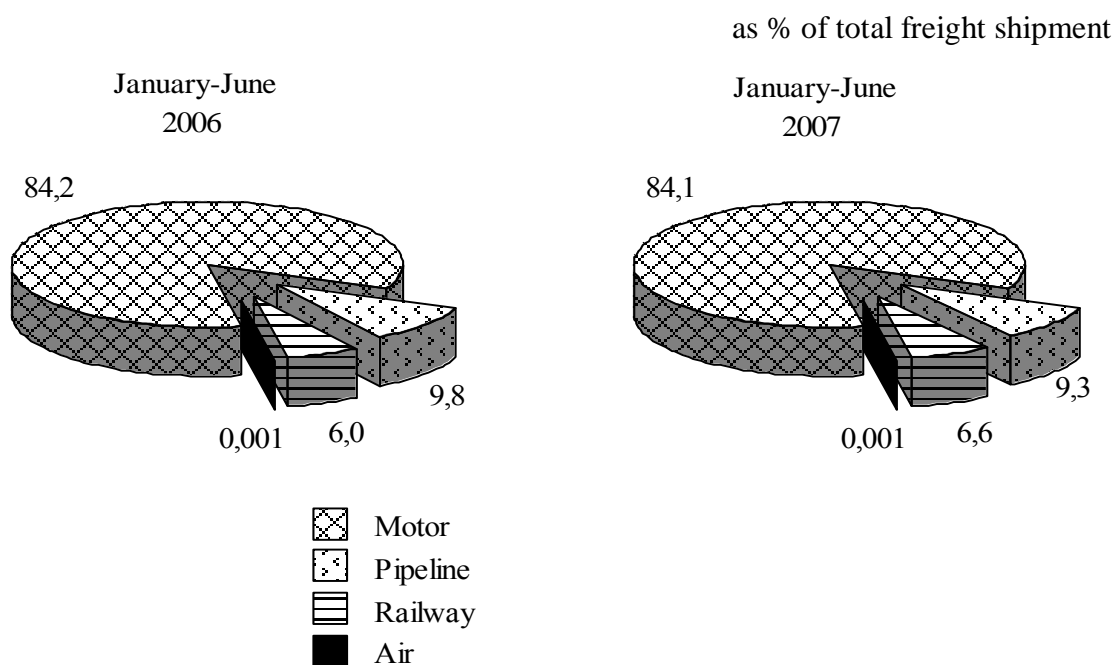
In January-June 2007 the freight turnover of all types of transport reached 38,0 billion t-km and increased by 6,4 percent as compared to January-June 2006.

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

	January-June 2007	As % of January-June 2006
Freights shipped by transport, mln. t	419,2	108,1
of which:		
railway	27,8	119,6
motor	352,7	108,0
air, thous. t	3,6	97,3

	January-June 2007	As % of January-June 2006
pipeline	38,7	101,6
Freight turnover of transport, bln. t-km	38,0	106,4
of which:		
railway	10,7	115,0
motor	8,0	111,5
air, mln. t-km	40,1	109,6
pipeline	19,3	100,4

The structure of freight shipment by types of transport in January-June 2007 is presented below:



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

	Thous. tons	As % of January-June 2006
Freights - total	27821,4	119,6
of which:		
coal	1434,9	88,4
oil	6633,3	111,7
ferrous metals	383,6	95,7
iron-and-steel scrap	511,4	109,7

	Thous. tons	As % of January-June 2006
chemical and mineral fertilizers	2003,4	99,4
building materials	5408,4	126,6
cement	2475,2	116,4
timber	93,9	127,4
grain and milling products	829,6	115,7

In the structure of freights shipped by main-line railway transport the share of oil freights and building materials prevails – 23,8 and 19,4 percent respectively of the total volume.

3222,6 thousand tons of freights (15,2 percent of total exported freights) were exported from the republic by railway transport, of which 1276,1 thousand tons - to non-CIS countries.

352,7 million tons of freights were shipped by motor transport, which is 8,0 percent more than in January-June 2006. At the same comparison the freight turnover increased by 11,5 percent and was 8008,4 million t-km.

The freight turnover of motor transport of individual entrepreneurs exceeded the level of January-June 2006 by 20,0 percent and was 5,2 billion t-km. The share of private carriers in total freight turnover of motor transport reached 65,5 percent versus 60,8 percent in January-June 2006.

3,6 thousand tons of freights were shipped by air transport, which is 2,7 percent lower than in January-June 2006, the freight turnover increased by 3,5 million t-km or 9,6 percent.

The freight turnover of main pipelines increased by 0,4 percent and was 19,3 billion t-km.

Passenger transportation. In January-June 2007 the number of passengers carried by all types of transport was 2265,0 million persons and increased by 10,5 percent as against January-June 2006. The passenger turnover increased by 12,8 percent and was 26,7 billion pass-km.

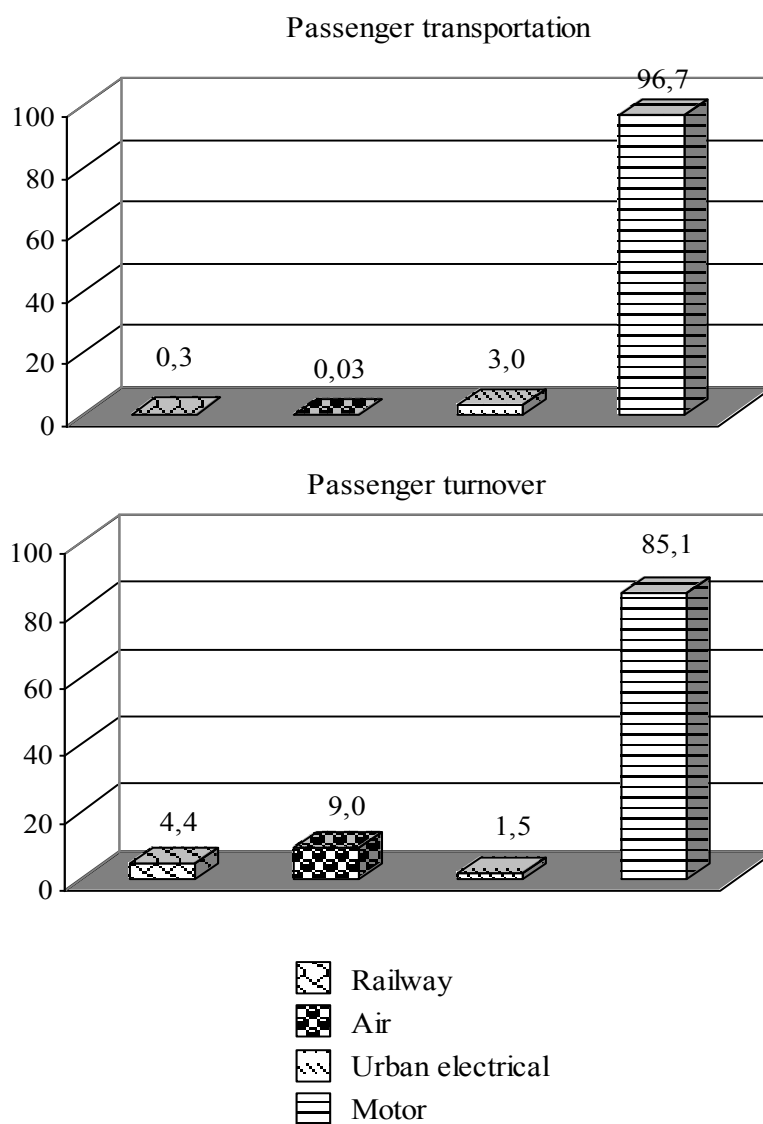
Passenger transportation and passenger turnover by types of transport are characterized by the following data:

	January-June 2007	As % of January- June 2006
Passengers carried by transport, mln. persons	2265,0	110,5
railway	6,8	104,8
motor	2190,8	110,9
air	0,6	128,4
urban electrical	66,8	98,8

	January-June 2007	As % of January- June 2006
Passenger turnover of transport, bln. pass-km	26,7	112,8
railway	1,2	109,6
motor	22,7	112,9
air	2,4	116,4
urban electrical	0,4	98,6

The structure of passenger transportation and passenger turnover by types of transport in January-June 2007 is presented below:

as % of total passenger transportation



The greatest share in passenger transportation and passenger turnover fell upon motor transport – 96,7 percent (2190,8 million persons) and 85,1 percent (22,7 billion pass-km) respectively.

In January-June 2007 the number of passengers carried by railway transport increased by 4,8 percent as compared to January-June 2006 and was 6,8 million persons, the passenger turnover increased by 9,6 percent and made up 1172,2 million pas-km.

608,9 thousand persons were carried by air transport, which is 28,4 percent higher than in January-June 2006, the passenger turnover made up 2411,7 million pass-km and was 16,4 percent higher than in January-June 2006.

66,8 million persons were carried by urban electrical transport, which is 1,2 percent or 0,8 million persons lower than in January-June 2006. This decline was caused by decrease of carriages of trolleybus transport and subway by 2,1 percent or 0,9 million persons.

Market of goods and services

In January-June 2007 the retail trade turnover was 4339,2 billion soums or 116,8 percent to the level of January-June 2006.

The structure of retail trade turnover by forms of ownership of economic entities in the first half of 2007 is characterized by the following data:

	Bln. soums	As % of January-June 2006	As % of total
Total	4339,2	116,8	100,0
of which by forms of ownership:			
state	10,5	92,9	0,2
non-state	4328,7	116,9	99,8
of which private ownership of citizens	3494,9	112,2	80,5

The retail trade turnover of trade enterprises was 1342,3 billion soums or increased by 31,5 percent as compared to the corresponding period of 2006.

In the structure of retail trade the turnover of trade enterprises was 30,9 percent (in January-June 2006 - 27,5 percent).

The retail trade turnover of trade enterprises in the rural area was 27,8 percent of total turnover of trade enterprises.

The sale of agricultural products and livestock in dekhkan markets increased by 8,5 percent and reached 1837,3 billion soums, the share of sales in retail trade turnover was 42,4 percent.

The goods turnover of the informal sector (commodity and specialized markets) amounted to 1159,6 billion soums which is 16,0 percent higher than in January-June 2006. The share of the informal sector in the total volume of goods turnover was 26,7 percent.

The structure of retail trade turnover in January-June 2007 is characterized by the following data:

	Bln. soums	As % of January-June 2006	As % of total
Total	4339,2	116,8	100,0
of which:			
trade enterprises	1342,3	131,5	30,9
markets	2996,9	111,3	69,1
of which:			
commodity and specialized	1159,6	116,0	26,7
dekhkan (food)	1837,3	108,5	42,4

The volume index of sale of food products was 113,7 percent and that of non-food products – 120,2 percent.

In January-June 2007 in the structure of retail trade turnover the share of food products was 49,6 percent and that of non-food products – 50,4 percent (in January-June 2006 – 51,5 and 48,5 percent respectively).

As compared to January-June 2006 the turnover volume of catering organizations reached 98,4 billion soums or increased by 16,1 percent.

As compared to January-June 2006 the retail trade turnover, including the turnover of catering organizations, per capita increased from 126,0 thousand soums to 161,6 thousand soums or by 15,2 percent.

As of July 1, 2007 there was a stock of goods to the amount of 38,3 billion soums in the retail trading network, or for 14 days of trade.

The volume of paid services rendered to population in January-June 2007 amounted to 1260,4 billion soums, the real increase was 25,1 percent as compared to the corresponding period of 2006.

The main part of paid services was rendered to population by the official sector – 810,0 billion soums or 64,3 percent, the growth rate – 137,7 percent.

The volume of services rendered by individual entrepreneurs increased by 7,5 percent and made up, by estimation, 450,4 billion soums, the share of this sector in the total volume of paid services – 35,7 percent.

The share of the non-state sector in the total volume of paid services rendered to population reached 75,1 percent (in January-June 2006 – 73,4 percent).

The paid services rendered to population (at current prices) by forms of ownership of economic entities are characterized by the following data:

	Bln. soums	As % of total	Memo: January-June 2006 as % of total
Total	1260,4	100,0	100
state	313,8	24,9	26,6
non-state	946,6	75,1	73,4
of which:			
private property of citizens	477,0	37,8	44,0

The share of personal services in the total volume of paid services was 11,7 percent or 147,7 billion soums. Their real volume exceeded the level of January-June 2006 by 21,1 percent. Services rendered by individual entrepreneurs in the sphere of personal services made up 87,7 percent. By estimation, the volume of services rendered by this sector amounted to 129,5 billion soums, the growth – by 21,8 percent.

The growth in the volume of personal services was observed in all regions of the republic. The most intensive growth was observed in Sirdarya oblast (150,3 percent), Tashkent oblast (145,0 percent), Namangan oblast (144,0 percent), Surkhandarya oblast (143,0 percent), Samarkand oblast (135,5 percent) and Djizhak oblast (128,1 percent).

Volume of market services by all kinds of activity in January-June 2007 was 5808,7 billion soums, including 1291,4 billion soums of the rural area, or 22,2 percent of the total volume of rendered services. As compared to the corresponding period of the previous year the real increase of services was 24,5 percent.

The production of services by kinds (at current prices) in the first half of 2007 is characterized by the following data:

	Bln. soums	As % of January-June 2006	As % of total
Services - total	5808,7	124,5	100,0
of which by main kinds:			
Trade and catering	1113,2	121,0	19,2
Transport	2068,3	127,2	35,6
Communication and information, including services of information and resource centers	344,5	148,9	5,9
Financial, including microcredit granting	295,6	123,5	5,1
Tourism	24,3	121,9	0,4
Hotel	17,4	124,4	0,3
Communal	973,1	106,7	16,7

	Bln. soums	As % of January- June 2006	As % of total
Personal	102,5	125,5	1,8
Repair of cars and other equipment	45,9	135,6	0,8
Other market services, including services of children's institutions for health improvement and sports organizations	823,9	135,4	14,2

The highest growth rates were achieved in the following services: communication and information, including services of information and resource centers (148,9 percent), repair of cars and other equipment (135,6 percent), transport (127,2 percent) and financial, including microcredit granting (123,5 percent).

The following services prevailed in the structure of services: transport (35,6 percent), trade and catering (19,2 percent), communal (16,7 percent), communication and information, including services of information and resource centers (5,9 percent) and financial, including microcredit granting (5,1 percent)

Prices and inflation

Changes in indices of prices and tariffs in January-June 2005-2007 (increase in prices, %)

	Average monthly level			June to December of the previous year		
	2005	2006	2007	2005	2006	2007
Consumer price index	0,5	0,6	0,4	3,3	3,5	2,7
food products	0,5	0,5	0,2	3,2	3,1	1,3
non-food products	0,2	0,3	0,4	1,1	1,9	2,2
services	1,2	1,1	1,4	7,2	7,1	8,5
Industrial producer price index	1,6	2,7	0,9	9,8	17,3	5,4
Indices of freight tariffs	2,6	-0,7	1,4	16,3	-4,3	8,7
Indices of tariffs for com- munication services for legal persons	0,3	-1,2	0,1	1,7	-7,2	0,8

**Producer price indices by branches of industry in
January-June 2005-2007**
(in % to December of the previous year)

	2005	2006	2007
Total industries	109,8	117,3	105,4
of which:			
electric power	109,6	104,1	113,2
fuel	132,0	105,8	107,2
ferrous metallurgy	100,4	100,7	103,9
non-ferrous metallurgy	112,4	177,8	105,1
chemical and petrochemical	107,3	105,8	107,8
machine-building	103,2	105,6	101,7
logging, woodworking, pulp and paper	100,2	101,2	107,1
building materials	110,1	115,2	106,9
light	101,0	101,7	100,8
food	104,8	112,2	103,7
flour milling and grain	100,0	100,3	100,0

**Indices of freight tariffs by separate types of transport
in January-June 2005-2007**
(in % to December of the previous year)

	2005	2006	2007
Transport – total	116,3	95,7	108,7
of which:			
railway	111,5	110,3	103,4
truck	107,6	109,3	111,4
air	105,1	104,5	102,0
pipeline	119,2	87,1	108,3

Indices of tariffs on communication services for legal persons by types of communication in January-June 2005-2007
(in % to December of the previous year)

	2005	2006	2007
Communication services - total	101,7	92,8	100,8
of which:			
postal	100,0	115,9	100,0
local telephone	100,0	100,0	100,0
long-distance telephone	100,0	100,0	100,0
telegraph	100,0	100,0	100,0
cellular	104,9	77,4	102,0

Living standards

In the first half of 2007 **nominal money incomes** of population increased by 28,0 percent as compared to the first half of 2006 and amounted to 7321,3 billion soums, money expenditures and savings – by 30,7 percent and 7328,5 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	(bln. soums) Excess of money incomes over expenditures
I half of			
2006	5721,8	5605,2	116,2
2007	7321,3	7328,5	-7,2

The structure of balance of money incomes and expenditures of population in the first half of 2007 is characterized by the following data:

	Bln. soums	Share, in %	As % of January-June 2006
Total incomes	7321,3	100,0	128,0
of which:			
remuneration of labor and other incomes from enterprises	2243,7	30,7	138,3
entrepreneurial incomes, including sale of agricultural products, property incomes and others	3842,7	52,5	120,6
social transfers	1234,9	16,8	135,3
Total expenditures and savings	7328,5	100,1	130,7
of which:			
consumer expenditures	5546,3	75,7	132,7
compulsory payments and contributions	517,6	7,1	122,2
increase of savings in deposits, securi- ties, including purchase of currency, other expenditure	1264,6	17,3	126,4

In January-June 2007 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 (52,5 percent of total money incomes) and increased by 20,6 percent as compared to the first half of 2006.

In total money incomes of population the share of labor remuneration and other incomes from enterprises was 30,7 percent, that of social transfers – 16,8 percent.

As compared to the first half of 2006 consumer expenditures increased by 32,7 percent and amounted to 5546,3 billion soums. The share of consumer expenditures in the total volume of money incomes increased from 73,1 to 75,7 percent. Expenditures on compulsory payments and contributions increased by 22,2 percent and amounted to 517,6 billion soums, their share in money incomes decreased from 7,4 to 7,1 percent. The share of savings in deposits, securities, including purchase of currency and other expenditures was 17,3 percent versus 17,5 percent in the first half of 2006.

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

(as % of money incomes)

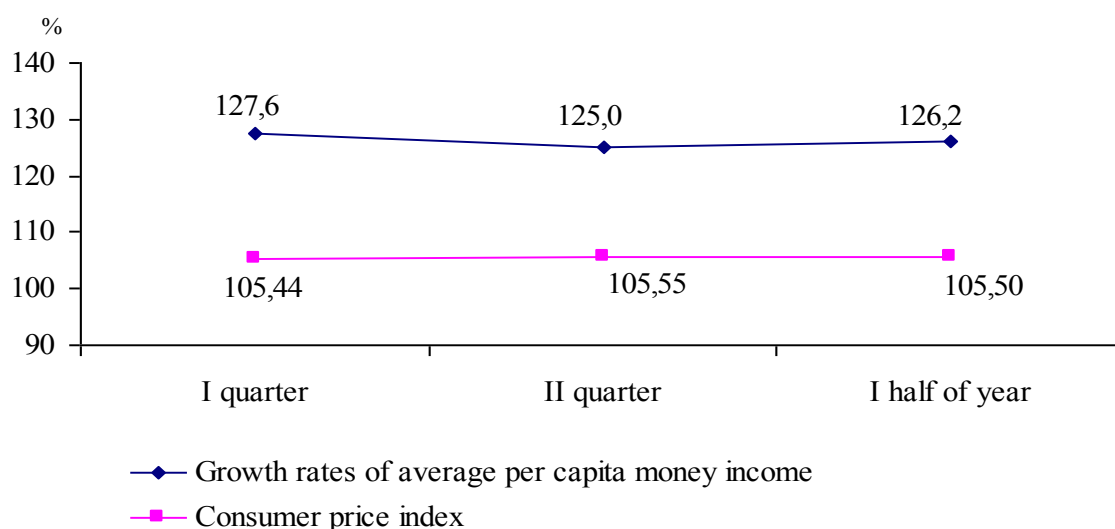
	Total money incomes	Of which used for			Increase of money
		goods purchasing and services payment	compulsory payments and contributions	accumulation of savings in deposits and securities, including purchase of currency and others	
I half of					
2006	100	73,1	7,4	17,5	2,0
2007	100	75,7	7,1	17,3	-0,1

In the first half of 2007 the average per capita nominal money incomes of population increased by 26,2 percent as compared to the first half of 2006 and made up 273,6 thousand soums.

The growth rate of nominal money incomes of population outstripped that of consumer prices and as a result real money incomes per capita increased by 19,6 percent, which is characterized by the following data:

in %

to the corresponding period of 2006



Under the same comparison real disposable money incomes per capita increased by 20,0 percent.

Demography and labor market

As of July 1, 2007 according to the preliminary data the number of the resident population in the republic was 26,8 million persons and increased from the beginning of the current year by 181,9 thousand persons or 0,7 percent.

The natural increase was 209,3 thousand persons. Out of them 151,9 thousand persons are rural inhabitants.

According to the preliminary data the balance of migration in the first half of 2007 was -27,4 thousand persons.

The natural movement of population in January-June 2007 is characterized by the following data:

	Thous. persons			Per 1000 population	
	2006	2007 ^{*)}	increase, decrease (-)	2006	2007 ^{*)}
Births	257,4	284,2	26,8	19,6	21,3
Deaths	72,8	74,9	2,1	5,5	5,6
of which children aged under 1 year	4,0	4,1	0,1	15,3 ^{**}	14,4 ^{**}
Natural increase	184,6	209,3	24,7	14,1	15,7
Marriages	75,6	93,2	17,6	5,8	7,0
Divorces	8,5	9,1	0,6	0,6	0,7

In the first half of 2007 the number of births was 284,2 thousand persons and increased by 26,8 thousand persons or 10,4 percent as compared to the corresponding period of 2006. The birth rate increased from 19,6 pro mil in January-June 2006 to 21,3 pro mil in January-June 2007.

The increase in birth rate was marked in all regions of the republic. The significant increase is observed in Fergana oblast (from 17,9 to 21,1 pro mil), Tashkent oblast (from 18,0 to 20,6 pro mil) and Djizhak oblast (from 22,2 to 24,3 pro mil). The lowest birth rate remains in the city of Tashkent (17,1 pro mil).

As compared to the first half of 2006 the number of dead increased by 2,1 thousand persons or 2,9 percent. The increase of death rate was observed in Kashkadarya oblast (from 4,3 pro mil to 4,8 pro mil), Samarkand oblast (from 5,1 pro mil to 5,5 pro mil), Surkhandarya oblast (from 4,4 pro mil to 4,7 pro mil), Khorezm oblast (from 4,8 pro mil to 5,1 pro mil).

^{*)} Estimation

^{**)} Per 1000 births

The highest death rate remains in the city of Tashkent (8,3 pro mil), the lowest one is marked in Djizhak oblast (4,6 pro mil).

Out of the total number of dead 59,9 percent died of cardiovascular diseases, 7,7 percent - respiratory diseases, 6,0 percent - accidents, poisonings and traumas.

According to the preliminary data 4,1 thousand children died at the age under one year in the first half of 2007. The infant mortality rate decreased from 15,3 pro mil in January-June 2006 to 14,4 pro mil in January-June 2007.

Out of the total number of children died at the age under one year 40,1 percent died of respiratory diseases, 38,9 percent - states occurring in perinatal period, 8,4 percent - congenital anomalies and 6,2 percent - infectious and parasitic diseases.

In the first half of the current year 93,2 thousand marriages and 9,1 thousand divorces were registered, there are 7,0 marriages and 0,7 divorces per 1000 population versus 5,8 and 0,6 respectively in the first half of 2006.

The number of labor force in January-June 2007, according to estimation, increased by 2,8 percent as compared to January-June 2006 and made up 15121,4 thousand persons or 56,5 percent of the average number of the resident population.

As compared to the corresponding period of 2006 the economically active population^{*)} increased by 2,9 percent and was 10605,6 thousand persons, of which 99,8 percent (10580,7 thousand persons) were engaged in the economy.

The growth of employment occurred due to increase of number of employed in branches of material production - by 3,1 percent, .in non-production sphere by 2,7 percent,

The main part of employed (66,6 percent) falls upon branches of material production where the most growth in number of employed was observed in trade, catering, sale and procurements (by 7,2 percent), industry (by 4,2 percent), construction (by 4,1 percent), transport and communication (by 3,8 percent).

The share of employed in the non-state sector increased from 77,4 percent in January-June 2006 to 77,7 percent in January-June 2007.

In January-June of the reporting year 233,1 thousand persons applied to labor agencies for employment, which is 14,0 percent or 28,6 thousand persons more than in January-June 2006. The level of persons applied to labor agencies for employment is the highest in Fergana oblast (13,1 percent of total persons applied to labor agencies for employment), Samarkand oblast (11,2 percent) and Namangan oblast (9,7 percent), Kashkadarya oblast (9,2 percent).

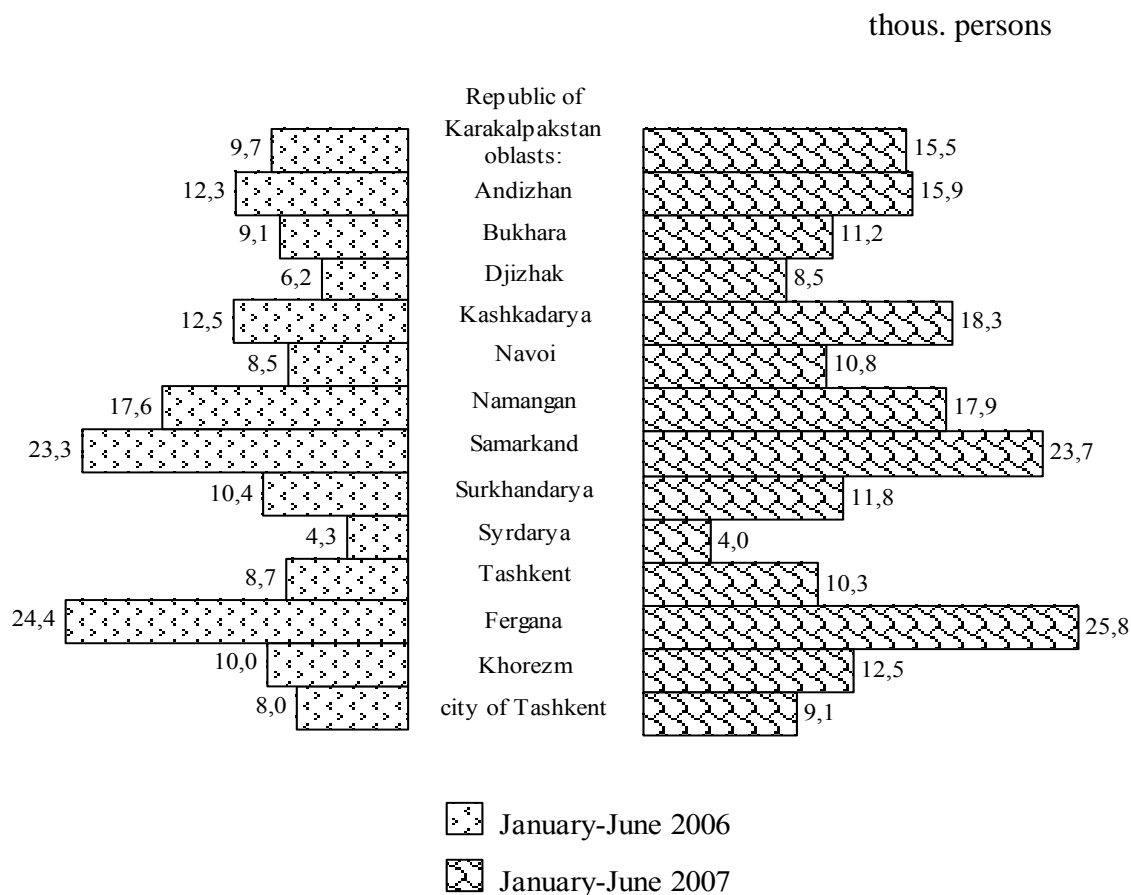
Out of the total number of citizens who applied to labor agencies 195,3 thousand persons (83,8 percent of total persons applied for employment) were placed in a job, which is 3,1 percentage points more than in the corresponding period of the previous year. Out of the total number of persons who were provided with employment 50,4 percent are persons at the age from 16 to 30 years old.

As of the end of June 2007 the number of citizens registered through labor agencies as those who are looking for a job was 29,1 thousand persons, (as of the end of June 2006 – 33,3 thousand persons).

^{*)} Employed and officially recognized as unemployed

As of the end of June 2007 the greatest number of citizens registered through labor agencies as those who are looking for a job was marked in Khorezm oblast – 3,3 thousand persons (or 11,4 percent of the total number of persons who applied to labor agencies for employment as a whole by the republic), the Republic of Karakalpakstan – 3,0 thousand persons (10,2 percent),

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



As of the end of June 2007 out of the total number of citizens registered through labor agencies as those who are looking for a job 24,9 thousand persons (85,5 percent of total persons applied for employment) were recognized as unemployed.

In the first half of 2007 the implementation of adopted goal-oriented complex programs for development of services, agriculture and domestic labor made it possible to create 314,8 thousand^{*)} new workplaces.

Out of the total number of newly created workplaces 71,1 percent (223,9 thousand workplaces) belong to the rural area.

^{*)} Data of the Ministry of Labor and Social Security of Population