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THE STRATEGY OF ACTIONS
2017-2021

THE ADDRESS

OF THE PRESIDENT
OF THE REPUBLIC OF UZBEKISTAN
SHAVKAT MIRZIYOYEV
TO THE OLIY MAJLIS

22 December 2017 year

THE MAIN RESULTS
OF ACTIVITIES IN 2017

PRIORITY AREAS OF INNOVATIVE DEVELOPMENT
OF THE COUNTRY FOR 2019

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22 December 2017 year

"THE YEAR OF DIALOGUE WITH
PEOPLE AND HUMAN INTERESTS"

THE MAIN RESULTS OF
ACTIVITIES IN 2017

"THE YEAR OF SUPPORTING ACTIVE ENTREPRENEURSHIP,
INNOVATIVE IDEAS AND TECHNOLOGIES"

PRIORITY AREAS OF INNOVATIVE DEVELOPMENT
OF THE COUNTRY FOR 2018

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Distinguished deputies and senators!
Dear compatriots!
Esteemed guests!

Today, all of us are taking part in the most important political event in the life of our Motherland.

President of the Republic of Uzbekistan for the first time delivers **Address** to the parliament of the country – the Oliy Majlis.

It is known that in many developed countries of the world there is practice whereby the head of state addresses the national parliament on the most important and current issues of political, socio-economic and democratic development.

I think such a democratic method of public administration is especially in demand today and is in tune with the extensive reforms undertaken in Uzbekistan, first of all with the principle of dialogue with the people, and serves to further enhance the effectiveness of our activities.

Today's meeting is attended, along with members of the Senate and deputies of the Legislative Chamber of the Oliy Majlis, also by deputies of district, city and regional Kengashes, heads of executive and economic management bodies of all levels, through video conferencing.

Let me bring to your attention the Address devoted to the main results of the work carried out in 2017, which marked the beginning of a new stage of our development, and the priority directions of socio-economic development of the Republic of Uzbekistan in 2018.

To fulfill the tasks envisaged for this year in the Action Strategy for further development of Uzbekistan, all the capacities and potential of the state and society were mobilized.

The most crucial step on this path was the implementation of measures outlined in the State Program “Year of Dialogue with People and Human Interests”.

It should be noted that our people widely support the large-scale reforms being carried out in the country. The first effects of these reforms are now replicated in the lives of compatriots, while their social activity and confidence in the future have been growing.

We take every decision regarding the life of the country on the basis of a direct dialogue with people, taking into account the public opinion. The cornerstone of our activities is the principle **“People must not serve the Government bodies, rather the Government bodies must serve the people”**.

Employees of state bodies, especially holders of managerial positions, are not confined in their daily activities to office work; they visit places and get themselves engaged in practical solutions to the most pressing problems of the population.

In this sense, we can say with full confidence that in the history of Uzbekistan, 2017 was the year of creation of a new system of direct dialogue with people, an effective solution of their vital problems.

The People’s Receptions and the Virtual Reception of the President of the Republic of Uzbekistan, which are the basis of this system, **have become a kind of democratic institution for dealing with citizens’ appeals.**

Within a short period of time, more than 1.5 million citizens applied to these receptions, the problems of many people, accumulated over the years, were positively solved, which indicates the approval of democracy in Uzbekistan not in words but in deeds.

Boosting the personal liability of managers at places for the prompt correction of errors and shortcomings has become an important result of the work of this system.

Taking into account the interests of people, fundamental changes are also being implemented in the judicial and legal spheres, in the system of the prosecutor's office and law enforcement bodies, who are the most essential institutions for ensuring social justice.

We have already discussed this in detail at the solemn session in tribute to the 25th anniversary of the Constitution of the Republic of Uzbekistan, thus I believe there is no need to dwell on this issue again.

In the current year, more than 1,100 people living in the country without citizenship of Uzbekistan have received this status. I think this is another confirmation of the provision in our country of human rights and freedoms.

In the **economic sphere** in 2017, we took the first steps to implement effective reforms that meet modern requirements.

Laws, decrees and resolutions, well-thought-out programs for organizing our economy on a new basis and its further liberalization, improvement of its legal framework, modernization and diversification of production have been adopted and are being consistently implemented.

Within a brief span of time, 161 large industrial facilities were commissioned in the country. This will allow us to produce additional products worth 1.5 trillion soums next year.

For example, a combined cycle plant is involved in Tashkent thermal power plant. Due to this, an additional 2.5 billion kilowatts of electric power will be produced.

Work is also continuing on construction of the second combined cycle plant at Navoi Thermal Power Plant, a hydrometallurgical plant on the basis of Avminza-Amantai gold mines in the Kyzyl Kum.

At present, the Almalyk Mining and Metallurgical Combine has begun work on development of the Yoshlik-1 and Yoshlik-2 mines. Construction of such large facilities as the Sardoba, Central Fergana and Tupalang reservoirs is being carried out at an accelerated pace. The Fergana – Margilan railway line is being electrified.

By launching another large facility, the Kandym gas processing complex, 4 billion 100 million cubic meters of natural gas, more than 67 thousand tons of condensate, and more than 106 thousand tons of sulfur will be additionally produced in 2018. At the Mubarek gas processing plant - one of the locomotives of the economy of Uzbekistan, blocks for purification of sulfur from an additional 6 billion cubic meters of natural gas will start operating at full capacity the next year.

Along with this, in the joint-stock company Uzagrotekhsanoat holding in the new year, production of more than 5 thousand modern tractors, over 1 thousand cotton harvesting machines and more than 2 thousand trailers will be established.

There are many more such examples to cite.

Crucially, in economic policy, such an unacceptable method as the race for **unrealistic numbers, the urge to present utopian plans as a reality, was critically revised. Achievement of concrete results and ensuring human interests are defined as the main goal of our reforms.**

Thanks to the implemented measures in 2017, the steady economic growth rate was 5.5 percent, the volume of exports increased by 15

percent. The positive balance in foreign trade reached 854 million dollars.

We started free conversion of our national currency - the soum. Legal entities and individuals got the opportunity to purchase and sell foreign currency in commercial banks without restrictions. Since the liberalization of the sphere, the volume of foreign currency purchase and sale transactions has grown 1.5 times and amounted to about 1.3 billion dollars. At the same time, our country's gold and currency reserves increased by \$ 1.1 billion.

This year, the country has established 12 free economic and 45 industrial zones, which contributes to the accelerated development of our regions. Work is underway to organize another 50 new industrial zones in the near future.

During the year, the issue of creating new jobs, which is extremely important for us, was constantly at the center of our attention. In 2017, due to construction of new industrial enterprises, development of small business and private entrepreneurship, expansion of the service sector, over 336 thousand new jobs were organized. We have determined for ourselves the provision of employment of the population as a priority task, and therefore we will continue to attach special importance to the growth of these indicators not only in quantitative but also in qualitative terms.

It also ensures the implementation of the adopted programs for reforming the **social sphere** as an extremely important direction of state policy.

It is known that for many years, the **housing problem** remained the most acute for our population, especially workers in the public sector, low-income families. For the sake of justice, we must admit that we have not paid much attention to this issue. Taking into account the needs of people, this year we started to build **affordable**

housing on upgraded projects on the basis of preferential mortgage loans.

In towns and villages, standard and multi-storey houses with a total residential area of more than 3.5 million square meters were built. Compared to previous years, the volume of housing construction has increased dramatically; for example, in comparison with 2007 it has grown 20 times, 2010, when the program of standard design housing construction was launched, it has grown 3.5 times, and in relation to 2014 the figure stands at twofold.

It should be emphasized that over the past 25 years we have for the first time begun the construction of multi-storey houses with all amenities at affordable prices. In 2017, such apartment buildings with an area of more than 800 thousand square meters were built and commissioned 'turnkey'.

Only in the city of Tashkent this year 420 thousand square meters of housing has been built - almost 3 times more than last year.

Taking into account that the issue of providing affordable housing for the population still remains relevant, we will definitely continue this work in a new year on a larger scale.

Because people not tomorrow, not in the distant future, but today want to see positive changes in their lives. Our hard-working, kindhearted and generous people have the right to this.

Specific measures have been taken to improve the environmental situation in the Aral Sea area. Under the Ministry of Finance, the Development Fund for the Aral Sea Region has been established, to which over 200 billion soums are directed.

At the expense of these funds, water supply, living conditions of the residents of the Republic of Karakalpakstan and the Khorezm region are improving. Along with this, more than 3 thousand kilometers of internal roads have been overhauled and reconstructed in these regions.

In the current year, we paid special attention to the construction of new and repair of existing **educational institutions**. 12 secondary schools have been built, 320 have been reconstructed, 152 schools have been overhauled. In addition, 107 were built and reconstructed, 195 preschool educational institutions were overhauled.

Taking into account the great role and importance of educating our children from an early age, we organized the Ministry of Preschool Education. We need to strengthen the material and technical base of this sphere, including in the next 3-4 years we must build in all regions of the country and equip thousands of new kindergartens, raise the quality of the education and upbringing they receive to a new level.

In accordance with the proposals of many parents, teachers and students, the general public, we have restored the 11-year general education.

Chirchik State Pedagogical Institute was established in Tashkent region for fulfilling the need in teachers at places.

Besides, correspondence departments are opened in 15 higher educational institutions, where more than 5 thousand teachers who graduated from colleges will be able to get higher education.

In the educational system, based on innovative and creative approaches, specialized schools for in-depth study of exact sciences, bearing the names of Muhammad Khorezmi and Mirzo Ulugbek, have been created.

Significant work is also being implemented on further improving the system of higher education. In particular, the Program for the Comprehensive Development of the Higher Education System in 2017-2021 was adopted.

Due to the newly organized institutes and branches of higher educational institutions, the number of higher educational institutions

reached 81, branches in the regions - 15, branches of foreign universities - 7. In addition, the agreement on the establishment in Almalyk of the branch of the Moscow Institute of Steel and Alloys, and in Tashkent - the branch of Webster University of the United States should be noted.

Based on the needs of the real sector of the economy, part-time and evening departments have been opened in some institutions of higher education.

Measures were taken to improve the system and strengthen the material and technical base of the Academy of Sciences of Uzbekistan, and the activity of a number of scientific research institutes and centers in its composition was restored.

After a long break, elections were held to the Academy of Sciences. A large number of talented scientists, enjoying prestige in the country and abroad, were awarded the high rank of an academician. In turn, we have the right to expect from the Academy of Sciences practical results of promising research, new scientific developments.

All of this our consistent work is aimed at achieving one goal: Uzbekistan must become competitive on the world stage in the field of science, intellectual potential, modern cadres, high technologies.

Dear friends!

Speaking about the development of the cultural and humanitarian sphere, first of all, it should be noted that this year 12 important documents related to the **issues of culture, art and literature, and the mass media** were adopted.

In order to increase the role and significance of creative unions in the life of the country, to strengthen their material and technical base, the Public Fund for Supporting Creative Persons of Uzbekistan "Ilhom" has been established, and also the Friends Clubs, in conjunction with cultural and art institutions, large companies and banks.

In addition, an Alley of Writers and a new building of the Writers' Union were created in Tashkent on the territory of the National Park, creative schools bearing the names of our outstanding writers and poets in Karakalpakstan and a number of regions. As well as Kokand city, Khorezm and Jizzakh regional drama theaters were reconstructed, Fergana regional branch of Uzbekistan State Institute of Arts and Culture was established.

When we talk about projects that are important events in our spiritual life, we should especially emphasize that work has started on organizing activities of such scientific and educational institutions as the Center for Islamic Civilization in Uzbekistan, the international scientific research centers named after Imam Bukhari and Imam Termizi, the Islamic academy.

Along with this, schools on hadith studies, Muslim law, Sufism and other areas have been established at the memorial complexes of our great thinkers.

Undoubtedly, our activity in this direction has a deep scientific and practical basis.

It is known that our land, located at the crossroads of ancient cultures and civilizations, has nurtured thousands of scientists and thinkers, great poets and theologians. The invaluable heritage left by them, including in the field of exact sciences and religious-philosophical knowledge, today is the spiritual heritage of all mankind.

Currently, more than 100 thousand ancient manuscripts are kept in the book collections of Uzbekistan. Unfortunately, these unique books have not been fully studied yet; they are waiting for their researchers and readers.

On the pages of these rare works one can find answers to many problems of our time. In particular, to this day, deep thoughts and ideas, which have not lost their relevance, which reveal the truly

humanistic essence of Islam, call on all people, regardless of their nationality, religion and social status, for good, charity and harmony.

At the same time, we must frankly admit that we, being the heirs of such a unique heritage, have done far from all to study them, to acquaint them with our compatriots, especially the younger generation, as well as the international community.

We talk a lot about the need to combat religious ignorance, against harmful currents - through enlightenment. This, of course, is correct. But where is this enlightenment, this knowledge - first of all, aren't they in such books left to us by our great ancestors?

All our practical actions in this area are aimed at achieving precisely such a noble goal and cause great interest and attention not only in our country, but also abroad.

Therefore, it is unacceptable that in our society, possessing such priceless wealth, having advanced intellectuals, thousands of enlightened ulema, in our country, acting with important initiatives in this sphere, adherents of religious fundamentalism appeared.

Dear participants of the meeting!

In 2017, a great deal of work was done in the sphere of **physical education and sports**.

All of us are pleased with the sports success of our youth. Declare themselves more and more new world and continental champions, international grandmasters in chess.

In the end of the year, athletes of Uzbekistan achieved high results in various competitions in boxing, judo, taekwondo, weightlifting, freestyle wrestling, sambo.

2017 became a bright page in the history of the Uzbek national kurash. At a meeting of the General Assembly of the Olympic Council of Asia in September in Turkmenistan, it was decided to include this sport in the program of the Asian Games. Thus, at the 18th

Asian Games to be held in Indonesia in 2018, athletes from different countries will also participate in Uzbek national kurash contests.

At present, we are working on improving the activities of the National Olympic Committee of Uzbekistan. Now the preparation for the Olympic Games and other prestigious competitions will be carried out on a new basis fully meeting the world standards.

Today, from this high rostrum, let me express my deep gratitude to all our young athletes, their mentors and coaches for their services in the development of our national sport, and wish them new victories.

Dear compatriots!

Over the past period in the **sphere of foreign policy**, we have achieved significant results in the development of friendly and mutually beneficial relations with foreign countries, primarily with neighboring countries.

In 2017, 21 high-level visits, meetings with leaders and representatives of more than 60 states and international organizations were held. As a result, more than 400 agreements have been concluded, trade and investment contracts have been signed in total for almost 60 billion US dollars.

In order to timely implement the adopted documents, 40 “road maps” have been developed, which are carried out jointly with our foreign partners.

We have started to implement the principle **“The main priority of Uzbekistan’s foreign policy is Central Asia”**. As a result, an absolutely new political atmosphere has been created in our region, interrelations based on mutual trust and good-neighborliness are being strengthened.

Strategic cooperation with Turkmenistan and Kyrgyzstan has been established. A number of important documents were signed on further deepening the strategic partnership with Kazakhstan,

economic agreements were signed for 2 billion dollars. Cooperation with Tajikistan is also strengthening. Flights between Tashkent and Dushanbe have been established.

The signing of the Treaty on the State Border with Kyrgyzstan became a serious step in ensuring security and stability in Central Asia.

Important agreements have been concluded on mutually beneficial cooperation with the neighboring Islamic Republic of Afghanistan, practical work has begun on new economic projects.

Effective agreements and arrangements were also reached with Russia, the People's Republic of China, South Korea, Turkey, the United States, European Union states, Muslim countries.

Uzbekistan at a new level is developing cooperation with such international structures as the United Nations, the Islamic Cooperation Organization, the Shanghai Cooperation Organization, the Commonwealth of Independent States.

Cooperation with the European Bank for Reconstruction and Development has been restored, and partnership have been established with the European Investment Bank. The interaction with the World Bank, the International Monetary Fund, the Asian Development Bank, the Islamic Development Bank, the Asian Infrastructure Investment Bank acquires a dynamic character.

The positive changes taking place in the country increase interest in Uzbekistan in the international arena, serve to strengthen our status in the world community.

Of course, we can talk for a long time about the work that we carried out during the year. However, we are well aware that all these are only the first steps on the chosen by us difficult, but the only true way.

I take this opportunity to express my sincere gratitude to the representatives of governmental and non-governmental

organizations, economic associations and companies who actively participated in the implementation of the State Program “Year of Dialogue with People and Human Interests” to all who contributed to this noble cause.

Dear participants of the meeting!

According to the good tradition that has developed in our country, we must now consult on the name of the upcoming new year, 2018.

We thought a lot about this issue. Took into account the appeals and letters received from our citizens during the year in the People’s Receptions and Virtual Reception Office of the President, state bodies, and judgments made during the meetings held at places, studied the opinion of the public.

Taking into account all the suggestions and recommendations, I propose to name the new year 2018 in our country as the **Year of Supporting Active Entrepreneurship, Innovative Ideas and Technologies**.

In this connection, I would like to briefly dwell on the notion of active entrepreneurship. This is a direction in the economy, where business activity is organized on the basis of innovative, modern approaches, advanced technologies and management methods.

When we say “active entrepreneurs”, we mean business people capable of producing competitive products, most importantly - creating new jobs that benefit not only themselves and their family, but the whole society.

Our first priority should be to provide all-round support to entrepreneurs, in particular, to create favorable conditions for the import and introduction of high-tech products and the latest scientific achievements in production.

We also need to create broad opportunities for them to upgrade their skills, internships in leading foreign companies and organizations, and implement mutually beneficial cooperation with them.

Today we are moving to the path of **innovative development** aimed at radical improvement of all spheres of life of the state and society.

And this is natural. After all, who is winning in this rapidly developing world? Only a state that relies on a new thought, a new idea, an innovation.

Innovation means the future. If we begin today to build our great future, we must do this primarily on the basis of innovative ideas, an innovative approach.

That is why we organized the Ministry of Innovative Development and put before it specific tasks. We hope that this ministry will perform the role of a kind of locomotive in the implementation of the most important projects, not only in the economic sphere, but also in the life of our entire society.

In 2018, the focus will be on the development of scientific research and innovation activities, the mobilization of necessary financial resources, the full support of the participation of gifted youth in this process, creative ideas and developments.

I. Priority directions for improving the system of state and public construction

Dear people's representatives!

The need for an effective solution of the currently existing problems in society, the consistent continuation of large-scale reforms requires the creation of an entirely new system in public administration.

I think the **time has come for the development and adoption of the Law on Public Service.**

At the same time, along with other important issues, it is necessary to envisage the creation of a system of remuneration and decent social security for civil servants and, at the same time, increasing the responsibility of officials.

In the sphere of management, **first of all**, we must introduce specific criteria and procedures for improving activities of executive bodies, rational use of human and material resources.

Secondly, it is necessary to clearly define the procedure for implementing the tasks assigned to the executive authorities, the scope of their responsibilities.

Thirdly, it is necessary to reduce the administrative impact on the economy and the widespread use of market mechanisms. That is, it is required to limit the state's participation in the creation of business structures, the development of appropriate market mechanisms, the transfer of certain functions of the state to the private sector.

Fourthly, it is necessary to improve the methods and techniques that ensure close cooperation between representative bodies and executive bodies, and step-by-step to abandon the excessively centralized management.

It is necessary to provide government services directly at places, expand financial and other opportunities for local authorities. It is necessary to optimize and simplify the existing procedures, introduce innovative forms of management.

Fifthly, it is necessary to reform the public service institution, introduce effective mechanisms to combat corruption.

Today, life itself requires us to form a professional, mobile and result oriented system of public service, to develop an effective system that opens a broad path for initiative-minded people who think in a new way, devoted to the homeland and the people.

In the implementation of these tasks, the guidelines for us should be the **Concept of Administrative Reform in the Republic of Uzbekistan**.

As it is known, a separate law was adopted in the country in order to effectively combat corruption.

A corresponding state program is consistently implemented, which includes measures aimed at achieving specific goals in this sphere.

As a result, for 9 months of this year, the number of crimes related to corruption, compared to the same period last year decreased by 33 percent.

We should consider such indicators as the first results of our long struggle against corruption and even more resolutely work in this direction.

Dear friends!

I think it appropriate to dwell on the role and significance of the parliament, deputies and senators in enhancing the effectiveness of the reforms we are implementing.

During the July 12 meeting with the members of the Oliy Majlis, it was emphasized that the **parliament of our country should become a true school of democracy, the initiator and decisive force in implementation of reforms**, and we approved a program of practical measures.

But what is the benefit to our society from the execution of this program, which of the deputies or senators contributed to the relief of life of our people, the solution of their pressing problems in the spheres of health, ecology, communal services, education and others?

Unfortunately, our people do not see concrete examples of such care in life, in the press, or on television. Only on paper remained the call to our deputies, the senators to become more active.

Of the 136 legislative initiatives that were submitted during the year, only 27 were forwarded by deputies, and mainly concern the introduction of amendments and additions to existing laws based on decrees and resolutions of the President. Does this alone not indicate a lack of effectiveness in the activities of our parliament?

Is it necessary to adopt only the decrees and resolutions of the President for implementing reforms? After all, the parliament is called upon to develop effective laws aimed at radical improvement of various spheres.

Unfortunately, the activity of our parliament in many respects is to hold formal meetings. Why are the problems identified or raised by the electorate not resolved through the adoption of relevant laws or a resolute statement of the issue to the executive branch?

Dear deputies, our people are waiting for you to answer these questions. Gone are the days when there was an opinion, they say, we are elected deputies or senators, now we can live peacefully.

The parliament of our country was recommended to promote the introduction of a businesslike, constructive, self-critical spirit in the activities of local Kengashes, the work of the healthcare system, the sphere of early warning of crime and delinquency.

However, the role of parliament and deputies in these spheres is not enough.

Today we cannot say that in any region the services rendered to the population by healthcare institutions meet the requirements of the times.

It would be advisable if the Legislative Chamber (N. Ismoilov) paid more attention to solving problems in this sphere. For example, it would be possible to establish a separate committee on the issues of healthcare in the lower chamber of the Oliy Majlis and organize the work of deputies - its members mainly at places.

If we look at the reports, we get the impression that there are positive changes in the activity of the local Kengashes, but this is expressed only in figures. We do not need numbers, but concrete results.

Only if the situation in the regions improves, when the budget execution is ensured, crime will decrease, new jobs will appear in the required quantity, and, most importantly, the people's standard of living will improve, only then can the work of local Kengashes be evaluated positively.

Unfortunately, in none of the districts the activities of the Kengash of People's Deputies are organized at the proper level.

The leadership of the Senate (N. Yuldoshev) should critically, taking into account the opinions of citizens, consider the activities of the upper house in this direction and take the necessary measures on radically changing the work of the representative bodies.

It is also necessary not to allow the weakening of work on the prevention of violations in the regions and increasing the effectiveness of the fight against crime.

In the most important direction of the activity of the Parliament - lawmaking, there are also a number of mistakes and shortcomings.

It should be recognized that the adoption of laws and by-laws that in most cases do not contribute to the resolution of any specific issues, and sometimes contradict each other, in practice leads to a multitude of problems.

The question is who needs the ineffective working groups that are being created, as well as the "dead" laws that do not affect law enforcement practice and do not have enforcement mechanisms?

In order to prevent such negative phenomena, we must develop and implement the **Concept of improving lawmaking and rulemaking**.

Henceforth, we will critically review the practice of adopting laws within the framework of implementing various programs.

We must all be well aware that **the only source and author of the law must be the people.**

From now on, opinions and proposals on each draft law will come directly from citizens, local Kengashes of People's Deputies.

In the process of adopting laws, we must effectively use the system of wide discussion of draft laws by the population. To organize such a discussion, the leadership of the Oliy Majlis needs to create special 'sites' on the Internet.

For citizens to express their position on important issues relating to the life of our state and society, it is advisable to create a special web page **"My opinion"**.

As the advanced mechanism of democracy, it is proposed to introduce the **procedure for introducing collective electronic appeal.**

In other words, the mandatory consideration by the Oliy Majlis or Kengashes of people's deputies of initiatives forwarded by groups of citizens should be legally enshrined.

Recently we have created the Institute of Problems of Legislation and Parliamentary Studies under the Oliy Majlis. It is called to become a kind of scientific center, deeply analyzing the various proposals coming to the Oliy Majlis.

Another important issue is that further strengthening of the role of the chambers of the Oliy Majlis and political parties is necessary for a comprehensive study of the state of affairs in all spheres, the development of effective measures and the solution of existing problems.

It is also necessary to get rid of the practice of chasing numbers. If instead of solving hundreds of problems on paper you actually solve at least a few problems, then the voters will be satisfied with your work, dear deputies.

Most importantly, our citizens, on the example of their own lives, should feel the ongoing transformation; feel that there really are representatives in the system of state power.

Ensuring inter-party competition, creating equal conditions for all political actors is an important condition for strengthening the role of parliament.

As is known, the Ecological Movement of Uzbekistan, organized in 2008, has turned into a real political force over the past period. However, it should be recognized that the inclusion of representatives of the movement in the lower house of parliament on the basis of a predetermined quota does not help to increase their activity and initiative.

I think that the time has come to create equal conditions for all political forces and to **stop quoting places in the Legislative Chamber for representatives of the Ecological Movement**. The introduction of this amendment will strengthen the healthy competition in the political arena and will serve to strengthen the Ecological Movement as a separate political force.

In this connection, I would also like to dwell on electoral legislation, which is of great importance in our political life. The 6 laws and a number of by-laws adopted in this sphere, unfortunately, have not yet been harmonized as a single document.

It is necessary to develop and adopt a **single Electoral Code** that meets international norms and standards.

Also today, we should begin to develop a Program of measures on preparation for elections to representative authorities, which will be held in 2019. In the program, special attention should be paid to organizing this political process in an even more open spirit, which corresponds to best practice.

Dear friends!

The next important issue before us in order to create even more favorable conditions for the population is a radical increase in the quality and expansion of public services.

Therefore, under the Ministry of Justice, we have organized a new structure - the Public Services Agency, which will coordinate and supervise the work on their provision by all government departments.

Henceforth, the centers of public services of this Agency, which will begin to operate under the People's Receptions, will provide prompt and qualitative services not only to entrepreneurs, but to all citizens.

The actual issue is still **the planning of activities of government bodies, increasing their effectiveness.**

At the present time, there is no specific criterion for objectively assessing the activities of a particular agency for the past period. For example, I do not know yet by what criteria the work of the Ministry of Economy or another department is evaluated.

Therefore, ministries and departments, khokimiyats of all levels in determining the forecast parameters should outline specific quantitative and qualitative indicators of the expected results of their activities.

In this connection, it is necessary to review the structure and tasks of state bodies. In order to avoid mistakes in this sphere, it is necessary to take deeply thought out decisions, to receive a positive conclusion from the Commission on the implementation of the Concept of Administrative Reform.

It is extremely important to **ensure coordinated work of the executive authorities** for ensuring the effectiveness of the adopted measures.

Unfortunately, today the lack of a clear delineation of responsibility, the definition of its degree in terms of activities, mechanisms of authority prevents from achieving this goal.

In this connection, in the sphere of public administration, it is necessary to introduce a system for making effective decisions based on their openness and transparency.

It is advisable to revise the principles and mechanisms of interaction between government bodies and the Cabinet of Ministers. Each ministry is obliged to ensure the implementation of state policy in the sphere entrusted to it and fully responsible for the final result.

It is required that agencies directly cooperating with the government and parliament, committees, inspections and centers, which operate in a status equivalent to ministries, are subordinate to relevant ministries. Taking this into account, a critical review and optimization of tasks and structure of the government is necessary.

Such changes will serve to reduce more than a hundred bodies of state and economic management, performing almost identical functions.

One of the major shortcomings of our activities is the excessive centralization of the functions and powers of the state.

For example, at present there are 64 types of licenses, 21 of them are issued by the Cabinet of Ministers and 40 – by central departments. The issuance of three types of licenses refers to the powers of the regional khokimiyats and only one - the district khokimiyats.

This state of affairs can also be observed in the sphere of processing documents related to licensing procedures.

Only 11 of the 220 permits can be obtained in districts or cities. The remaining 209 have to apply to the republican and regional bodies. Is this normal?

For example, in order to obtain a license to open a private kindergarten in Shavat district, an entrepreneur must overcome a thousand kilometers, go to Tashkent and wait for months.

The same facts are also observed in the selection, placement of personnel, the allocation of credit and financial resources, the approval of many important decisions at the local level.

How can we understand that local authorities do not have the authority even to solve simple issues?

All this has a negative impact on the independent work of the structures in solving urgent socio-economic problems at places.

It is necessary **to abandon the excessive centralization of public administration** and transfer many powers of central bodies to territorial bodies.

Taking into account all these circumstances, the position of deputies of district, city and regional khokims for attracting investments was introduced. In addition, a resolution was adopted on further increasing the responsibility of tax, financial and economic bodies for the formation of local budgets, the creation of additional reserves. The powers of local authorities in reforming the budgetary system have been expanded.

Now the heads of the district, city and regional khokimiyats should take advantage of the provided opportunities and take responsibility for solving urgent problems at places.

One of the urgent tasks in the near future is the **complete transfer of authority to the khokims of districts and cities in the selection and placement of the executive staff responsible for socio-economic development of the territories.**

From now on, the appointment of the heads of local departments of public healthcare, public education, economy, finance, tax inspection and other structures for the post and dismissal will be carried out by the district khokim.

Similar powers of regional and Tashkent city khokimiyats will also be revised.

Along with giving such wide powers and independence to local leaders, we must also radically increase their responsibility for the final result.

Another important task is connected with **the division of powers of khokims as leaders of executive and representative authority.**

In recent years, the role of the Kengashes of People's Deputies, the powers of the people's representatives have been strengthened. The powers of political parties have been gradually expanded in the formation of local government bodies; deputy control over executive bodies has been strengthened.

At the same time, it must be admitted that practice, when a khokim is simultaneously the leader of both the local Kengash and the executive body, does not comply with democratic principles.

It is known that khokims report to local Kengashes on important and urgent issues of territorial development. And the Kengashes, in turn, make the appropriate decision.

Probably, it is worth asking the question: is it possible to consider such an order of things as normal, when, as a result, the khokim gives an assessment of his activity?

Today, life itself proves that such a system negatively affects the activity of both khokims and local Kengashes.

Therefore, at present we are working on resolving this issue at the legislative level.

Our important task should be to create conditions for the implementation of public control through our representatives over the activities of the khokims for the development of the territories, the implementation of the local budget, and the solution of communal issues.

In today's reality, it is the reporting, openness and responsibility of officials to society that are an important condition for the effective functioning of the state apparatus.

From this point of view, in the near future, in the Internet, it is necessary to create a single platform **for the implementation of all**

public procurement and the sale of state property. This will reduce budget expenditures, effectively manage state property and save large financial resources.

Dear compatriots!

It should be specially noted that in the reforms aimed at building an open civil society, ensuring the protection of human rights and freedoms, an important role belongs to non-state non-profit organizations.

Currently, there are more than 9 thousand NGOs in the country, there are branches and representative offices of 29 international and foreign nongovernmental organizations.

Separate decrees and resolutions have been adopted on improvement of the activities of such non-governmental non-profit organizations as the Nuroniy Foundation, the Youth Union, the Council of Farmers, Dehkan Farms and Household Landowners, the Chamber of Commerce and Industry, the Republican Council for Coordinating the Activities of Civil Society Institutions, and their support.

However, despite such measures, the participation of public organizations in systematic study of the population's problems, their resolution, especially in supporting women in difficult social situations, prevention of delinquency and crime among youth and women, their employment is not properly felt. These organizations mainly deal with formal events.

I think that the relevant conclusions will be drawn from today's criticism, and NGOs will intensify their work.

In order to organize effective cooperation with non-governmental non-profit organizations, I consider it expedient to create an **Advisory Council under the President of the Republic of Uzbekistan for the Development of Civil Society.**

I want to dwell on one more urgent problem in this sphere. So far, no specific legal mechanism has been created on implementing

public control over the activities of state bodies.

This, in turn, hinders the objective assessment by non-state nonprofit organizations of the performance by state bodies and officials of the tasks assigned to them.

Proceeding from this, in order to introduce effective and practical mechanisms for implementing public control in state and public administration, I propose to accelerate the adoption of the **Law on Public Control** and create public councils at all state bodies.

These public councils should ensure the openness of the activities of state bodies and act as a liaison with the population.

Currently, the **mass media** are an important and influential factor in strengthening democratic principles in society.

In order to form professional and modern journalism, it is necessary to focus on financial support of the mass media, in particular, new non-state information and analytical websites and create a special state fund to this end.

Today, there are more than 1,500 media outlets in our country. They vary depending on the form of ownership, specialization and forms of broadcasting. Obviously, they all need highly qualified staff. Unfortunately, there is no appropriate basic higher education institution that could solve this large-scale tasks in the country at the highest level.

In this regard, I believe it is necessary to establish a University of Journalism and Mass Communication.

II. Priority areas for ensuring the rule of law and further reforming the judicial legal system

Dear deputies and senators!

I never become tired of repeating one idea: our prime goal must be to ensure justice in our life.

This year, the large-scale activities were started on ensuring the true independence of the judiciary authority. In particular, the Supreme Council of Judges was established, in order to further improve the structure of judges and system of selecting and appointing candidates for positions of judges.

The Council established effective public control over the selection and appointment of nominees for judges.

We must continue reforms in this area. To this end, I consider it necessary to create a **Commission under the Oliy Majlis on supporting provision of independence of the judiciary power.**

This commission must analyze the situation on the basis of generalization of appeals received from citizens, the issues raised during direct dialogue, and through parliamentary inquiry and take measures for solving identified problems in cooperation with the Supreme Court and the Supreme Council of Judges.

In order to ensure the true independence of the judiciary power, first of all, judges should be protected from factors affecting access to justice. It is important to identify cases of interference in the activity of the court, strengthen responsibility and ensure inevitability of punishment.

We will consistently continue to work on the implementation of the Habeas Corpus Institute and strengthening judicial control over investigation. Proceeding from this, it is necessary to transfer to the courts of the right to issue a sanction for conducting a search and listening to telephone conversations of persons suspected of committing a crime.

We will pay special attention to the liberalization of certain deeds and their elimination from the category of offences, mitigating the criminal punishment from humanistic point of view.

To this end, we need to adopt and implement the **Concept of improvement of criminal and criminal-procedural legislation in 2018-2021.**

Based on such eternal values of our people as forgiveness and tolerance, we need to **revise the terms of bringing to criminal liability**.

We also need to establish the **Academy of Justice of the Republic of Uzbekistan** for the purpose of training highly qualified judges.

As it was noted at the solemn meeting on the occasion of the Constitution Day, from now on, cases of torture, psychological and physical pressure and other forms of inhuman violence against persons arrested and convicted will not be allowed in Uzbekistan.

An officer who committed such acts or any person who fulfilled someone's «order» would inevitably be brought to liability irrespective of who he/she is.

Taking into account the creation of additional mechanisms for ensuring the rights of prisoners, **further improvement of criminal justice legislation is of particular importance**.

On the basis of critical examination of the system of penal institutions, it is planned to adopt a program of relevant measures in 2018-2022.

In order to prevent the human rights violations, all temporary and pre-trial detention facilities, penal institutions will be equipped with video surveillance facilities.

Starting from next year, we will provide traffic patrol and patrol station services of internal affairs bodies with video cameras, allowing to record the progress of execution of their official duties, especially conversations with citizens. This system will help preventing cases of bribery and abuse.

At present, the old disposition of road patrol stations between the regions restrict the freedom of movement and negatively impact the trade and economic relations, development of internal and external tourism.

Today there are over 60 such stations in the territory of our country. For example, one needs to pass 17 checkpoints in order to come from Khorezm to Tashkent, by car, and from Fergana Valley – eight checkpoints.

In this regard, it is necessary to liquidate all road patrol checkpoints in the regions borders, drastically reduce the number of stationary posts of patrol service.

Proceeding from the tasks of building a legal democratic state, we must to improve the **system of training legal personnel, designed to have in-depth knowledge, high qualification**, who would meet international standards, dedicated to their profession.

Currently, about 600 students are admitted in law specialty of higher education institutions annually. This is only one percent of the total number of students, entering all the higher education institutions of the country.

Do you think that it is possible to satisfy the ever growing demand of our state and society for lawyers?

Definitely no.

Along with expanding the educational and methodological base of Tashkent State Law University, branches of prestigious foreign higher education institutions should be opened in this direction in our country.

It is well known that in recent years a worthy work has been carried out in our country on development of the legal profession. Now we need to take measures on further improvement of the work of lawyers in providing counseling services and legal assistance to entrepreneurs.

We need to create conditions for lawyers for expanding their activities on the most demanded types of advisory services, including, assisting entrepreneurs in registration of permits, representation in

the state bodies, pre-trial settlement, providing legal services on labor issues, increasing the legal awareness of the population.

Unfortunately, until now, in most cases, the main task of law enforcement and the judicial bodies remains the implementation of repressive measures.

In this regard, I would like to emphasize: our people are tired of being responsible for what they say "check-ups" and "rumors". Law enforcement officials should be well aware of that.

The time for intervention in all spheres, hiding behind the "office" and acting in the own interests, neglecting the interests of the Motherland and people, has passed.

Henceforth, no one should be held liable for fake evidences and slander. It is necessary to create reliable guarantees for the unconditional performance of the Constitution norms and laws.

We must create a system in which none of law enforcement bodies would go beyond its competence, repeat the functions of others.

In other words, internal affairs bodies should ensure public order and security and national security service protect the state from internal and external threats. The prosecutor's office must take control over the implementation of laws. The main objective of the courts is to establish justice, make a legal, just and fair decision on each case.

To this end, extensive work is being conducted over the past year on radically reforming the work of the courts, prosecutor's office and internal affairs bodies.

The specific objectives of these agencies are clearly defined, their activities are directed to serve the interests of people.

Certainly, it is still too early to say that the adopted laws, decrees and resolutions in this sphere has been fully implemented.

In spite of the measures taken, the internal affairs bodies have not yet turned into structures, truly caring about people.

The efforts of the prosecution authorities on ensuring the rule of law in society are insufficient.

The courts have not yet become a place of justice in any cases.

We can't say that the activities of all the staff in these agencies are fully mobilized on protection of the constitutional rights of citizens.

Therefore, we will consistently continue reforms in this area in the future.

The work of judiciary and the law enforcement agencies will be evaluated only by the people themselves.

The only and most stringent requirement for them should become serving the legitimate interests of citizens and protecting their rights.

And most importantly we should not allow a single body to collect all the powers and resources and prevent violation of the principle of checks and balances.

In this regard, it should be noted that the bodies of the National Security Service have been acting till the present day on the basis of the Regulation approved by the government 26 years ago.

It should be noted that this Regulation has not been changed for a quarter of a century and any ordinary issue has been regarded as a threat to national security which led to the groundless expansion of the agency's powers.

However, the tense situation that is developing in some parts of the world is aggravated by increased migration of the population, which in turn leads to the spread of terrorism and extremism and turning them into one of the global problems.

In such a situation, preservation of our national statehood, independence, peaceful and tranquil life, security of our people should become a priority for us.

From this point of view and taking into account all the threats of the globalization era it is time to reform the activity of the National Security Service.

In this regard, I propose to draft and adopt laws **“On Law Enforcement Bodies”** and **“On National Security Service”**.

I believe that the adoption of these laws creates strong and reliable guarantees for further strengthening the constitutional rights and freedoms, prosperous life of our citizens.

III. Priority directions of development and liberalization of the economy

Dear friends!

We all understand that any reform and change cannot be achieved without sustainable economies.

We have begun extensive work in this direction over the past year.

However, we still have many tasks on strengthening our national economy for entering into a number of developed countries.

Today, the number of countries, developing due to the introduction of innovative development models, exporting advanced ideas, “know-how” and “smart” technologies in the world.

Unfortunately, the work implemented in this direction in our country is not satisfactory.

According to the International Monetary Fund, Uzbekistan ranks the 134th place in the world ranking among 187 countries on gross domestic product per capita.

However, Uzbekistan is a country, rich in natural resources with a huge economic potential. There are large reserves of natural resources such as gold, silver, copper, uranium, oil, natural gas and coal. All the elements in Mendeleev’s chemical table can be found in our country.

Our fertile soil, the optimal climate with a lot of sunny days a year, where else can you find it?

The thing is to use this priceless treasure wisely and effectively in the interests of our people. But we must admit we are lagging behind in this issue.

For example, the volume of natural gas production in our country in 2017 amounted to 56.5 billion cubic meters. However, the sphere has not been modernized for many years. That's why the loss is very big - 20-23%.

Of course, all of us should be worried of such a situation.

Economy, first of all, relies on an accurate calculation. In each case careful calculation should be given priority.

For example, we need to produce 66 billion cubic meters of gas in 2018. About 17 billion cubic meters of gas will be delivered by "Uzbekenergo" JSC. Due to this, 56 billion kilowatt of electricity will be produced. Unfortunately, we have outdated transmission lines. As a result, 15-20% of electricity is lost in the network without reaching the consumer.

Or another example, enterprises affiliated to "Uzkimyosanoat" JSC consume about 10 billion cubic meters of natural gas a year. Mineral fertilizers are produced on this basis. Farms did not timely pay for their supply, as a result, enterprises of "Uzkimyosanoat", as of December 1, 2017 owed 890 billion soums for natural gas.

It's clear to everyone that under the market conditions both the supplier and the consumer should timely and fully comply with their contractual obligations to avoid such situations.

A serious problem is the outdated management system in the economy, untimely introduction of innovative ideas. In addition, backwardness in technology and in using alternative energy sources also hamper economic development.

Worst of all, serious mistakes made in the definition and implementation of promising large-scale projects, irrational direction of foreign loans hinders the development of the economy.

For example, many experts and specialists recognize that many loans taken in the country for 25 years did not yield economic benefits. For example, the Ustyurt Gas Chemical Complex built in Karakalpakstan does not provide the expected economic benefits. Some “clever individuals” from the Ministry of Finance used to shout to the whole world that this is the best project in the world. But where is the result?

Such situation can be seen in a number of social programs related to the most acute needs of our people. For example, over the past 10 years more than \$618 million of foreign loans were attracted within the framework of implementation of 17 projects for providing drinking water to the population. If such amount of currency were spent for achieving the concrete results in improvement of live standards of our people, we would thank to the leaders of the economic complex who have initiated this work. Yet, unfortunately, none of the started projects have been completed.

First of all, we need to create an effective system of attraction of foreign loans and investment, learn how to use each loan.

In this context, it is crucial to prepare an innovation program, to prepare a new generation of cadres who effectively use innovations and investments, to support the development of the class of owners.

To do this Uzbekistan needs a well thought-out **program on technological development and modernization of the domestic market.**

Implementation of this program should enable Uzbekistan to faster join the ranks of the world’s developed countries.

Of course we all know that in our country low prices for basic energy resources are not justified in a market economy.

For example, the 1 megawatt/hour of electricity in Uzbekistan for the population and industrial enterprises costs \$25. In Germany the price is \$332 for the population and \$144 for enterprises. In Russia \$47 and \$51, in India \$68 and \$87, respectively.

As well as, the cost of 1000 cubic meters of natural gas in Uzbekistan is \$32,9, in Sweden - \$1552, in Portugal - more than \$1132, Italy - \$1045, Germany - \$785, England - more than \$770. This figure is more than \$83 in Russia and \$45 in Kazakhstan. It is worth noting that in our country the cost of energy resources and natural gas is several times less than in developed countries. However, due to the lack of rational use of resources, it is difficult to achieve a reduction in the cost of production.

In order to increase the efficiency of the use of energy resources, we need to reform the energy system of our country, develop a clear strategy in this direction.

First of all, it is necessary to privatize inefficient and operating to the detriment enterprises, to stop monopoly. It is also important to create a competitive environment in the electricity sector and encourage the use of alternative energy sources. For this, it is necessary to switch to market mechanisms for financing production with the involvement of the private sector.

In connection with the announcement of 2018 as the Year of supporting active entrepreneurship, innovative ideas and technologies, comprehensive measures will be taken on supporting this sphere, removing obstacles to the accelerated and sustainable development of business entities.

Unfortunately, there are still problems in developing entrepreneurial activity.

Why the development of entrepreneurship in our country does not meet expectations? In truth, we - the state bodies should partly

blame ourselves. Still there are unnecessary procedures, many local officials work exclusively for their own personal interests.

Speaking of this, we recall the words of a prominent statesman and the politician Winston Churchill. He wrote: **“Some regard private enterprise as if it were a predatory tiger to be shot. Others look upon it as a cow that they can milk. Only a handful see it for what it really is – the strong horse that pulls the whole cart”**.

I think there is no need to comment these statements.

The requirement of a market economy is that access to resources and opportunities must be the equal for all, without any advantages.

From this point of view, it is injustice that imports of products important for the needs of the population are concentrated in the hands of some groups and has become a source of tangible income for them.

Granting privileges to some enterprises, we ourselves limit the environment of free competition, and thus have a negative impact on price stability.

Now we will abandon this practice. In this respect, equal conditions will be created for all. Privileges will be granted not to certain enterprises, but to encourage special types of production and services. Complete monopolization of the main spheres of economy, under the guise of privileges, is absolutely unacceptable.

A draft Decree **“On Measures for Further Effective Provision of Food Security of the Country”** was developed and introduced to the discussion of general public in order to create an equal and fair competitive environment.

It is known that the complexity of our customs procedures is one of the main obstacles to entrepreneurship.

According to the World Bank report, Uzbekistan ranks the 175th among 190 countries in processing export-import documentation.

For example, if you need 1 hour for customs clearance in Belgium, then it takes a whole month in our country.

Imported goods are subject to a separate inspection in each customs regime. Why should one cargo be inspected several times on the territory of our country? Who is interested in this? After all, every inspection requires cost!

In addition, depending on the type of goods, it is not allowed to export goods from the bonded warehouse without compliance, hygienic or veterinary certificate. Are not each our customs warehouse equipped with express laboratories? How open and transparent are these customs processes, why are the officials responsible for the sphere silent about this?

In all developed countries, the customs inspection is carried out based on the data of the security alert system. This saves the resources of the government and the time of entrepreneurs. But we have not yet implemented this system.

Starting from the next year, we will introduce it for entrepreneurs, that is, depending on honesty of entrepreneurs, the order of passing through the "green" or "red" corridors, will be established.

In this connection, the Cabinet of Ministers (A.Aripov) is instructed to prepare a draft of relevant resolution within two months and submit it for approval in accordance with the established procedure.

At the same time, it is necessary to strengthen counteraction to illegal inspections, unreasonable interference in the activities of private business, revise the system of inspections of business entities.

We must admit that activities of the Republican Council for Coordinating the Activities of Regulatory Bodies does not meet the requirements of the time.

Think for yourself, both the working body, as well as the controlling body conducting the largest number of inspections is the tax authority

itself. It itself issues a permit for verification and checks itself, where is the logic?

In this connection, I consider it expedient to transfer the issuance of permits for verification to a special electronic system and to impose implementation of appropriate control on the General Prosecutor's Office. we intend to stop for two years the audit of financial and economic activities. How do you look at this?

At the same time, in connection with announcement of 2018 as "The Year of Supporting Active Entrepreneurship, Innovative Ideas and Technologies", we intend to stop **for two years the audit of the financial and economic activities. How do you look at this?**

It is required that, under the leadership of the Prosecutor General, the heads of supervisory bodies every month meet with active business entities, listen to the problems concerning them, take measures on identifying and eliminating the shortcomings that impede their legitimate activities.

The Chamber of Commerce and Industry should not sit idle in the matter of reliable protection of the rights of entrepreneurs. At the same time, instead of talking about shortcomings committed by state bodies or officials, the Chamber needs to critically discuss offenses, in particular, crimes committed by entrepreneurs. Simply put, the business community itself must ensure the purity of its ranks.

Another important issue is importance of the cardinal revision of the activities of the Center for Coordination and Development of the Securities Market for the further development of the stock market and the stock exchange in the country.

We will continue to work on transferring free objects of state property to the private sector on the basis of partnership.

It is necessary to create a unified procedure for the allocation of **land plots, including for entrepreneurs**, through electronic auctions

and auctions on the Internet. To this end, starting in 2018, a **system for the sale of state assets through electronic trading platforms** will be created.

A strong and stable banking and financial system is of great importance in the development of the economy. We cannot completely get rid of the “shadow economy” without increasing the confidence of the population and business entities in the banking system.

In the implementation of the planned tasks on development of the banking system in 2018, the main attention should be paid to ensuring efficient and mutually beneficial cooperation between banks and business entities.

Despite the hesitations and “advice” of some “experts” who opposed the reform of the foreign exchange market, we started the process of currency liberalization on the basis of international standards in a short time. But we are well aware that this is only the beginning of reforms in this field.

Currency policy should fully meet the interests of business and economic development, give a positive impetus to investment activity.

In 2018, we will abandon tough measures in the conduct of tax policy. Since budgetary sustainability is vital for the smooth functioning of the public system during the reform period.

We need to do a lot for improving the tax system in order to make our country attractive for investors who intend to implement large investment projects in Uzbekistan. It is necessary to **reduce and simplify the tax burden for all categories of business, thereby expanding the production and tax base.**

The small and private entrepreneurship that build facilities for their own needs should be given the right to defer a single tax payment within a certain period of time. It is also necessary to encourage the transition of small businesses to pay value added tax.

At the same time, it is **necessary to move to a policy of stimulating rapidly developing and growing enterprises.**

I propose to abandon individual tax exemption and move to the practice of applying them only for certain sectors of the economy.

Most importantly, from the point of view of investors, the tax system should be clear and understandable for a long time. Therefore, it is necessary to apply a carefully thought-out, long-term policy in the tax system.

We need to **revise the country's budget system, ensure that budget revenues and expenditures are open and transparent for our people.**

It should be noted that at the meeting of the Senate, the most important laws concerning the State Budget of the Republic of Uzbekistan for 2018 and improvement of the tax system, were approved.

When signing these laws, I will pay special attention to the extent to which they reflect the interests of our people, provide for specific measures on creating even more favorable conditions for entrepreneurs and investors, as well as development of the territories. **If necessary, I am ready to review these laws in terms of the interests of ordinary people and entrepreneurs.**

Dear friends, what do you think, what our biggest problem is?

We do not have an elaborate, long-term unified concept for the development of investment programs.

During each state visit, we conclude agreements worth several billion dollars on attracting foreign investments. However, the implementation of these agreements is very slow. This is because there is no well-functioning system in this area.

In current investment programs there is no information on any particular project. When developing programs, the Ministry of Economy and local khokimiyats are chasing only numbers.

They include in the program even those projects that do not bring economic benefits, have no prospects and sources of funding, unnecessarily overstate the cost of projects, in short, they are engaged in fraud.

It's time to get rid of such unpleasant practice. We decided to eliminate these cases and attract investments in the real sector of the economy, *introduce completely new mechanisms for project development.*

The practice of accepting investment projects, developed in a reckless manner and for the sake of diverting the eyes, is completely discontinued. From this moment on, the concepts of long-term development will be developed. As the first step in this direction, the **State Programs for the Development of the Republic of Uzbekistan have been adopted and a Fund on financing these programs was established.**

One of the most important tasks in the development of the economy is to mobilize the population's funds in the form of investments, to strengthen the sense of entrepreneurship in people.

To this end, I propose to open an **Investment Portal** on the Internet that will provide local and foreign investors with the necessary statistical data and providing information on the conditions created in the country for doing business.

Based on foreign experience, it is necessary to organize free 24-hour mobile communication services for all investors. It is also necessary to think about creating a system of benefits for foreign investors that encourages them to reinvest.

It is important to intensify the work of khokims, the heads of the state bodies and organizations in expanding cooperation with foreign investors, creating new types of production, jobs.

Starting from the next year, the rating will be announced on conditions created at places for foreign investors, and the activities of regional leaders will be assessed on the basis of these standards.

As it is known, today there are our embassies in 33 countries of the world. But is the Ministry of Foreign Affairs fully using its opportunities for promoting an increase in the investment attractiveness of our country, attracting foreign investment? Is the activity of the embassy's councilors on trade and economic issues satisfactory?

Unfortunately, the issues of economy and investments have become secondary for our ambassadors. They are only concerned with "politics." The embassies have a shortage of specialists on economy, finance and investment issues.

Therefore, I propose to introduce a separate system for studying the knowledge and skills of each appointing embassy employee in the sphere of economy.

Dear friends!

The remaining vast untapped potential and resources in the **foreign economic sphere** should be emphasized.

In this regard, we will continue to expand trade-economic relations with Central Asian states and our major partners – China, Russia, South Korea, the United States, Turkey and the European Union member-states.

In the forthcoming year we need to pay special attention to consistent development of reliable transport and transit corridors that will ensure access of Uzbekistan's foreign trade goods to main world and regional markets.

Today, our main goods are transported via transit routes of Kazakhstan, especially, most of the cargo cross through the "Saryagash" station, and we hardly can affirm that this route fully meets our demands.

Lack of electric locomotives for importing goods to the territory of Uzbekistan through this station, modern terminals, railway traffic

congestion result in long term cargo delays and has a negative impact on economy of our country.

For that reason, we should diversify logistic routes and hold practical negotiations with our neighbors.

It is necessary to increase the potential of our country in the field of transport and communication infrastructure within the framework of the “One Belt, One Road” project initiated by China.

We should earnestly consider the possibilities of obtaining preferences in exporting our main goods through the territories of transit states, particularly, Turkmenistan, Iran, Kazakhstan, Russia, Azerbaijan and Georgia.

Furthermore, in order to support national carriers and to create additional opportunities for entities of entrepreneurship, we must establish the **National Logistics Portal**.

In the forthcoming year we will restart negotiations on accession to the World Trade Organization. In order to further encourage export, it is necessary to adjust respective technical regulations system to international standards. One of our core objectives is to deliver quality and certified products to foreign markets under the **Uzbek brand**.

Today one of perspective sectors, which generate high revenues to national economy is tourism.

Uzbekistan is considered a state, which possess vast potential in the sphere of tourism. There are more than 7,3 thousand cultural heritage sites, significant number of them is included in the UNESCO’s World Heritage List.

At the same time, it is possible to create new directions for the development of tourism using the opportunities of the unique nature of our country, beautiful recreation areas.

Special attention should be paid to development of pilgrimage tourism, ecological, educational, ethnographic, gastronomic tourism and other directions of tourism by means of attracting of world brands into the sphere.

We should take into consideration that fostering public private partnership will expand potential in development of this sphere.

It is necessary to develop the **Small Hajj program, which envisages pilgrimage to holy shrines and monuments** in the cities of Samarkand, Bukhara, Tashkent.

Along with this, it is essential to unveil wide opportunities in the sphere of internal tourism as well.

Deputy Prime-Minister S.Kholmuradov and Chairperson of the State Committee on Tourism Development A.Abdukhakimov must develop and submit documents on addressing these issues within a week.

Dear participants of the meeting!

I would like to dwell attention on most important tasks in the leading sector of our economy – agriculture.

We discussed it in detail during the meeting on the occasion of the Day of workers of agriculture, held on December 9.

I will not repeat the voiced ideas and think it is necessary to focus our attention on the following important issues.

It is well-known that today more than 51 percent of the country's population lives in rural areas. However, the share of agricultural products is not more than 17 percent of the Gross Domestic Product. The volume of processing agricultural products doesn't even reach 10 percent. Whereas, the same indicator in developed countries accounts for more than 50 percent.

In this connection, we should elaborate a **comprehensive program on further reforming agriculture**, paying special attention to ensuring food security.

Attention should be paid to introduction of strict control against production of genetically modified products.

Indeed, the increasing volumes of imported fruits and vegetables into markets of our country during recent years should warn us.

- In order to overcome this negative trend, above all we should revive our disappearing traditional sorts of vegetables and fruits, establish efficient and effective selection work, ensure wide introduction of scientific achievements and innovations in agriculture.

It is known that textile industry of Uzbekistan has a capacity to process up to 1 million 400 thousand tons of cotton fiber. This is enough for fully meeting the demands of country's manufacturers of finished products.

However, there is a number of problems in management of cotton processing industry. This, in its turn, results in decreasing profitability of cotton production and processing.

A separate decree of the President was adopted in connection with the need for addressing problems in this sphere, and further encouraging local producers.

To this day, raw cotton was sold to our textile factories through "Uzpakhtasanoat" joint-stock company. According to the decree, from now on, textile factories have opportunity to purchase raw cotton directly from farmers under direct contracts.

Within the framework of the organization of cotton-textile clusters in Navoi, Bukhara and Syrdarya regions, the approbation of the system of cultivation, pricing and sale of cotton raw materials on the basis of market mechanisms has started.

Time itself requires the mastery of this positive experience throughout the country.

What concerns the stockbreeding sphere, we should create respective favorable conditions in order to increase the number of

cattle and poultry, as well as ensure quality and productivity of products.

There is a necessity to establish specialized livestock complexes, high-tech poultry farms, as well as greenhouses in each district in the near future.

At present, we export fruit and vegetable products worth 1.5-2 billion USD. In this context, I would like to note that in this sphere there is an opportunity to export products worth 10-15 billion dollars a year.

“UzAgroExport” joint-stock company, commodity exchanges, agro firms and wholesalers should play a greater role in the production and export of products.

Effective realization of agricultural products is also a very important issue. To this end, it is necessary to create a **single database on the volume and quantity of products grown on farms.**

Dear deputies!

I would like to briefly dwell on **accelerated economic development of the regions.**

I believe it is reasonable to expand powers, capabilities and responsibility of local authorities on this issue.

In 9 districts of the country, any enterprise with foreign investment wasn't organized to date. Direct investments are mainly concentrated in Tashkent city, Tashkent and Samarkand regions as well as the Fergana valley.

Regional projects on organizations of modern production and engineering-communication networks should be implemented on the basis of strengthening public - private partnership.

However, it should be noted that activity in this area is not being conducted on proper level.

Therefore, we need to develop and implement the **Concept on Introduction of Public-Private Partnership.**

One of the major spheres of the economy that has untapped potential is construction industry.

Reformation and further development of this sector will become one of the main objectives for the next year. We should seriously think over **establishment of construction contracting organizations and preparation of a new generation of builders.**

To this end, the program of innovative development of construction industry till 2030 will be developed.

We will create all the necessary conditions for attraction of qualified specialists from abroad as well as for professional development of local specialists in foreign countries.

Next year, activity will continue on further improving the architectural appearance of our cities and villages.

We must not forget that any building, whether it is a kindergarten or a hospital, in addition to performing its immediate functions, externally affects the mood of people. Therefore, we should abandon the old templates and introduce innovative approaches to the design of social facilities, construction of which is planned in the regions.

Taking into account the needs of the population, especially young families, owners of old houses and citizens of other categories, we must continue to build affordable and high-quality housing at a high rate.

To this end, specific plans have been developed on increasing the construction of standard and affordable housing by 1.5 times in 2018 as compared to 2017.

Another important issue related to this sphere is that it is necessary **to radically review the activities of private homeowner associations.** We count on effective and proactive work in this direction of the new Ministry of Housing and Communal Services.

In the next year, projects on providing population with clean drinking water and sanitation will be implemented in many places, primarily in the Republic of Karakalpakstan, Khorezm, Bukhara, Jizzakh, Kashkadarya, Surkhandarya and Syrdarya regions. This will provide about 580 thousand residents of the regions with drinking water supply.

Dear participants of the meeting!

In 2018, in order to build new roads, further develop the transport and logistics infrastructure, improve the quality of provided services, we are planning to:

firstly, restore railways with a length of 180 kilometers and electrify more than 200 kilometers of railways;

secondly, organize movement of Tashkent – Urgench – Khiva high-speed train and Tashkent – Samarkand – Bukhara – Urgench – Khiva tourist train, to put into operation the Southern Station of Tashkent and the new station of Khiva;

thirdly, electrify the lines of Bukhara – Miskin and Karshi – Kitab, as well as connect them with Shakhrisabz through a new network of railways;

fourthly, accelerate construction of Sergeli and the second line of Yunusabad lines of Tashkent Metro, the metro line along the large ring road of our capital;

fifthly, organize large automobile and railway transit hubs by building a modern infrastructure with qualitative service.

Unfortunately, we are not paying enough attention to the important strategic sphere – introduction of **aerospace technologies** in leading spheres and sectors of the economy.

In order to develop this sphere, we need to attract foreign investors to implementation of projects based on public-private partnership and to create land-based and industrial national space infrastructure.

At the same time, it is necessary to strengthen the potential of scientific-research institutes in this area.

We need to establish a separate state agency on aerospace activities, which will serve to comprehensively address all issues of the sphere development.

IV. Priority directions of social sphere development

Dear members of parliament!

Dear deputies of regional and district Kengashes!

Based on advanced international experience we must to consolidate in the legislation and create mechanisms for practical implementation of the “consumer basket” concept necessary for defining the level of income required for adequate living standard of the population.

Practical measures will be also taken on gradually increasing real incomes of the population, wages, scholarships, pensions and social allowances.

Despite the recently adopted important measures on **human health protection**, unfortunately, there are still many challenges remaining at places in this field.

Taking this into consideration, we should adapt to our conditions the concepts of “Smart Medicine” and “Single Medical Information Center” that will provide qualitative and modern assistance in a form convenient for residents of the regions, carry out early detection and remote prevention of diseases.

Attraction of foreign investors to foster development of private medicine, creating conditions for effective activities of foreign specialists in the country is important.

It is known that that ensuring the population with medicines is

one of the relevant issues that people face. In order to address this issue in the near future, we will put into operation 2 thousand social pharmacies, which will provide the population with medicines at low prices.

Today it is an imperative of the time to thoroughly analyze activities of screening centers, which play an important role in protecting health of mothers and children.

In 2018, we are planning to establish inter-district perinatal centers on the basis of 46 district and city medical associations, which will be equipped with modern medical equipment, highly qualified personnel.

It is envisaged to establish modern diagnostic laboratories for early detection and prevention of diseases in rural health centers, based on latest medical science achievements.

For full coverage of the population with telecommunication services, it is envisaged to install 2 thousand kilometers of fiber optic communication lines in remote areas, increase the Internet speed by 2.5 times and introduce more than 4 thousand mobile communication support stations.

As a result of these measures, more than 600 settlements will have access to the Internet and mobile communication services.

Measures will be developed and implemented on ensuring cultural recreation and meaningful leisure of the population.

In order to improve the system of protection and rational use of cultural heritage objects, the Program for the Support of Archaeological Research and Storage of Archaeological Findings should also be adopted.

The unconditional fulfillment of our resolutions on the material and moral support of compatriots who work selflessly in the sphere of science, culture, art, and literature will be ensured. In particular, all measures will be taken on improvement of their housing conditions,

social and medical services, increasing the amount of copyright payments, realizing the potential of young talents.

In order to strengthen the material and technical base of physical culture and sports, a specialized school of higher sports skills will be built in the new year in the Olympic and national sports in Nukus, "Yoshlik" sports complex in Urgench, universal sports complexes in the cities of Tashkent, Andijan, Samarkand, Bukhara, a sports-recreational complex and a multidisciplinary indoor swimming pool in Karshi.

Dear friends!

We set ourselves the task of raising our work **on upbringing of the younger generation as harmoniously developed, physically healthy and spiritually mature individuals**, to a new stage. To this end, the Law "On State Youth Policy" was adopted in new version. On its basis, new methods of working with youth are being actively introduced.

Today, many of our young people are studying and working abroad. Of course, among them there are those who found their vocation there, living happily. However, homesickness is a strong feeling that never leaves a person if he/she is away from home.

Therefore, we need to establish a permanent relationship with compatriots living abroad, strengthen work on protection of their rights and legitimate interests, support those who wish to return to the Motherland.

For this purpose, the **International Youth Association of Uzbekistan** should be established and appropriate conditions should be created for its effective work.

It is advisable that our youth conducted an active dialogue with foreign peers in the sphere of science, culture, sport, entrepreneurship and other areas, which will allow to show their potential more

clearly. To this end, the **Youth Forum of Central Asia** is planned to be organized in Samarkand next year.

One of the most important outcomes of the reforms undertaken throughout this year is undoubtedly complete elimination of child labor and forced labor in our country.

It is noteworthy that such positive changes were recognized by the International Labor Organization and other agencies.

We will continue pay priority attention to the profound study of English and other foreign languages. At the same time, we will set up large-scale work on training and upgrading skills of specialists in demanded specialties in our country.

Speaking about this, we should admit that the issue of upbringing mature people who are worthy successors of our great ancestors, is very important for us.

Nevertheless, we have no right to forget that the intellectual and cultural potential of our people is truly priceless treasure, and educating on this basis of talented youth is of decisive importance. Due to this, the developed countries have achieved this level of development.

Unfortunately, some of our scholars and youth who have great scientific potential are leaving for abroad. They are working in large foreign companies and banks, prominent universities and international organizations. During the visits to foreign countries, I personally met and talked with dozens of fellow countrymen.

All necessary conditions are created for the provision of consular and other services, their accession to the country, involvement in the development of our country. We will further expand these efforts in the future.

In this regard, I propose to **develop a concept of public policy on cooperation with our compatriots living and working abroad.**

**V. Priority areas in the sphere of ensuring security,
interethnic harmony and religious tolerance,
as well as in foreign policy.**

Dear deputies and senators!

We all know that in conditions of globalization, the economic competition is becoming more acute, information attacks and terrorist threats are gaining momentum.

In various regions of the world, in particular, in the Middle East, bloody conflicts are continuing. Unfortunately, the number of such outbreaks is growing.

Taking into account such a situation, we must fully strengthen peace and stability in the country, strengthen our activities on combating various threats to security. This is a demand of the time.

First of all, for this purpose, it is important to raise the efficiency of the formed system, especially the responsibility of deputy khokims, dealing with religious issues.

In particular, aksakals of makhallas, preventive inspectors, imam-hatibs, advisers of citizens' gatherings on issues of religious education and spiritual-moral education, activists of youth and women's organizations should conduct appropriate joint activities.

If we organize the work in this way, we will not be indifferent to this issue, first of all we will take care of our children, our houses and makhallas, protect from such threats and challenges, I am sure they will bypass us.

We will continue to improve the work on social rehabilitation, returning to normal, healthy life of those who came under the influence of extremist ideas.

To prevent information threats and attacks through various

information resources, special offices should be established as part of law enforcement agencies.

Issues of strengthening interfaith and civil consent in our society will continue to be considered one of the most urgent tasks.

To this end, necessary measures will be taken on improvement of the organizational and legal mechanisms of activities of religious organizations of the country.

Dear participants of the meeting!

Another important issue that I would like to draw your attention at that the organizational structure of the **defense system** of our country, its military-combat situation, the level of spiritual and moral training of soldiers and officers are far behind the requirements of today's rapidly changing period.

It should be noted that in a short period of time, as a result of taking comprehensive measures on reforming the national army, the image of our Armed Forces has cardinally changed.

The newly-reaffirmed Defense Doctrine plays an important role in improving effectiveness of reforms in the military sphere. This document defines the principle of openness of Uzbekistan's foreign policy, the development of friendly relations with all nations, primarily with neighboring countries. Strengthening the independence and sovereignty of our state is defined as the priority task of our state.

Taking into account the peculiarity of the geo-strategic location of our country, as well as the military-political situation in the region, the tasks and structures of the Armed Forces have been revised. The National Guard has been established, complex measures are being taken on providing the army with new weapons and modern military equipment.

The State Committee for Defense Industry was established.

The activity of the Academy of Armed Forces has been radically reorganized on the basis of systemic reforms in the sphere of military training. Large-scale activity on social protection of servicemen, their families and veterans is underway.

56 multi-storey houses were built for military personnel in 2017, activities in this direction will continue in an even larger volume, next year.

At the same time, we are well aware that in the field of defense we have new and important tasks.

First of all, much has to be done on ensuring effective and timely implementation of the National Security Concept and the Defense Doctrine.

Further strengthening the defense capability of our state, increasing the combat power and potential of the Armed Forces are our most important tasks.

We need to adopt a **State Program for forming and developing the defense-industrial complex** for providing the Armed Forces with modern weapons and military equipment.

In accordance with the Action Strategy adopted in our country, we consistently will pursue the policy of comprehensive development of friendly and mutually beneficial cooperation with the neighboring countries, primarily with neighboring countries and international organizations.

We will take all the necessary measures for timely, full and qualitative implementation of the agreements and arrangements concluded by the Republic of Uzbekistan with foreign states and international financial organizations.

I would like to take this opportunity to express sincere gratitude to the representatives of international organizations, ambassadors of foreign countries supporting the reforms being carried out in our country.

Dear friends!

Implementation of the large-scale plans and projects forwarded in the Address will undoubtedly contribute to the development of our country, improving the welfare of our people to a new, higher level.

At the same time, we all well understand that we have to create the appropriate legal framework and mechanisms for the full and effective implementation of these priorities.

Therefore, Prime Minister A.Aripov, State Advisors U.Ismoilov, O.Murodov, Secretary of the Security Council V.Makhmudov are instructed to ensure approval of complex measures until January 10, 2018 on implementation of priority tasks, arising from this Address, by all state and economic management bodies, the Chairman of the Council of Ministers of the Republic of Karakalpakstan, khokims of the regions, Tashkent city, districts and cities.

Dear compatriots!

Of course, we realize that 2018 will become the decisive stage in achieving the goals stated in the Address, will not be easy for us. I must say this clearly. But, will not turn away from our chosen path, under no circumstances, we will consistently advance towards our goals, steadily overcoming difficulties. Because nothing happens spontaneously in this life. If we do not act on our own, no one will help us indefinitely.

All of us should understand the truth: today we are talking about the fate and future of our people, our Homeland, the happiness of our dear children.

We have to work selflessly for the sake of achieving our great goals, directing all our knowledge and experience, love and devotion to our Homeland.

I am sure that if we remain true to ourselves, if we do not deceive ourselves, working honestly and conscientiously, we will definitely reach all the milestones we are striving for.

I am convinced in this thanks to the strong will and creative potential of our people, who have gone through many trials.

I wish you all strength and energy, good health, family happiness and prosperity on the path to achieving our goals.

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