

# ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF UZBEKISTAN SHAVKAT MIRZIYOYEV TO OLIY MAJLIS

(Tashkent, 28 December, 2018)

Esteemed Senators and Deputies!

Dear compatriots!

Dear guests!

Allow me to deliver you the Address of the President of the Republic of Uzbekistan to Parliament on the most priority goals of Uzbekistan's development in 2019.

Today, we are living in the rapidly changing world. Global conflicts of interests and competition are growing. The international situation is being aggravated.

Accordingly, while planning practical actions for the next year, considering such harsh situation on the international arena, we need to highlight clearly and precisely the priority directions of our development.

Dear friends!

Traditionally, with good intentions, we dedicate every year to something and set high ambitions for ourselves.

There is a deep meaning in the hadith mentioned in the book by our great compatriot Hazrat Imam Bukhariy, which goes: "Every good action depend on the will, every person will be granted solely what he wills".

We have named the year 2018 to be "The Year of Support of Active Entrepreneurs, Innovative Ideas and Technologies". Within the State Program we have implemented 76 thousand projects worth of 21 trillion soums and 1 billion US Dollars. And we are now witnessing the outcomes of actions initiated last year with good will.

Tangible achievements have been reached in the fields of industry, agriculture, major construction, transport and communications, services.

In particular, I would like to especially highlight selfless work of our diligent dekhkans and farmers despite the fact that this season was very difficult compared to other years.

In view of increasing the population's well being, the rates of wages, stipends, retirement and social benefits were notably increased versus previous years. In particular, for the first time for the last 10 years, the wages of teaching staff were increased by up to 50 percent.

The implementation of package of measures allowed a 12-percent increase of cumulative real income of population in relation to that of 2017.

The Government has appropriated funds worth of nearly 2 trillion soums within Programs "Every Family is Entrepreneur" and "The Youth is Our Future". As such, more than 2,600 (two thousand six hundred) local business projects have implemented.

Starting from this year, out of the fulfillment from projected tax parameters, additional 5.5 trillion soums have been retained at local budgets.

And this is 6 times more than that of the previous year, while versus 2016, I would like to draw your attention to this fact, 32 times more.

Dear compatriots!

The year coming to an end became the year of start of great deeds in landscaping of villages and makhallas (neighborhood areas), which represent the symbol of our sacred Homeland.

In particular, the programs “Prosperous village” and “Prosperous makhalla” have been welcomed by our people with profound joy. This year, 3 trillion soums have been allocated for construction and landscaping works within this context.

As a result, 416 villages got new image.

During the expiring year, important steps were made in other fields of our life, in particular, in development of education and science, training and up-bringing, culture and arts, sports. Especially, we all were pleased of the fact that the youth of our country achieved high scores at Asia Olympic and Paralympics held in Indonesia and Olympic Games for Juniors held in Argentina.

Dear members of the Parliament!

Thanks to open, pragmatic and active foreign policy pursued in international relations our country’s international reputation to be reliable partner is increasing.

Strengthening good-neighborly and mutually trustworthy relations with all our neighbors became one of our targets.

In 2018 we exchanged 18 official inter-state visits and signed agreements on one thousand eighty projects totaling 52 billion dollars.

The investment portfolio of partnerships with the World Bank, EBRD, IDB, ADB and other international finance institutions comprised 8,5 billion dollars.

Today, our country is implementing 456 projects with foreign investments worth of 23 billion dollars.

Considering increasing threats to international and regional security, we have adopted new Defense Doctrine.

We have revised the structures and the missions of all types of troops in the Armed Forces.

To ensure the unity of the army and the people, military administrative sectors have been created in all regions.

Certainly, we could continue a long list of all activities implemented during the year. Though, however, the purpose of citing such examples is not clapping on our chests and boasting ourselves. We are absolutely far from this. Our main goal is giving objective and critical assesment to our development path during the past year.

Taking this advantage, I would like to express sincere gratitude to our noble people for their constant support to implementation of reforms and tremendous contribution to prosperity of our Homeland through their selfless work and overcoming courageously all challenges and hardships.

Esteemed participants of the meeting!

In just a few days, the New Year 2019 will come. On the eve of the New Year, according to our tradition, it would be good to exchange with you and come to common decision with regards to what name we should give to 2019.

Certainly, we have been thinking a lot about this. We made thorough review of proposed ideas and requests, proposals and recommendations during dialogue with people at local levels.

The international experience demonstrates that those countries, which pursue active investment policy, succeed in steady growth of their economies.

It is therefore, it will not be an exaggeration to say that investments are driving engine of country's economy, or "it's the heart of economy" to say it in Uzbek.

Investments bring modern technologies, advanced experiences and skilled expertise to different fields and regions, facilitate development of businesses.

Here, the question arises: we say "investments", we say "reforms", we say "modernization".

But, what is the main goal of all transformations?

Our main goal is to ensure that every single individual living in our country, irrespective of ethnicity, language and religion, lives free, peaceful and wealthy life, being satisfied of today's life.

In this direction, we have great tasks ahead. Primarily, prosperity of our country and well being of our people are closely linked with the success of our social reforms.

We need to provide worthy education to our youth, bring to reality their endeavors for education and science. In this view, we need to develop pre-school education system, we must radically improve material and technical base of secondary and higher education institutions, the quality of education and academic process.

Improving health of our people and building up healthy life-style are vital tasks for us. I would like to re-iterate, if we ensure peace and health, all the rest is achievable.

Certainly, we maintain as priority goal supporting and helping people with disabilities, with lost breadwinners, lone elderly, in general, all those who need help.

In the forthcoming year, we still need to do a lot to build up even more enabling business and investment environment, creating new jobs, increasing livelihoods of our population, improving pension support.

Considering all above, to make logical follow-up of activities launched in 2018 and raising it to higher level, I propose to name the New Year 2019 "The Year of Active Investment and Social Development".

Dear friends!

Giving the year such a name, lays many tasks and responsibilities on our shoulders. We are facing following questions: how to increase investments, how to address social issues.

And our people watching us on the television have the right to ask us these questions.

If we don't start to work today on solving these issues, if we don't mobilize all our efforts and capacities, it will be difficult to reach the target.

Every leader – whether he is a minister or the head of central authority, deputy or senator, chairman of company or association, khokim of the province or district – all of us must consider this work to be the primary mission.

We can achieve sustainable development of our economy only through active attraction of investments, launch of new production capacities.

While positive achievements in the economy will create foundation to find system solution to problems accumulated in the social field.

We need to deeply realize this and need to organize our work in this context.

Dear compatriots!

Speaking about the tasks facing the sphere of economy, first of all, we need to highlight that the following goals are the core of comprehensive economic reforms:

- creating necessary conditions for open economy, sound competition, radical improvement of business and investment environment;
- increasing creation of new jobs through reduction of participation of state in the economy, intensive development of private sector;
- ensuring high economic growth through modernization and diversification of economy, increasing labor efficiency;
- countering “shadow” economy, diminishing it’s share;
- consistently continuing the policy of further liberalization of exchange market, pursuing steady monetary policy;
- educating skilled human resources capable of implementing strategic tasks related to development of economy.

To achieve these goals, it’s required to implement following priority tasks.

First, we must ensure macroeconomic stability and high growth rates of our economy.

Without prior adjustment of inflation, we cannot achieve macroeconomic stability.

Through thorough analysis of international experiences and attraction of international experts, we need to develop the concept on optimizing monetary policy and ensuring sustainable pricing.

During transition period, it is extremely important to run clear statistics of the economy and to make right assessment of economic potential of the country.

Only through this, one can achieve objective assessment of the gross domestic product.

In this view, from January 1, 2020 we need to fully introduce National accounting system of the United Nations’ Organization and the International Monetary Fund.

Sustainable economic growth is primarily connected to development of leading sectors.

First of all, we will support any sector which creates products with high value added.

Therefore, we need to design and realize the Strategy on developing those industries which will give serious impact to development of the economy.

So, by April 1, 2019, the Cabinet of Ministers shall design the 2030 Concept of country’s socio-economic comprehensive development and finalize its review with involvement of international experts.

We must further improve efficient use of State budget resources.

All programs and projects to be financed from the State Budget must have quality and quantity indicators oriented to final result.

Within two months time, the Cabinet of Ministers shall submit proposals on implementation of those goals.

Next year, the projection for the next year says that the budget deficit will be roughly 4,5 trillion soums and will comprise 1.1% towards GDP. Starting from now the Cabinet of Ministers and the Audit Chamber through additional capacities and sources shall undertake specific actions to increase budget revenues, and thus to reduce the projected deficit.

Also, within one month time, to develop the “road map” to mitigate negative impact on our economy of tendencies on global market.

We must design National Concept of Digital Economy which considers upgrade of all sectors of our economy with digital technologies. In this context, we need to introduce the Program “Uzbekistan Digital - 2030”.

Digital economy will facilitate at least 30-percent increase of GDP and significant reduction of corruption. It's being also proved by the analysis of reputed international organizations.

Accordingly, within two months time, the Government is to develop “roadmap” on transition to digital economy. In this regard, special attention needs to be paid at ensuring information security.

Second, we will consistently continue active investment policy, which is the main prerequisite of our economy's development.

In 2019, we plan to disburse investment from all sources worth of nearly 138 trillion soums, which is 16% higher versus 2018.

In this context, the amount of foreign direct investment increased by almost 1.5 times versus this year and reached 4.2 billion dollars. As a result, we plan to launch 142 new modern enterprises.

I would like to especially outline the fact that the implemented reforms and their results are being appreciated by the world's leading credit rating agencies.

For instance, for the first time in the history, world's reputed Fitch Ratings and Standard and Poor's rating agencies identified our country's international sovereign credit rating.

The Fitch says the “Outlooks are Stable”. This indicates that during next 12-18 months this indicator might be lowered.

We should note that this Uzbekistan's rating is higher compared to the most developing countries.

These rating agencies pay special attention to such criteria as the fact of liberalization of the exchange, trade and price policies, institutional transformations in public administration, sufficiency of gold and currency reserves of the country, low state debt.

In the first quarter of 2019, for the first time in the history of our country, we will issue Uzbekistan's sovereign bonds to international financial markets.

In this context, we are cooperating with such leading investment banks as J.P. Morgan, City Bank and Deutsche Bank.

In order to enhance attraction of foreign investments, we need to take measures to be able to fully demonstrate investment potential of our country.

If we succeed to efficiently formulate the investment projects to potential investors, we can achieve positive results.

In this view, we need to adjust allocation of business entities in free economic zones and small industrial zones, improve organizationally and legally providing them with incentives and preferences.

First of all, we need to create such environment for those businesses and foreign investors which are producing export oriented products, innovative and HiTech products.

In this view, within one month time, the Cabinet of Ministers to develop clear comprehensive actions and measures, in particular, to carry out relevant work on inclusion of our country into the Global Competitiveness Index.

Third, we need to actively continue the reforms in the system of banking and finances and broadly introduce the modern market mechanisms to the sphere.

Today's main problem in the banking system is that the lion's share of their capital, i.e. 83 percent belongs to the state. In its turn, this serves as an obstacle to a sober competition in the banking sector and negatively affects the quality of services.

The Government and Central Bank, along with international financial institutions, shall draft a long-term strategy on development of the banking and finances system.

In this, through drawing private and foreign capital to banking system, we will steadily reduce the share of state banks. This will serve for improving the atmosphere of competition in the sphere, as well as comprehensively bettering the activity of commercial banks and quality of crediting services.

Besides, developing the financial markets, in particular, the stock markets should also stand as our major goals in the new economic conditions.

By way of introducing new financial instruments and issuing bonds, we need to further expand the scope of banking services and develop banking system based on cutting-edge information technologies.

For the investors to feel themselves as comfortable as possible, it is required to further liberalize the currency market.

Fourth, our citizens must be interested not to avoid taxes, but rather to paying them on time.

The main idea of the new tax concept being introduced starting from 2019 is to reduce the tax burden, apply simple and steady taxation system. Thanks to these measures we will be able to increase competitiveness of our economy and create most comfortable conditions for businesses and investors.

Unfortunately, there is a large share of «shadow» economy in the gross domestic product and it negatively affects development of the country.

Reducing the tax burden and creating more comfortable conditions for making business are the only way to eliminate the «shadow» economy. Therefore, we need to draft a special program which would envisage application of effective measures in this regard.

Besides, we need to work intensively to introduce marking of high liquidity products manufactured and imported in our country.

The Tax Code in new edition should encourage honest taxpayers, who support the development of the country, and reprimand those who engage in illegal activities.

As you know, tax cuts and the elimination of certain taxes will result in a decrease in budget income.

This issue can be addressed by conducting effective tax administration and ensuring budget sustainability. That is our first priority.

Tax administration should be executed in such a way that when the value-added tax is widely applied, and this is a must, it should not lead to the rise in prices for consumer goods.

The Minister of Finance and the Chairman of State Tax Committee are personally responsible for the efficiency of the tax administration and the stability of the budget and consumer goods prices.

It is necessary to introduce the same taxation regime for all by reducing the tax burden, and removing gradually tax privileges.

Indeed, entrepreneurs themselves admit that the given privilege has a negative impact on the competitive environment.

The Cabinet of Ministers is tasked to develop a «roadmap» on this issue within two months.

Fifth, the efforts on supporting entrepreneurial activity will be intensified.

The great scholar, Hazrat Najmiddin Kubro, once said «I saw success in continuous efforts, and failure - in ignorance and laziness»

Indeed, we can achieve a prosperous life through active entrepreneurship, tireless work, and efforts.

Our country was ranked 134th in the World Bank's construction industry ranking.

This indicates that there are many problems in the area.

For example, there are 17 types of permissions in the construction industry, and 246 days are spent on receiving them. Isn't it unfair?

The Cabinet of Ministers must take immediate actions to improve the rules and regulations in this area.

Sixth, the state intervention in the economy should be drastically reduced.

Today, there are 603 joint-stock companies in Uzbekistan, of which 486 are state-owned entities, accounting for 52 trillion soums.

The high-level state participation in the fuel and energy, petrochemical, chemical, transport, and banking sectors is hampering their development on the basis of market mechanisms and the attraction of investments.

The fact that some ministries have established companies in the areas, controlled by them, prevent free and healthy competition. We must openly admit it today. Unless we change this system now, we cannot achieve sustainable development both in these sectors and in the economy as a whole.

The uncontrolled management of state assets also negatively affects efficiency. For example, at present only 21% of 972 state-owned enterprises are managed by the State Competition Committee, while 79% are controlled by ministries, agencies and business associations.

It is no secret to what state has this brought the state-owned enterprises in the past 27 years. The whole sector, such as the aviation industry, has disappeared.

In order to regulate the existing system, it is necessary to radically improve the activities of the State Property Management Center and reorganize it as an independent agency.

The Agency will manage the process of privatization, financial rehabilitation through state property management, reforming of the state-owned enterprises, as well as the issuance of shares and bonds.

The Cabinet of Ministers is tasked to implement the proposal within one month.

Seventh, in order to establish the principles of the free market, we need to create a healthy competition environment by reforming and developing leading sectors of the economy.

As a first step in this regard, we have made a decision to radically reform the system of "Uzbekenergo" and "Uzbekistan Airways" companies.

"Uzbekistan Airways" national airline was reorganized and flights, airports management and air traffic navigation services were separated.

Next year, we will continue to gradually reform other strategic sectors, including "Uzbekneftegaz", "Uzkimyo sanoat", and Navoi Mining and Metallurgical Plant.

It is necessary to fully revise the practice of determining the volume and cost of production and introduce market principles.

The Cabinet of Ministers is instructed to develop Governmental programs and roadmaps within two months on these issues.

Eighth, integration of our economy into the world market and export support are among priority tasks.

Next year we are targeting to increase the exports volume by 30 percent and reach 18 billion dollars.

We need to move to an export-oriented economy, and create a competitive environment in the domestic market.

Also, the most important issue is the improvement of the transport and logistics system. Due to limited access to the sea, we are facing many difficulties in exporting our goods.

Therefore, «Uzbekistan Airways» and «Uzbekistan Railways» need to create modern logistics routes for exporting our goods.

The Cabinet of Ministers should conduct negotiations on transiting export cargo by railway through neighboring states at preferential rates. At the same time, it is necessary to take measures to improve the country's rating in the World Bank's «Logistics Efficiency Index».

Next year it is necessary to drastically simplify the customs procedures, radically reform customs control and cargo clearance posts.

It is necessary to build in all regions of our country the customs complexes operating on the principle of «one-stop shop» that meet the modern requirements.

The Cabinet of Ministers is instructed to develop a «roadmap» on the aforementioned issues within a month.

Ninth, it is necessary to consistently continue the comprehensive development of the territories.

As a result of structural changes in the economy, the share of industry in GDP is expected to increase from 35% to 37% this year. However, in some cities and districts, this very important issue lacks proper attention.

As a result, the share of industry in 27 districts of the country does not exceed 1% of the regional level. Therefore, it is necessary to develop mid-term and long-term programs for the development of industry of each district and town. In the first place, this issue must be taken under the control of the leadership of the Republic of Karakalpakstan and regions.

In the forthcoming years, over 4 trillion soums is expected to be allocated for the implementation of the programs «Obod Qishloq» and «Obod Mahalla».

Today, the country's urbanization rate stands at 35.5 percent, and if no action is taken now, this indicator may decline in the foreseeable future.

Prime Minister Abdulla Aripov will personally be responsible for the development of the State Program to bring the country's urbanization level to 60 percent by 2030.

In this regard, it is important to focus on the comprehensive development of not only the capital and cities which make up provincial centers, but also the cities and settlements located in the regions.

We should gradually move from constructing typical design houses in rural areas to building multi-storey houses in towns and settlements. Utilities and engineering infrastructure should develop in close contact with housing construction programs.

The Ministry of Economy should coordinate this work.

At the same time, a special fund shall be established to perform these tasks. Funds received from privatization of land plots which accommodate the buildings and structures will be accumulated in the fund.



Through this new system we will be able to further improve the appearance of our regions and improve the wellbeing of the population.

Tenth, reforming the agricultural management system, introducing advanced technologies for the efficient use of land and water resources, and ensuring food security are our most important tasks.

In order to reach at least 52 percent of cluster cultivation of cotton, a decision has been made to create 48 cotton and textile clusters next year.

At the same time, we need to comprehensively develop the activities of grain, as well as fruit and vegetable clusters. Given that this field is relatively new to us, it requires government support, including simplification of the loan system, cost subsidization, and land allocation procedures.

In order to create genuine seed varieties, the experimental seed-breeding works must be revitalized.

To this end, it is necessary to improve the material and technical resources of seed and selective breeding institutions and to organize seed clusters on the basis of public-private partnerships.

We need to develop new crops and livestock breeding industries.

Today, only 35% of the farmers' annual feedstuff needs are covered by local means.

Therefore, we need to sharply increase the feedstuff base for livestock by expanding cultivated areas and developing new lands. Also, we need to drastically increase the volume of food products by developing fishing and poultry farming.

Another important task is the widespread introduction of water-saving irrigation technologies.

The Cabinet of Ministers is instructed to develop a «roadmap» on this issue within two months.

The system of allocation of agricultural land needs to be radically revised.

It is necessary to provide multisector farmers having effectively used their land and getting sizable harvests with additional land.

Agrarian sector's biggest problem is lack of farmers' knowledge in the sphere of agriculture.

Indeed, they are full of energy, initiative, they love the land and many of them spark in their eyes.

But unfortunately, sole intention is not enough to achieve high levels of harvest and the end result.

We are in great need of farmers with the perfect knowledge of agricultural technology, modern production and innovation methods.

Council of farmers must forge cooperation with the Ministries of Agriculture, Water resources as well as Innovational development and they need to develop professional training and retraining programs.

The purpose of reforms in the agriculture is not only to gain economic benefit, but also ensure food security and well being of people. We must never forget this.

Cabinet of Ministers within two months needs to adopt "National program of ensuring food security in the country in 2019-2024".

Ministry of agriculture, having deeply analyzed the situation around the creation of cluster system in producing fruits and vegetables in the country, should offer proposals on lifting existing barriers by March 1, 2019.

Dear members of the Parliament!

Economic expansion and social protection are interrelated definitions, it is impossible to imagine them

separately.

In 2019 – the year of «Active Investments and Social Development» we should carry out following steps towards development of social sphere.

First, we should decrease unemployment rates among population, and increase the revenues of our people and families.

The government should within a month approve a new government program for employment assistance for 2019.

In this regard, unemployed should be provided with vocational training, legal and other counseling, and other wide range of forms of social assistance.

In order to improve the standard of living of our people it is necessary to establish the system of proper payment and increase the real income of the population.

The minimum monthly wage should be revised, and the taxes and other payments should be reduced to the minimum wage.

The Cabinet of Ministers will develop a set of measures to address these issues within two months.

Second, it is necessary to revise the procedure for entitlement and payment of pensions and retirement benefits, fundamentally reform the pension system.

As you know, a recent presidential decree has been adopted. According to it, starting from January 1, 2019, all working pensioners will be paid full amount of pensions.

Also, a new system for increasing pensions is being introduced to increase the maximum wage from 8 to 10 times the minimum monthly wage.

At the next stage of the reform, these restrictions will also be completely abolished.

At the same time, the issue of social protection for children with disabilities and their families, those who have lost their breadwinners, should always be in the focus of our attention. We will provide a subsistence allowance for mothers who are devoted to caring for their disabled child.

Third, it is necessary to further improve the system of science, modern and continuous education.

Our people have a wise saying: «education and training begin from the cradle». Only enlightenment can lead a person to perfection and the progress in society.

Therefore, public policy in the field of education should be based on the principle of a continuous education system, i.e. education should start at the elementary school and keep up with the whole life.

In developed countries, huge attention is paid to investing to a full cycle of education, namely, education of a child when he or she is between 3 and 22 years of age. Because such an investment will benefit society 15-17 times later. This figure is only 4 times in our country.

Therefore, we need to focus on human capital and mobilize all our effort for in this direction.

An important practical step in this direction will be reaching the coverage of the pre-school education from current 34 per cent to 44 percent in 2019.

We need to create all the necessary conditions for organization of public education according to today's requirements and the comprehensive development of our children.

Private schools should be launched and public-private partnership should be widely used.

We need to further reinforce the work in order to provide equal opportunity for higher education for all.

The coverage of graduates with higher education in Uzbekistan was at the level of 9-10 percent over the past period. Thanks to the measures taken over the past two years, we have managed to increase this figure to more than 15 percent.

But this is not enough yet. Since, if we look at the experience of developed countries of the world, this figure is as high as 60-70 percent.

Therefore, it is our task to raise the level of enrollment of school graduates to higher education institutions in Uzbekistan up to 20 percent in 2019 and to increase this number in the coming years.

It is necessary to rise the prestige of higher education institutions, to increase the number of non-state educational institutions, to attract highly qualified personnel to this sphere as well as to strengthen competition.

Providing our youth with the right to apply simultaneously to several higher education institutions, I believe, will help them expand their educational rights.

Higher education institutions need to introduce a system of independent selection of quotas based on realistic opportunities.

The opportunities for continuing education abroad for students studying for a Bachelor degree have also expanded.

Since, the more people with higher education our society has, the faster and more effective will be its development.

The Cabinet of Ministers should, within two months, adopt appropriate measures on implementation of these initiatives.

Within two months the Cabinet of Ministers should develop appropriate measures on these proposals.

One of the most important issues is to further increase the scientific potential of higher education institutions, and to extend the scale of training of scientific and scientific-pedagogical cadres.

It is desirable for each industry to have a network of research institutions, design bureaus, pilot production and innovation centers.

We must attract investments not only to the economic sectors of our country, but also to the areas of scientific research and "know-how".

The Cabinet of Ministers within two months is to develop concrete proposals for cardinal reforms of the activities of research institutions and improving the practical productivity of scientific research.

Fourth, in order to strengthen the gene pool of our people, it is necessary to improve the quality and expand the coverage of medical services.

Our main goal is not only to treat illness, but also to prevent it.

Public-private partnerships should be expanded in the process of medical and social assistance. The scope of public health care services should be clearly defined, and a clear boundary between paid and free treatment should be established.

Within two months Ministry of Health, together with the Ministry of Finance of the Republic of Uzbekistan, has to prepare concrete proposals on improvement of public health financing system.

Cooperation with prominent foreign higher education institutions should be strengthened. Next year, we will take practical measures to open joint faculties and branches with Russia, South Korea, Germany, and Italy's Medical Institutes.

The next major problem is the growing population with oncological diseases.

For example, more than 22,000 patients are diagnosed with cancer in our country every year.

This, in turn, requires the need for high-tech medical care against this disease, requiring the improvement of the anti-inflammatory system.

In order to identify diseases in this direction early, the Cabinet of Ministers is required to take specific decisions and programs within a month clearly identifying sources of funding.

There is a need to establish cooperation with international institutions and prestigious foreign hospitals in the field of number of increasing dangerous diseases.

In order to preserve the gene pool of our nation, it is necessary to revise the existing norms of diet of pregnant women and children in accordance with international standards.

Within three months the Cabinet of Ministers is required to develop medium and long-term programs.

Fifth, social support of women and young people from the government should be further strengthened.

Despite the practical measures taken in the current year, it is sad that there are more than 13,000 women still living in difficult living conditions and are unemployed.

Within a month the Ministry of Labor and the Women's Committee, together with regional khokimiyats (governors' and mayors' offices), should develop a program providing employment for such women.

Heads of the Central Bank, the Republic of Karakalpakstan, the regions and the city of Tashkent are required to provide preferential credits in 2019 for housing to 1,600 women with difficult living conditions.

Working with young people, which accounts for almost half of the country's population, is one of our key tasks.

In order to attract young people to entrepreneurship, to ensure their employment, it is necessary to further expand the «Youth is Our Future» Fund.

It is necessary to allocate more than 2 trillion soums for the Fund in 2019 and create by that more than 50 thousand new jobs.

Our most important task is to prevent our children from the influence of various radical and extreme ideas. We need to continue our work in this direction by using the new approaches.

For instance, it is necessary to create new cultural and entertainment parks on the basis of public-private partnerships and take measures to transform them into modern youth centers. The territory of these parks should be primarily comprised of sports facilities, amphitheatres, small scenes, libraries and so-called "book cafés".

It is no secret that today the main source of knowledge and information for our young people is the Internet.

Therefore, we must take measures to create free «Wi-Fi» zones in public places and provide support to interested entrepreneurs.

The Cabinet of Ministers needs to develop a program on this issue within a month.

Sixth, the improvement of the living conditions of the people, the provision of a decent place of residence and the raising of the well-being of people will always be at the centre of our attention.

In the coming year, the program on the construction of cheap housing will continue consistently.

A particular attention should be paid to improving the design of model houses, the use of energy-saving technologies, modern and inexpensive building materials.

At the moment, it is necessary to once again review the current condition of more than 34 thousand multi-storey buildings in our country and take practical measures on this issue.

The government must ensure that multi-storey housing stock is fully registered within three months.

Studying the experience of mega-polis cities around the world, it is necessary to develop a renovation program, meaning the construction of new houses with the modern conditions instead of outdated multi-storey buildings.

It is well-known that over the years many claims have been made to the sphere of housing and communal services.

Therefore, from 2019 we will start working in this area in cooperation with investors on the basis of public-private partnership.

It is necessary to support the activities of professional management companies to reduce the administrative costs of the house-owners' partnerships.

In the coming year, we need to raise the supply of the public with a centralized network of drinking water from 65 to 75 percent.

The Cabinet of Ministries must develop the additional measures to develop the drinking water supply and sewage system within two months.

Seventh, another urgent task is to establish a healthy lifestyle in the society, raise the popularity of gymnastics and sport.

We will further attach a great importance to the development of sports, encouragement and support of athletes, who have achieved high results in international competitions.

We will create children's and youth sports schools even in the remote regions in order to popularize sport among our young generation.

We must already begin a thorough preparation for the Summer Olympics 2020 in Tokyo.

Another important issue is to create an effective system of training athletes for winter sports in the country that meets international standards.

«The Humo» Ice Palace for sports, which is being constructed in the capital, as well as a modern complex expected to open soon in the Amirsoy recreation area of the Tashkent region, will serve the same purpose.

Unfortunately, in Uzbekistan such prestigious sports events as Olympic or Asian Games have not been held so far.

Therefore, with a good intent, we should start developing a prospective plan for hosting one of the Asian Summer Games.

The Cabinet of Ministers is tasked to prepare a draft program on this issue within three months.

Eighth, we must take a number of measures to develop tourism, attract investment to the sector and increase the human capacity.

Tourism industry in our country is mostly limited to ancient cities, historical and cultural monuments.

However, the unique nature of our country, national reserves and mountainous areas have a great potential for the development of tourism.

Especially the development of medical tourism, pilgrimage and ecotourism will not only stimulate the development of the economy, but also social spheres.

Within a month the Cabinet of Ministers should develop and implement the National Concept of Tourism Development for 2019-2025.

On this basis, it is necessary to increase the number of foreign tourists visiting our country up to 7 million by 2025, and annual income from tourism industry - up to \$2 billion.

Ninth, we need to develop a national idea that is a source of strength for us to accomplish the great tasks we face.

In particular, we need to deeply understand our own national identity, study ancient and rich history of our Homeland, strengthen the research work in this area, and support the scientists, who work in the area of humanities.

The evaluation of the past must, of course, be unbiased and, most importantly, free of ideological views.

Unfortunately, in the past no systematic archaeological research has been conducted to study the history of our country.

Therefore, the activities of the Archeology and Art Institute at the Academy of Sciences, as well as the archeological research in universities and museums need to be arranged with the participation of the foreign partners.

We have to pay a special attention to the invaluable heritage of our great scientists and religious scholars, to the courage of our invincible historic military leaders and statesmen in bringing up our youth with the spirit of national pride and patriotism.

To this end, it is necessary to establish the TV Channel «History of Uzbekistan» at the National Television and Radio Company of Uzbekistan, and thoroughly produce its programs jointly with the scientific community and creative intellectuals.

It is also needed to register completely all historical exhibits in the museums in the country and create a catalog of each museum.

The Cabinet of Ministers has to develop appropriate measures in this regard within a month.

Dear friends!

We all know that reform means renovation, change. In order for the reforms to succeed, first of all, our leaders and people need to change. When a person changes, society changes.

To achieve this goal, it is vital that today leaders of all levels, members of the parliament and local legislative bodies need to organize their work on the basis of critical analysis, rigorous discipline and personal responsibility.

The introduction of a modern, efficient system of governance is a key condition to fulfill the tasks set before us.

In this sense, I would like to draw your attention to the following topical issues.

First, it is necessary to strengthen the parliament's role in adopting important decisions and its oversight functions of the implementation of laws.

Today, according to the Constitution, the parliament approves the appointment of the Prime-Minister. However, it does not participate in appointing the ministers.

Therefore, the members of the government do not sufficiently feel their responsibility before the

parliament. In this regard, I propose to introduce the practice of approval of the members of the Cabinet of Ministers by the Oliy Majlis.

Let the future ministers to defend in front of parliamentarians the development programs of the areas of their responsibility and justify the way of its accomplishment.

In short, let him prove his suitability for the job.

At the same time, the similar practice needs to be introduced in appointing the heads of regional administrations and districts by the approval of local legislative bodies.

A special attention must be paid to one of the most effective forms of parliamentary oversight - adoption of the state budget and its implementation.

In order to carry out this task at a high professional level it would be expedient to establish a State budgeting body under the Oliy Majlis.

Second, it is necessary to optimize the executive power system, continue administrative reforms and apply modern management methods in public administration.

In all countries, the government is a prime body responsible for implementing reforms in various areas.

Today, the government complexes are composed of more than 160 offices and organizations, and 8 deputy prime-ministers responsible for different sectors and branches.

But does the role of the Cabinet of Ministers and its constituent structures meet today's demands in the reform process? Unfortunately, we cannot answer to this question positively.

Ministers and company chairs have become accustomed to come to the Cabinet of Ministers even for consulting on unimportant issues. As a result, the government has turned into a structure that solves only daily problems.

The in-depth analysis of economic and social issues and the study of the actual situation on the ground are neglected.

Since the year 2019 is announced as the Year of «Active Investments and Social Development», the Ministry of Foreign Affairs and its diplomatic missions abroad should also reconsider their work.

From now on, the requirements to our ambassadors abroad will also change. Their activities will be primarily assessed on the basis of efforts they are making to attract the foreign investments and amount of the foreign capital they were able to attract.

In this regard, the Cabinet of Ministers is tasked to eliminate the above-mentioned shortcomings within three months, to optimize and improve the Government and its subordinate ministries and departments, to improve the effectiveness of their work, personal responsibility and to develop and implement a comprehensive program to strengthen accountability.

The two-year work experience of the Virtual (Online) Reception of the President has shown that we were far from the people, its concerns and problems.

We must gradually go through the reform of public administration, advanced state management and "smart" governance principles, taking into account the opinions and suggestions expressed by citizens.

This means that now state institutions go directly to work with citizens.

Public authorities should be supporter of people, a business partner to entrepreneurs.

Some functions of the state governance system should be transferred to the private sector on the basis of public-private partnerships, including "outsourcing".

Third, in order to increase efficiency in public administration it is necessary to formulate a single personnel policy aimed at attracting qualified servants to public service.

Today we have to admit a simple fact. There is a lack of qualified and mature staff in public authorities.

Until now the status of public servants has not been identified, transparent mechanisms for admission to public service have not been developed.

To address these issues, first of all, it is necessary to introduce an effective system of objectively assessment of public servants' activity.

I want to draw your attention to another important issue.

There is not yet formed a system in the public bodies that predicts perspectives, in simple terms, what kind of problems we will be facing in five, ten, twenty years.

In this regard, the Presidential Administration will be tasked to develop a Conception of long-term government policy based on strategic analysis, planning and forecasting principles in effective management of the sector's activities.

Wherein it is necessary to form strategic planning and forecasting structures in government bodies.

There is also a special Expert Council under the President of the Republic of Uzbekistan has to be established and it should include prominent scientists and practitioners from foreign countries.

Fourth, we need to revise the competency and responsibility of local authorities and increase their independence.

In addressing issues related to the development of the region's most of the khokims cannot take independent decisions, the initiative and responsibility for themselves.

As it is known, in 2018, a new state administration system was introduced in the Tashkent as an experiment, the mayor and district khokims were given authority to appoint managers of finance, economy, investment, construction, housing and communal services.

As a result, more than 30 commissions and councils were abolished and their authorities were delegated to the relevant territorial bodies. Inefficiently working 12 unitary enterprises were liquidated.

Tax revenues in Tashkent increased by 2 trillion soums due to the fact that some of the proceeds to the state budget were allocated to local budgets.

Now we need to launch this practice with a positive outcome in other regions too.

In the future, must be canceled the procedure of the khokim's acting as chairman of the Council of People's Deputies.

The heads of the chambers of the Oliy Majlis (N.Yuldashev, N.Ismoilov) are recommended to discuss these issues in detail in 2019 and adopt a program of practical measures.

In upcoming year, the elections for the Oliy Majlis and the local Council's of People's Deputies will be held in our country.

It is very important to start a thorough preparatory works in order to organize this process, at the highest level, based on our national legislation and international standards, which plays a crucial importance in the socio-political life of our country.

Fifth, continuous dialogue with the people, to serve the interests of the people must become not only a commitment but also a vital principle for the government officials at all levels.

Creation of direct and open dialogue with people, and provision of conditions for realizing the rights of



individuals and legal entities to apply to the President of the Republic of Uzbekistan will remain as an important and integral part of our activities in upcoming year.

Dear Senators and Deputies!

As you know, in recent years, large-scale reforms aimed at ensuring the rule of law and improving the judicial system of country has been implementing.

These changes are aimed at ensuring human rights and freedom, access to justice and improving the functioning of law enforcement bodies.

I do not want to mention about it in details because I have thoroughly covered this issue on the Constitution Day.

I would like to just draw your attention to the key priorities we are facing in this sphere.

First, it is necessary to further improve the system of selection and appointment of candidates for the judges in order to ensure the real independence of the judiciary.

It is necessary to fully adapt the judiciary corps formation system to the principle of independence of the judiciary and to ensure public participation in this process.

For this purpose, the selection and appointment of judges of the district, city and regional courts should be taken fully by the High Council of Judges. In this regard, public opinion and reporting in front of the people must be reflected.

Second, it is necessary to raise in to a new level the ensuring the peace and security of our people and the advance prevention of crime.

This year, a lot of work has been done in this direction.

In particular, in order to create comfortable work and living conditions for the employees of the sphere, more than 6,5 thousand service homes, 1,100 private houses and 7,000 personal vehicles were provided for preventive inspectors.

At the same time, 1,800 homes will be built for the staff of National Guard.

In 2018, no offense was committed in 3,205 makhallas, and it shows the result of our correct work. But it is too early to be confident.

We have to create in our country a climate which is fully free of crime for the sake of people to live in peace.

We need to lower the authority and functions of the Ministry of Internal Affairs to its bottom bodies and make it a true public system.

In this regard, we implement scientific approach and advanced information and communication technologies.

Each region should create its own experience of preventing and combating any crime or offense.

For the effectiveness of this work the Minister of Internal Affairs, the Commander of the National Guard and the Prosecutor General will be personally responsible for the regions of the country.

First of all, it is necessary to strengthen the motivation of preventive inspectors and makhalla activists who have achieved positive results in the fight against crime.

Employees who perform their duties effectively will be paid more by the newly established Special Funds account and their labor will be further encouraged.

Today it is time to finish the position of "Mahalla posboni" (guard), which is functioning ineffectively.

Instead, they will be replaced by the Public order Officer Assistant.

This post will be occupied by qualified lawyers, and working with law-abiding and devoted personnel on the subject.

No matter how difficult it is, we must strictly launch the "criminal justice" system in remote areas.

This issue should be solely be the responsibility of the law enforcement bodies, and our society must unite and fight against the problem.

Third, it is necessary to continue the work on further improvement and liberalization of criminal legislation.

Since, Criminal and Criminal Procedure Codes were adopted almost 25 years ago. In the past, relations in society, people's lifestyle, consciousness and ideology have changed.

Therefore, these codes cannot match today's requirements.

As you know, the law contains articles on mitigating or tightening of punishment.

However, they should not be entirely dependent on the will of the investigator or the judge, ie the human factor.

Otherwise, the standard of justice that is sacred to us will be broken.

Therefore, criminal and criminal procedure legislation must be fully revised.

To this end, the Interagency Commission under the Prosecutor-General's Office should work on the draft of new Criminal and Criminal-Procedural Codes before July 1, 2019.

Dear participants of the meeting!

Protecting the constitutional order, sovereignty, territorial integrity of our country from a variety of threats, and further strengthening peace and stability is the key to all our accomplishments.

In this regard the following tasks are crucial:

First, we need to strengthen country's defensive capabilities, the combat capability of the Armed Forces, the formation of a national defense industry, and be always ready against any threats.

The ongoing reforms to support military-economic support of the country's defense should be logically completed.

The Defense Ministry will develop a program for the development of enterprises within the defense industry within two months.

Another important issue. We should increase our state border security and improve the quality of its control, using modern information and communication technologies.

We need to focus on strengthening the national spirit, upbringing of our soldiers and officers physically and spiritually in the Armed Forces.

One of our most important tasks should be a comprehensive improvement of the emergency prevention and control system.

Second, safety of the ecology, the rational usage of water and natural resources must be at the focus of our attention.

In 2019, the Ministry of Water Resources together with regional experts should develop proposals for the rational use of water resources in Central Asia.

At present, the Aral desert has appeared in the more than 5.5 million hectares because of the Aral Sea disaster.

Every year, 100 million tons of sand and salt are being raised into the sky. This proves once again that the Aral Sea disaster is a global challenge.

The establishment of the «Trust Foundation» on the basis Multilateral Partnership for Human Security of the United Nations in the Aral Sea region has been a major achievement of Uzbek diplomacy.

We are grateful to Mr. Antonio Guterres, the Secretary-General of the United Nations, as well as United Nation's institutions and partner countries for their support of the initiative of Uzbekistan.

We are paying a special attention to the establishment of forests in the desert area of the Aral Sea.

In the years of independency about 1 million 220 thousand hectares of forests have been created in Uzbekistan, and from that more than 400,000 hectares have been established in the Aral Sea region.

According to the special program, another 500 thousand hectares of forests will be made in an arid area of the Aral Sea next year.

New constructions have been built in the cities and villages of the Republic of Karakalpakstan in order to improve the living conditions of the population.

In particular, in Muynak district a modern town will be constructed with the modern infrastructure.

Third, we need to continue our ongoing foreign policy based on transparency, equality and mutual beneficial cooperation, and take measures to further enhance its effectiveness.

It is necessary to establish new diplomatic missions of Uzbekistan in foreign countries, increase the number of the staff, in order to expand of the political and economic relations.

The legislative framework of the foreign economic and political activity of our state should further be improved in order to promote the political and economic interests of our country in the international arena.

It is ordered to the Cabinet of Ministers and the Secretary of the Security Council to submit a draft law on this issue up to April 1.

Next year, we will pursue an active foreign policy to further develop our relations with the member states of the Commonwealth of Independent States, first of all, with the Russian Federation, as well as the People's Republic of China, the United States of America, the European Union, the Republic of Korea and Japan.

We will pay special attention to further strengthen cooperation with countries of the Muslim world, which connects us with common historical, cultural and spiritual values.

For these purposes, we are committed to enhance mutually beneficial relations with our partners in all spheres with practical content.

We, in our foreign policy, rely on a clear and focused strategy for ensuring a security and sustainable development in Central Asia.

In this regard, Uzbekistan considers as priority task to develop practical and mutual beneficial relations with neighboring countries in the region, as well as with Turkey, India, Pakistan and Iran.

Afghanistan plays an important role in implementing this strategy.

We have urged the international community to support the need to start peace talks under the leadership of the government of the Afghanistan.

In this regard, it should be noted that the high-level Tashkent conference on Afghan issue, which was held

on March 2018, was the most comprehensive international conference in new Afghanistan's history.

The «Tashkent Declaration», which was adopted by the end of the Conference, the unanimous position of all its participants, became a unique platform for peace in Afghanistan.

After that conference, international efforts to launch a negotiation process with all the political forces in Afghanistan, including the Taliban, have been intensified.

Uzbekistan has held important talks with Afghan leadership and leading political forces in the country, including the Taliban.

These political forces have acknowledged that Uzbekistan can become an effective intermediary in solving the Afghan problem.

As it is known, the key condition for stability in Afghanistan is the economic recovery of the country.

In this regard, we have begun to implement large joint projects on transport and logistics, energy, trade and education in Afghanistan.

The energy line «Surkhon-Puli Khumri» that is being constructed by Uzbekistan, the Education center in Termez city to educate Afghan citizens, logistic center «Termez-cargo» possessing its own customs station, development of railway line «Mazari Sharif-Herat» and «Mazari Sharif-Kabul-Peshawar» are the evidence of abovementioned.

Uzbekistan will further render overall assistance in solving the Afghan problem.

For us, the main priority result is – to begin peace talks in Afghanistan and to reach national reconciliation.

Dear friends!

Uzbekistan always stays committed to its traditions of interethnic harmony and religious tolerance, and never goes without it.

In our country, the priority attention is given to strengthening the atmosphere of mutual respect, friendship and harmony among representatives of various ethnic and religious confessions.

It is our greatest asset and our duty to preserve it as the apple of eye.

As you know, recently a plenary session of the United Nations General Assembly has adopted a resolution «Enlightenment and Religious Tolerance».

The adoption of this resolution was initiated by Uzbekistan in September 2017 at the 72nd Session of General Assembly.

It gives us great honor and pride the widely support of our proposal by 193 member-states of the United Nations, as the high appraisal and recognition by the international community of Uzbekistan's efforts,

Taking this opportunity, I would like to express sincere gratitude to the distinguished ambassadors of foreign states, representatives of international organizations, for participating in our today's meeting.

Dear participants of the meeting!

In current stage of our country's development, every year is becoming the period of implementation of enormous programs and projects, development of our country, new achievements, knowledge and experience.

In upcoming year, we will introduce a new practice in our political life. The Prime Minister and members of the Government on quarterly basis will make reports before Senate and Legislative Chamber regarding the realization of each priority directions outlined in this Address, the main document of the forthcoming year.

This process should be widely covered by the media.

Thus, citizens will be able to know what government is doing to fulfill the tasks set out in the Address.

The people themselves should evaluate the performance of the new government.

We all understand one fact, it will not be easy to implement our plans and programs for 2019.

All of us have to work hard to turn these plans and programs that are still on the paper into practical work, to real results.

There is a great power that gives us confidence and inspiration, zeal and perseverance on this path, and we rely on it and rely on our goals.

This is - our people who are tempered with life tests, firm in their words, smart, hardworking, brave and courageous.

We are working hard today, trusting our people, and our youth which are our hope and future.

We are putting the great tasks in front of us considering the happiness and development of our dear children, grandchildren and bright the future of our motherland and nation.

If nation's purposes are great, its work would be great, life and future would be bright and prosperous.

We will not abandon the path of democratic reforms. No matter how difficult it may seem, we will only move forward - new and high.

Contributing to the development of a new Uzbekistan is a historic opportunity that our Creator has given to us.

All of us need to have a deep understanding of that and appreciation.

May all of us to fulfill our honorable duty in front of our Motherland!

Taking this opportunity, I sincerely congratulate you and all our people on upcoming new 2019 year.

I wish you a sound health, family happiness, successes and prosperity in your work.

May the Creator help us to fulfill our desires and plans!

Thank you for your attention.