

President chairs a meeting on service sector development



On April 22, President Shavkat Mirziyoyev chaired a videoconference on the development of the service sector in the regions.

The service sector plays an important role in the economy and life of the population. This sector allows the creation of new jobs quickly and inexpensively. The development of services reflects the real growth of income.

The coronavirus pandemic has negatively affected the pace of development of the sector. In this regard, entrepreneurs were provided with 24 types of tax benefits, subsidies and other preferences for 35 trillion UZS. These benefits have become a great help for both business entities and banks.

For example, last year, concessional loans for 1 trillion UZS were allocated to the sector within the framework of the state programs for the development of entrepreneurship. Commercial banks have allocated an additional 14 trillion UZS of loans from their own funds. Thanks to the support in the service sector, 500 thousand people were officially registered as self-employed.

At meetings with local entrepreneurs, many appeals are received for the organization of new types of services. On their basis, the hokimiyats of regions, districts and cities have formed plans for the implementation of 42 thousand new projects for 59 trillion UZS and the creation of 150 thousand permanent jobs this year.

At the meeting, the President instructed to monitor the implementation of each project and provide assistance to entrepreneurs, as well as form new projects.

The need for creating a new methodology that takes into account the specifics of the regions of expanding and establishing new types of services, the introduction of advanced experience and the exemplary project was noted. For this purpose, a design and analytical center for the development of services will be created at the National Bank for Foreign Economic Activity of Uzbekistan with its departments in all

regional branches of the bank. They will provide the population with ready-made business projects, comprehensive services from vocational training to starting a business.

The Head of the state touched upon the issue of financing projects.

According to calculations, this year banks will allocate at least 18 trillion UZS of loans for service sector projects.

The state will allocate an additional \$300 million through commercial banks. Of these, \$150 million will be allocated to the regions by July 1.

Hokims of regions, districts, cities, heads of sectors, together with officials assigned to mahallas, will form a list of projects on the principle of "mahalla – district – bank". It is envisaged to organize at least 20 types of services in each mahalla, and at least 70 types of services in districts and cities.

The National Bank for Foreign Economic Activity of Uzbekistan will attract an additional \$200 million for the opening of tourism, transport, medical, educational services and large shopping centers in 28 large and medium-sized cities.

\$500 million or 5.5 trillion UZS will be allocated from the budget and banks to the service sector.

"Before setting the task, we create conditions, allocate funds. We are allocating \$500 million for the service sector alone. If managed correctly and honestly, thousands of people can be employed. When every minister acts like a patriot, pulls his own cart, appreciates every allocated sum, then people will believe", Shavkat Mirziyoyev said.

It was noted that the heads of ministries and agencies are responsible for the development of services in their area.

"Ministers need to create a legal basis for private sector activity in their sphere, simplify the requirements for obtaining permits and open the way for entrepreneurship. It is necessary to clearly define what a state enterprise can do, in what kind of activity a public-private partnership or participation of the private sector is possible", the President said.

For example, over the past 2 years, about 6 thousand apartment buildings have been built. It is possible to create management companies for their operation, the organization of various services within the neighborhoods.

The creation of trade and service facilities in the zones of airports, railway and bus stations, along highways, with the establishment of safety requirements, will provide income for entrepreneurs and employment for the population.

It is possible to further expand the participation of the private sector in the information sphere, by reducing the cost and improving the quality – to increase the volume of communication services and Internet access at least 2 times, programming – 3 times.

The directions that need to be involved in the system of all ministries and agencies are indicated in the same way.

It was noted that to bring services closer to the population, it is important to build service centers in mahallas using lightweight structures. It is also planned to create special streets of trade and services in 28 cities and district centers with a population of more than 150 thousand people. These streets will be able to accommodate 100 thousand business entities.

The most important issue for the service industry is choosing the right location. Therefore, the Ministry of Construction, together with the hokims of the regions, was instructed to select locations for streets and centers specializing in trade and services, develop their projects, divide them into lots and put them up for

sale on a competitive basis. These commercial and service facilities may be allowed to operate 24 hours a day, subject to applicable requirements.

Instructions were given to organize multidisciplinary clinics and medical clusters based on private partnerships, centers for teaching foreign languages, preparatory and professional courses on the territory of higher education institutions.

At the meeting, the responsible persons reported on the upcoming measures for realizing the local potential, supporting entrepreneurs and increasing the volume of the services.







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