ABOUT SURKHANDARYA REGION

The Islamic Republic of Afghanistan

The Republic of Uzbekistan

The Republic of Turkmenistan

The Republic of Tajikistan

Termez

Center of the region
Termez city

Hokim (governor) of region
Mr. Bobolov Tura

Key information

- Area: 20.1 thousand sq. km
- Population: 2.5 mln. people
- Urbanization: ~50%
- Languages: Uzbek (official), Russian (commonly used)
- Literacy: ~97%
- Consists of 13 Districts and Termez city

www.surxondaryo.uz
1.4 bln. USD
2.1 bln. USD
2.5 bln. USD (est.)

Gross Regional Product (GRP)

2017 2018 2019

The shares of GRP

53% 11% 11% 10% 9% 6%

Industry Agriculture Trade & Services Construction Transport & Communication Others

Total Export (mln. USD)

2018 2017
254.4 191.7

Total Import (mln. USD)

2018 2017
400.9 217.3
**Export & Import**

**Structure of Export**

- Cotton yarn and fabric: 76%
- Foods (inc. agricultural products): 15%
- Energy resources: 3%
- Services: 3%
- Others: 3%

**Export markets**

- Khazakstan: 29%
- Afghanistan: 27%
- Russia: 17%
- China: 7.4%
- Pakistan: 6.6%
- Turkey: 3%
- Vietnam: 2.4%
- Khirgistan: 1.9%
- Tajikistan: 1.2%
- Azerbaycan: 0.7%
- South Korea: 0.7%
- EU: 0.7%
- Others: 2.4%

**Structure of Import**

- Foods (inc. agricultural products): 51%
- Chemicals: 3%
- Ferrous and non-ferrous metals: 8%
- Machinery and equipment: 15%
- Others: 23%

**Import markets**

- EU: 24%
- China: 17.5%
- Khazakstan: 8.6%
- Russia: 8%
- Turkey: 6.9%
- South Korea: 6.8%
- Pakistan: 6.8%
- Tajikistan: 5%
- India: 4%
- Ukraine: 3.6%
- Iran: 3%
- Japan: 1.8%
- Turkmenistan: 1.7%
- Others: 2.3%
There are 45 identified deposits of mineral resources, such as:

- **Dolomite** (2,891 mln. cubic meters)
- **Granite** (357 mln. cubic meters)
- **Plaster stone** (127 mln. cubic meters)
- **Coal** (102-105 mln. tons)
- **Bentonite** (50-100 mln. tons)
- **Argillite** (26 mln. tons)
- **Iodine and bromine** (8.5/180 mln. tons)
- **Marble Limestone** (8.7 mln. cubic meters)
- **Phosphorite** (3.8 mln tons)
- **Strontium-celestine** (3.3 mln. tons)
- **Ceramic** (26.1 mln. cubic meters)
- **Red sandstone** (unrecognized amount)
- **Brick-shingles raw materials** (72.7 mln. cubic meters)
- **Quartz stone** (unrecognized amount)
- **Quartz sand** (unrecognized amount)

Besides that, an intensive research is being carried out to identify hydrocarbon and metal ore reserves of the region.
Sub continental climate with mild winter as well as hot and long summer allows to grow crops three times a year.
Annually, about **2 million tons of agricultural products** are being produced.

Facilities for processing of fresh **agricultural products are available only for 12 % of all amount.**

More then **400 thousand tons** of fresh agricultural products **are exported** every year, including:

<table>
<thead>
<tr>
<th>vegetables</th>
<th>160</th>
</tr>
</thead>
<tbody>
<tr>
<td>melons</td>
<td>35</td>
</tr>
<tr>
<td>legumes</td>
<td>32</td>
</tr>
<tr>
<td>peanut</td>
<td>44</td>
</tr>
<tr>
<td>fruits and berries</td>
<td>54</td>
</tr>
<tr>
<td>grapes</td>
<td>38</td>
</tr>
</tbody>
</table>

Due to agricultural conditions there is good opportunity to develop food processing projects in the region.
The region has –

- Railway communication 372 km. with 14 railway stations, 3 cargo servicing terminals,
- Roads 2844 km. including international M-39, M-41 highways,
- An international Airport in Termez City,
- A river port with cargo servicing in Termez City,
- An international Logistics center – Termez Cargo Centre
Total area of the Cargo Centre 40.7 Ha,
4 hangars with total area of 6000 m²,
1 hangars with refrigeration system,
Cargo servicing capacity - 69 containers per day

Container yard area 3.2 Ha,
Open area for temporary parking of vehicles 10.5 Ha,
Railway access pathways for wagon supply with storage capacity over 90 wagons

The purpose of this terminal was to provide a complex of transport and logistics services for customs clearance, cargo handling, storage of import-export and transit cargoes (including customs and terminal warehousing), as well as to process transit cargoes of intermodal transportation (rail and road) to and from Afghanistan.
There are **2160 enterprises** which are operating in industry, including **264 enterprises** with foreign investment. **The new 86 foreign investment** companies have been established over the past period of 2019.

The major investors are from:
- Russian Federation,
- Austria,
- Great Britain,
- China,
- South Korea,
- Afghanistan etc.

### Investment dynamics

- **2017**: 234 mln.USD
- **2018**: 510 mln.USD
- **2019**: 653 mln.USD

Cement production plant for **1 mln. tons** a year.
Established on Russian investment. Total investment over **39 mln.USD**

Successful enterprises
Foreign company “Jarkurgancementinvest”
BUSINESS & INVESTMENT ENVIRONMENT

Main conditions

- Stable political and legislative system
- Convenient geographical location
- Special customs and tax privileges
- Opportunities of free economic zones
- Availability of qualified human resources
- Availability of land resources
- Availability of mineral resources
- Wide tourism opportunities

Successful enterprises
JV “Sherabad Textile Invest”

The textile factory with annual production of fabrics over 20,000 tons.
Established on British investment. Total investment about 34 mln. USD
Privileges in the FEZ are provided for a period of 3 to 10 years, depending on the volume of investments, including in the equivalent (US dollar):

- From $0.3 million, for a period of 3 years
- Up to $3 million, for a period of 5 years
- From $3 million to $5 million, for a period of 7 years
- From $5 million to $10 million, for a period of 10 years
- And higher, for a period of 10 years

(from 10 million US dollars and above - for a period of 10 years, with application of the income tax rate and a single tax payment for the next 5 years at a rate of 50 percent below the current rates)

FEZ residents are exempted from taxes such as land tax, property tax, corporate tax and from Customs payments on its' own investment projects.

Administrative councils of FEZ and MPZ

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**PROJECTS UNDER IMPLEMENTATION**

**JV “Surhan Gaz Chemical Operating Company” Ltd.**

The Goal of the Project:
- Development of the field with natural hydrocarbons deposits,
- Construction of a Gas chemical Plant,
- Supplementary exploration of the Boysun investment block.

The area of the investment block is **3,600 sq.km.**
Estimated reserves about 100 billion cubic meters of natural gas
Project implementation period - **35 years.**

The total cost of the project is about **5 bln.USD** and the cost of its initial stage is **2 bln.USD.**
Based on join capital of German, Austrian, Russian and Uzbek companies.
Currently, active work is underway on the construction of wells and the plant to create facilities for gas recovery and gas processing.

**Foreign company “EKO-KULTURA” Ltd.**

The Goal of the Project:
- Creation of agro-industrial cluster;
- Construction of a greenhouse complex based on hydroponics technology.
- Creation of agro-logistics center.

Allotted land area is **510 Ha.**
Project implementation period - **3 years.**

The total cost of the project is **320 mln.USD** and the cost of its initial stage is **50 mln.USD.**
Based on investment of Russian companies.
Currently, work is underway to develop the land area and rising facilities for the constructions.
PERSPECTIVES FOR INVESTMENT

Pharmaceuticals and Medicine
Ready-made textile
Processing of agricultural products
Polymers and plastics
Construction materials
Leather and footwear
PROPOSALS FOR INVESTMENT

Pomegranate processing

- Convenient climate conditions for pomegranate growing,
- Annual production of the fruit is up to 25 thousand tons,
- The fruit is not processed in the region,
- Juices and jams can have to be gotten from this fruit,
- Fruit peel can be used for cosmetics and pharmaceuticals,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 5 mln.USD,
- Estimated project capacity over 10 thousand tons of fresh fruits processing in a year,
- Estimated payback period of the project is 3 years.

Grapes processing

- Convenient climate conditions for grapes growing,
- Annual production of the fruit is up to 45 thousand tons,
- Only 10% of this fruit is processed,
- Wines, juices and jams can have to be gotten from this fruit,
- Seeds can be used for cosmetics and pharmaceuticals,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 8 mln.USD,
- Estimated project capacity over 15 thousand tons of fresh grapes processing in a year,
- Estimated payback period of the project is 4 years.

Additional market researches are to be taken
PROPOSALS FOR INVESTMENT

Peanut processing

- Convenient climate conditions for peanut growing.
- Annual regional production of the peanut over 40 thousand tons,
- Only 3% of the peanut is processed,
- Butter, oil and candies can have to be gotten from the peanut,
- Stems and waste can be used as a cattle feed,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 6 mln.USD,
- Estimated project capacity over 15 thousand tons of the peanut production in a year,
- Estimated payback period of the project is 3 years.

Dried fruits and vegetables production

- Convenient climate conditions for agriculture.
- Annual regional production of fruits and vegetables over 800 thousand tons,
- Only 7% of the fresh agriculture products is processed,
- There is a large variety of production which might to be gotten from fruits and vegetables,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 10 mln.USD,
- Estimated project capacity over 30 thousand tons of fresh fruits and vegetables in a year,
- Estimated payback period of the project is 4 years.

Additional market researches are to be taken
PROPOSALS FOR INVESTMENT

Leather processing

- Sheep and cattle breeding is relatively developed, there is over 3 millions of livestock,
- Annually over 600 thousand heads of livestock goes to slaughter,
- Only 4% of the animal skin is processed,
- Leather market is not sufficiently supplied, there is a big demand for these goods,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 7 mln.USD,
- Estimated project capacity over 35 thousand pieces of leather in a year,
- Estimated payback period of the project is 4 years.

Readymade textile products

- Cotton is the main crop of the region, annual output of cotton fiber is about 200 thousand tons,
- 80% of cotton fiber is processed into yarn, only 25% of the yarn goes for further production,
- There is a large variety of production which might to be gotten from cotton yarn,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided.
- Initial investment of about 35 mln.USD,
- Estimated project capacity over 8 thousand tons of the textile production in a year,
- Estimated payback period of the project is 4 years.

Additional market researches are to be taken
PROPOSALS FOR INVESTMENT

Marble processing

- The total amount of identified marble reserves of the region is 5 mln. cubic meters.
- Processing on the industrial scale is not represented,
- The dynamic development of the construction industry of the region creates a big demand for marble products,
- Markets of Afghanistan, Turkmenistan and Kazakhstan as well as the local market are the potential for these products,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 17 mln.USD,
- Project capacity over 8000 cubic meters in a year,
- Estimated payback period of the project is 4 years.

Medical services

- Providing of a high quality medical services is very demanded.
- Medical services are mainly represented by stateclinics and by a few specialized private clinics,
- Competition is poorly expressed, especially in areas such as the prevention and treatment of cardiovascular diseases, in neurosurgery, in endocrinology, in dermatology, etc.
- Potential service markets - Uzbekistan, Afghanistan, Tajikistan, Turkmenistan.
- Coverage area of the clinic is about 12 mln. people,
- The land for the production will be allotted,
- Access to infrastructure and communications will be provided,
- Initial investment of about 15 mln.USD,
- Estimated payback period of the project is 4 years.

Additional market researches are to be taken
TOURISM POTENTIAL

Due to the climate and landscape of the region there are a wide array of opportunities for the development of tourism. Here are the main directions of the tourism:

**Eco & Sport tourism**

**Ethnocultural & Gastronomic tourism**

<table>
<thead>
<tr>
<th>Tourism figures</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Hotels</td>
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<td>Guest houses</td>
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<td>Travel agencies</td>
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<tr>
<td>Sacred places of Islam</td>
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<tr>
<td>Sacred places of Buddhism</td>
<td>4</td>
</tr>
<tr>
<td>International airport</td>
<td>1</td>
</tr>
<tr>
<td>Railway communication</td>
<td>14 stations</td>
</tr>
</tbody>
</table>
TOURISM POTENTIAL

It has been proven that historically, Surkhandarya was one of the cradles of Buddhism. Several ancient Buddhist monuments are preserved until our time which is, Dalvarzintepa, Fayoztepa, Kampirtepa and etc. The study of these ancient relics and restoration is still carried out. These facts are might become attractive for visiting the region for religious reasons.

Pilgrimage tourism
Surkhandarya is a place with rich ancient history. Historical findings are dated back for thousand years which have exceptional value not only on the local but also on the international level.

Numerous archaeological monuments are located in region, the number of which reaches up to 800. Collected findings are stored in The Termez archaeological Museum, opened in 2002. Due to the efficient researches carried out by the various expeditions and scientists, the fund of The Museum has been enriched for more than ten times since its foundation. **Today over 80 thousand antique pieces are carefully stored in The Termez archaeological Museum.**

The peculiarity of the most archaeological findings is that they belong to the ancient cultures of Buddhism and Zoroastrianism.

Further studies of archaeological findings and ancient excavations could give big use in explanation of the historical development of cultures and peoples of Asia.

Kato Kyuzo was a Japanese archaeologist, anthropologist, historian and ethnographer. Professor of the National Ethnological Museum of Japan. He was deeply interested in the ancient history of Uzbekistan. For many years, the scientist worked closely with the Academy of Sciences of Uzbekistan, participated in archaeological excavations in the Surkhandarya region (Dalverzin-tepa, Kora-tepa, Khalchayan, Fayaz-tepa). He was a popularizer of the history of Uzbekistan in Japan. Author of dozens of books on the history of Central Asia. For the merit work in studying the history and monuments of Uzbekistan, as well as a significant contribution to the development of scientific relations between Uzbekistan and Japan, he was awarded the medal of “Friendship” and was Honorable citizen of the city of Termez.
Thank you!