

Dear Excellencies, Distinguished Guests, Friends of Uzbekistan,

I thank you very much for giving me this opportunity, on behalf of the European Institute for Asian Studies, to say a few words on the past, present and future of Uzbekistan.

Allow me to start my brief expose going back in time. From the days of the famed Silk Road beginning in Roman times, the area that is now Uzbekistan has been an important transit route for trade. Greater Central Asia, Uzbekistan in particular, was, and still is, the land bridge between many of the world's great cultures and trading partners: Russia to the North, China to the East, India to the South, Iran and Europe to the West.

Some of the ancient world's most glorious and rich cities lie in the territory of today's Uzbekistan: Bukhara, Samarkand, Khiva, just to name a few. The wealth of ancient Central Asia was built on trade. Today, Central Asia is in the spotlight again as a potential new land bridge on the Eurasian continent. The idea of reviving the ancient Silk Roads that once traversed Central Asia and which brought great wealth thanks to caravan traders has indeed been revived in recent years, most notably through China's Silk Road Initiatives, which will entail the construction of new infrastructure and transportation links throughout the region.

In particular, Uzbekistan can play a critical intermediary role in the emerging continental energy trade, reaping benefits from cooperation with its neighbours and the international community. The country is self-sufficient in energy, thanks to its considerable natural gas reserves. Moreover, it is the center of the existing South Central Asian energy grid, with its central dispatch center in Tashkent.

Furthermore, In order to become increasingly integrated in the region and the world, and with the goal of becoming an industrialized, high-middle income country by 2030, Uzbekistan has been accelerating market-oriented reforms, not just in the area of trade policy but also in improving the business environment, promoting private entrepreneurship and market-based financing.

Since the mid-2000s, Uzbekistan has seen stable economic progress, both in terms of robust GDP growth and poverty reduction, thanks to favorable trade terms for its key export commodities like copper, gold, natural gas, cotton, and the

government's sound macro-economic management. Growth has averaged 8 percent per year since 2004 and extreme poverty was halved between 2000 and 2012. The structure of the economy has gradually shifted away from agriculture (mainly cotton) towards a greater reliance on industry and services. Indeed, it is not a coincidence that Uzbekistan is among the 5 fastest growing countries in the world, according to the World Economic Forum.

Based on these strong socio-economic indicators, and following the upgrading of Uzbekistan from a low-income to a lower middle-income country by the World Bank in 2011, Uzbekistan has set a goal for the country to join the ranks of upper-middle-income countries by 2030, as I mentioned before, and a high income country by the middle of the century. In order to achieve this ambitious goal, the government's priorities will be to increase the efficiency of infrastructure to connect to world markets, especially of energy, transport, and irrigation. With the intention to enhance the competitiveness and efficiency of specific industries - such as agro-processing, petrochemicals and textiles -, the ultimate aim of the government is to diversify the economy and thereby reduce its reliance on commodity exports; which are highly vulnerable to external shocks. Also on the priority list is improving the access to and the quality of education, health and other social services, and offering incentives to attract capital (both financial and human).

Nevertheless, some challenges remain – especially environmental ones such as soil erosion, desertification and water scarcity; as well as the rural-urban divide – and it is here where the role of the European Union comes in.

The EU stands ready to assist Uzbekistan in overcoming these challenges. In its 2014-2020 Multiannual Indicative Programme for the country, integrated rural development is highlighted as one of the areas where EU technical expertise can be of assistance to the country.

The EU is also contributing to the diversification in the agriculture sector as well as the improvement of water and irrigation systems in rural areas, through the establishment of an integrated, efficient and equitable water and natural resource management framework.

I finish by expressing my deep admiration for the rapid and remarkable progress that Uzbekistan has achieved since its independence in 1991, and I am looking forward to the bright future that lies ahead of it.

I thank you very much for your attention,