

POLITECNICO DI TORINO

Department of Management and Production Engineering

Master of Science Thesis

**Strategy to execution by Project Portfolio methodology:
Lesson learned from the Uzbek “open for business” agenda**



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ABSTRACT

The main purpose of the dissertation is devoted to the most common mistakes of organizational structure and long-term plans in the modernized mode of project management science, in the field of *Textile, Accessories for textile products, Textile for the production of terry, Majolica production, Vineyards and wine production, Hotel, Logistics center* industry, in developed and less developed countries. It also includes the impact of human factors on practice as a result of impacts on project, programs and portfolio management, as well as successes and failures resulting from these designs.

The most researches clearly show that high chance of doing business in each sector increases the reputation of each country. Outcome result generates to increase Tourism opportunities of that country. On that basis, my thesis conclusions drawn from the report are based on indications that can be made in a non-feasible region, with particular circumstances and the result. The purpose of connecting outcome result with tourism is that, this is one of the fastest growing sectors in the world today, and tourism popularity is growing when comparing to other industries.

The second vital point of connecting portfolio projects outcome with tourism industry is that, Tourism is as the state program for tourism development in Uzbekistan. This is the prove for my words: Decree of the President of the Republic of Uzbekistan "On measures to ensure accelerated development of the tourism sector of the Republic of Uzbekistan" dated December 2, 2016, N UP-4861, and ensuring the effective organization of the State Committee for Tourism Development of the Republic of Uzbekistan.

Tourism consists of three main bearings, which are customer trend for brands, opportunities and usability's. Wide-ranging activities for every community and destination are designed to achieve a long-term, strategic approach to realizing the full tourist potential of events. All the sectors of the trend of the investment for the business are coming from the inner potential of the land and where they lead to the growth of tourism. The role of advertisement by other sector of business is for tourism industry and the main analyses of the usefulness.

In Central Asian, tourist organizations face the main problems with the lack of connection between the main linked sectors of tourism. The purpose of the thesis is to focus on research and strategic goals of the organizations that are organized to find out what relative fields should be conducted in the future to improve whole business sectors of tourism. The main results of the study indicate that tourism organizations are increasingly expanding the potential and significance of events by changing strategically using events in tourism organizations. Moreover, the role of project, program and portfolio management tools and important of long term decisions are in the tourism sectors. In addition, model tourism organizations, which describe the tourism strategy, have trace to certain stages of development. In relation to the model, these studies show that tourism organizations have a resource base for tourist organizations, such as tourist attraction, strategic management, ownership patterns, and potential urbanization activities, as well as potential and eventual infrastructure of routes.

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I. Introduction

Right strategy implements the state in great future economy. Business is the pillar of this economy. The goal of strategy is superior profitability. It is the overall plan for deploying resources to establish a favourable position in each business. The structure of each company/state follows strategy. Integrating and controlling the efforts are important in each company. Decision making of each firm and government should implement with long-term purpose that defines what the firm/government wants to be. All the pictures can be seen with proper vision and mission statements. This can be solved with Portfolio management. The first proper projects are chosen and integrated with them in programme after this step we can generate portfolio case. In my thesis, I want to implement Project management and strategy and organization subjects where, integration and necessity of them in the governmental control into the business sectors. As I introduced in the above outcome effect belongs to tourism. For this reason, the first I will introduce tourism, then there are approaches of doing portfolio case. Finally, the findings and suggestions come in my thesis.

Tourism activities are widely being developed in industry, especially at the present stage. Its main reason is that people are traveling with a purpose of healthy tourism, global spiritual, political and social issues. Sport tourism is one of the most common types of tourism in the world today. Tourism also can be subdivided into these categories, where they are Ecological, Cultural Monuments, Gastronomic, Archeology and Modern Tourism. Compared to the previously known state of affairs, we can see that cultural and spiritual differences are not same as when compared to inside of one country. Looking at the globally how many different types of these differences exist. Tourism is growing by comparing these people's worldviews, principles of living, mistakes and shortcomings in their lives in each place they visit. Apart from that, tourism also serves a great deal for resting the human body and giving relaxation to the mind.

The experiences of the states where the mostly part of budget from tourism sectors are showing us the importance of foreign investments for other sector of businesses and international value of the country appraisal goes with export opportunities. Degree of increasing Tourism attractiveness is belong with how inner nation able to understand importance of the tourists for them and for country.

Tourism is considered as the most important factor in tax revenues growth. In other words, every tourist contributes to the increase of trade turnover as a result of nutrition, housing, transportation and gifts, which the tax revenues from each business sector increase.

1.1. The purpose of dissertation

The main aim of the dissertation is to present the problems related to the investment potential of country tourism industry, as well as to make suggestions and identify Key success factors for their further development.

The main areas of research and strategic goals of organizations are to identify which sectors to pursue in the future to develop all aspects of tourism business. Based on the findings, tourism organizations will be a key factor in raising the potential and importance of tourism organizations.

The goal is to provide a strategic framework for project, programme and portfolio management in seven industries, which they support increase reputation of the state. Moreover, organization for monitoring to certain stages of development of model is for them. The main aim of the dissertation is to present the problems related to the investment potential of our tourism industry, as well as to make suggestions and comments on the key scientific issues for their further development.

The main areas of research and strategic goals of organizations are to identify which sectors to pursue in the future to develop all aspects of tourism business. Based on the findings, tourism organizations will be a key factor in raising the potential and importance of tourism organizations.

The goal is to increase the country's gross domestic product by expanding its tourism and touristic activity and strengthening its position among the world's most developed countries.

One of the main goals of the research is to introduce simple and interesting approaches to the development of tourism and tourism in Surkhandarya region.

The projects in portfolio were created on the basis of existing projects in the implementation.

Knowledge, skills and abilities are playing vital role for each industry. The portfolio management is required very high in Surkhandarya region because, region was very low degrees of industries in the past than the other regions of the Uzbekistan.

In addition, strategic implementation shows the importance of perspective, people and practice into the ability to do tasks successfully and same time efficiently.

1.2. Existing opportunities and circumstances in the field of business place.

Tourism does not cover only one type of project, however it is portfolio management that includes many projects. Today's tourism is different from the past. The nations of the world are growing rapidly in such countries as seeing other countries, learning science, and understanding news stories. This is especially true in the world of calmness.

It is no secret that there are some practical issues in Uzbekistan that are being developed in tourism, because of the rapid development of these masters, however there are a number of shortcomings and mistakes in them. This is particularly evident in Central Asian countries.

The Republic of Uzbekistan is one of the most favorable for doing business in the world. That is why I started studying this topic in order to study this rating and make scientific conclusions.

As a result of the subjects taught in the courses of study, it is determined by the deep analysis of the secrets of the benefits of achieving high efficiency, based on the minimum costs of the existing organization, enterprise, and public institutions.

1.3. Brief overview of Uzbekistan.

Uzbekistan is located in the middle of Central Asia, between two major rivers, Amu Darya and Syr Darya. The peoples of these territories have a history of three millennia. This place is one

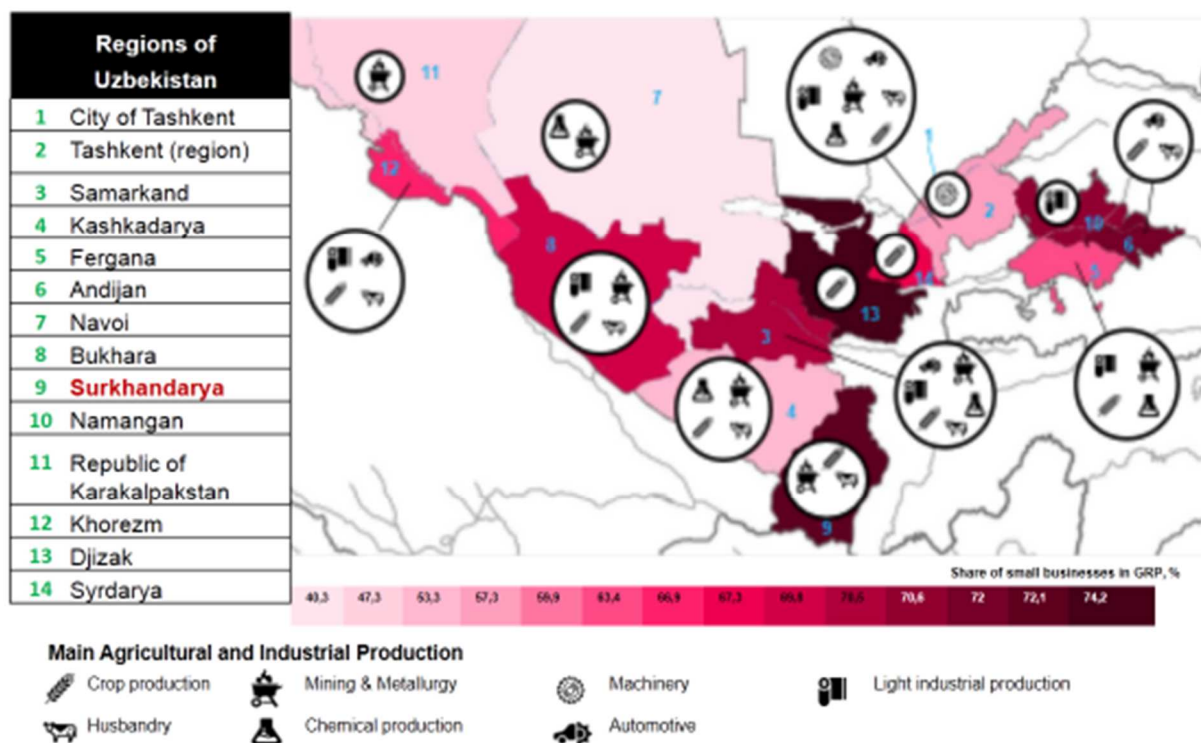
of the oldest in the world, and it is a civilization country. Uzbekistan is one of the strongest and most peaceful countries in Central Asia. Its population is about 33 million people. There are many historical monuments. Especially in Samarkand, Bukhara, Khiva and Surkhandarya regions and historical finds are still being extracted. The destroyed ruins have been reconstructed during the years of independence. This landmark is the crossroads of the Great Silk Road linking between Asia and Europe. Examples of ancient art works have been preserved in Uzbekistan through the Great Silk Road to Europe and Asia's most remote borders.

1.4. Brief overview on the Surkhandarya region.

Surkhandarya region is the southern part of the Republic of Uzbekistan. It borders Tajikistan, Turkmenistan and Afghanistan. The region was established on March 6, 1941 as a complex of present-day cities and districts. The region consists of three groups - Muslims, Christians, and Buddhists. The three segments that combine are very few in the world as like Surkhandarya region. This opportunity is a great deal of convenience. The geographical location of the region is also very convenient for attracting tourists, the Gissar Mountains in the west and northwest, the Baysun Mountains (4425 meters) and Kuchitangtog (3139 meters) in the north, Bobotog in the East (2290 meters).

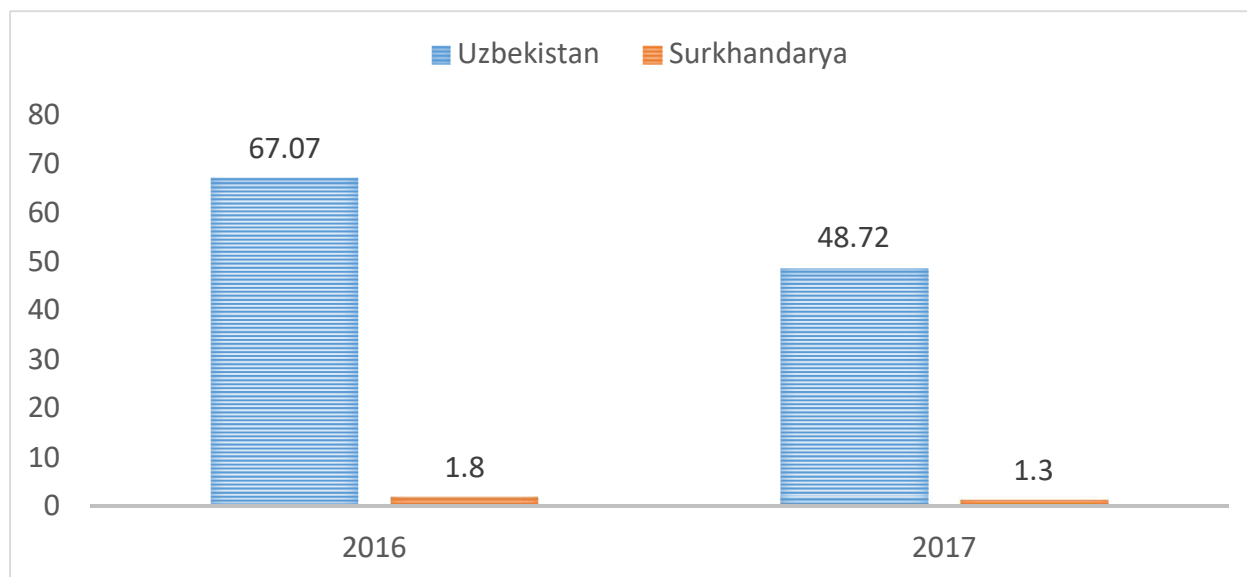
II. Economic Indicators.

The main economic sources of the region are agriculture. There are 26 year-old industrial plants grown in cotton fiber varieties. Leading industries in Surkhandarya are light and food industries. In the region, the production line has gradually entered its development, though slowly. Nowadays, enterprises that are more industries are food, textile and sewing, silk, pharmaceutical, leather products, electronics, building and construction raw materials, chemical and chemical compounds, machinery and spare parts, paper and paper products, furniture production, metallurgy industry and other industries.

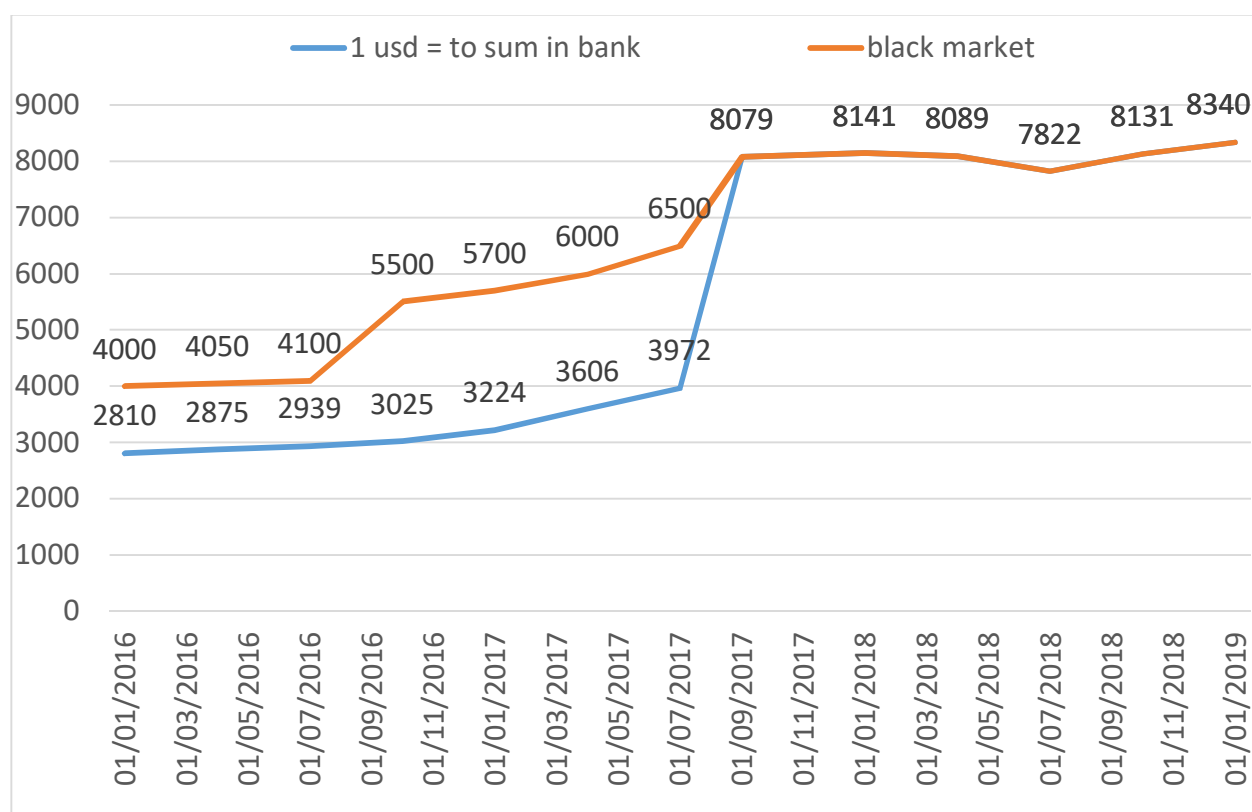


2.1. GDP of Uzbekistan and Surkhandarya region (billion USD).

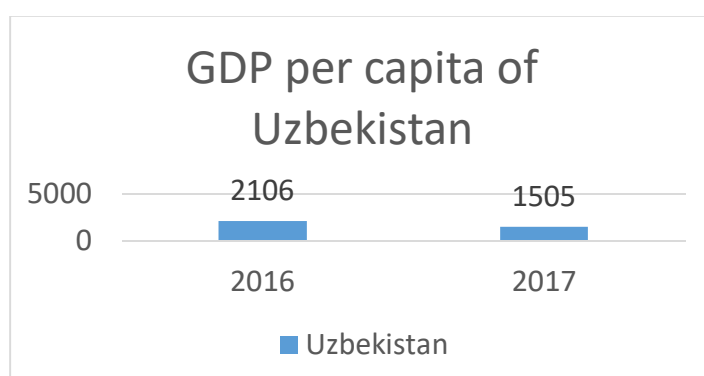
One of the main reasons for the decline in GDP in US dollars from USD 67.07 billion to USD 48.72 billion in 2016 can actually be the result of GDP growth in 2017 due to the reduction of the UZS against the dollar by 2 times. In the history of Uzbeks, since September 2017, the concept of free market convertibility has been lost in the country and black market has become a novelty for executives.



2.2. USD dollar change to Uzbek Sum during the period 2016-2019 years.

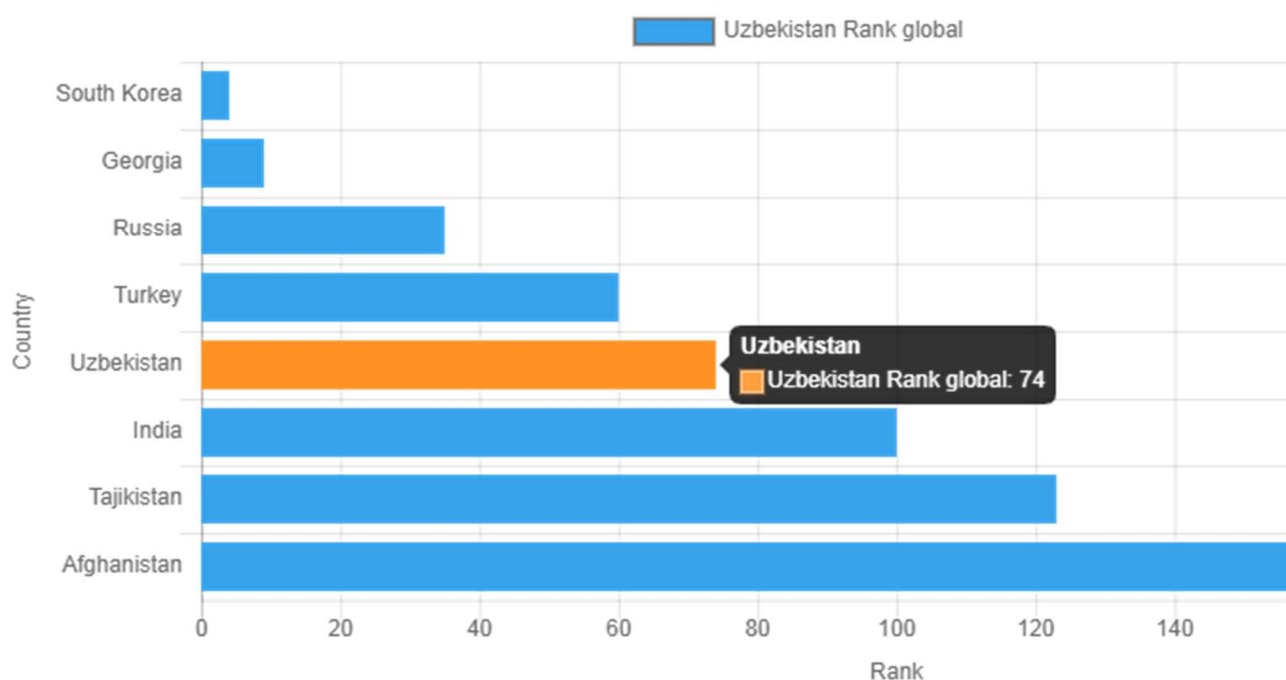


2.3. GDP per capita of Uzbekistan.



This graph shows us, the period 2016 to 2017, GDP per capita has been reduced to \$ 600. GDP per capita can be seen by how much the country's inner capacities make it possible for the people. From the analysis of economies, we know that within a short period of time the decline in GDP per capita in a country where investment volumes have suddenly increased. The main reason for this is the attraction of foreign investment, primarily through the development of internal infrastructures for them. Infrastructure of a country and urbanization require a lot of capital requirement. At the same time, it is necessary for state and private banks to establish foreign currency credit lines for investors. Because all of these factors require more capital, country is exposed to external debt. Therefore, its currency value has been reduced in the short period. The short or long period of this era is primarily associated with the right strategic planning.

2.4. Ease of doing business rating.



Business rating means the convenience of small and medium-sized businesses. This is the creation of a new business, such as energy opportunities, easy registration of property, loans, regulatory compliance, bankruptcy, and labor market regulation.

There is a popular rating that describes the state of the interethnic harmony in the country. According to this, Uzbekistan is ranked 74th in this rating in 2018. In 2018 this figure was 92nd in comparison with 2012.

✓ Starting a business Uzbekistan made starting a business easier by rolling out a new platform for business registration, starting with name verification as the first step.

✓ Dealing with construction permits Uzbekistan made dealing with construction permits easier by streamlining the process of obtaining approvals of land plot allocations from various agencies.

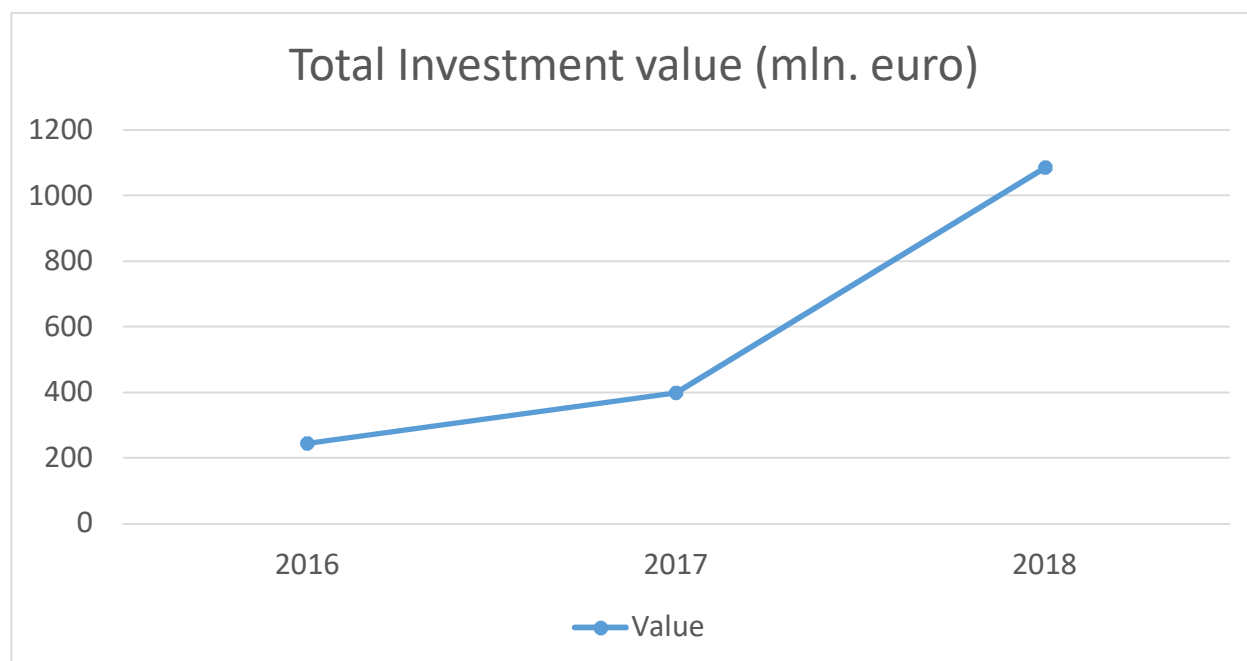
✓ Getting electricity Uzbekistan streamlined the process of obtaining an electricity connection by introducing a turnkey service at the utility that fulfills all connection-related services, including the design and completion of the external connection.

✓ Protecting minority investors Uzbekistan strengthened minority investor protections by increasing corporate transparency requirements.

✓ Paying taxes Uzbekistan made paying taxes easier and less costly by introducing an electronic system for filing and paying value added tax, land tax, unified social payments, corporate income tax, infrastructure development tax, environmental tax, personal pension fund contributions

and cumulative pension contributions. However, increases in land tax rates made paying taxes more costly.¹

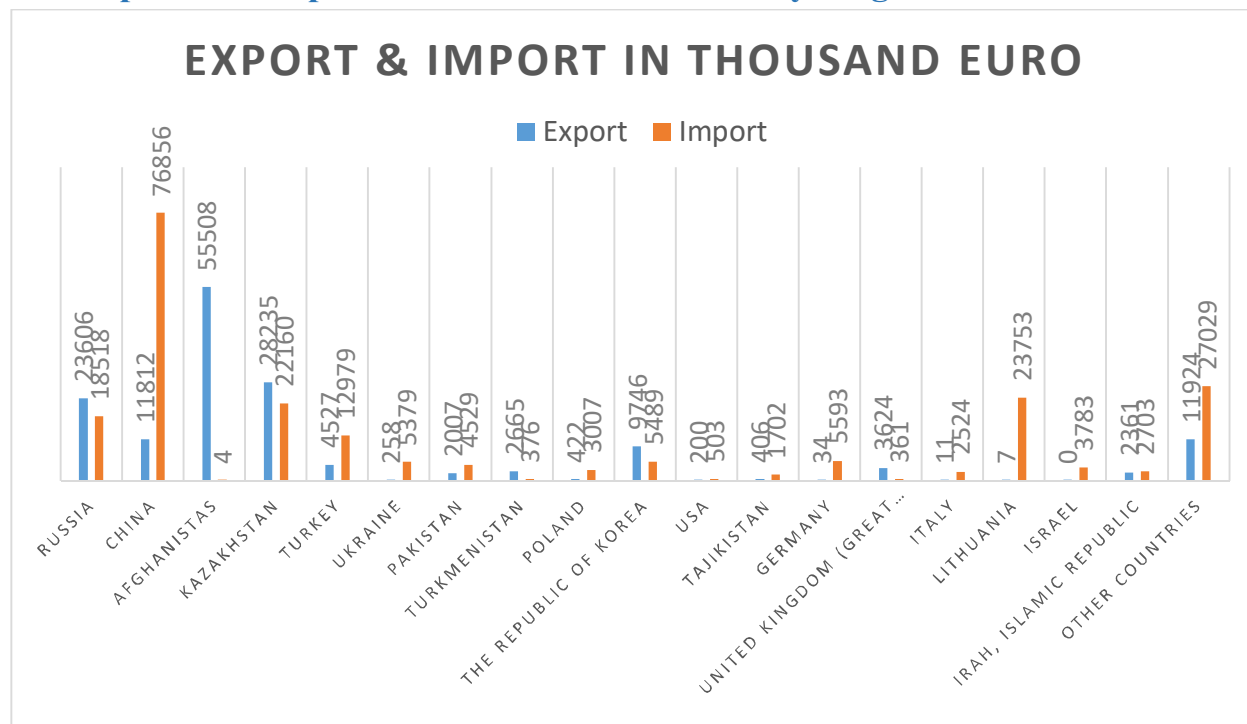
2.5. Total Investment value in Surkhandarya region (mln. euro).



In the region we can see that the total value of annual investments increased by 2.5 times in comparison with 2017 and 2018.

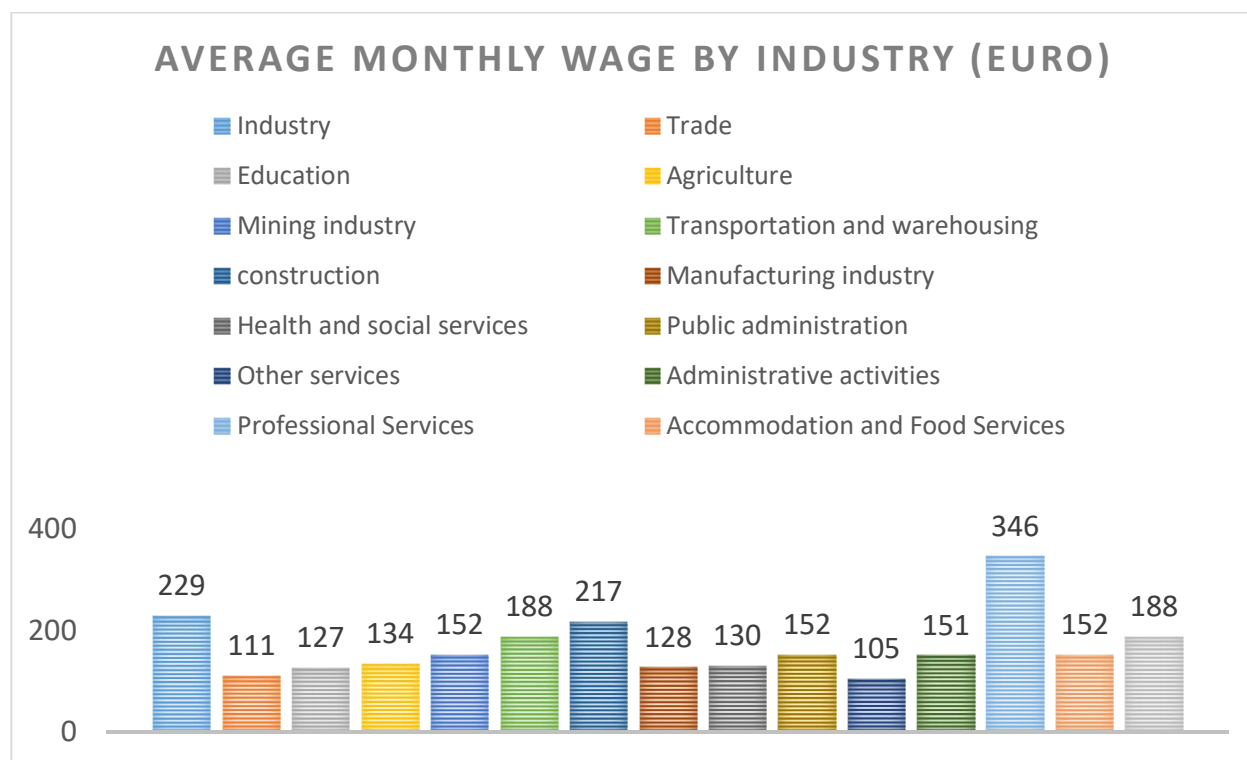
¹ A World Bank Group Flagship Report, Doing Business 2018 Reforming to Create Jobs

2.6. Export and import indicators of Surkhandarya region.



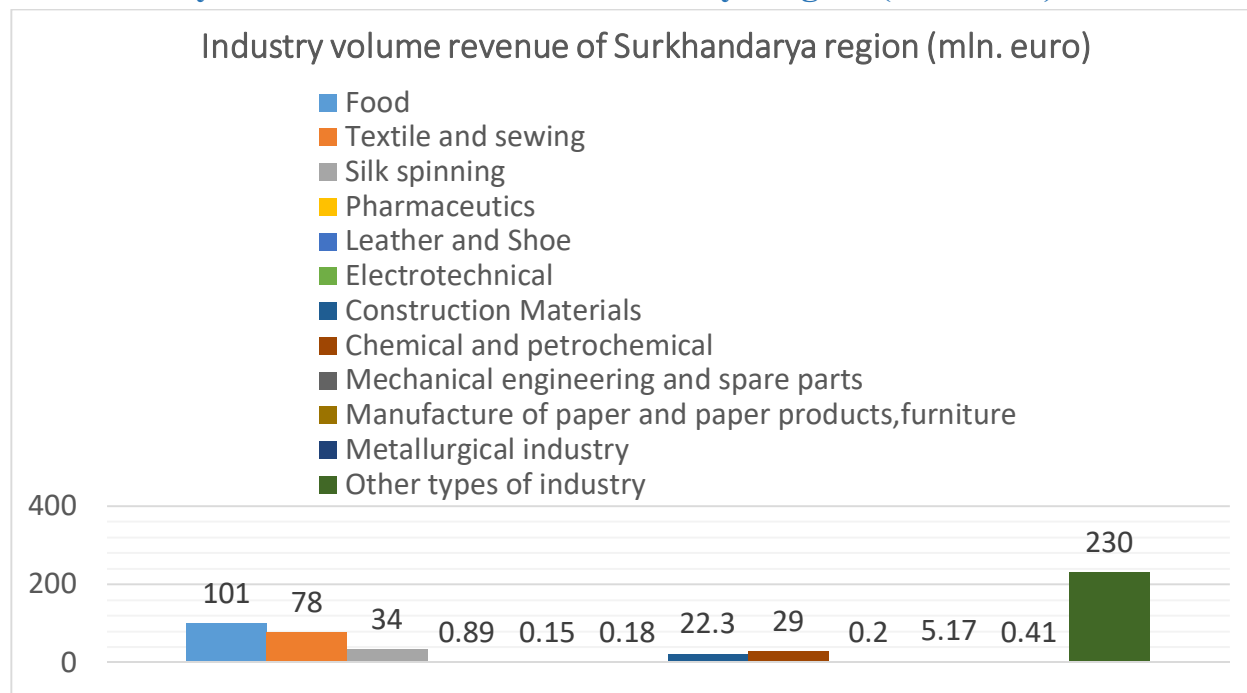
Information on imports and exports made by countries in the account of the region in 2017.

2.7. Average monthly wage by industry (euro).

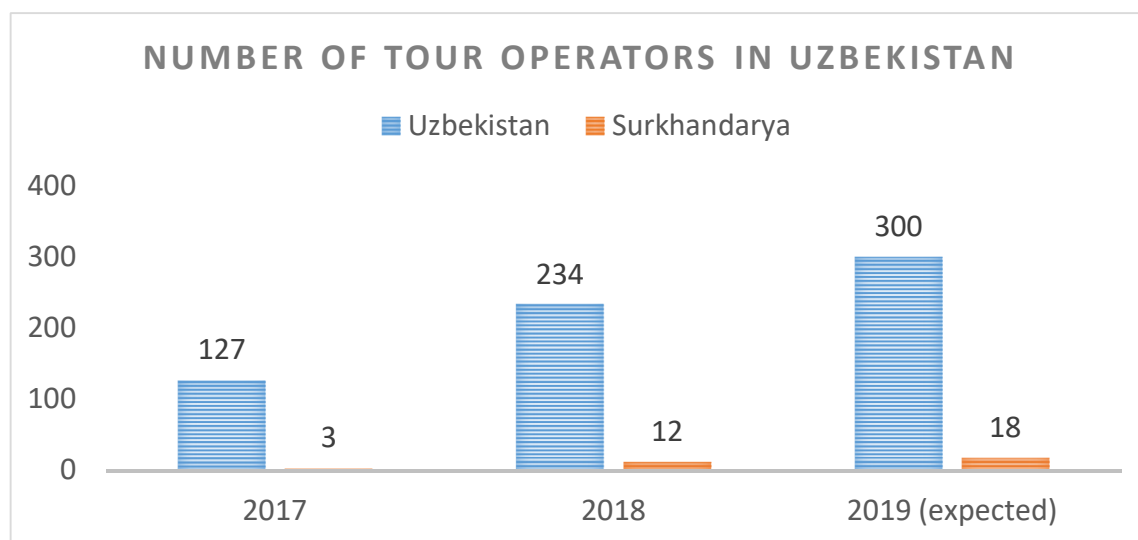


From the monthly wage paid in the Republic of Uzbekistan we can understand that this is a very low cost of business.

2.8. Industry volume revenue of Surkhandarya region (mln. euro).



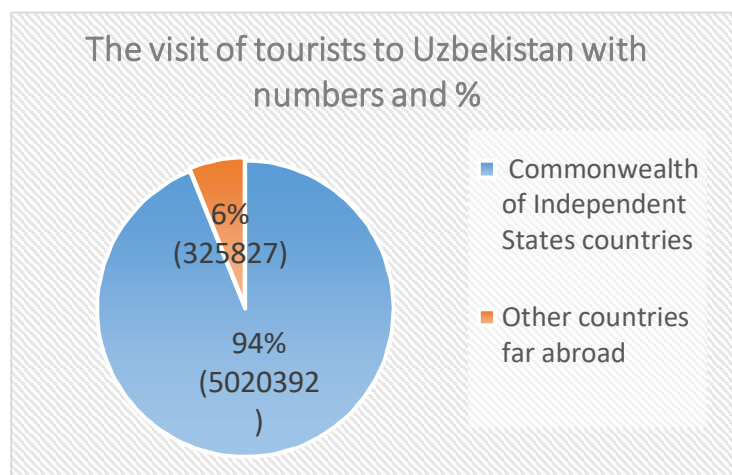
2.9. Number of tour operators in Uzbekistan



As the thesis is considered as the main theme of tourism development, the number of tour operators is important.

2.10. The visit of tourists to Uzbekistan with numbers and percentages.

Place	Number of tourists
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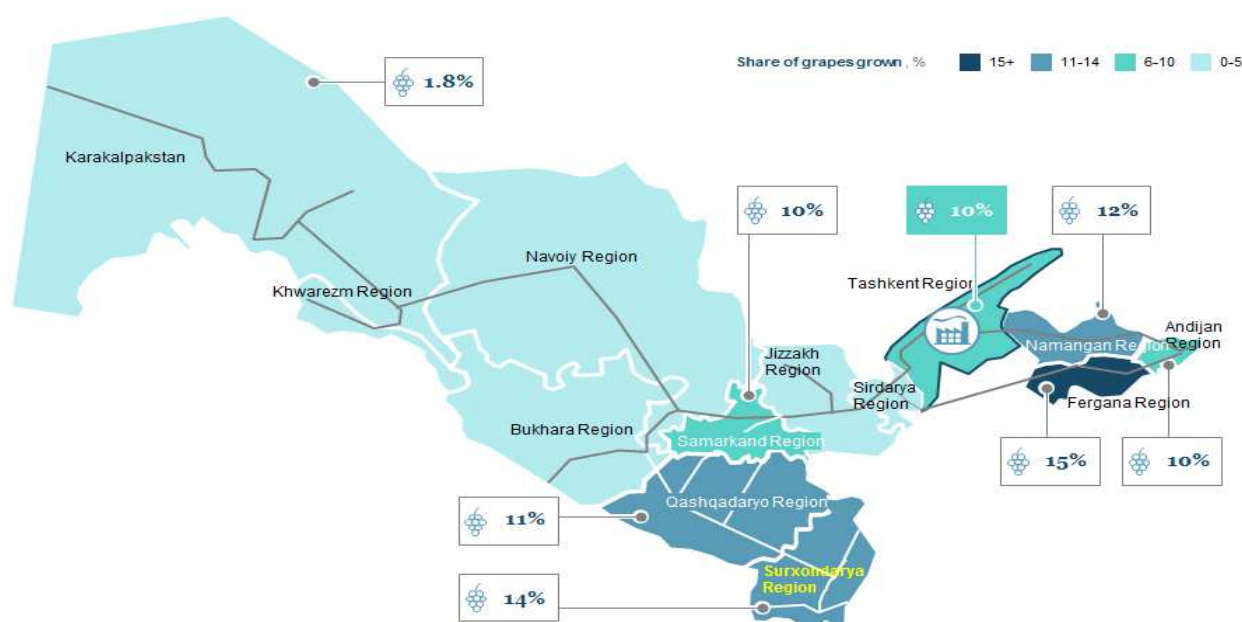
Commonwealth of Independent States countries	5 020 392
Other countries far abroad	325 827

It is important to exploit the best use of tour operators for the rapid and meaningful development of tourism potential. Nowadays, the number of

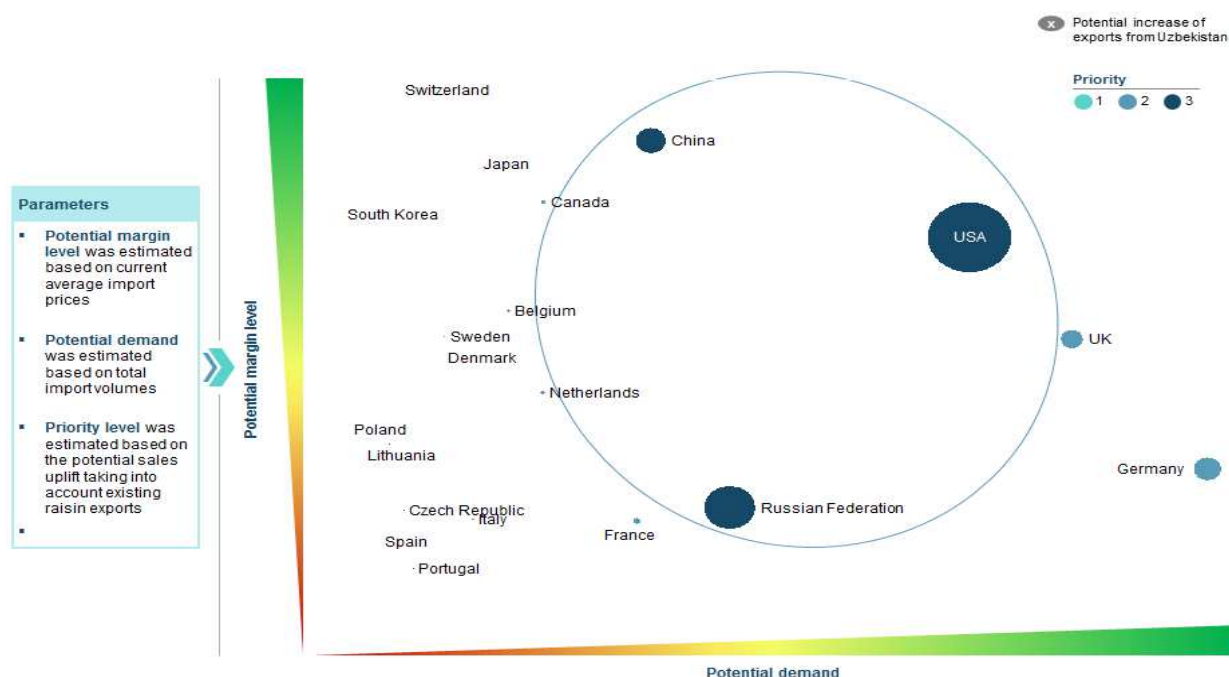
tourists visiting in Uzbekistan is not high. The average annual tourist income from the Commonwealth of Independent States is about 5 million 21 thousand. The number of foreign tourists arriving in one year is about 300-350 thousand people. Establishing and determining the number of tourists is based on guidelines based on the higher and specific results of tourist opportunities.

Availability of number of hotels and variety of services generate essential role for tourism industry. However, price of hotels are expensive for Uzbekistan without competition and price of staying is a key factor for raising tourist potential.

2.11. Information of wine raw material prepared by the case of regions in Uzbekistan.



This information shows that Surkhondaryo region is one of the leaders among other regions of Uzbekistan in the production of raw materials within the wine industry.



2.11. Economic factors in textile industries.

Traditionally, cotton is one of the most important product of Uzbekistan. However, in recent years, according to the country's cotton export more value-added products for serious measures are being taken for the development of the textile industry.

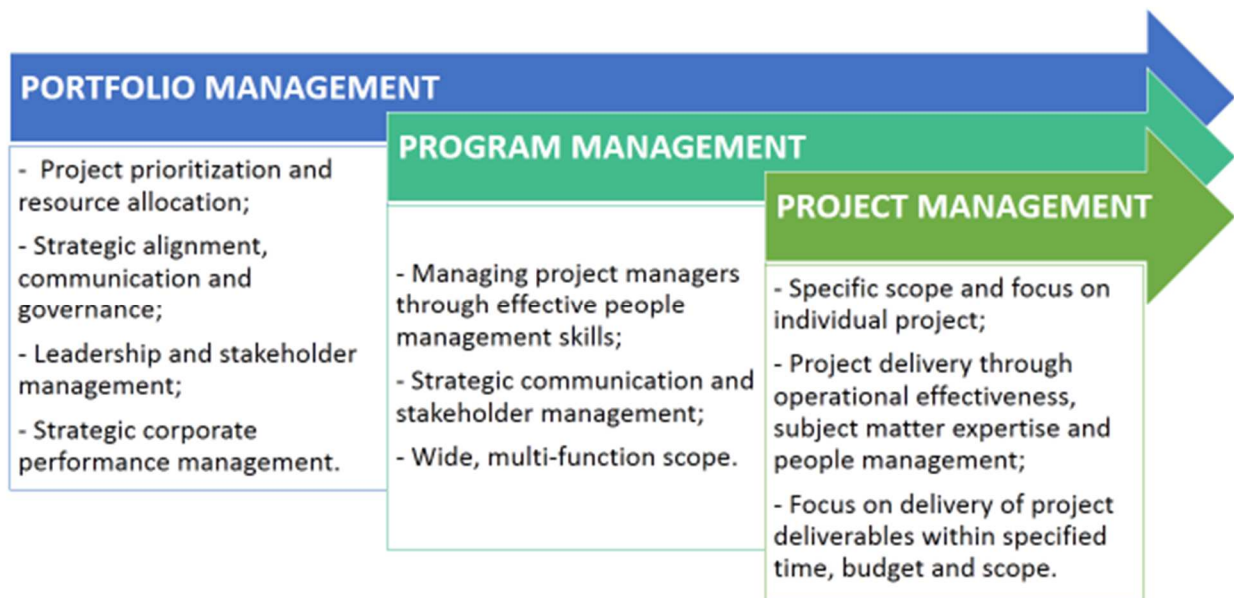


According to the statistical data of the National Statistics Committee of Uzbekistan, the textile exports in Uzbekistan in 2018 have maintained a rapid growth. Annual exports of textile products amounted to 1.65 billion US dollars and increased by 18% compared to last year.



"My biggest goal is to provide people with jobs, and we will export less cotton, we will process it in the country and produce more products", President Mirziyoyev said during his visit to Jizzakh province in 2018.

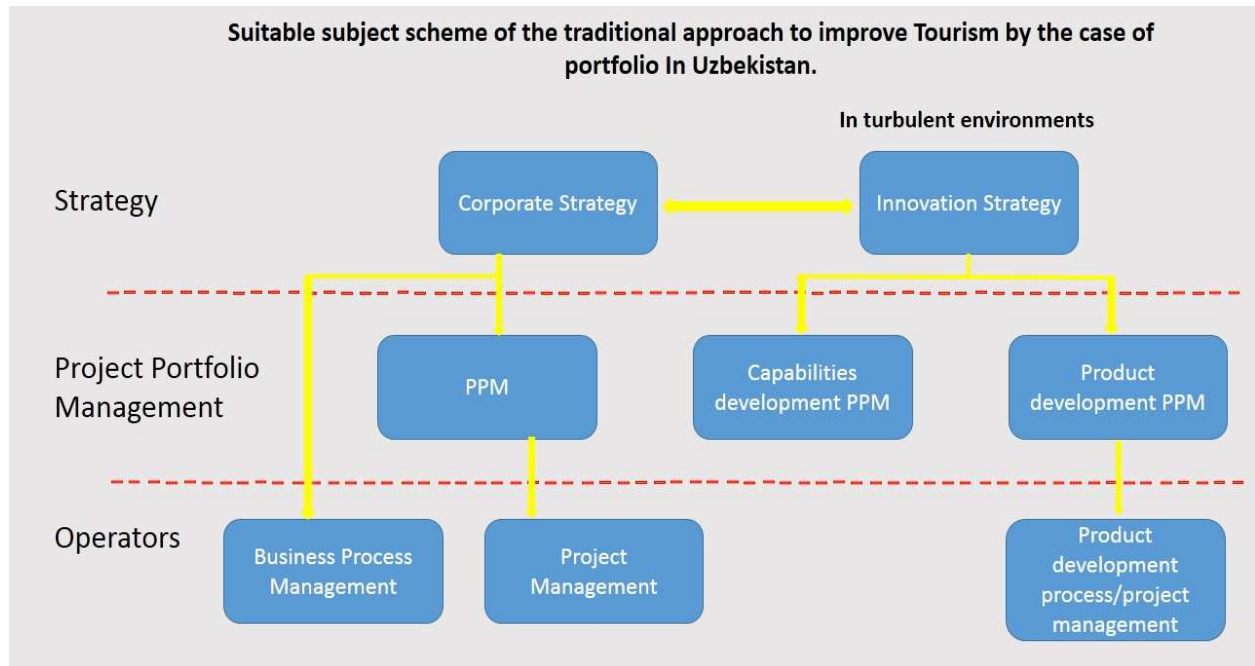
III. Main approaches and methodologies of the thesis.



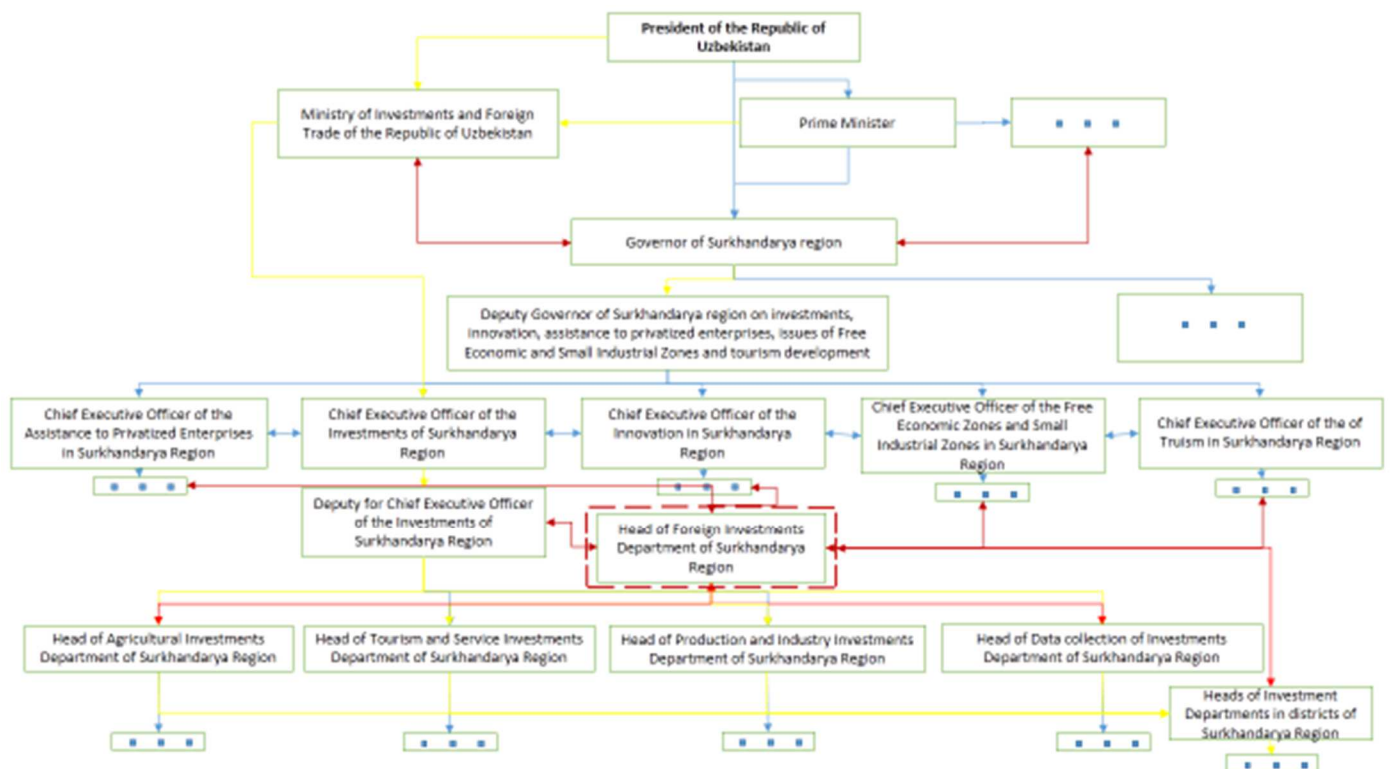
From this diagrammatic approach, we can see that Strategic Decisions should be taken by the public administration for long period and should be based on the capabilities of the regions.



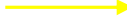

Project Portfolio Management carried out and basis of a good relationship between the state and entrepreneurs, support one to another, that government decisions and entrepreneurship in the wise use of the facilities, as well as the structure of the industry portfolio of selected lines. It is important to continue the continuity of the bond.

Operators - Business Process Management, Project Management and Product development process / project management systems. At this stage, the projects selected based on programs plays an important role in the organization. Therefore, this step involves the proper management chosen.



3.1. Government organization structure, controls, desition-making sturctures.



ID	Arrows	Description
1		Decision making up to bottom, implementation bottom to up.
2		Decision making interconnection, do not obey one another.
3		Decision making on investment up to bottom, implementation bottom to up.
4		Projects involving foreign enterprises interconnection departments, do not obey one to another (<i>My job position</i>)

3.2. Information about portfolio management of Surkhandarya case.

From the concept of the projects and strategical relativeness of the industries and degree of importances evaluated to do list of projects in one portfolio case. The main purpose of using portfolio case is easy controlling and supporting for the new projects by the government. The projects are:

1. **“Gulmek Tekstil Konfeksiyon”** Joint Venture between Uzbek (40% shareholder) and Turkey (60% shareholder) companies in *Textile* industry.
2. **“Aleksandr-Avangard-Denov”** Joint Venture between Uzbek (55% shareholder) and Russia (45% shareholder) companies in *Accessories for textile products* industry.
3. **“Surhonteks”** Joint Venture between Uzbek (65% shareholder) and Iran (35% shareholder) companies in *Complex textile for the production of terry products* industry.
4. **“Amira Ilyas”** Joint Venture between Uzbek (75% shareholder) and China (25% shareholder) companies in *Majolica production* industry.
5. **“Afghan-German Company”** Joint Venture between Afghan (50% shareholder) and German (50% shareholder) companies in *Vineyards and Wine production* industry.
6. **“Silk Road Pligrim”** Joint Venture between Uzbek (51% shareholder) and Tadjik (49% shareholder) companies in *Hotel* industry.
7. **“Cantek Group”** Joint Venture between Uzbek (80% shareholder) and Turkey (20% shareholder) companies in *Logistics center* industry.

Defination about the projects: the projects relative to each other in the programme of region. The inner potential and the social life will be changed in positive side by this programme. Total project value of the portfolio is 30 million and 158 thousand US dollar. The longest period of the project duration is in the worst case 172 and in the best case 154 weeks.

3.3. Data analysis with definitions within Portfolio case

In portfolio case, data analysis consists of strategic fit, theory, methodology, analysis, component coverage, metrics, value and scopes for implementation, organizational structure, planing and time duration of each project, each of project begins with set of mission and goals, the list of main risks and findings.

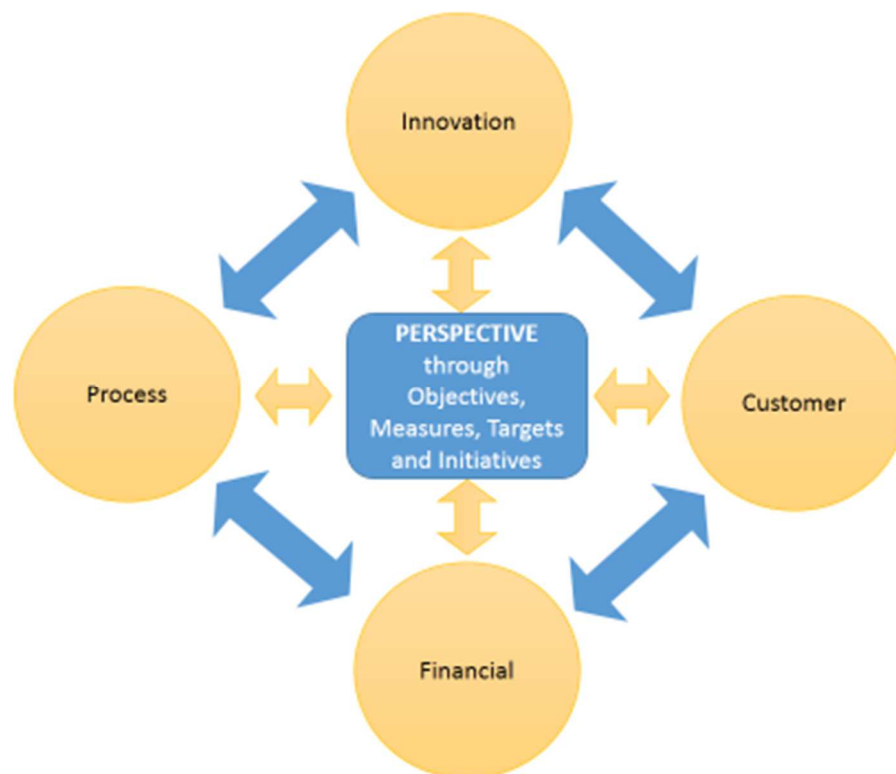
3.3.1. Strategic Fit

We are analyzing in four aspects of strategic fit by giving score from 1 to 10 by the point of each firm.

	GROWTH	EFFICIENCY	CUSTOMER	FINANCIALS
Theories, Analysis, Methodologies	Kaplan theory, Kanban methodology	SWOT and Porter's Value chain analysis and Porter's diamond model	Porter's 5 forces Analysis and Market Segmentation	Competitive advantage and metrics
Descriptions	Fast-paced, City-paced, busy-adrenaline-lifestyle	Economic efficiency, Market efficiency	Which Generic strategy should implement in the business strategy of the company: The cost leadership strategy or Benefit differentiation strategy	Financial opportunities and free aspects

3.3.2. Kaplan theory

Innovation: in Uzbek case firm should take attention to Sociality and Purchase occasion of customers. The best threats may come in Chinese market. Therefore innovation in each project generate process innovation more than new product development.



Process: the most important aspect is process the reason why inbound and outbound in value chain stages are not well linked each other and full of misunderstandings. Even in portfolio case it will not be easy to match projects in the same root to become portfolio management.

Customers: Their sensitivity is high products which produced in to developed country products. Firm's need to be prudent in production processs with more benefit differentiation products. Variety of product and with low costs can give lion's power to achieve market successes.

Financial: Competition in local market is not high, this will give more financial opportunities even for smaller companies where taxes free. In our Portfolio case there are three Projects where they are got unfinished or unused buildings by the Government.

Summary: Kaplan theory identify which market segment and relationship is vital to company to achieve successes.

3.3.3. Kanban methodology

Kanban's methodology includes the following questions to arrange for the most important issues in the relationship between the company and the government portfolio:

	Standpoint by firms	Standpoint by government	Standpoint by Porfolio Case
What should to do?	<ol style="list-style-type: none"> 1. Identify KSF 2. Identify Customers 3. Analyze Competitors 4. Analyze Suppliers 5. Choice in proper Market Segment in industry where more profit 6. Appropriability of Human Resources 7. Long term Strategic decision. 	<ol style="list-style-type: none"> 1. Identify emptier sectors of market position. 2. Identify proper Firms in project 3. Analyze project programme 4. Analyze Customer needs 5. How strengthening the population's knowledge level 6. Determining the allocation of income from the benefits (tax, brand, reputation). 	<ol style="list-style-type: none"> 1. Identify perspectivecompetence of projects 2. Implement relative programmes 3. Utilize people competences of skills 4. Select correspondent location 5. Generate practice competences 6. Time and quality control in portfolio mode.
What is doing?	<ol style="list-style-type: none"> 1. Projects are started by implemented programmes 2. Strategic decision is doing 3. Some projects Agreements and documentations are doing. 	<ol style="list-style-type: none"> 1. All projects programme done by government 2. Firm's chose in emptier Market segments in their corporate strategy. 3. Under the supervision of foreign qualified professionals, projects are being continued by local experts. 	<ol style="list-style-type: none"> 1. Governance, structures and processes are doing by portfolio case 2. Works on compliance, standards and regulations are being organized 3. Resourcefulness of understanding the portfolio is increasing 4. Negotiation of each programme started 5. Portfolio design is implementing.
What has done?	<ol style="list-style-type: none"> 1. In some projects Agreements and 	<ol style="list-style-type: none"> 1. Suitable programme has done which the projects has done 1st step. 	<ol style="list-style-type: none"> 1. The best and The worst case of time duration has identified.

documentation
processes finished.

3.3.4. SWOT analysis

Internal and external appraisals of the company is carried out through SWOT analysis. The internal appraisals are strengths and weaknesses of the company and external appraisals apply to the industry. I want to analyze the SWOT analysis of the portfolios.

	Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> ✓ <i>Textile</i> ✓ <i>Manufacture of accessories for textile products</i> ✓ <i>Complex textile for the production of terry products</i> ✓ <i>Majolica production</i> ✓ <i>Vineyards and wine production</i> ✓ <i>Hotel</i> ✓ <i>Logistics center</i> 	<ul style="list-style-type: none"> • Easy access to raw materials; • Low sensitivity of customers to Brand and Reputation; Where our new companies may enter easy; • Amass market within the Central Asia; • Free long year contacts for land and in some industries even free buildings; • Companies in relative social place where can easily adoptate local situation and market. 	<ul style="list-style-type: none"> • Companies can not control the industry by themselves; • The difficulty of Chinese companies to win in business competition. 	<ul style="list-style-type: none"> • Lower competition between the competitors; • Growth of economies and connections between countries ingreasing faster; • Growth number of population is high. 	<ul style="list-style-type: none"> • Government control is still high than the privatization the industries. • Unpredictable results before stating the business; • Number of customers belong with visa regime;

3.3.5. Porter's Value Chain analyze

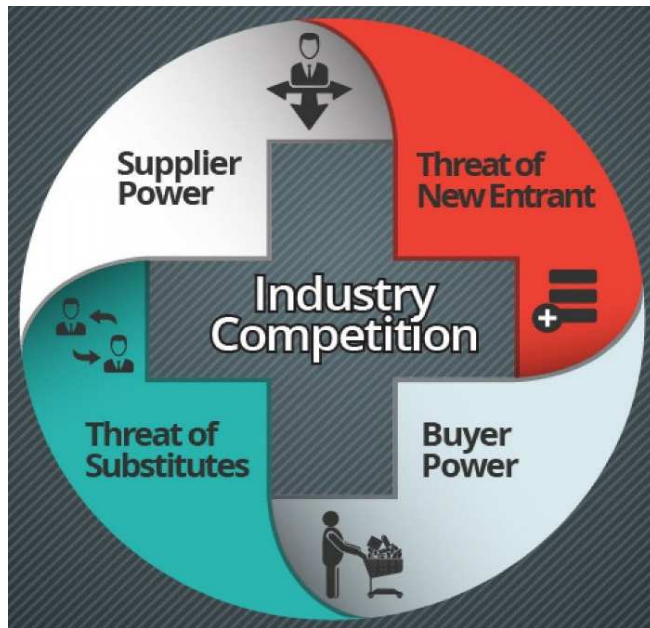


What are the relative sectors of businesses to each other? And what are the Commercializing? Value chain analyze identify each value stage necessities and links in the portfolio case. The **primary activities** support to achieve the Cost leadership Strategy. The purchase occasion is not high in Central Asia, the reason why, in our case, price of product/service is vital and necessary thing.

How firms can generate Benefit differentiation strategy? And what are the benefit for customers? The **support activities** generate benefit for customers where strategic fit of companies in the portfolio case.

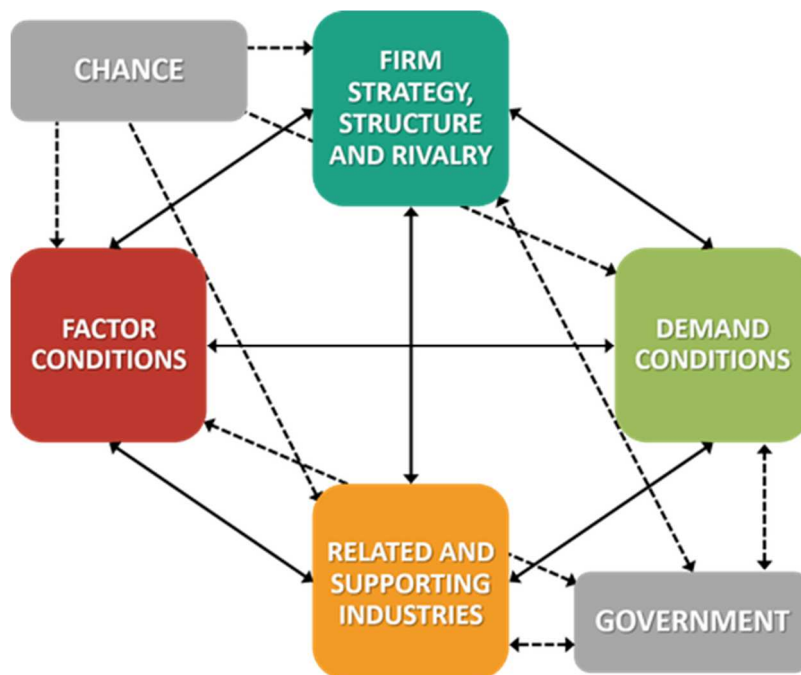
3.3.6. Porter's 5 Forces Analysis

Horizontal forces will intensify competition in each industry. In portfolio case, we can see the relationship between each project. The vandalism may come from Chinese companies, because Chinese companies have a strategy of the cost leadership generic strategy. The degree of new entering companies into the local market is also highly assessed. International statistic information shows that, risk aversion is decreasing year by year in Uzbekistan. The competition in the local market is currently being evaluated moderately. From the starting moment of establishment in each company, we can minimize these risks by strengthening relationships between the companies and analyzing them as a portfolio.



Vertical forces belong to each stage of the value chain. The bargaining power of consumers is determined by the type of product. Over the past two years, Uzbekistan has stepped up production of many products. Nowadays, companies desirable strong relationship between suppliers. The bargaining power of suppliers are low the case of local raw material needed industries. Logistics center create great opportunities to other firms in portfolio case.

3.3.7. Porter's Diamond Model



The Diamond model will support to identify the factors that are required by the government and the factors that are required for firms to develop. In every industry, we can behold the impact of the chance in the industry through the introduction of new firms.

Coverage

3.3.8. Component

COMPONENT COVERAGE: The components are evaluated by the state-created capabilities of enterprises within the each industry.

Free tax	Free land	Free facilities	Privatization
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from 300 thousand dollars to 3 million dollars - for a period of 3 years;
 from 3 million dollars to 5 million dollars - for a period of 5 years;
 from 5 million dollars to 10 million dollars - for a period of 7 years;
 from 10 million dollars and above - for a period of 10 years, with the application of the profit tax rate and the single tax payment in the amount of 50% below the current rates for the next 5 years.

There are two conditions:
 Score-1) Company located in FEZ or SIZ;
 Score-2) Not in Free zones

Advantage of Taxes who are participating in Free Economic Zones and Small Industry Zones	Advantage of getting free Land who are participating in Free Economic Zones and Small Industry Zones	Can Firm take Empty buildings in their industry or not?	Was it governmental sector of business industry or not?
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3.3.9. Metrics

METRICS: Metrics are used to represent the time, value, effort and key resource of each project.

Time [wks]	Project budget	Effort	Key resource
Main delay reasons: - Incorrect expectations (budgets, timetables, human resources) - complexity of task - unexpected events - strategies to prioritize some projects over others due to strategic objectives - low coordination	Mln \$ US	Head of Foreign Investments Department of Surkhandarya Region point of view: Business sectors effort to the country economics, people social life, People occasional capabilities, Enviromental affects, Labor capacity opportunities.	Create new jobs, Competition increase product quality and decrease price. Urbanization process is becoming faster. Specialization skills increae. Uzbekistan Reputation by export.

3.3.10. Value and scopes for implementation

VALUE: the value of each project is a measure of its evaluation at the service level of the society and state.

SCORE OF USABILITY OF THE PROJECT BY IPMA PEB CONCLUSION

Perceived satisfaction level (C.1.a/C.2.a/C.3.a)	Expected satisfaction level according to indicators (C.1.b/C.2.b/C.3.b)	Link between the approach and satisfaction level (IPMA PEM areas A and B)	Comparison of the satisfaction level with the industry/sector benchmark	Score
Exceptional and expressed proactively	Fully supports exceptional satisfaction	The approach enabled the establishment of a new benchmark	A new benchmark established	up to 100
Exceptional		The approach directly led to exceptional satisfaction level	Outstanding in some areas	up to 80
Positive in all key areas	Positive in all key areas	Clear link in all key areas	Good in all key areas	up to 60
Positive in some areas	Positive in some areas	Clear link in some areas	Acceptable in most areas	up to 40
Neutral	Neutral	Weak link	Acceptable in some areas	up to 20
Negative	Negative	No proof, or approach clearly leads to dissatisfaction	No proof	0

SCOPES FOR IMPLEMENTATION PLAN

	Wait	Start	Middle	Finish
Agreement and project documentation	From 0 up to 25	From 26 up to 50	From 51 up to 75	From 76 up to 100
Construction, engineering and final building				
Equipment installation, Organization implementation and initial financial steps				

3.3.11. Organizational structure

Each project organizational structures and number of workers are in this table.

ID	Company name and industry	Project Organize structure
1	<i>Gulmek Tekstil Konfeksiyon (Textile)</i>	Functional organization CEO: 1 person Managers: 1 for manufacturing, 2 sale manager Techno-structure: 2 Work study analysts, 3 planning and control analysts, 2 personnel analysts Support staff: 1 for R&D, 3 for other staffs

		Operating core: 35 for physically to the job
2	<i>Aleksandr-Avangard-Denov (Manufacture of accessories for textile products)</i>	<p style="text-align: center;"><u>Functional organization</u></p> CEO: 1 person Managers: 1 for manufacturing, 1 sale manager Techno-structure: 2 Work study analysts, 2 planning and control analysts, 2 personnel analysts Support staff: 1 for R&D, 3 for other staffs Operating core: 22 for physically to the job
3	<i>Surhonteks (Organization of textile complex for the production of terry products)</i>	<p style="text-align: center;"><u>Functional organization</u></p> CEO: 1 person, CIO: 1 person Managers: 2 for manufacturing, 2 sale manager Techno-structure: 2 Work study analysts, 3 planning and control analysts, 3 personnel analysts Support staff: 1 for R&D, 5 for other staffs Operating core: 30 for physically to the job
4	<i>Amira Ilyas (Organization of majolica production)</i>	<p style="text-align: center;"><u>Organic organization</u></p> CEO: 1 person Managers: 1 sale manager Techno-structure: 1 Work study analysts and for personal analysts, 1 planning and control analysts Support staff: 1 for R&D, 1 for other staffs Operating core: 14 for physically to the job
5	<i>Afghan-German Company (Expansion of vineyards and organization of wine production)</i>	<p style="text-align: center;"><u>Matrix organization</u></p> CEO: 1 person Managers: 1 for manufacturing, 1 for vineyards, 2 sale manager Techno-structure: 4 Work study analysts, 3 planning and control analysts, 5 personnel analysts Support staff: 2 for R&D, 5 for other staffs Operating core: 20 for physically to the job, 15 temporary job in vineyards
6	<i>Silk Road Pligrim (Hotel)</i>	<p style="text-align: center;"><u>Organic organization</u></p> CEO: 1 person Managers: 1 General, 1 sale, 1 food and baverage, 1 front office, 1 housekeeping Techno-structure: 2 personnel analysts Support staff: 1 for advertisement, 7 for other staffs Operating core: 25 for physically to the job
7	<i>Cantek Group (Logistics center)</i>	<p style="text-align: center;"><u>Functional organization</u></p> CEO: 1 person Managers: 1 for manufacturing, 2 sale manager Techno-structure: 2 Work study analysts, 3 planning and control analysts, 2 personnel analysts Support staff: 1 for R&D, 3 for other staffs Operating core: 35 for physically to the job

3.3.12. Planing and time duration of each project.

Implementation plans are in time durations by 3 steps.

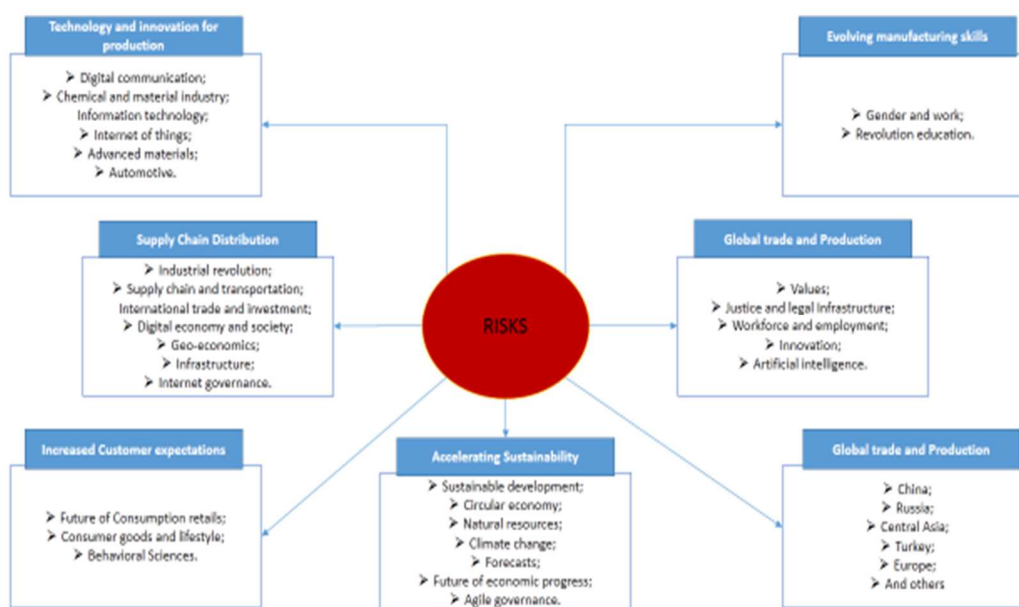
ID	Company name and industry	Implementation plan (months) (min-max)		
		Agreement and project documentation	Construction, engineering and final building	Equipment installation, Organization implementation and initial financial steps
1	<i>Gulmek Tekstil Konfeksiyon</i>	2-2,5	13-14	7-7,5
2	<i>Aleksandr-Avangard-Denov</i>	2-3	11-13	5-6
3	<i>Surhonteks</i>	2-3	8-9	8-9
4	<i>Amira Ilyas</i>	1-1,5	4-5	3-3,5
5	<i>Afghan-German Company</i>	2-3	13-14	6-8
6	<i>Silk Road Pligrim</i>	2-2,5	9-10	4-6
7	<i>Cantek Group</i>	2-3	20-21	14-16
	DURATION OF PORTFOLIO	2-3	20-21	14-16

3.3.13. Each of project begins with set of mission and goals.

		Gulmek Tekstil Konfeksiyon	Aleksandr-Avangard-Denov	Surhonteks	Amira Ilyas	Afghan-German Company	Silk Road Pligrim	Cantek Group
Project mission and goals	Non unionized labor				✓	✓	✓	✓
	Widely availability of product differentiation	✓	✓	✓	✓	✓	✓	✓
	Widely availability of resources	✓	✓	✓	✓	✓	✓	✓
	Low costs of product	✓	✓	✓	✓	✓		
	Learning new Markets	✓	✓	✓	✓	✓	✓	✓
	New brand establishment	✓	✓	✓	✓	✓	✓	✓
	New type of grapes and new inherent tastes					✓		
	Diversification	✓	✓	✓	✓	✓		

Turizm opportunities					✓	✓	✓	
Possibility to get Building free					✓	✓		✓
Possibility to get land free		✓	✓	✓	✓	✓	✓	✓
How many years without tax fee	3				✓			
	5	✓	✓	✓		✓	✓	
	7							✓
Export opportunities		✓	✓	✓	✓	✓	✓	✓

3.3.14. The list of Main Risks



I have provided information on the risks of doing business in Uzbekistan above page, however, if we look at the situation with like a normal condition, there are enough natural risks for each project and every industry. There is evolution of risks and marks of risks to the each project.

PROJECT	Risk 1-5	Description
1 Textile	2,75	Geo-economics, infrastructure, advanced materials, revolution education, behavioural sciences, China, Turkey.
2 Accessories for textile products	3,25	Chemical and material industry, industry revolution, future of consumption retails, innovation, China.

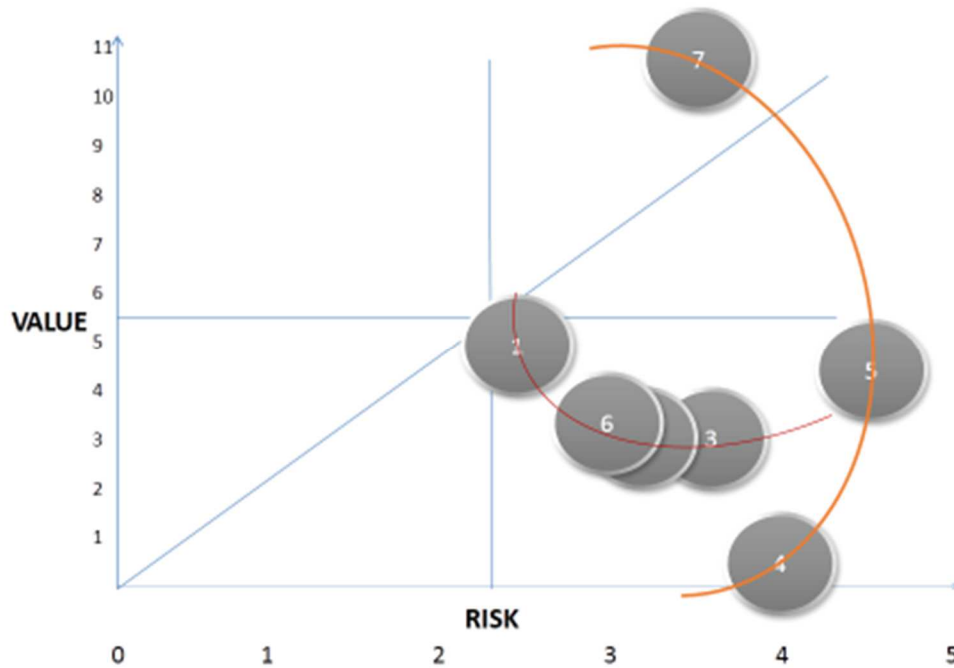
3 Complex textile for the production of terry products	3,75	Workforce and employment, chemical and material industry, revolution education, China.
4 Majolica	4	Consumer goods and lifestyle, chemical and material industry, climate change, infrastructure, forecast, China.
5 Wine	4,5	Gender and work, revolution education, values, workforce and employment, supply chain and transportation, China.
6 Hotel	3	Infrastructure, internet of things, behavioral science, sustainable development, digital economy and society.
7 Logistics center	3,5	Infrastructure, circular economy, advanced materials, justice and legal infrastructure, gender and work.

3.3.15. Findings:

This final calculation graph supports to us identify values/risks of each project. In this case we can identify two parabolic condition in my analysis for capturing the situation of portfolio case.

The first parabolic points consists of three projects and where the most risky project is fifth one and more valued project is seventh one. In additional, project number two is with the lowest value, however, with higher risks. This means that, in portfolio case this project is not playing important role to both side where in government and portfolio manager.

The second parabolic points stuck more or less in the middle of my pgraph. Project number one is the most acceptable project in my portfolio case where with minimum risks and value of requirement is also in the middle in portfolio. Third project is standing in the second place where portfolio manager might not accept this one after the project number four. The project sixth and and second should be acceptable in portfolio case.



IV. Achievements and shortcomings results of recent years in Uzbekistan.



4.1. 2017-2021 National Development Strategy of the Republic of Uzbekistan.

Uzbekistan consists of 14 administrative regions with a lot of potential to grow further in their fields of specialization. In order to bring rapid growth to the Uzbek economy, the newly elected President tries to foster innovative expertise, investment in equipment and financial injections. Along with the general change in the country's policy, a number of important reforms in these areas have already been implemented.

1. Reform of public administration

Introduction of Deputy Governor or Mayor for Attracting Investment, and The Public Service Agency as part of the Ministry of Justice to assist businesses and citizens as one-stop services for legal entities and individuals to navigate through the new legal environment.

2. Reforming the judiciary system and strengthening the rule of law

3. Economic development and liberalization reform Business set-up

Reduction and elimination of unnecessary regulations, incl. licenses required to do business in various fields

Elimination of pre-payment requirements, relaxing of contract requirements, establishing of single time period for currency repatriation

Elimination of requirements to obtain permission for re-export of goods

3. Economic development and liberalization reform (continued from previous page) Tax reform

Merger of corporate profit tax and tax on improvement and development of social infrastructure with an overall reduction of the tax rate to 14%

Three separate mandatory contributions to social funds are now combined to a single payment with an overall reduction of the combined rate to 3, 2%

Reorganization of tax collection system and introduction of tax monitoring system

Customs reform

Reduction of customs rates for more than 8 000 goods, incl. a zero customs tax rate for 3.500 items and a modest excise tax rate for more than 1 000 items

Establishment of average customs tax rate of 6, 45%

Introduction of green customs channels and risk assessment based controls at border crossings (planned for 2018)

Financial reform

Restrictions preventing legal entities and individuals from converting local to foreign currencies have been lifted and foreign currencies are now available for purchase/conversion in local banks. Banks launched services for transferring money abroad.

Agricultural reforms

Reduction of dependency on cotton and encouragement of expansion of horticulture

Industry reform

Farmers can sell their raw cotton freely to **textile** factories without involvement of “Uzpakhtasanoat,” the former Soviet state monopoly, in charge of all sales of cotton fibers planned creation of cotton-textile clusters in the Navoi, Bukhara, and Syrdarya regions²

4.2. Economic achievements till the end of 2018 in Uzbekistan.

I would like to remember and mark President's speech about the opportunities created for business representatives by the end of 2018 in Uzbekistan.

Speech of Prezident: We have launched last year with good intentions in 2018, giving us the title of "The Year of Support for Innovative Business, Innovation Ideas and Technology" by 2018 and 76,000 projects worth 2,5 billion dollar and \$ 1 billion under the State Program the results of our work. Significant achievements in industry, agriculture, capital construction, transport and communications, service and service have been achieved. In order to increase the welfare of the population this year, salaries, pensions, scholarships and social allowances have significantly increased compared to previous years. In particular, salaries of pedagogical staff have been increased to 50% for the first time in the last 10 years. Due to the measures taken, the real incomes of the population increased by 12% compared with 2017. Within the framework of such programs as "Every family - entrepreneur", "Youth - our future", about 2 trillion soums have been allocated, and over 2,600 business projects have been implemented. Since the beginning of the year, 655 million dollar of additional funds have been left in the regions due to the tax burden. Due to the open and practical, active foreign policy in international relations, the international reputation of our country as a reliable partner is increasing. Strengthening our relations with our neighbors in the spirit of friendship and mutual trust has become one of our main tasks. In 2018, 18 interstate visits were made and agreements for 1,000 projects worth \$ 52 billion were reached. The volume of joint investments with the World Bank, the European Bank for Reconstruction and Development, Islamic and Asian Development Banks, and other international financial institutions amounted to \$ 8.5 billion. In 2018, 456 projects worth \$ 23 billion are being implemented in our country due to foreign investments.

Speaking about the challenges facing the economy, it is important to note that, first of all, on the basis of extensive economic reforms:

- creating the necessary conditions for radical improvement of open economy, healthy competition, business and investment climate;
- reducing state participation in the economy, increasing the number of new jobs through the rapid development of the private sector;

²A brief introduction to Uzbekistan

- providing high economic growth through modernization and diversification of the economy, increasing productivity;
- To fight the "hidden" economy and to drastically reduce its size;
- Consistent continuation of the policy of currency liberalization, implementation of stable monetary policy;
- training highly qualified personnel capable of implementing strategic objectives for the development of the economy.

4.6. About the state visits and accomplishments of the President of the Republic of Uzbekistan.

Second president of Uzbekistan Shavkat Mirziyoyev's foreign policy is much more open than the policy of his predecessor. From the starting date of the first 10 months, Mirziyoyev visited Kazakhstan four times, Turkmenistan three times, Russia two times, as well as China, Saudi Arabia, United States, Turkey and Kyrgyzstan. At the different occasions, he met the Presidents of Iran, Azerbaijan, Afghanistan, Tajikistan, Bulgaria, Belarus and the King of Spain. During the CIS Summit in Tashkent in November 2017, he met 8 Prime Ministers of foreign countries. One of his most significant foreign policy achievements is the gradual improvement of relations with Kyrgyzstan and Tajikistan. On 19 September, he addressed the UN General Assembly for the first time. In 2018, a large number of foreign leaders visited and or are expected in Uzbekistan, including Egyptian President Abdel Fattah el-Sisi, Turkish President Recep Tayyip Erdoğan, as well as Belarussian leader Alexander Lukashenko whose visit took place in September and was his first state visit to the country in 24 years. In March 2018, he made a visit to Tajikistan. President of Uzbekistan has also taken an important role in Afghanistan by offering to host peace talks between the government and the Taliban since March 2018. During the week of 6-10 August 2018 a Taliban delegation visited Tashkent, at the request of Mirziyoyev, to discuss issues including transport, power and peace in Afghanistan. Shavkat Mirziyoyev attended the Vibrant Gujarat international investment summit as a key guest, being the first Central Asian leader to participate as a partner in the summit. In early 2019, it was announced that Mirziyoyev plans to visit 36 countries in official visits planned for throughout the year.

During the visit, the President was achieved \$ 8.5 billion with Russia, China \$ 23 billion, Saudi Arabia \$ 10 billion, US \$ 4.8 billion, Turkey \$ 5 billion, Korea \$ 5 billion, France \$ 600 million and signed a memorandum of understanding. In addition, neighbors with Kazakhstan, Turkmenistan, Tadjikistan and Kyrgyzstan have reached agreements to increase the volume of mutual trades.

4.3. About work on improvement of infrastructure in Surkhandarya region.

For doing the business, the most essential issue aware of the infrastructure of the place of business area. Energy, water, gas and logistics are vital primary necessities for them. The changes in the Surkhandarya region to the end of 2018 are as follows. 423 projects worth 356 million were launched in the sectors of industry, agriculture, service and service, creating around 7,000 jobs. In

the region many activities changed in to the modern lifestyle. As a result of the reforms in the first quarter of this year compared to the same period last year, the gross regional product grew by 3.4%, industry 2%, construction 25.5%, services 4.2%.

Particular attention was paid to attracting foreign direct investment. In particular, in the first quarter of this year 42 projects worth \$ 55 million were implemented in the region, of which \$ 23.6 million was the share of direct foreign investments.

The work on the launch of new projects and attraction of foreign investments plays an important role in raising the export potential of the region. In the first quarter of this year, the volume of regional exports was 131.5% versus the same period of the previous year.

Taking into account many problems in the region in the field of electric power, there are a lot of work to address these shortcomings. Modernization of the collective hydroelectric power station. There were two units with 15 megawatts each. At the President's instruction, at first the Topolang reservoir dam came to 20 meters. As a result, its capacity reached 380 million cubic meters and reached 500 million. At present, two more aggregate installations with total capacity of 145 megawatt are underway. In addition, smaller hydroelectric power stations - Zarchob-1 and Zarchob-2, each with a capacity of about 38 megawatts, are also being built. Thus, the total capacity of the power transmission line is 250 megawatts.

One of the things that is being done in this area is the joint venture Shargun coal mine with a \$ 105.5 million project for 2017-2020. \$ 15.7 million from "Shargunkumir" and \$ 89.8 million from China's Eximbank. Once the project is fully operational, starting from 2021, 900,000 tons of coal will be extracted annually. 600 jobs will be created.

During the visit of the head of our state to the Russian Federation in April 2017, Russian investors signed an agreement by the name "25th Anniversary of Independence" gas field in Boysun District for the production of preliminary exploration, exploitation and construction of a gas-chemical complex.

The total cost of the project is \$ 5.2 billion and will be implemented in two stages.

In the first phase of 2018-2022, a plant with a capacity of 5 billion cubic meters of gas will be built annually. In particular, within the framework of the "Erta Gas" program, from 2020 the natural gas will be extracted from the 2,800-meter-deep gas deposit up to 1 billion cubic meters of gas per year. In addition, another 15 wells will be commissioned in 2023 and the second line of the gas processing plant will be launched, which will result in gas production up to 5 billion cubic meters a year.

In the second phase of 2023-2025, a gas-chemical complex will produce 500,000 tons of polymer products per year due to the processing of 1.5 billion cubic meters of gas. After the project implementation, 2,220 new jobs will be created.

4.4. Historical monuments, key strengths and key weaknesses of them

Surkhandarya region of Uzbekistan has left an indelible mark as one of the main trade points of the Great Silk Road. Unfortunately, the great traces of history have not been in the present state. Additionally, it is a pity that the factors causing great history and forcing people to notice are low.

Historical monuments found in many countries around the world are the basis for tourists visiting the country and raising the state's reputation. In the history, Surkhandarya was called with the branch of Baqiriya. More than 270 historical places have been identified in Surkhandarya region, and currently more than 150 are underground that means it has not been seen yet. There are numerous deficiencies in the infrastructure of over 100 historical places. One of the main factors in the history of the republic is that some regions of Uzbekistan have 3 thousand years history. The most interesting thing is that in Surkhandarya region identified monuments were they related with Europe, China, Japan, Korea and others.

The most attractive aspect of the region's attractions is that, it has three religions inbounds and information of the histories identified that the most evolutionary stage of every religion began in Surkhandarya region. Today, the interest of Japanese scientists in the region is growing. Given that the oldest Buddha statue in the region is one of the two sculptures found in the world, it is clear that the findings in the province are incomparable. Tourist activities are regularly held in Uzbekistan. As a result, there is a proportionate increase in the state's reputation and interest in it over the time period.

Decree of the President of the Republic of Uzbekistan of December 2, 2016 "On measures to ensure accelerated development of tourism in the Republic of Uzbekistan", Decree 4861, is orders and instructions of the State Committee for Tourism Development. The content of these decrees and resolutions is aimed at accelerating the investment climate in the Republic and accelerated by the state control. The many opportunities for tourism in Central Asia are evidence of the success of this industry.

Over the past three years, opportunities for attracting many foreign investors have been rising in Uzbekistan as a tourist and investment destination. As a result, the "open to business" agenda is characterized by radical changes. From 1991 to 2016, within 25 years of independence, the state has been functioning unofficially on the basis of closed economic regimes, and the level of access to business has dropped dramatically. Uzbekistan has experienced a mixed economic situation based on the principles of the planned economic regime of the former USSR. General information about the country identifies that positive the change of state's strategic vision. It generate to focus on human factors and the acceleration of the investment climate.

4.5. International Festivals and Business Forums organized throughout the Republic.

International festivals and forums serve as a tool for enhancing the wellbeing of society, promoting recognition among nations and making confidence and at the same time, the achievement of many bilateral business agreements between B2B even B2C.

Over the past three years, business forums organized across the country have been focused on the development of investment and tourism.

International *music and art festivals*: "Sharq Taronalari", Children's and Youth Festival "Sharq atirguli", "Boysun bahori", "Magic Dancing". *Arts and Crafts*: "Alley of Artists", "Festival of Pottery and Ceramics", "International Handicraft Festival". Festivals dedicated to the

development of *sports*: "Martial Arts and Silk Road Culture", "First International Sports Festival in Memory of Pahlavon Mahmud". Festivals dedicated to *investment and economic indicators*: "East Bazaar", "Silk Road Bazaar". *Drink and food*: "Winemaking International Festival in Tashkent", "99 types of flora and fauna of the Aral Sea fishery".

4.6. Free economic zones and small industrial zones in Uzbekistan.

In order to expand the capacities of the Open Society in the Republic of Uzbekistan, free zones and small industrial zones were organized in many regions across the country. The long-term strategic plans have been implemented to radically update the activities of existing industrial zones and increase business opportunities for businesses.

In 2008-2016, only 3 free economic zones were set up in the Republic, and in the third quarter of 2016 their number reached 18 according to the decrees and resolutions of the President of the Republic of Uzbekistan Shavkat Mirziyoev. There are currently 10 free industrial zones, 8 are pharmaceuticals, tourism, fishery and agribusiness development.

629 projects (\$ 1544 million of which were foreign direct investments) worth \$ 3660.5 million were approved within the Free Industrial Economic Zone. 158 of these projects have been implemented, 431 are being implemented, and another 40 are planned projects. 158 projects worth \$ 1045.5 million were approved by administrative councils over the past period, resulting in 9,746 new jobs. As of 1 January of this year, the start-up enterprises produced industrial goods for US \$ 591 million and launched 197 types of industrial products.

Also specializing in pharmaceuticals such as "Nukus-farm", "Zomin-farm", "Kosonsoy-farm", "Syrdarya-farm", "Boysun-farm", "Bustanlik farm", "Parkent farm" and all other measures are being taken to develop new free economic zones.

The projects include products of light, chemical, food industry, electrical goods, modern building materials, furniture and other finished products that are in demand not only in the domestic, but also in foreign markets. Enterprises exported products worth 194 million USD.

Regional administrative councils are working on the execution of relevant documents on 40 promising projects worth 721 million USD, entitling them to become a member of the FEZ.

At the same time, \$ 100 million foreign currency credit line was opened at the expense of the Fund for Reconstruction and Development of Uzbekistan to accelerate implementation of investment projects in free economic zones, purchase high-tech equipment from abroad.

In addition, the directions in small industrial zones are well-established in dealing with the problem of crediting and working with commercial banks in each zone for the use of banking services. Based on the market demand and the nomenclature of imports, the list of promising projects is developed for entrepreneurs. One of the privileges is that the subjects working in the small industrial zone have been exempt from all taxes for 2 years.

Also, special attention is being paid to the creation of small industrial zones on the basis of these premises in order to make efficient use of production premises, which are inefficient or

ineffective, and to encourage the establishment of new enterprises. So far, our country has reached 96.

4.7. Problems in free economic zones and ways to overcome them

A natural question arises: is it possible to use the opportunities available in this direction wisely? If we analyze the role of small industrial zones in the attraction of investments, development of entrepreneurship, creation of new jobs and improvement of welfare of the population, they still lack the initiative and the lack of organizational capacity building activities.

For example, the process of review and coordination of projects by the responsible ministries and agencies remains challenging and official. Unfortunately, the difficulties of bureaucracy remain in solving the issue of land parcels for Free Economic Zone participants.

Particularly, foreign investment attempts to establish new enterprises in Free Economic Zones those are Urgut, Kokand, Gijduvon and Hazorasp, as well as pharmaceuticals in the free economic zones are weak. There are also problems with the sustainable supply of electricity, natural gas, water and other communications networks.

However, it is time to develop a set of measures to create greater opportunities for investors and entrepreneurs in these regions. First, it is necessary to revise the regulatory framework for the activities of these zones, and, if necessary, adapt to the time requirements and create an open and understandable mechanism.

It is also necessary to simplify the order of allocation of land parcels and vacant buildings. For example, projects under free economic zones will be considered by the Administrative Council under the Cabinet of Ministers. Until then, the council consisted of 17 ministries and agencies. According to the presidential order, their number has been set at just 4. At the same time, the new system - territorial commissions were established, and their rights to review and grant projects were expanded.

In addition, the government will provide privileges. The criteria for selecting investment projects for placement in the economic zones are revised and additional measures will be taken to improve the crediting and provision of engineering support to participants.

In addition, other problems make the job difficult. For example, in some free economic zones, access to engineering and communication networks and the construction of production infrastructure facilities have not yet been completed. It is difficult to attract investors. The Free

Economic Zones Directorates are not in a position to propose commercial banks to implement new investment projects.

Some provincial khokimiyats provide an artificial incentive for certain types of activities as a result of the fact that projects are free of charge in free economic zones, which in turn leads to a violation of the competitive environment in the market.

Therefore, strengthening existing organizational and legal bases of privileges and preferences, providing additional opportunities for business entities and entrepreneurs, operating in existing free economic zones and small industries as well as pharmaceutical zones, producing export-oriented, innovative, high-tech industries is one of the problems.

Particular attention should be paid to the development of normative-legal acts that address complex approaches to the formation of investment projects for investors and investors seeking to invest fully in attracting foreign investment to the global business community. At the same time, it is necessary to revise the Law "On Free Economic Zones" in line with today's requirements and further improve it in line with the spirit of the period.

4.8. Introduced since 2019 for tax purposes.

In the concept of improving the tax policy of the Republic of Uzbekistan, it is envisaged to achieve these objectives:



reducing the tax burden on the economy;



eliminate disproportions in tax burden between business entities paying taxes under simplified and generally established procedure;



reduction of taxes by combining taxes with similar tax base;



reducing tax accounting;



simplification of tax legislation, elimination of contradictions and contradictions in normative-legal acts, strengthening of protection of legitimate interests and rights of taxpayer taxpayers;



ensuring the stability of the tax legislation and ensuring the direct impact of the norms of the Tax Code of the Republic of Uzbekistan, with the exception of the relevant norms and legislation;



modification of forms and methods of tax control, including the introduction of modern information and communication technologies.

4.8.1. From one Jan 2019, the tax program changed to:

- scale back income tax with the introduction of one flat
- rate of twelve-tone music (with the abolishment of the progressive tax scale) and also the allocation of zero.1% to individual pension savings accounts. At the identical time, the present tax exemption procedure sure as shooting people of 4 times the minimum pay can stay unchanged.
- get rid of social insurance contributions to the non-budgetary Pension Fund withheld from income at octavo.
- amend the procedure for scheming the one Social Payment. The Decree stipulates one Social Payment of twenty five, which is able to apply to state-financed organizations and government enterprises; legal entities with a state share of fifty or additional; legal entities within which fiftieth or more of the shares belong to a legal entity with a state share of fifty or more; and their structural departments. For all alternative legal entities, the one Social Payment are going to be reduced from fifteen to twelve-tone music.
- cancel all necessary payments to specialized state funds from company turnover.
- scale back company tax from fourteen to twelve-tone music. For industrial banks the speed are going to be reduced from twenty two to twenty. For mobile communication corporations, the charge per unit can increase from fourteen to twenty. Excess profit tax are going to be off.
- scale back tax on dividends and interest collectable from ten to five.
- acknowledge legal entities with annual turnover of but UZS one billion as tiny businesses. If taxpayers pass the established threshold, they'll be recognized as major taxpayers and switch to the widely established taxation system. per the Decree, the annual revenue threshold of one billion UZS are going to be revised a minimum of once each three years.
- scale back turnover tax for little businesses from fifth to four with the chance to pay VAT on a voluntary basis.
- apply capital levy, property tax and tax for the employment of water resources to any or all business entities, together with tiny businesses, with a turnover (revenue) of up to one billion UZS.
- scale back of capital levy from fifth to twenty-eight. capital levy are going to be higher for legal entities, inefficiently victimisation buildings, constructions and constructions ongoing, together with privatized assets (previous procedure preserved). The Decree prescribes a series of measures to introduce a property valuation mechanism for legal entities, taking into consideration international mass valuation expertise.
- improve the procedure for scheming and paying excess profit tax, by introducing revised royalty payments.
- retain current VAT of twentieth for legal entities, with the introduction of a full-fledged tax offset system and reduction of the quantity of concessions. The set up is to cut back the present VAT rate supported 2019 rates.

- implement a full-fledged VAT offset system specifying the VAT base. per the Decree, taxpayers are going to be entitled to offset VAT within the value of purchased fastened assets, construction ongoing and intangible assets.
- authorize the State tax Committee can guarantee tax and alternative necessary payment are collected fully by legalizing employment and increasing payroll.
- unify excise and charges from producers of alcoholic beverages and tobacco merchandise, set per unit of production, with funds transferred to the national budget to finance activities.

As a result, these indicators show that Uzbekistan is now supporting the full potential of investors and tourists. However, it must be kept in mind that the laws adopted by the state in a short period of time are related to the lack of personnel. With regard to the lack of expected results as well as the fact that the draft laws are delayed by the start and end of strategic projects, and the ability of local authorities and the in-country capacities to take full advantage of it, we consider a series of procedures and important approaches and methods. Costs are the main reason for changing human goals and behavior. Implementation of the program of rewarding people who created the new wine taste, the revision of the patent system of inventions in Uzbekistan should be strengthened. That is why I am writing my own diploma using the bottom-up approach.

V. Suggestions and suggestions to achieve the goal.

I have some conclusions and suggestions to extend the international tourism activities in Uzbekistan, including Surkhandarya region, to further the economic potential of the country and the region. I have been studying these proposals in the best way possible, taking into account scientific possibilities and lessons from good experiences.

1. During my dissertation, I would like to express my sincere appreciation to the professors of the University of Politeco Di Torino, responsible executives of the Surkhandarya administration for their practical, scientific knowledge, concepts and meaningful advice. I work effectively to justify trust.
2. It is necessary to gradually study the opportunities and requirements for the development of portfolio cases and increase tourism business potential that the industry at their lower stages.
3. It is desirable to make a scientific and practical assessment of the initial state of the resources available for the implementation of the Project, the programme and the Portfolio Management. In doing so, it identifies scientific relationships between the society, the state, and the business community within the competences of people, practice and perspective.
4. I have trained internships at the Department of Tourism and Investment under Surkhandarya Region. In this period, I worked on the theoretical knowledge to study tourism, foreign investments. Focus of my learning is the stages and methodologies of implementation within the business area. I have worked on this basis to analyze, register, and identify usability of each project for the future

of the government. I understood that every business sector could grow by understanding the essence of tourism development in my portfolio case. The first of all choosing the most promising projects, allocating them to programs, and finally bringing it to the portfolio.

5. I have come to realize that the theoretical knowledge and the common understanding of practice are the key to all activity. As a result of right vision and proper mission, I continued to be the head of the Foreign Investments department at Surkhandarya Region. I understood that the focus for tourism needs more complexity and deep understanding of key strength of the available resources that can match with capabilities. The outcome can give incredible achievements where, the investment is governed by a portfolio view with the basis of the correct set of projects that are based on the right programmes.

VI. Literature review

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