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Uzbekistan Plans Privatization Drive

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ALMATY, Kazakhstan — Uzbekistan's government says it plans to sell off almost 500 state assets over the next two years in an ongoing drive to expand the private sector in this former Soviet nation.

Media in Uzbekistan cited Uzbek state property committee deputy chairman Saifitdlin Gafarov as saying Tuesday that assets in the oil, gas, energy, metals, agriculture, electronics and pharmaceuticals sectors will be made available for purchase.

Privately owned news portal UzReport.com cited government officials as saying one aim was to attract foreign investors to help boost Uzbekistan's technological capacity.

Uzbekistan has pursued a strict policy of economic self-reliance since gaining independence in 1991, but it has recently shown increasing openness to international financial support.

The government in April announced that it was seeking to attract investors with new tax concessions and rules limiting government interference in foreign-owned companies. Experts have some doubt whether such piecemeal provisions will prove enough.

Numerous foreign investors have reported harassment by state bodies and seizure of assets by business interests close to the ruling elite.

Economic growth driven by high prices for the country's commodity exports has been healthy, reaching more than 8 percent in 2011, but galloping inflation has canceled out the benefits for most households. Selling the country's natural gas to buyers like China has generated valuable income but also reportedly deprived many domestic households of their basic fuel requirements.

International economists have lamented the lack of transparency in Uzbekistan's official statistics, which they say has dampened investors' confidence in the real prospects for the economy.

The International Monetary Fund in late March urged Uzbekistan to further develop its private sector and promote economic diversification.

"Despite some progress in diversifying exports, Uzbekistan remains reliant on commodity exports, which comprised about 50 percent of total exports in 2010," the IMF said in its periodic update on the country's economic reforms.

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