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Measures to reduce state participation in the economy of Uzbekistan

On the basis of the Decree of the President of the Republic of Uzbekistan “On additional measures to further develop the competitive environment and reduce state participation in the economy” No.УП-6019 dated 6 July 2020, there was established a procedure according to which **from 1 October 2020, the establishment (initiation of establishment) of economic entities with the participation of the State and persons affiliated with them, as well as State institutions authorized to carry out economic activities** (except for establishment to ensure defense and national security) **is prohibited** in the following cases:

- ▶ in areas in which five or more private entrepreneurship entities are already operating in one product market;
- ▶ on the part of government bodies in those areas in which they are empowered to license, register, accredit and issue permits.

Moreover, this procedure also provides for the following:

- ▶ business entities with State participation, which are a single supplier or empowered with this right or occupying a dominant (monopoly) position, are prohibited from creating affiliated entities whose activities depend on the use of goods (resources) or network infrastructure of the founder, and which compete with private business entities, with the exception of cases of creation of data of affiliated persons as a result of their separation, ensuring equal conditions of activity with competitors;
- ▶ establishment (reorganization) of economic entities with the participation of the State and persons affiliated with them, as well as State institutions authorized to carry out economic activities, with the exception of creation in order to ensure defense capability and national security, is carried out after obtaining the prior consent of the antimonopoly authority;
- ▶ an economic entity that has a conflict of interest with a State customer, a business society and an enterprise of strategic importance cannot participate in public procurement or the selection of the best offers or direct negotiations, with the exception of public procurement to ensure the safety of persons subject to state protection, defense, security and maintenance internal order in the Republic of Uzbekistan, as well as those related to State secrets;
- ▶ a State customer, a business company and an enterprise of strategic importance, prior to organizing tenders and competitive tenders, selecting the best offers, as well as direct negotiations, must post information about persons affiliated with them on a special information portal for public procurement.

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