

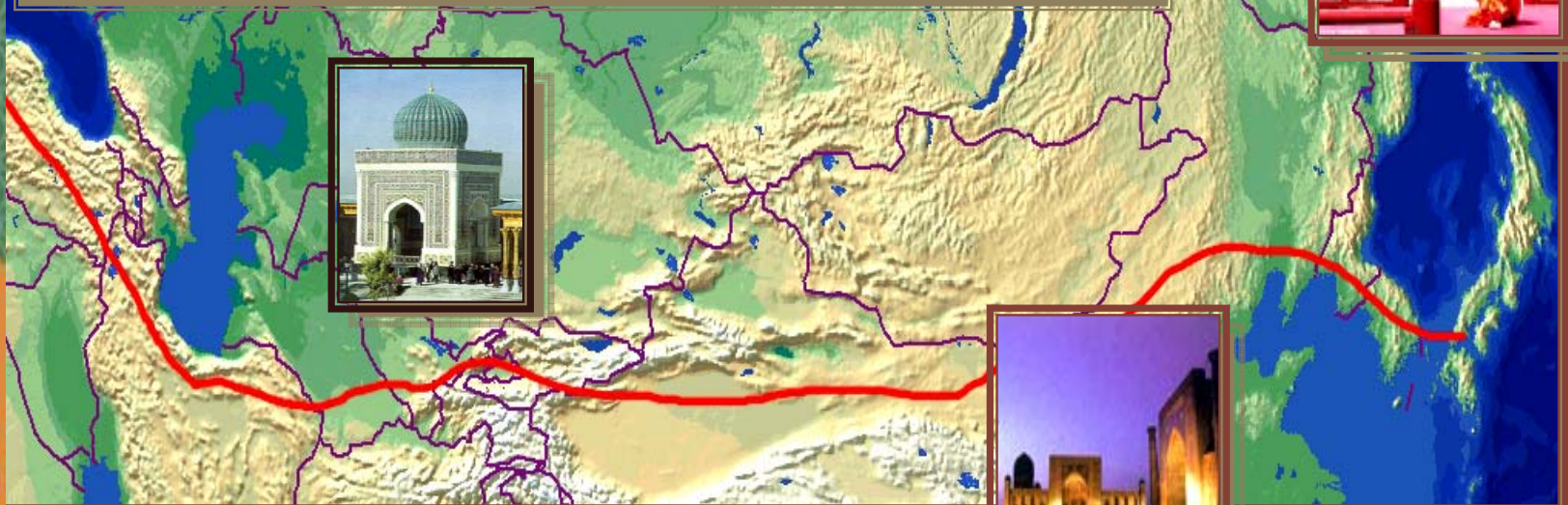
***“Uzbek Silk” Association***

***THE INVESTMENT POTENTIAL OF  
SILK INDUSTRY OF THE REPUBLIC  
OF UZBEKISTAN***

**Tashkent 2005**

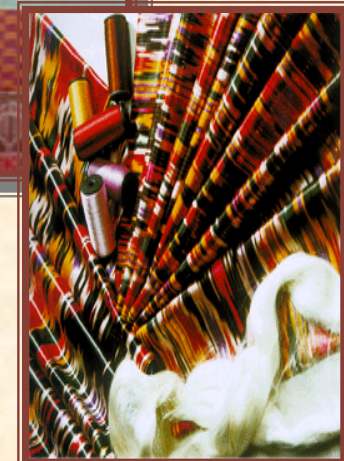
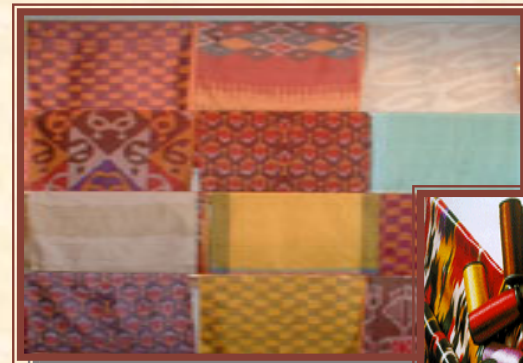
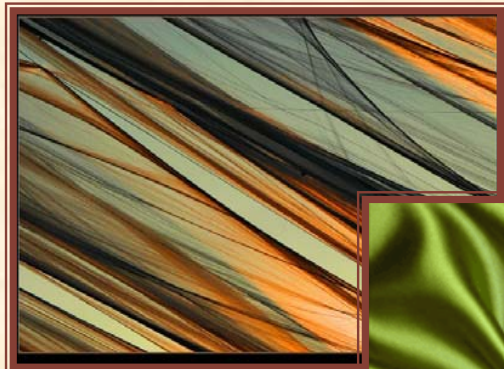
# GREAT SILK ROAD

The history of silkworm breeding in Uzbekistan goes deep to many centuries back. “Great Silk Road”, a trade channel from China to Europe, passing through all Asian countries, played a big role in development of silkworm breeding & silk weaving in Central Asian countries, especially in Uzbekistan.



# HISTORY OF SILKWORM BREEDING IN UZBEKISTAN

Research activities of the Institute of Archaeology of the Academy of Science witness the existence of silkworm breeding & silk weaving in the territory of Uzbekistan 4000 years ago – in Ferghana valley, on the springs of Zaravshan river, also in the south of Uzbekistan.



# ACTING ENTERPRISES INCLUDED TO “UZBEK IPAGI” ASSOCIATION

The “Uzbek ipagi” Association includes enterprises, on developing and primary processing of cocoons:

13 provincial companies, including:

122 head cocoon dryers

14 grain-producing facilities

3 pedigree silkworm stations

10 mulberry-tree grow farm

7 silk-reeling factories

6 joint ventures

Scientific research institute of silkworm breeding

Scientific research institute of silk industry «Shoyi»

6 silk-weaving facilities

# JOINT VENTURES IN THE SILK INDUSTRY

1. Uzbek-China JV “Hvashen - Bukhara Co. Ltd.” (filoselle threads)

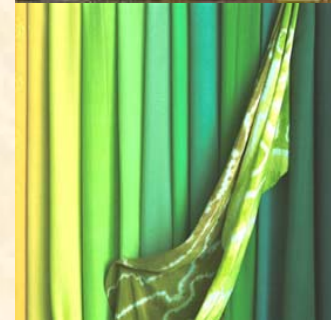
2. Uzbek-Japan JV “SILK ROAD” (silk yarn)

3. Uzbek-Korean JV “TONMEN” (cut cocoons)

4. Uzbek-China JV «Hadan» (silk products)

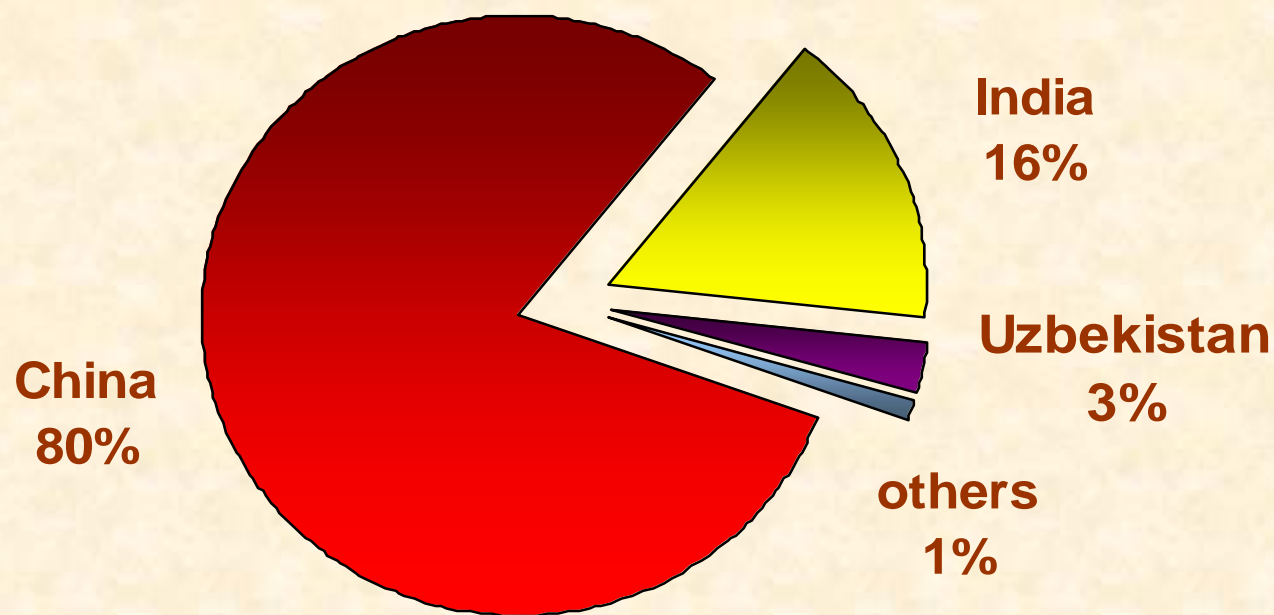
5. Uzbek-Arabic JV «Navoiy Silk» (filoselle threads)

6. Uzbek -American JV «Romstar» (filoselle threads and silk fabrics).



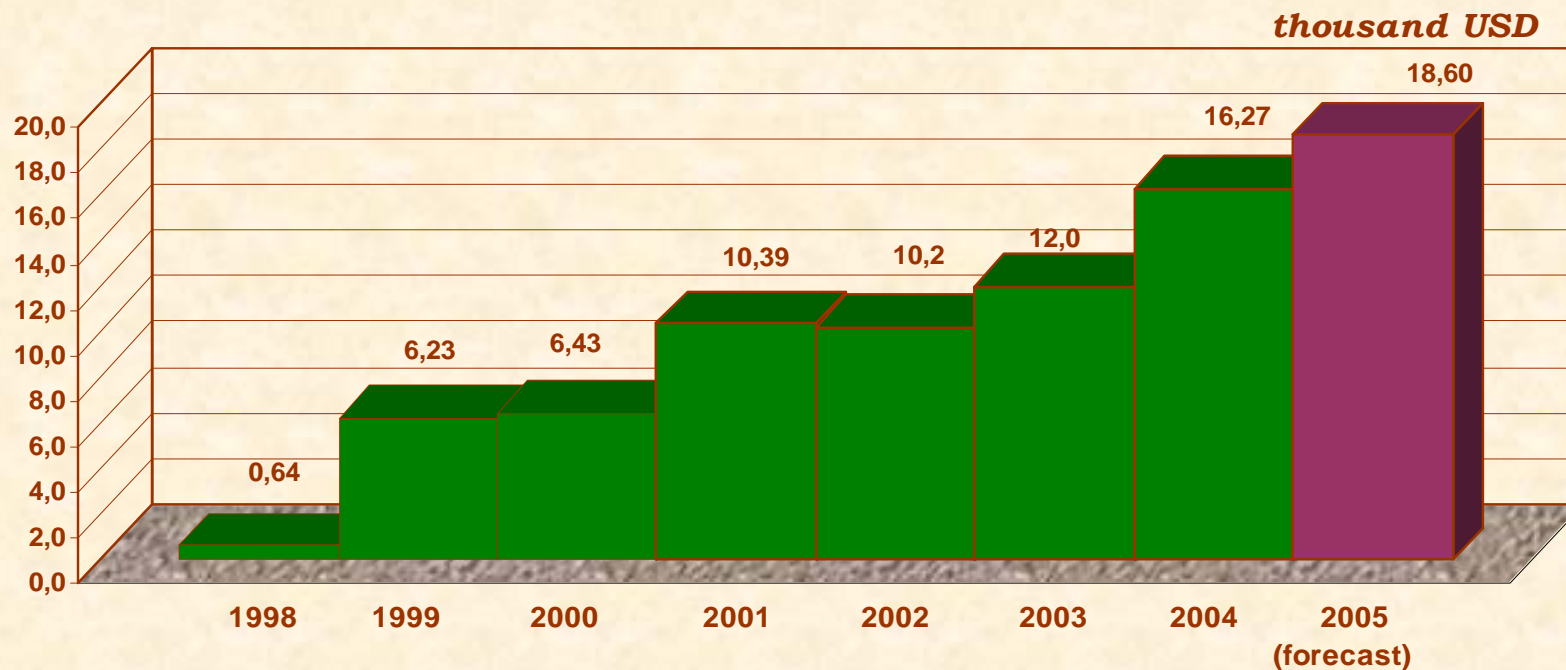
## Share of world production of silkworm cocoons

Uzbekistan is the third world producer of cocoons after China and India. And Uzbekistan is the first world producer of cocoons on per capita basis. Today Uzbekistan's share in total productions of cocoons throughout CIS countries exceeds 80 percent.



# Dynamics of export production of the «Uzbek silk» Association

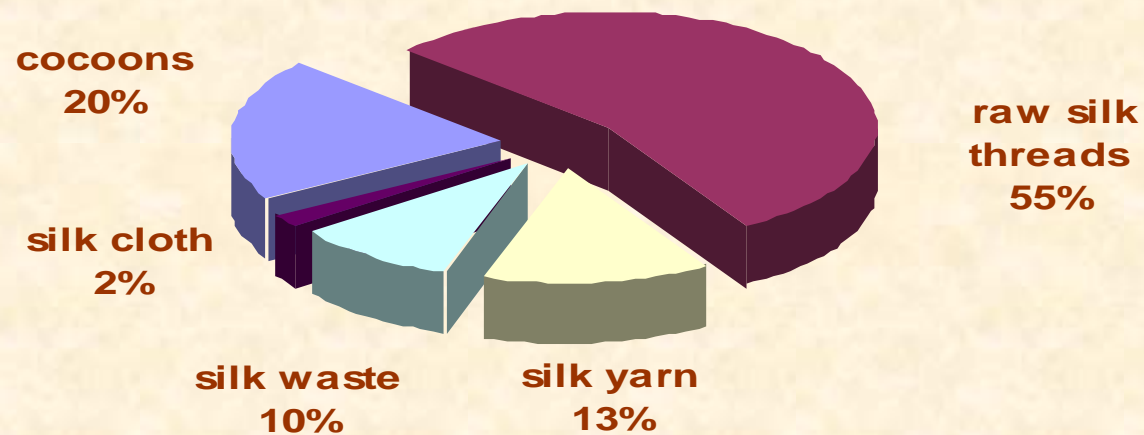
In 2004 the export growth reached - 35,6%  
In 2005 export is scheduled to increase by - 14,5%



## The types of export production

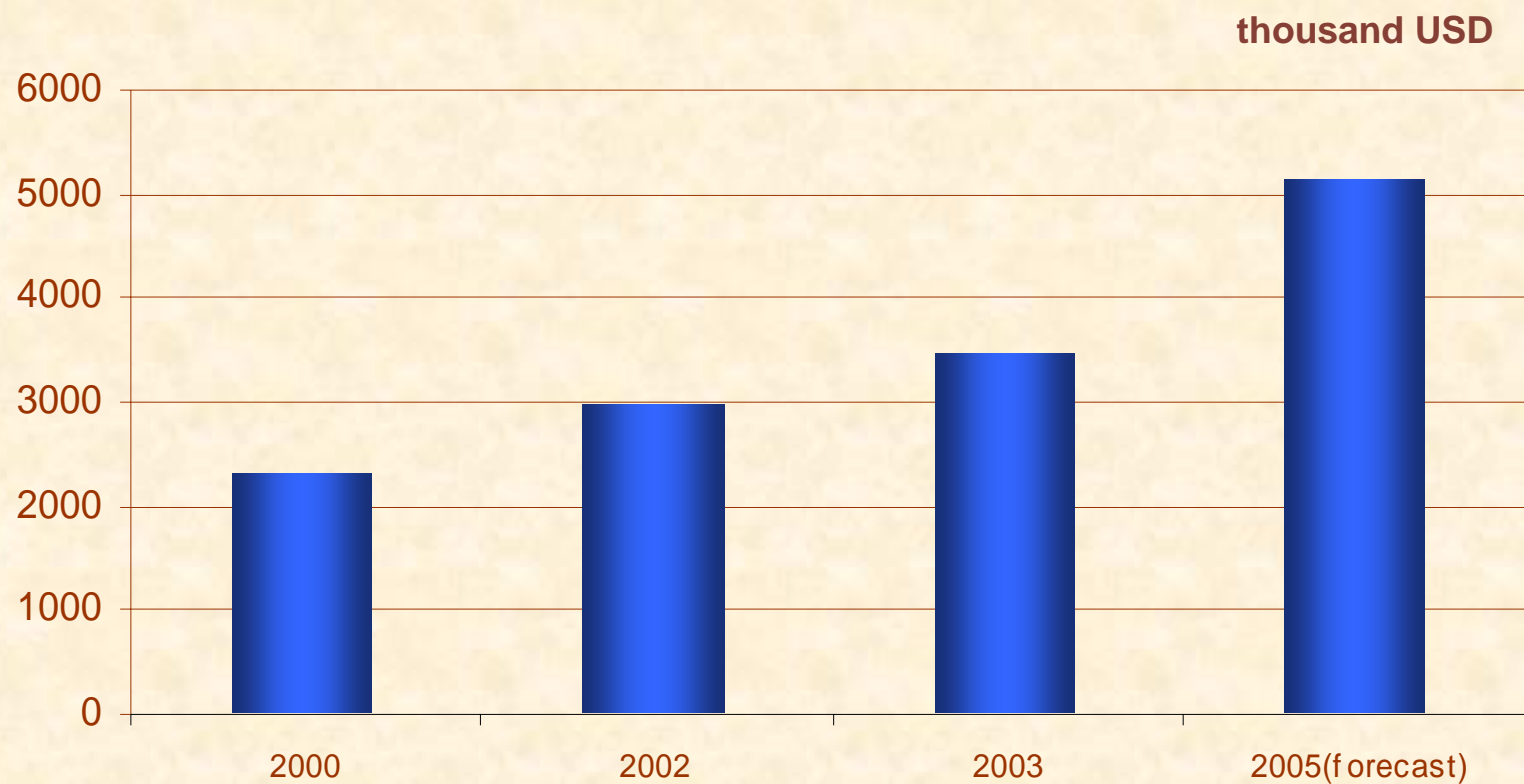
The exports of silk is growing annually. If in 1998 the exports totaled US\$ 0,64 mln., then by 2004 this index reached US \$ 16,27 mln.

The main importers of the silk production are the countries like China, India, Japan, Vietnam, Korea, Turkey and others.





# Dynamics of attraction of foreign investments





## **Attraction of the field among foreign investors**

- **Steady sources of raw materials;**
- **Low costs for energy resources;**
- **Inexpensive but highly qualified labor resources;**
- **Profound knowledge and traditions of growing the silk cocoons;**
- **Specific design of finished silk clothes in Uzbekistan;**
- **Substantial market for finished goods;**
- **Favorable investment climate and preferential regime for foreign investors .**

# The growth of value added of silk production on the example of one of the enterprises of «Uzbek Ipagi» Association



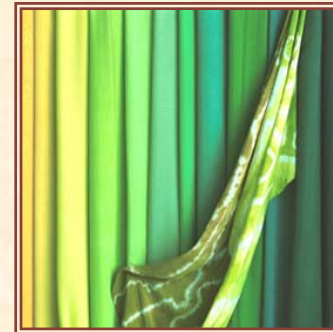
9\$/3kg

+7\$



16\$/1kg

+6,5\$



22,5\$/12,5 m.

+37,5\$



60\$/3 unit.

# Prospects of silk industry of Uzbekistan (2006-2010)

The 16 investment projects are envisaged to be implemented within the Investment Program of the «Uzbek Ipagi» Association through foreign direct investments amounting at about US\$ 20 mln.

Implementation of this program can provide:

- -manufacture of silkworm – 12000 boxes
- -manufacture of raw silk threads – 1050 tons
- -manufacture of clothes – 3521 000. m.
- -manufacture of finished products – 300 000. units
- -jobs – about 4000 persons.



At present silk is an integral part of textile industry and as silk threads are added to cotton yarn, we can get a unique by its structure and design composition of material, which is used in manufacturing the finished clothes, scarf, ties, shirts and others.





**«Uzbek Ipagi» Association welcomes every  
business partner and is ready to cooperate on  
the mutual basis**

**THANK YOU FOR ATTENTION!**