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Debt Management Offices: New Developments and Challenges

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
Introduction

- Public External Debt of Uzbekistan
- Debt Management Strategy
- Debt Management Offices
- How it is managed
- Current and possible challenges and issues to effective debt management
- Achievements
# Macroeconomic Indicators

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
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<tbody>
<tr>
<td>External Public Debt to GDP, in %</td>
<td>8.95%</td>
<td>8.16%</td>
<td>8.89%</td>
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Fixed Interest Rate Breakdown
(as of 2009)

- 0-1%: 29.99%
- 1-2%: 8.37%
- 2-3%: 37.03%
- 3-4%: 19.88%
- >4%: 4.73%
Debt Strategy

• Sustain a balanced public external debt.

• Sustain public external debt at a moderate rate.
Modernization Plan

- Accelerated economy and infrastructure modernization plan in 2011-2016.
- Multibillion investments.
- Outstanding debt to increase throughout 2012-2016.
Debt Management Offices

- Central Bank:
  - Non-public and non-guaranteed external debt management, i.e. recording and reporting.

- Ministry of Finance:
  - Public external and domestic debt management
In-House Software
Debt Manager

Data Input → Debt manager → Processed Data
What does the in-house software actually do?

• Recording external debt
• Generating a number of standard external debt reports
• Oracle Database
Current and Foreseeable Challenges

• **Formal Debt Management Strategy:**
  - Lack of capacity to carry out public external debt analysis.
  - Weak forecasting capacity of cash flows and cash balances in the budget.
  - Weak debt recording and validation.

• **Legal Framework**
  - Law on external borrowings – primary legal document;
  - Weak procedures manuals on processing of debt service.
Current and Foreseeable Challenges

- Coordination
  - Lack of data sharing among line ministries and institutions;
- Debt Management Software;
- Lower amount of concessional loan because of global financial crisis;
Achievements

• We still have good access to concessional loans from IFIs and ODA because of:
  ▫ our good macroeconomic performance;
  ▫ Sustainable fiscal and monetary policy;
  ▫ Strong resistance to external factors;
  ▫ Not a single “too-big-to-fail” case;
  ▫ No contagion – domestic financial sector dominance
Thank you very much!