

# Uzbekistan

## A harsh gaming environment

After independence in the 1990s Uzbekistan began to gradually outlaw all forms of gambling, mainly because of its strong Islamic background and also fears of gambling addiction problems and links to crime. By 2002 even the lowly billiard game was banned.



A few years ago there was a massive public scandal as people were being 'forced' to buy lottery tickets. According to news stories even mosques 'advised' people to buy tickets after service with a prize car on display outside, whilst teachers claimed they were also given tickets as part of their salary.

Apparently billiards was prohibited in the name of 'legality and morality' and all billiard clubs were sealed by tax inspectors and the police. Sports clubs never received any documents about the closures and players simply went underground to continue with their sport. Several years later the billiards game was reintroduced in large clubs and hotels.

A law in 2007 prohibited all types of gambling such as totalisators, internet gaming, slot machines and casinos. The government said gambling did not meet the spirit of the Uzbek people, their traditions or way of life and stimulated the growth of crime.

Prior to the ban gambling existed but licensing was extremely difficult and costs high whilst operators needed an authorised capital of at least UZ\$200m (US\$24,500) and had to prove a level of higher education.

When the ban arrived most wealthy Uzbek players put up with a complicated border crossing into the small village of Saryagash in Kazakhstan which at the time offered small casinos, whilst others travelled to the north of Uzbekistan to take part in illegal dog and cock fights and Russian lotto (bingo).

Sports betting was also prohibited although cock fighting remains a popular pastime and underground fights are often held despite the risk of being caught and fined or imprisoned. Slots were forced out of the market although apparently there was one casino still openly operating in Tashkent until around 2013.

Online gambling is still considered illegal, but lacking infrastructure and resources, players are free to play on the foreign online gambling sites with little come back.

Although the government does have an internet

censoring system this mainly targets political content, although the government has recently increased its checks on internet cafes.

The only form of legal gambling in Uzbekistan today is the lottery and only the major banks which have contracts with the state can operate the lotteries. The lottery is governed by the Ministry of Finance and anyone holding a licence for lottery organisation can operate a lottery. The main lottery operator is The People's Bank of the Republic of Uzbekistan, or Xalq Banki, as it is known, which is one of the oldest banks in the country and opened in 1875.

Initially it functioned as a branch of Sberbank of the USSR until 1995 but today it belongs to the state of Uzbekistan and from this bank the two lottery games, Lotto Omad (omadlotto.uz) is available and Sharqona Lotto (xb.uz).

Lotto Omad tickets can be bought via the bank

or outlets throughout the country. A ticket is UZ\$2,000 for five numbers which increases up to 10 numbers and is played on a Saturday and was first held in October 2010. The Sharqona Lotto '6/36' is also run via the bank and tickets are UZ\$2,000 and played every Wednesday and the first draw was held in March 2017. The bank also runs various other cash draw games such as Qadimiy Buxoro, Omad Kulganda and Ko'hna Xiva plus scratchcards.

Agrobank also operated a lottery called Farovonlik. A few years ago there was a massive public scandal as people were being 'forced' to buy lottery tickets. The Farovonlik (Prosperity) lottery came under scrutiny after migrant workers, who had left Uzbekistan to work in Russia, and sent money back to Uzbekistan for their families, claimed when they went to collect their money from Agrobank (which handles the remittances) they were required to purchase at least one lottery ticket for

UZ\$5,000 (about \$2). Apparently there needs to be 10 million tickets sold – Uzbekistan has a population of around 30 million.

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Agrobank has 233 international remittance points throughout the country and is one of the three largest banks in terms of size and branch networks in Uzbekistan with over 2.6 million clients.

The latest lottery to be announced is the International Fund of Bobur which was authorised in August this year and will help provide monies for the Fund for Development of Culture and Art which was set up in 2017.

The idea is to boost Uzbekistan's development of culture and art sectors over the next five years, focusing on museums in particular and the quality of service, training of staff and development of this sector.

The extra funding required will come from a lottery set up. This will be carried out by O'zbekiston Pochtasi JSC and Halyk Bank. Halyk Bank is a Kazakhstan savings bank due to open outlets in Uzbekistan. The Bobur Foundation will issue instant international monetary charity lotteries with cars and phones as prizes plus cash prizes.

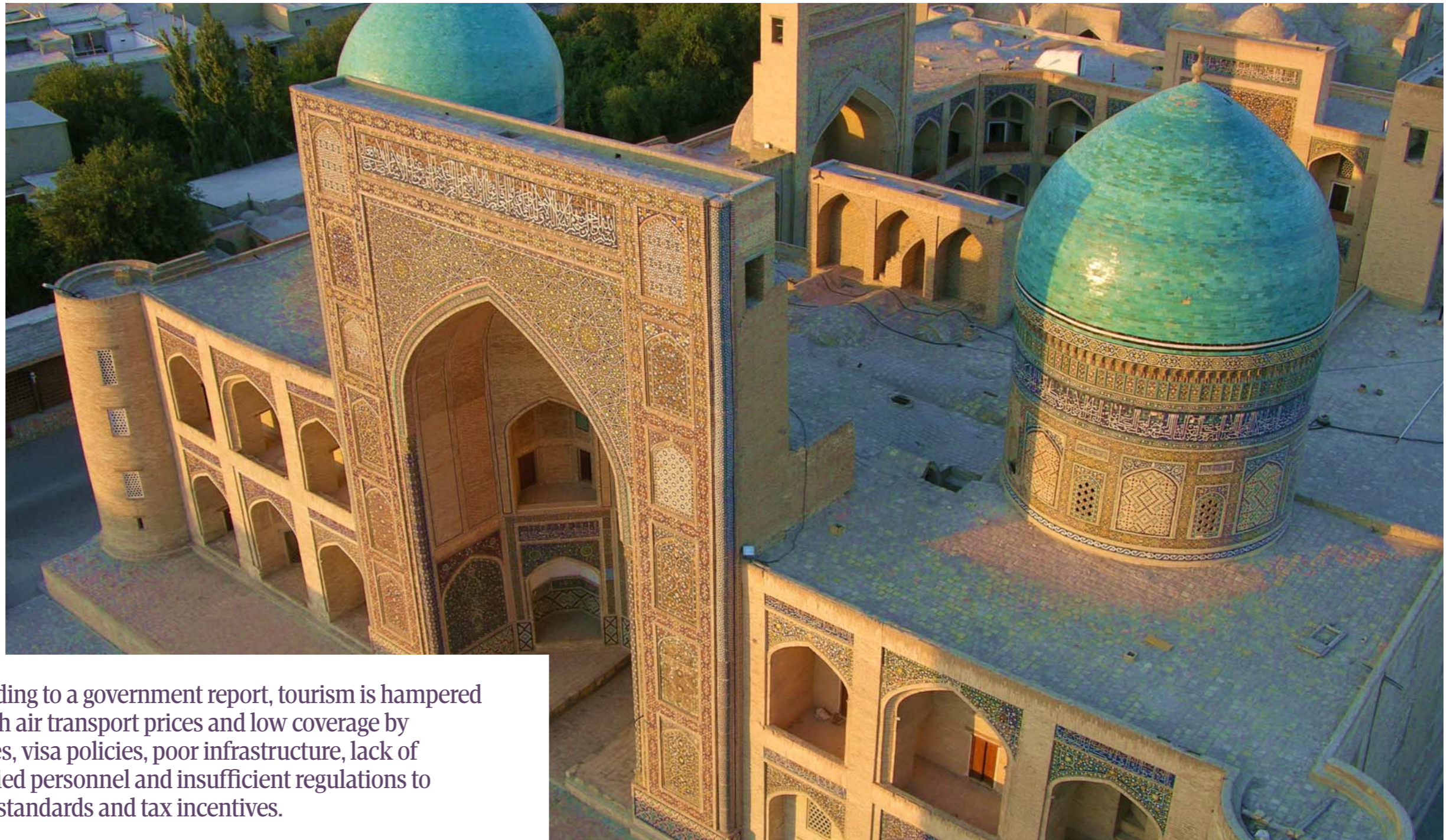
### TOURISM

Tucked inside five landlocked countries Uzbekistan has almost 7,000km of borders with Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan and Turkmenistan.

It has a diverse cultural heritage thanks to its

### Essential information and facts about Uzbekistan:

<b>Capital</b>	Tashkent
<b>Total Area</b>	447,400sq.km
<b>Population</b>	29,748,859
<b>Median age</b>	28.6 years
<b>Religion</b>	Muslim (88%), Eastern Orthodox (9%)
<b>Ethnic Groups</b>	Uzbek (80%), Russian (5.5%), Tajik (5%)
<b>Languages</b>	Uzbek (official) and Russian
<b>Currency</b>	Soum (UZS)
<b>Government type</b>	Presidential Republic
<b>Chief of State</b>	President Shavkat Mirziyoyev (since 2016)
<b>Head of Government</b>	Prime Minister Abdulla Aripov (since 2016)
<b>Elections</b>	President elected by vote for five year term (renewable) Next due in 2021. Prime Minister nominated by majority party and appointed by the President.



strategic location which was once at the heart of the ancient Silk Road trade route. The cities meanwhile offer a show stopping arsenal of architecture and as such it is one of Central Asia's biggest draws for tourism. The number of tourists visiting Uzbekistan reached two million last year.

Around four fifths of its territory has the appearance of wasteland and the majority of the population lives in the eastern half of the country. Uzbekistan is a major producer and exporter of cotton and also operates the largest open pit gold mine in the world.

The country lies between two major rivers the Syr Darya and Amu Darya and is made up of 12 provinces and the autonomous region of Karakalpakstan.

Following the death of severe dictator Islam Karimov in 2016, after his 25 year unchallenged leadership, Shavkat Mirziyoyev became the country's second president. He had been Karimov's Prime Minister for 13 years. He announced he would abolish cotton slavery, exit visas and introduce tax reforms and create free economic zones. He loosened the grip on the media and welcomed human rights campaigners.

His aim was to break the country out of its international isolation and economic stagnation and there is a flutter of hope in a country which

### According to a government report, tourism is hampered by high air transport prices and low coverage by airlines, visa policies, poor infrastructure, lack of qualified personnel and insufficient regulations to cover standards and tax incentives.

has always been used to severe repression.

GDP growth was expected to grow by 5.5 per cent this year and the last year has seen the government take steps to transform its economy by liberalising its currency, lifting trade and investment barriers and reducing business regulations. The unemployment rate is around 7.2 per cent.

Although Uzbekistan doesn't often come high up on potential holiday destination lists it has been described as one of the most fascinating countries to visit with around 1,000 Brits descending on it each year.

Not huge figures, but a country that is eager to improve on that. Since July this year some of the visa red tape has been changed meaning UK visitors (and visitors from a list of 101 countries) can visit for up to five days without a visa if they travel by air and have onward flights. There is also a new electronic visa system in place for

visits of up to 30 days, which is cheap and fast and available to 51 countries.

The country has a lot to offer. There are three important cities - Unesco protected Khiva, Bukhara and Samarkand - located on the Silk Road route and all restored to their former glory, and although Tashkent the capital was destroyed in 1966 by an earthquake, it too has been rebuilt.

There are also some 7,000 unique historical monuments in Uzbekistan preserved in nature reserves and parks and museums.

There are currently around 600 tourism companies and 600 hotels and campsites in the country. Flights are offered to around 50 cities from 11 international airports whilst there is also a high speed Afrosiyob train option for travel.

Last year Uzbekistan saw two million visitors the majority from neighbouring Kazakhstan,

Tajikistan and Kyrgyzstan plus visitors from Russia and Turkey. The government says this is only 20 per cent of its potential.

The Department of Tourism has now developed a decree to develop the tourism industry. Goscomtourism has prepared a draft strategy for the development of tourism in the country until 2030. According to the report, tourism in Uzbekistan is hampered by high air transport prices and low coverage by airlines, visa policies, poor infrastructure, lack of qualified personnel and insufficient regulations to cover standards and tax incentives.

The idea now is to form an accessible and comfortable tourist environment, improve the quality and competitiveness of the market, look at management systems and ensure the growth of the economy and quality of life for residents through the development of tourism.

They want to promote business tourism and

pilgrimage tourism and bring the quality of its services in line with international standards.

However there needs to be more tourist information centres, transport and road improvements, more hospitality offers including national and foreign hotel chains plus developing agrotourism and festival areas.

They will focus on six main products - business tourism, cultural tourism and tours, active and adventure holidays, mountain and lake retreats, gastronomic tourism and beach/short term tourism. Skiing is a tourist pull and although there are a number of small ski areas, the country's first full service ski resort will open this year.

The new Amirsoy Mountain Resort will open in winter after recently signing an agreement to develop the first year round ski resort in Uzbekistan. It will become the first mountain resort to meet international standards and will

offer skiing in the winter and treks and horse riding and cycling in the summer.

Resort construction began this year and the first phase is due to finish by this winter season with full completion in 2022 offering a 500 room hotel and two kilometre gondola lift with 26 cabins. It is being built at the existing Chimgan ski resort. Meanwhile the Samarkand region, an area of rich natural heritage and listed as one of the 50 must see cities in the world, improved its region with large shopping malls, restaurants and entertainment facilities implemented in 2016.

There are now more than 100 hotels and 84 travel agencies in Samarkand and its still expanding.

Russians are key visitors and the flow of visitors has doubled this year so far. Reports say the number of Russian visitors during the first five months of 2018 reached 142,000.

# Kyrgyzstan

## Cold War on Gaming

In 2011 the Kyrgyzstan's parliament voted to ban gambling throughout the country. The bill, 'On the Prohibition of Gambling Activities in the Kyrgyz Republic No. 191' was passed with almost no opposition and followed repeated warnings from politicians that gambling had become a major social problem. It came into force on January 1 2012.

Casinos and slot halls that were operating in 2011 were ordered to shut down and the idea was to later move casinos to designated areas, much like their neighbours had undertaken in Kazakhstan and Russia.

The problem was, however, that unlike their neighbours, Kyrgyzstan hadn't determined any specific areas before introducing the blanket ban and the project to open specific casino zones failed to get approval.

As casinos were forced to shut up shop thousands of casino workers took to the streets to protest the sudden changes whilst smaller establishments such as gaming halls were also closed. The closure meant a huge drop in tax revenues, an increase in unemployment figures

and was a huge shock to an industry, which had, until this point, enjoyed a fairly successful gambling market.

Then a few years later the government introduced a second ban which targeted all forms of sports betting and bookmakers via the 'On Amendments and Additions to Certain Legislative Acts No. 74' introduced in April 2015.

The laws in Kyrgyzstan banned all types of gambling activities including casinos, gambling machines, computer simulators, virtual casinos, gambling via the internet and IT services. Basically the whole country's gambling markets were wiped out. Online gambling is also banned although players access many offshore online casinos and bookmakers.

Gambling had originally begun in Kyrgyzstan after independence with a steady rise of casino and sports betting outlets. They were mostly located in hotels plus gaming halls in the clubs and bars.

They existed on a semi-legal basis but with a dominant Islamic religion gambling was never fully accepted, however, and the ban came after reports of a huge spike in gambling addiction problems and an increase in crime. There was a constant battle with authorities over illegally run operations and the police would regularly close down these locations but had little luck in wiping out the grey market completely. So the idea to just ban the lot was introduced.

Clearly this backfired and as with any ban as the door on the legal gambling market closed, the door to the black market opened even wider and the number of illegal venues simply entered without knocking.

Lotteries were set up and mushroomed whilst the number of casinos virtually doubled during