

JCC FLASH

Newsletter of the Joint Chamber of Commerce
Switzerland - Eastern Europe, Central Asia and the South Caucasus (JCC)

JCC, Implementing Partner at Ukraine Recovery Conference (URC 2022) in Lugano, July 2022

On July 4-5, 2022, Switzerland and Ukraine hosted the international Ukraine Recovery Conference (URC 2022) in Lugano. Initially, the conference had been planned as the 5th Ukraine Reform Conference, an annual high-level event that would have been the next in a series of conferences held in the UK, Canada, Denmark and Lithuania focused on the reform process in Ukraine.



President of Switzerland Ignazio Cassis opens the URC Economic Forum on July 5. Seated L to R : Dr. Jörg Frieden, Chairman of the Board, SIFEM (moderator); David Arakhamia, Chairman, Servants of the People Faction, Verkhovna Rada of Ukraine; Prime Minister of Ukraine Denys Shmyhal, Former Secretary of State Gabrielle Ineichen Fleisch, State Secretariat for Economic Affairs (SECO) and Sergiy Tsivkach, CEO, UkraineInvest (moderator).

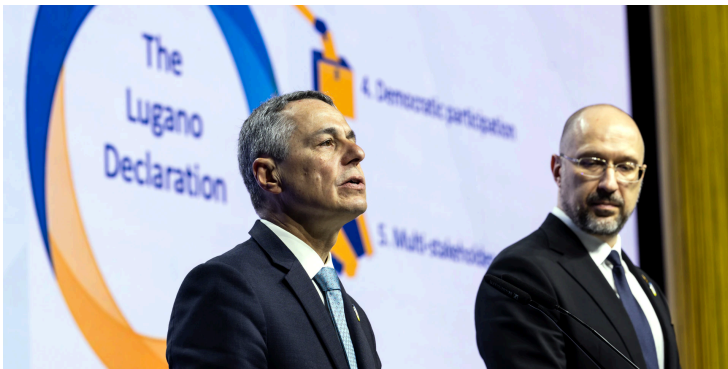
Against the backdrop of the Russian invasion on February 24, Ukraine and Switzerland jointly decided to proceed with the organization of the conference but to refocus on a topic that was more relevant to Ukraine in the current situation. The Lugano conference was renamed the Ukraine Recovery Conference and went beyond reforms to concentrate on recovery. It was a unique opportunity for Ukraine to share its Recovery Plan and engage with the international partners to develop the best possible response to the challenges that lie ahead.

Recovery is a massive task and poses difficulties of a magnitude that cannot be precisely measured at this point. However, the scale of response and resources needed can already be anticipated. To help the country recover and seize the opportunity to transform itself, close coordination with partner countries to prepare and execute recovery measures when the time comes was the focus of URC 2022.

JCC was asked by the State Secretariat for Economic Affairs (SECO) to be its implementing partner on the Economic Forum held on July 5. Our Ukrainian partners were UkraineInvest and the Western NIS Enterprise Fund.

The Economic Forum opened with statements by President of Switzerland Ignazio Cassis, Prime Minister of Ukraine

Denis Shmyhal, State Secretary Marie-Gabrielle Ineichen-Fleisch and Chairman of the Servants of the People Faction, Verkhovna Rada of Ukraine and Members of the National Investment Council David Arakhamia.



President of Switzerland Ignazio Cassis and Prime Minister of Ukraine Denis Shmyhal announce the Lugano Declaration.

The program then showcased 3 key sectors of the economy prioritized for investment: manufacturing; logistics and energy. The Minister of Logistics Mr. Oleksandr Kubrakov and Minister of Energy German Galuschenko presented the current situation and reconstruction priorities in the respective

sectors. On the Swiss side heads of Swissmem, Swissrail and the Swiss Federation of Renewable Energy and Energy Efficiency Industries presented Swiss private sector know-how.

Digitalization was the fourth sector that was presented. This time as an exemplar of Ukraine as a world-class innovator in the area of a digitalized society and cybersecurity. Also featured was #United24, the platform initiated by the Office of the President of Ukraine to consolidate all giving to the country.

The Economic Forum like the URC 2022 in general, lays the ground for the renewal of Ukraine’s economy. There will be follow-up with continued exchange between Switzerland and Ukraine to define the parameters of projects in energy, manufacturing and logistics and opportunities for Swiss companies to get involved on the ground with investment and technical expertise.



Economic Forum Organizers and Moderators.

L to R: Vitaliy Bigdai, Export Promotion Policy Program Manager, WNISEF; Dorit Sallis, Director, JCC; Dr. Jörg Frieden, Chairman of the Board, SIFEM; Lenna Koszarny, Founding Partner & CEO, Horizon Capital & Director, WNISEF; Sergiy Tsvkach, CEO, Ukraine Invest and Tony Moré, Head, Special Projects, SECO.



JCC Delegation at URC 2022.

L to R: Iurie Moraru; Murat Seitnepesov; Xavier Cornut; Tony Moré (SECO); Jean-Paul Periat, Sven Henniger, Marcel Pawlicek, Anna Ahlborn and Michael Kühn.

Five essential facts about the Ukrainian economy in August 2022

In August, experts from the Centre for Economic Strategy Ukraine CES and the German Economic Team experts released the fifth monthly review of the economy during the war. Here are the most important facts:

1. **Falling GDP.** According to the National Bank, the Ukrainian economy will shrink by 37.5% in the third and fourth quarters of this year, compared with 39.3% in the second quarter, resulting in a 33% decrease in 2022. In 2023-2024, Ukrainian GDP will grow by 5-6% per year, but only if the ports are fully open for exports. Otherwise, next year's growth will be only 2%.
2. **Metallurgy.** In January-July, the production of metallurgical products decreased by 63% compared to the same period last year. Since August, ArcelorMittal Kryvyi Rih, the largest steelmaker, halted operations at its mining and processing plant for three months, citing unfavourable conditions in foreign markets and high logistics costs.
3. **Agriculture.** The main event in the market was the unblocking of the sea for grain and fertiliser exports for 120 days. Unblocking the ports can bring USD 5.5 billion to the economy in 2022, according to the KSE AgroCenter.
4. **Labour market.** Thirteen people apply for one vacancy in Ukraine. For comparison, precisely one year ago, the figure was five applicants for every vacant position. According to several estimates (from National Bank reports to surveys), about a third of Ukrainians remain unemployed.



JCC Ukraine Chapter Webinar

"Ukrainian Business in Time of War - Day 204"
September 15, 2022 15:00-16:00 CET

"Ukrainian Business: Conditions and Prospects"

Dr. Andrii Dligach, CEO Advanter Group; Co-Founder,
Center for Economic Recovery

"Ukraine at War: Macroeconomic Challenges and Implications for Business"

Hlib Vyshlinsky, Executive Director, Centre for Economic
Strategy Ukraine

See details at www.jointchambers.ch under News.

5. **Monetary reserves.** In the first two weeks of August, the NBU's currency sales halved compared to June — from \$1 billion to \$500 million on average. This is primarily due to the increase in the official exchange rate to UAH 36.56/USD. Previously, reserves were spent to support the fixed exchange rate at UAH 29.25/USD. But the 25% increase in the exchange rate slowed down their reduction. Thus, according to the results of July, the sale of currency decreased to 2.1 billion dollars. And the NBU was even able to buy more than \$900 million into reserves.

Source: Centre for Economic Strategy Ukraine - <https://ces.org.ua/en/>



MRIYA UKRAINA

About us

MRIYA UKRAINA delivers medicines and humanitarian aid to hospitals and territorial communities in Ukraine for the needs of internally displaced persons. The association organizes the acquisition and transport of drugs and medical equipment from Europe, especially from Switzerland to Lviv, in Ukraine, and then from Lviv to hospitals and other medical institutions.



Lurie Moraru, JCC Vice President, is Founder and President of MRIYA UKRAINA, a Swiss-based not-for-profit humanitarian and charitable association supporting the people of Ukraine affected by Russia's invasion.

How we do it



For donation in CHF

ACCOUNT NUMBER / IBAN — CH47 0900 0000 1593 9755 7
 BENEFICIARY BANK NAME — PostFinance AG
 BENEFICIARY BANK BIC / SWIFT — TRWIBEB1XXX
 BENEFICIARY BANK COUNTRY — Switzerland
 BENEFICIARY BANK ADDRESS — Mingerstrasse 20, 3030 Bern

For donation in EUR

ACCOUNT NUMBER / IBAN — BE03 9673 0832 6384
 BENEFICIARY BANK NAME — WISE EUROPE S.A
 BENEFICIARY BANK BIC / SWIFT — TRWIBEB1XXX
 BENEFICIARY BANK COUNTRY — BELGIUM
 BENEFICIARY BANK ADDRESS — AVENUE LOUISE 54 ROOM 552 1050 BRUSSELS

For donation in USD

ACCOUNT NUMBER / IBAN — 8311720859
 BENEFICIARY BANK NAME — WISE
 BENEFICIARY BANK BIC / SWIFT — CMFGUS33
 BENEFICIARY BANK COUNTRY — United States of America
 BENEFICIARY BANK ADDRESS — 19 W 24th Street New York NY 10010

VEREIN MRIYA UKRAINA Baarerstrasse 12, 6300 Zug, Switzerland



Bitcoin (BTC)



Ethereum (ETH)



Ethereum Classic (ETC)



JCC (ETH)



JCC (BTC)



Website
 LinkedIn
 Facebook
 Email



Caspian Trade and Transit Corridor Focus of JCC Greater Caspian Region Conference in October

The Trans-Caspian Trade and Transit Corridor (TCIT) is at the center of European and Asian connectivity. Comprised of Azerbaijan, Armenia, Georgia, and Turkey to the west, and Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan, and Afghanistan to the east of the Caspian Sea, the corridor serves as an essential overland route linking the European Union, China, India, and the Middle East.

Countries are looking to expand options for transporting goods from Asia to Europe. This is the case for Kazakhstan which is turning to the Caucasus not only to solidify partnerships but also to support the Trans-Caspian corridor, which has not yet reached its full potential.

Furthermore, there is an obvious demand in Europe for energy sources. Kazakhstan, along with other Central Asian countries and Azerbaijan, which is looking to expand its energy industry, including green energy, can win big by becoming energy suppliers to Europe.

In 2018, the legal status of the Caspian Sea was close to being resolved. At the time this was seen as an alternative westward corridor that could help Caspian States diversify the countries to which they export. While the corridor has not yet reached its full potential, the war in Ukraine offers a new incentive for regional states to achieve this goal.

In light of current geopolitical and economic developments JCC's flagship conference of 2022 will focus on "The Greater Caspian Region — A Corridor for Energy, Logistics and Trade Flows between Asia and Europe". The JCC conference in partnership with the Greater Caspian Region Association will take place on October 11, 2022 at Credit Suisse Forum St. Peter, Zurich and examine the following topics:

- ◆ The Greater Caspian Region as a source of traditional and renewable energy, multi-modal logistical linkages and trade flows between Europe and Asia;
- ◆ The Trans-Caspian Trade and Transit Corridor or Middle Corridor as a route for transporting cargo and energy;
- ◆ Specific projects that littoral Caspian Seas states of Azerbaijan, Kazakhstan and Turkmenistan are planning or implementing within the framework of the TCIT;
- ◆ The potential for significant development in the next few years and business opportunities for Swiss and international companies.



Credit: Railway Supply

JCC Greater Caspian Region Forum

“The Greater Caspian Region – A Corridor for Energy, Logistics and Trade Flows between Asia and Europe”

Tuesday, October 11, 2022 14:00–18:30

Venue: Credit Suisse Forum St. Peter, St. Peterstrasse 19, Zurich

In partnership with the Greater Caspian Association

Detailed program and registration: [LINK](#)

Uzbekistan 2022: Economic Resilience, Continued Reforms, Privatization, Analysis of Risks



Economic Resilience

Despite shocks from the pandemic and Russia's military aggression against Ukraine, Uzbekistan's economy has shown resilience. The pandemic caused a sharp slowdown in 2020. Nonetheless, real growth remained positive at 1.9%. Year-end inflation fell to 11%. In 2021, helped by government stimulus measures, growth rebounded sharply to 7.4%. Despite global price pressures, tight monetary policy helped reduce inflation further to 10 percent by end-2021. With a recovery in trade and remittances, the current account deficit widened slightly to 7 percent of GDP. Government economic support in the form of social assistance, investment and policy lending widened the overall fiscal deficit by 2 percentage points to 6.2 percent of GDP.

Reforms Continue

The authorities continued to make progress on structural reforms, which included: liberalizing domestic prices and reducing crop placement requirements for cotton and wheat; making public procurement more transparent through a public portal that also collects information on beneficial owners; doubling the size of the social safety net; improving corporate governance by appointing more independent members of supervisory boards; selling a mid-sized state enterprise and many smaller assets; and finalizing laws on public debt and the labor market.

Knock-On Effects of Russia's War

Given Uzbekistan's close economic ties with Russia, the outlook for 2022 will depend upon spillovers from the war in Ukraine and Western sanctions on Russia. Remittances, trade, and financing from Russia are expected to slow, reducing growth in 2022 to 3–4 percent and increasing the current account deficit to 8.5

percent. With higher global food and commodity prices, inflation is expected to remain over 10 percent. Uncertainty is high, however. Possible risks could arise from a further escalation of the war and the sanctions regime, a renewed flareup of the pandemic, slower growth in other trading partners, higher food and energy prices, or lower gold prices.

Privatisation and its Risks

The World Bank's second systematic country diagnostic for Uzbekistan concluded that the risk of state capture by vested interests is likely to peak by 2025. It further states: "Experiences during post-Soviet transitions, including in Russia and Ukraine, suggest that most state capture and the creation of oligarchs occurred during two critical stages of the reform process: (a) the reduction of state control and state ownership of land and (b) the privatization of state-owned enterprises (SOE). Both are among the highest reform priorities identified by the government for the coming five years. Lessons from post-Soviet transitions also suggest that there are commonly two types of vested interests: those seeking control over the new resources made available through privatization (early or intermediate winners) and those benefiting from the status quo who seek to stop the reform process from advancing. Feedback from all stakeholder groups during consultations suggests that both risks are high in Uzbekistan and that concerns are strongly centered on the land and SOE privatization processes."

Source:

1. [IMF Report](#): 2022 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for the Republic of Uzbekistan
2. [World Bank's](#) Second Systematic Country Diagnostic for Uzbekistan

This article was compiled by the Embassy of Switzerland in Uzbekistan. It appears in the form of a summary in the 2022 Economic Report for Uzbekistan prepared by the Embassy of Switzerland in Uzbekistan.

Business Mission to Uzbekistan
 Sectors of Focus: Energy, Manufacturing, Logistics & Infrastructure
 November 15 to 17, 2022
 Tashkent, Uzbekistan

For the mission program and to register please go to the address below:
<https://lindemannlaw.ch/business-mission-to-uzbekistan/>

LINDEMANN LAW
 Joint Chamber of Commerce JCC
 SWITZERLAND GLOBAL ENTERPRISE
 SWISSMEM
 serv

JCC welcomed the following new members
in the first half of 2022

[Acino Pharma](#)

[Dr. Eckstein & Partner AG](#)

[EAC International Consulting](#)

[MNK Group SA](#)

[Montana Sport International AG](#)

[Möckli Finance and Management](#)

[Netcetera](#)

[Roche Diagnostics Central Asia and South Caucasus](#)

[Uranus Asset Management & Advisory](#)



JCC Azerbaijan Business Roundtable

“Azerbaijan 2022: “Energy Source and Logistics Hub for Europe and Asia”

September 22, 2022 16:00-18:30

Venue: Geneva Chamber of Commerce, Industry and Services (CCIG)

4, Boulevard du Theatre, 1204 Geneva

In partnership with CCIG and the SME Development Agency of Azerbaijan KOBIA

Azerbaijan in the South Caucasus is not only rich in energy but occupies a strategic position on the Caspian Sea. The war in Ukraine and associated sanctions on Russia have shifted the focus onto the "Middle Corridor" for transporting energy and cargo from East to West. Azerbaijan because of its location is an axis of this corridor. With the launch of the largest trade port on the Caspian Sea, it is expected to become a major transit hub for cargo and goods both in the region and beyond. Furthermore, the country's abundant energy resources makes it a valuable supplier to Europe. Hear more about Azerbaijan as a logistics and energy hub and network with a delegation of companies from SME Development Agency of Azerbaijan – KOBIA at the business roundtable.

Detailed program and registration: [LINK](#)

JCC Events: January to July 2022

February 3, 2022

JCC Legal & Tax Chapter Webinar

"The Provision of Cloud Services in Russia and Switzerland"

February 8, 2022

JCC Armenia Webinar

Armenia as an IT and R&D Nearshoring Destination
With signing of an MoU with Enterprise Armenia

February 10, 2022

JCC Information Session

Kazakhstan: Recent Events, New Developments
In partnership with the Embassy of Kazakhstan in Switzerland

February 22, 2022

JCC Ukraine Chapter Webinar

"Ukraine's Economic Outlook amid Geopolitical Tensions"

March 31, 2022

JCC Russia Chapter

"Options for your Russia-Based Business in a Sanctions Environment"

April 5, 2022

JCC Annual General Meeting

April 6, 2022

JCC Ukraine Chapter & JCC Legal & Tax Chapter Webinar

"Operating a Business in Wartime Ukraine: Martial Law, War Bonds, Tax & Employment Regulations"

April 11, 2022

JCC Webinar

"Strategic Communications in Times of Geopolitical Crisis"

May 4, 2022

JCC Ukraine Chapter & UkraineInvest Webinar

"Current Business Conditions in Ukraine and Plans for Development and Reconstruction"

May 18, 2022

JCC Russia Chapter Webinar

"Strategies for your Russia-Based Business in a New Reality"

June 8, 2022

JCC Azerbaijan Webinar

"Update Azerbaijan 2022: New Business Opportunities"

June 16, 2022

Georgia Business Roundtable

"Georgia: A Hub for Local and Regional Trade & Investment in a Changing Geopolitical Environment"

June 28, 2022

JCC Legal/Tax Chapter & JCC Russia Chapter Webinar

"Navigating Sanctions from a Swiss Perspective"

July 4-5, 2022

Ukraine Reform Conference 2022 – Governments of Switzerland and Ukraine

JCC was the implementing partner for SECO of the Economic Forum on July 5.

JCC thanks its generous sponsors!



**Greater Caspian
ASSOCIATION**

**+ SWITZERLAND
GLOBAL
ENTERPRISE**

enabling new business



**Burckhardt
Compression**



MAN Energy Solutions
Future in the making

M&M[®]
MILITZER & MÜNCH



SULZER

FINANCEcontact

CREDIT SUISSE



About the Joint Chamber of Commerce Switzerland-Eastern Europe, Central Asia, South Caucasus (JCC)

The Joint Chamber of Commerce Switzerland – Eastern Europe, Central Asia, South Caucasus (JCC) is the leading private sector organization in Switzerland that facilitates bilateral business between Switzerland and the following regions:

- o Eastern Europe
- o Central Asia
- o South Caucasus

As the central unifying hub for all these countries' business activity in Switzerland, JCC assists Swiss firms to engage in trade and investment in its target markets, and companies from the region to do business in Switzerland. JCC members are mainly Swiss companies (SMEs and MNCs) in the manufacturing and service sectors. The chamber is headquartered in Zurich with representations in Western Switzerland and Ticino.

JCC provides members the following services:

- o Regular events on latest business development in JCC's target region at steeply discounted rates;
- o Members-only participation in JCC chapters' specialized chapter programs;
- o Exclusive access to strategic partners and business opportunities in the target region and Switzerland;
- o Lobbying and troubleshooting on members' behalf in JCC's target region;
- o A channel for new business. JCC refers all service-related requests to members;
- o A platform for members to showcase their expertise and connect with potential clients.

How to become a member?

Go to the JCC Website/Become a Member. Fill out and send the electronic registration form. After receiving it, JCC will send you a confirmation of membership and your invoice for the calendar year.

If you have questions about JCC services or want to know more about membership, please contact us.

Dorit Sallis, Managing Director
 Joint Chamber of Commerce (JCC)
 Kasernenstrasse 11
 CH-8004 Zurich, Switzerland
 T +41 32 510 0809
 E sallis@jointchambers.ch
 W www.jointchambers.ch