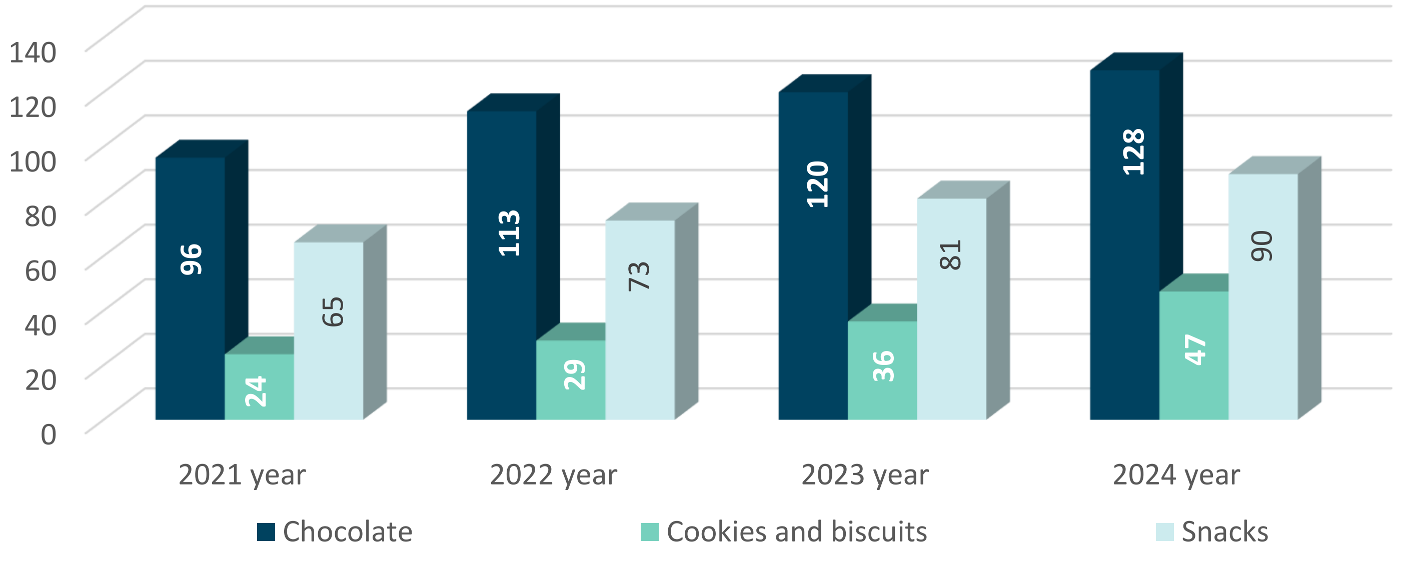
Ministry of Investment,
industry and trade
of the Republic of Uzbekistan

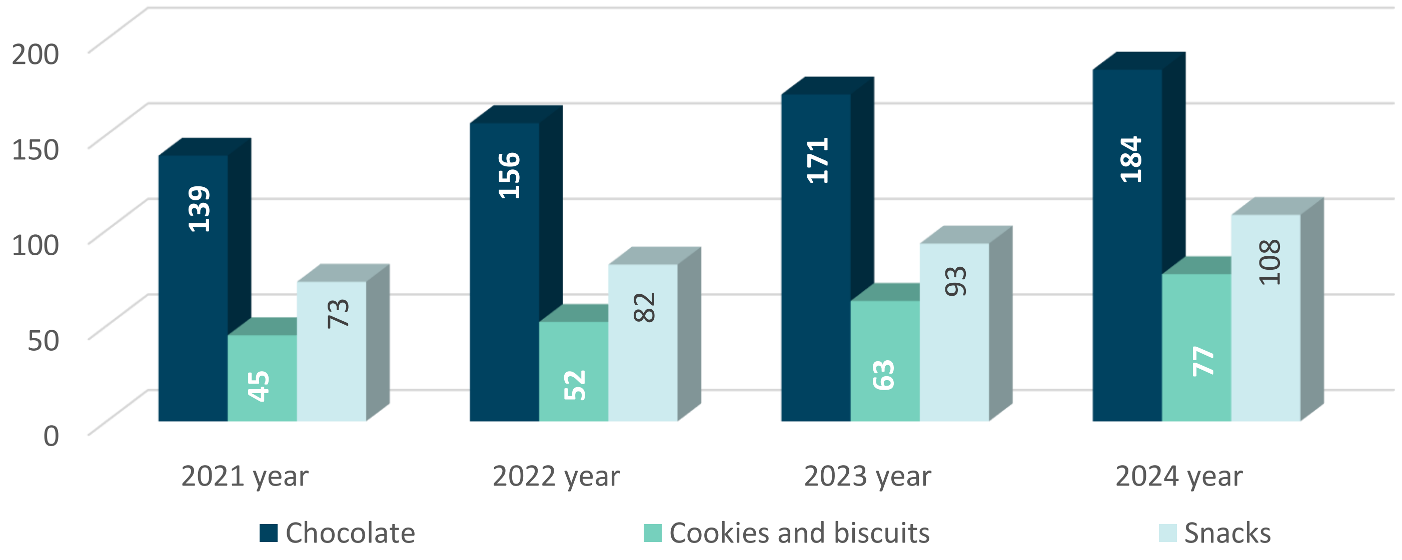
Market research on production of bakery products and dairy breakfasts in Uzbekistan

Production of snack and confectionery products in Uzbekistan

Production of confectionary products *(thsd tons)*



Consumption of products *(thsd tons)*



In recent years, Uzbekistan has demonstrated consistent and sustainable growth in both production and consumption, with:

production rising from 185 thsd tons in 2021 to 265 thsd tons in 2024 and consumption increasing from 257 thsd to 269 thsd tons over the same period.

This upward trend is due to rising incomes, rising living standards and changing food preferences.

✅ Steady growth in demand. Annual production is increasing by an average of 15-20 thsd tons, which creates significant business potential in the field of production, processing and sales.

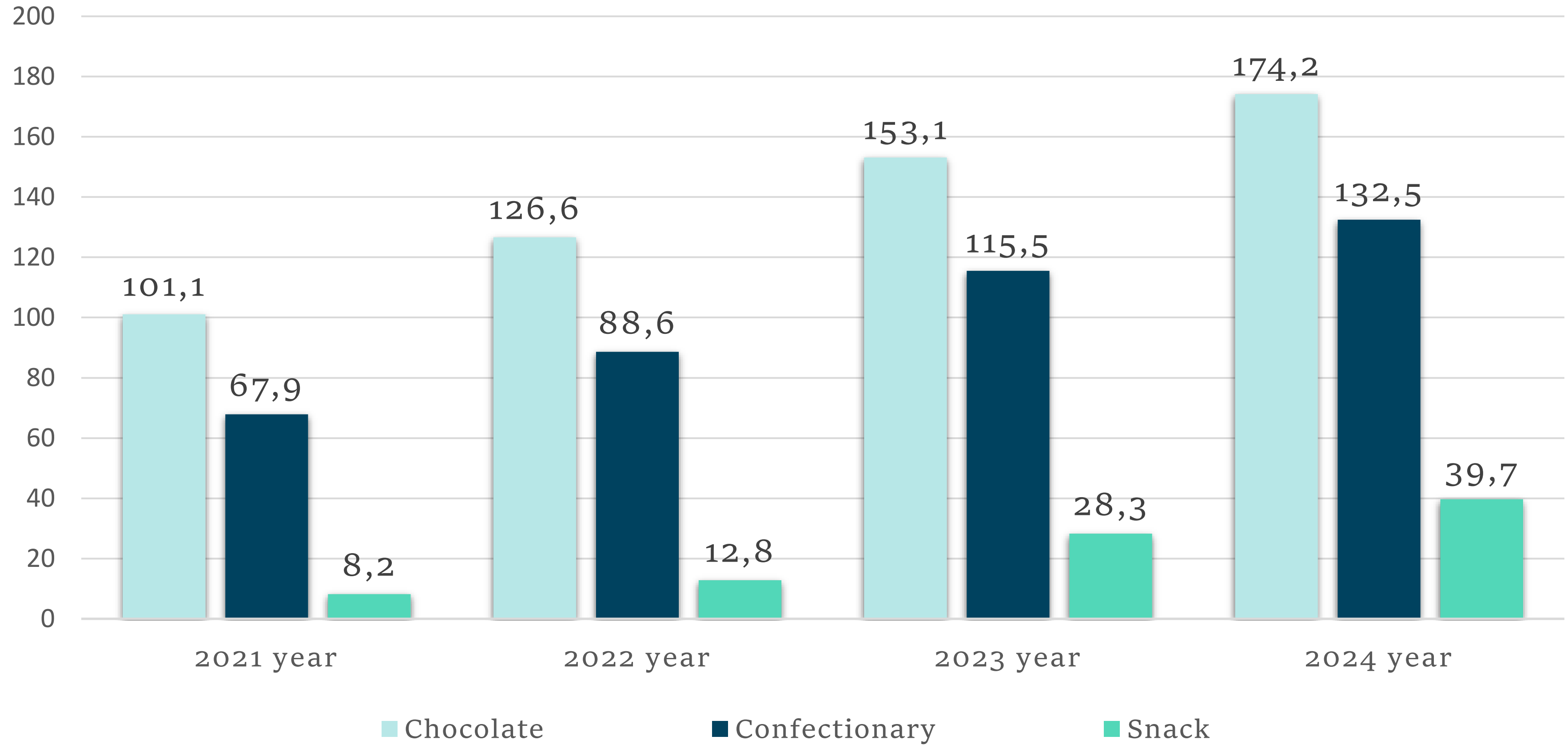
✅ State support: Subsidized loans, subsidies for the purchase of equipment for farms and processing plants, compensation for part of the costs of construction and modernization are provided.

Main local producers

	Company name	Product name	Annual production
1	“Chococream” LLC	Confectionary products	20 000 tons
2	“Iruskon” LLC	Cookies and biscuits	12 000 tons
3	“Zebiniso Ona” LLC	Cookies and biscuits	1 500 tons

Import of snack and confectionary products to Uzbekistan

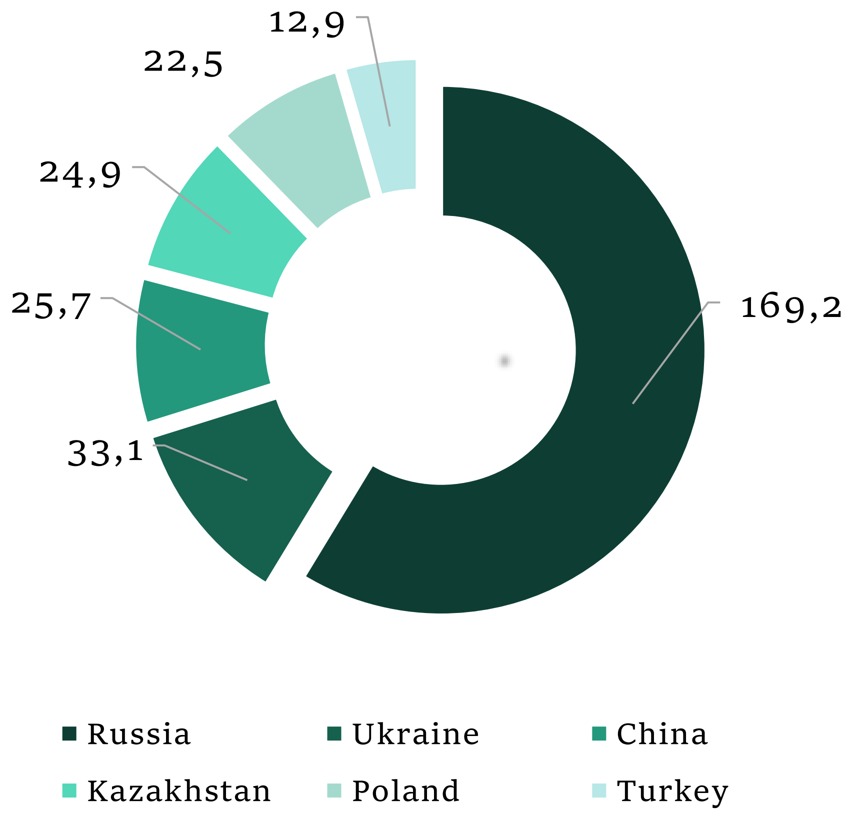
Import of confectionary products
(mln USD)



Uzbekistan's import of confectionary products has shown a sharp and steady increase over the past four years (2021 year $67,9 mln, 2024 year $132,5 mln)

This nearly tripling of imports from 2021 to 2024 highlights rising domestic demand and perhaps gaps in local production capacity.

Confectionary products 2024 *(thsd tons)*



Russia (169,2 mln USD, by far the leading source) emerges as the key partner in the supply of confectionary products, contributing over 49% of total imports.

Ukraine (33,1 mln USD, second dominant supplier) collectively account for the confectionary products imports.

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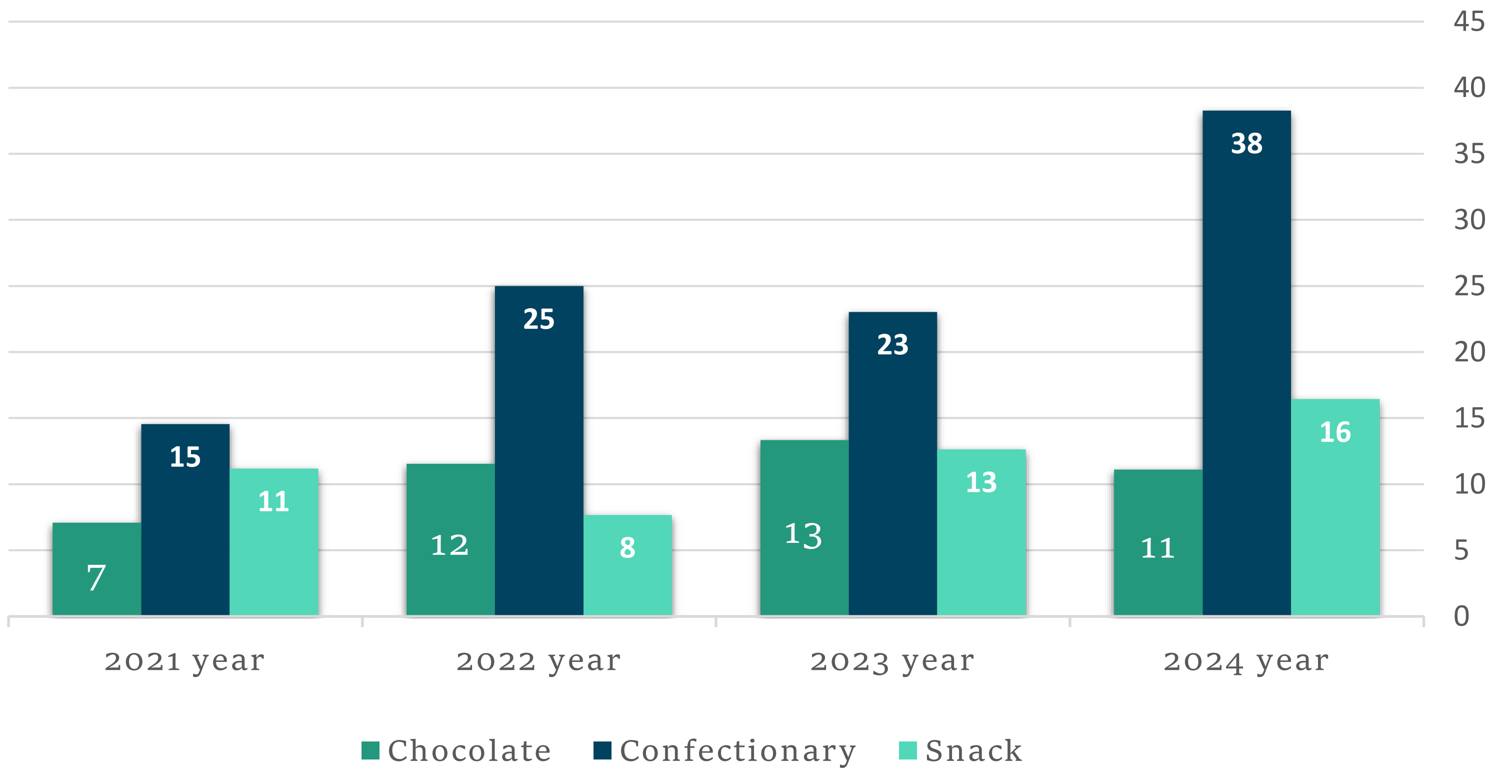
Export potential of confectionary products

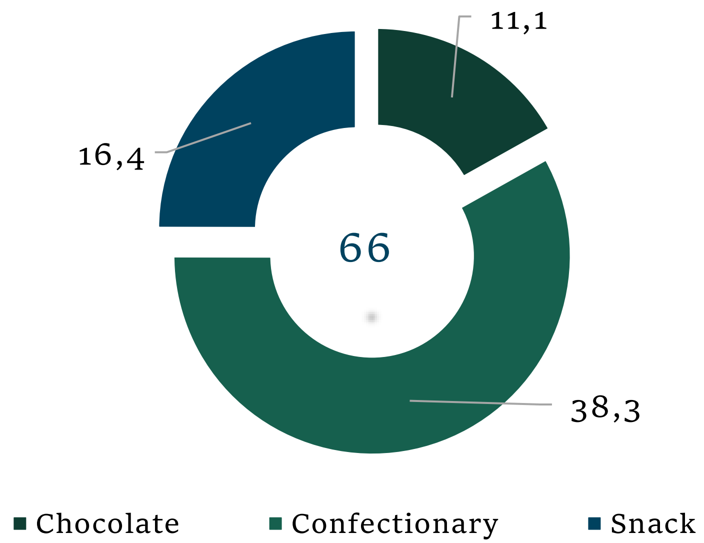
Export of products *(mln USD)*



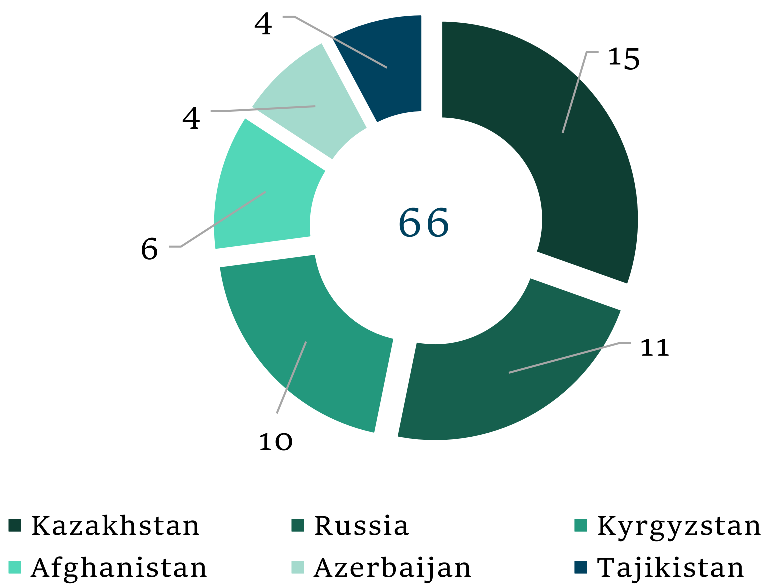
Export of products from Uzbekistan is recorded in USD. The main importers of products are the CIS countries (45 mln USD). Exports to Kazakhstan from Uzbekistan amounted to 15 mln USD, to Russia – 11 mln USD, to Kyrgyzstan- 10 mln USD.

The average volume of exports of products from Uzbekistan amounted to 48 mln USD for 2021-2024. The maximum volume of exports occurred in 2024 and amounted to 65 mln USD, an increase of 132% compared to last year. The main volume of exports is confectionary and snack.

Types of product 2024 *(mln USD)*



By countries 2024 *(mln USD)*



Government support

Financial incentives

VAT payment deferral (120 days) on imports and a 50% VAT refund for food industry companies (2025–2028).

Tax reductions

50% reduced tax rates (income, property, land, water use) for food enterprises until 2028, significantly lowering operational costs.

Regulatory easing

Free Economic Zone (FEZ) Incentives
- 0% corporate income tax for up to 10 years
- 0% customs duties on imported machinery and raw materials
- 0% property and land tax within the FEZ
- Simplified registration and permitting process for foreign investors

VAT

The deadline for payment of value-added tax calculated by business entities when importing goods into Uzbekistan will be extended by 120 days

Export facilitation

Support through export loan systems and assistance for participation in international trade shows, opening global markets.

Infrastructure

Infrastructure development at state expense* (project cost over $15 million).

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Investment proposal:
Production premium snack and confectionery products in Uzbekistan

Production premium snack and confectionery products

Economic impact:
- $85 million in direct investment into Uzbekistan’s food industry
- Over 600 direct jobs, 1,200+ indirect jobs created
- Development of domestic supply chains for raw materials
- Export potential of up to $20 million annually to Central Asia

Social impact:
- Promotes healthier breakfast habits
- Employment for women and youth
- Environmentally friendly “green” production methods
- Contributes to food security and price stability.

Project description:

1. Establish a $85M production facility in Uzbekistan for General Mills’ top brands.

2. Bakery (40%), dairy breakfast (35%), baking mixes (15%), snacks (10%).

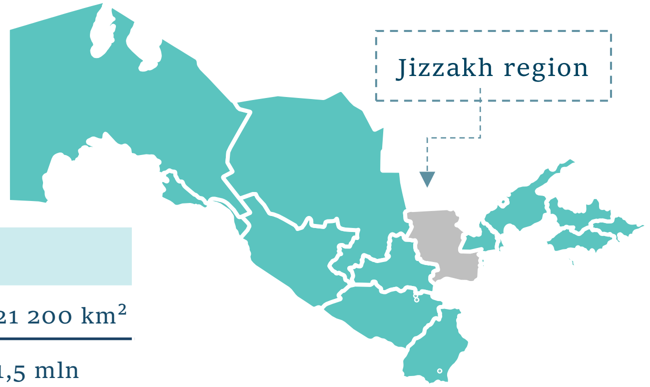
3. Serve Central Asia + exports (Russia, Kazakhstan).

4. 100+ direct jobs, 300+ indirect jobs.

Economic indicators:

- Financing: 85 mln USD
- Area: 5 hectares
- Revenue (*4th year*): $117,3 million/year
- Payback period: 4,1 years
- NPV (*10%*): ~ $42 million
- IRR: ~22,7%

Location of the project



Jizzakh region	
Size	21 200 km²
Population	1,5 mln

Production indicators:

- Bakery (Nature valley, Fiber one): 12 thousand tons
- Dairy breakfast (Cheerios, Lucky charms): 10,5 thousand tons
- Baking mixes (Betty crocker): 4,5 thousand tons
- Snacks (Annie’s): 3 thousand tons
- Total production: 30 thousand tons

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Confectionary processing chain & product yield

Key production stages

1. Raw material reception & quality control
- Sourcing and delivery of grains, dairy powders, sweeteners, oils, and packaging materials
- Initial inspection, sampling, and laboratory testing for compliance with food safety and quality standards

2. Ingredient preparation & formulation
- Automated weighing, mixing, and blending based on precise recipes for each product category
- Addition of vitamins, minerals, or flavorings (e.g., for cereals or baking mixes)

3. Thermal Processing & Forming
- Baking (for granola bars, snacks)
- Extrusion (for cereals like Cheerios, Lucky Charms)
- Drying & cooling to ensure product stability and texture
- Shaping and cutting into bars, flakes, or other final forms

4. Packaging & labeling

Automated filling into flow packs, cartons, or boxes with brand-specific designs

Labeling in compliance with local and export regulations

Inclusion of traceability codes and sealing for freshness

5. Storage & distribution

Product yield breakdown

	Product category	Share of total production	Annual output	Avg. price ($/ton)	Annual revenue ($)
1	Bakery products (Granola bars)	40%	12 000 tons	4 500	54 million
2	Dairy breakfast cereals	35%	10 500 tons	3 800	39,9 million
3	Baking mixes (Betty Crocker)	15%	4 500 tons	3 200	14,4 million
4	Savory snacks (Annie's)	10%	3 000 tons	3 000	9 million
	Total	100%	30 000 tons	-	117,3

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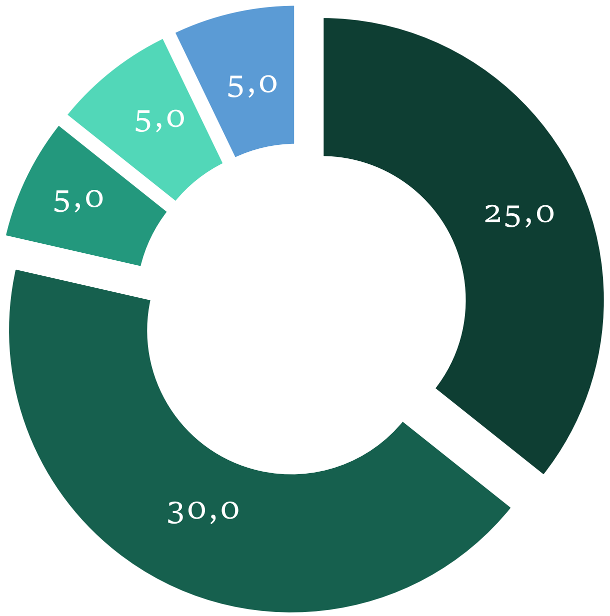
Project expenses

Initial Investment (CAPEX) *(mln dollar)*



Total CAPEX: $70 mln

- Civil works and infrastructure
- Equipment and technology
- Renewable energy systems
- IT and automation

Operating Costs (OPEX) *(mln dollar)*

Total OPEX: $18 mln

- Raw materials and ingredients
- Labor and HR
- Utilities (electricity, water, etc.)
- Logistics and distribution
- Maintenance and marketing

This financial overview outlines a comprehensive cost structure and strong profitability of the proposed bakery production project. The breakdown includes both initial capital investment (CAPEX) and annual operating costs (OPEX), alongside projected revenue and profit estimates.

Year	Revenue ($M)	OPEX ($M)	Net Cash Flow ($M)
1	90	18	12
2	100	19	14,5
3	110	20	16,8
4	117,3	21	18,5
5	130	22	20,3
TOTAL	547,3	100	82,1

Annual EBITDA:

= $117,3 mln - $18 mln= $99,3 mln

The project's strong profitability forecast is underpinned by efficient operations and high market demand, positioning it as a highly attractive investment.