

Analytical note on the results of the work of Almalyk MMC JSC for 9 months of 2019

Chairman of the Board of Almalyk Mining and Metallurgical Joint-Stock Company
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Fulfilling the most important priorities of the social and economic development program, the staff of “Almalyk MMC” JSC in 9 months of 2019 ensured the production of marketable products:

- in current prices by 108.2 %,
- in comparable prices by 107.9 %.

The growth rate of commodity output in comparable prices to the corresponding period of 2018 was 131.5 %.

The cathode copper output was 107.1%, including 101.5% of own raw materials, 109.0% of metal zinc, including 100.8% of own raw materials, 101.5% of sulphuric acid, 73.6% of tungsten trioxide, 104.2% of refined gold and 137.1 % of refined silver, and 102.4% of Portland cement.

On May 8 this year, the molybdenum trioxide production shop was stopped (based on the conclusion of the State Committee for Nature Protection).

For 9 months of 2019, export was fulfilled for 102.9%.

In accordance with the Decree of the President of the Republic of Uzbekistan dated 19.12.2018 No. IIII-4067 “On measures to implement the Investment Program of the Republic of Uzbekistan for 2019” for “Almalyk MMC” JSC 6 investment projects are being implemented aimed at increasing the capacity for production and processing of raw materials with the development of capital investments for the amount of 1 532.2 bln. UZ Soums, of which the implementation of the project “Development of Uch-Kulach Field” (8.4 bln. UZ Soums) was suspended in accordance with the Decree of the President of the Republic of Uzbekistan No. IIII-4077 dated 25.12.2018, and total amount of capital investments for 2019 made up 1,523.9 bln. UZ Soums:

including:

- at the expense of own funds - 747.0 bln. UZ Soums;
- at the expense of Fund for Reconstruction and Development funds - 736.2 bln. UZ Soums;
- loans from commercial banks - 40.7 bln. UZ Soums.

Investments worth 1323.3 bln.UZ Soums (162.7 %) were actually disbursed, in 9 months of 2019:

- at the expense of own funds - 604.2 bln. UZ Soums;
- at the expense of Fund for Reconstruction and Development funds - 667.9 bln. UZ Soums;

- loans from commercial banks - 51.0 bln. UZ Soums.

According to the Decree of the President of the Republic of Uzbekistan dated 26.12.2016 No. IIII-2698 “On measures for further implementation of promising projects for localization of production of finished products, components and materials for 2017-2019”, “Almalyk MMC” JSC is implementing 59 projects for a total amount of 48.3 bln. UZ Soums.

During the 9 months of 2019 localized production amounted to 83.5 bln. UZ Soums or 127.6 % of the forecast.

According to the Decree of the President of the Republic of Uzbekistan from 11.02.2015 No. IIII-2298 “On the program of localization of production of finished goods of component parts and materials for 2015-2019” it is provided for fulfillment of target parameters of import reduction due to localization of production and expansion of interindustry industrial cooperation for 2019 in the amount of 29,6 million US dollars.

In 9 months of 2019, the performance amounted to 22.0 mln.USD or 100.6 % of the forecast.

A set of organizational and technical measures has been developed to reduce production costs in 2019, providing for a reduction in the cost of production by 154.2 bln. UZ Soums or 3.1 %.

The expected result of implementing the complex of measures to reduce production costs in 9 months of 2019 will make up 394.4 bln. UZ Soums or 10.9 %, including production cost - 469.7 bln. UZ Soums or 13.0 %. The task was overfulfilled by 3.5 times.

According to the Decree of the President of the Republic of Uzbekistan No. IIII-2692 dated December 22, 2016 “On additional measures for accelerated renovation of physically worn-out and obsolete equipment, as well as reduction of production costs of industrial enterprises”, 222 units of technological equipment worth 14,911.6 thousand US dollars are subject to replacement and modernization in 2019.

In 9 months of 2019, 78 items of equipment for 3081.3 thousand USD were replaced and rehabilitated.

The Company took measures to improve its management, strengthen its financial and economic position and monitor the reduction of accounts receivable and payable.

There are no arrears to the budget or salaries.

“Almalyk MMC” JSC has developed and approved measures to reduce fuel and energy resources in 2019, through the implementation of which the expected savings in fuel and energy resources for 9 months of 2019 will amount to:

- electricity - 40.7 million kWh;
- fuel - 15.5 million m³;

Savings on fuel and energy resources will totally amount to 24.2 bln. UZ Soums.

Under the technical training programme, 4515 workers were trained to improve their skills, 1736 were retrained and learned a second profession, and 1375 managers and specialists were upgraded and retrained, including 353 by separation from production.

In 2019, 2,497 students of professional colleges underwent practical training at the Company's structural units.

The distribution of vocational college graduates was approved and employment referrals were issued to 580 graduates who successfully passed the state certification organized with the participation of specialists.

Measures for joint work with professional colleges have been developed for the academic year 2019-2020. The need for graduates of professional colleges until 2030 has been determined.

“Almalyk MMC” JSC cooperates with ten universities in the Republic of Uzbekistan and the Russian Federation to train specialists on a contract basis, including in the Republic of Uzbekistan:

- Almalyk branch of Tashkent State Technical University;

- Almalyk branch of National Research Technological University “Moscow Institute of Steel and Alloys”;

- Navoi State Mining Institute;

in the Russian Federation:

- National Research Technological University “Moscow Institute of Steel and Alloys”

In the 2019-2020 academic year, 112 students sent by Almalyk MMC will study at National Research Technological University “Moscow Institute of Steel and Alloys”. Whereof 82 students in the bachelor's degree and 27 students in the master's degree full-time and 3 students by correspondence.

The Almalyk branch of the National Research Technological University “Moscow Institute of Steel and Alloys trains 9 students at the expense of the plant.

The Almalyk branch of Tashkent State University named after I. Karimov has 200 students.

20 students studying at the correspondence department of the NavSMI - employees of the plant. According to the results of entrance exams to the Academy of Public Administration two people were enrolled.

In accordance with the decision of the President of the Republic of Uzbekistan, employees with at least 5 years' work experience are admitted to higher education institutions for part-time and evening studies. Recommendation letters are given to 114 employees of the company.

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During the reporting period 1013 college graduates and 279 university graduates were employed.

“Almalyk MMC” has JSC developed and approved 37 measures worth 69.3 bln. UZ Soums to implement the State program “Year of active investment and social development” in five priority areas of development.

For 9 months of 2019, activities for UZ Soum 11.2 bln. UZ Soums were carried out.

For the purpose of timely execution of orders of higher authorities, improvement of the system of control over execution discipline, a service for control over execution of orders of higher organizations (Order No. 322 dated April 26, 2017) was established within the Executive Office of “Almalyk MMC” JSC and the procedure for systematic and critical analysis of the execution discipline was established.

Throughout the period, work was carried out to introduce a system of reporting and monitoring of the implementation of documents within the established time frame, and to study the progress of laws, acts of the President and Government decisions implemented in the field. According to the plan of work of the company, protocols with the preparation of analytical reports are being prepared.

Systematic work is being carried out to critically analyse the implementation of own decisions, identify shortcomings and develop specific measures to address them.

In 2019 “Almalyk MMC” JSC” registered a total of 663 acts, including 156 acts and instructions of the President of the Republic of Uzbekistan (13 decrees, 24 orders, 1 instruction, 17 protocol orders), 101 orders of the Presidential Administration, 507 acts and instructions of the Cabinet of Ministers (48 resolutions, 18 orders, 53 protocols, 216 instructions of the Prime Minister, their deputies and advisers, and 172 instructions of the Cabinet of Ministers Secretariats).

To ensure an open dialogue with citizens, thorough consideration and resolution of appeals, the Service for Control and Coordination of Work with Applications of Individuals and Legal Entities has been established at the company. A daily reception is organized.

For 9 months of 2019 3383 appeals were received. According to the results of appeals consideration for 805 applications measures were taken, 65 were left without consideration according to the requirements of the legislation, on 2337 applications appropriate explanations were given, 131 applications are being currently considered, 16 applications were rejected, 29 applications were sent to appropriate organizations.

The nature of the applications is the provision of material assistance, employment, treatment, utilities, reinstatement, transfer to other subdivisions of the mill, as well as transportation problems and others.