

Analytical note on the results of the work of Almalyk MMC JSC for the 1st quarter of 2020

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 1st quarter of 2020 ensured the production of marketable products:

- in current prices - by -102.0 %,
- in comparable prices -100.3 %.

The growth rate of commodity output in comparable prices to the corresponding period of 2019 was 105.0 %.

The cathode copper output was 100.4 %, including 100.6 % of own raw materials, 98.2 % of metal zinc, including 105.4 % of own raw materials, 88.2 % of sulphuric acid, 100.3 % of refined gold and 125.4 % of refined silver.

In the first quarter of 2020, the company exported 118.6% of its products.

Pursuant to the Decree of the President of the Republic of Uzbekistan dated 09.01.2020 No. IIII-4563 “On measures to implement the Investment Programme -2022” for “Almalyk MMC” JSC in 2020 investment projects are been created and, aimed at increasing of mining and processing capacities with capital investments of 349.5 million USD, including:

- at the expense of own funds - 133.3 mln. USD;
- at the expense of Fund for Reconstruction and Development funds - 4.0 mln.USD;
- loans from commercial banks - 32.0 mln.USD.
- direct foreign loans - 180.1 mln.USD.

Investments worth 52.0 mln.USD (102.9 %) were actually disbursed in 1st quarter of 2020, including:

- at the expense of own funds - 37.0 mln. USD;
- at the expense of Fund for Reconstruction and Development funds - 13.6 mln.USD;
- loans from commercial banks - 1.4 mln.USD.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 10.03.2020 No. 136 “About Program on localization of production of goods in demand on internal and external markets in 2020-2021 years” “Almalyk MMC” JSC in 2020 envisages the implementation of 49 projects for total amount of 120.0 billion UZS.

According to the results of the first quarter of 2020, the output of localized production in 35 projects amounted to 34.6 billion UZ Soums or 127.2% of the forecast.

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”, 189 units of technological equipment worth 13,824.0 thousand US dollars are subject to replacement and modernization in 2020.

In 1st quarter of 2020, 20 items of equipment were replaced and rehabilitated for 2424.1 thousand USD.

A set of organizational and technical measures has been developed to reduce production costs in 2020, providing for a reduction in the cost of production by 334.0 bln. UZ Soums or 2.9 %.

The expected result of implementing the complex of measures to reduce production costs in 1st quarter of 2020 will make up 337.1 bln. UZ Soums or 12.8 %, including production cost - 165.1 bln. UZ Soums or 6.3 %.

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

As of 01/04/2019, expected accounts receivable will make up 832.5 bln. UZ Soums, including overdue debts for 92.5 bln. UZ Soums and accounts payable for 1530.8 bln. UZ Soums.

There are no arrears to the budget or salaries.

Under the technical training programme, 1434 workers were trained to improve their skills, 730 were retrained and learned a second profession, and 610 managers and specialists were upgraded and retrained, including 63 by separation from production.

6625 students of professional colleges underwent on-the-job training at the Company’s structural units.

The distribution of vocational college graduates has been approved and 580 graduates of the Almalyk Mining and Metallurgical Vocational Colleges, 25 graduates of the Chirchik Industrial Vocational College, 27 graduates of the Denau Mining Industrial Vocational College and 28 graduates of the Angren Chemical and Technological College have been given directions for employment.

To date, 390 graduates of the Almalyk Mining and Metallurgical Vocational Colleges have been employed.

The need for graduates of professional colleges until 2030 has been determined. Schedules of meetings (workshops) with the participation of the plant's chief specialists for college students have been developed.

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

- Almalyk branch of Tashkent State Technical University - 291 students;
- Almalyk branch of National Research Technological University “Moscow Institute of Steel and Alloys” - 9 students;
- Navoi State Mining Institute - 20 students;
- Tashkent State Technical University - 6 students;
- Tashkent University of Information Technology - 2 students;
- Tashkent Institute for the design, construction and operation of roads - 2 students;
- Tashkent Institute of Chemical Technology - 1 student;
- Tashkent State University of Economics - 1 student;
- National University of Uzbekistan - 1 student;

in the Russian Federation:

- National Research Technological University “Moscow Institute of Steel and Alloys” - 112 students.

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

During the reporting period 149 college graduates and 79 university graduates were employed.

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 first quarter of 2020 “Almalyk MMC” JSC a total of 246 acts were registered, including 44 acts and instructions of the President of the Republic of Uzbekistan (2 decrees, 7 orders, 2 instructions, 4 protocol orders, 30 orders of the Presidential Administration),

202 acts and instructions of the Cabinet of Ministers (22 orders, 9 resolutions, 23 protocols, 82 instructions of the Prime Minister, their deputies and advisers, and 66 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 1st quarter of 2020 891 appeals were received. As a result of the consideration for 107 applications measures have been taken, 12 were left without consideration, in accordance with the requirements of the legislation, 726 applications were clarified, 35 applications are currently under consideration and 11 applications were directed to relevant 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.