Country Profile

Republic of Uzbekistan

ICDT 2022

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General Data

General info

- Capital: Tashkent
- Type of state: Republic of Uzbekistan
- Location: Asia - Area: 447,400 km2
- Time zone: GMT + 5

Demography

- Population: 34,915,100 - 2021
- Natural increase: 2.0% - 2021
- Official language: Uzbek
– Business language: Russian

Currency

- Sum of Uzbekistan (UZS)
- 1 USD = 11,020.46 UZS October 2022

macro economy

- GDP: 69.24 MM USD Growth: 7.4% - 2021
- GDP per capita: 1,983.1 USD - 2021
- Employment rate of 15 years and over: 55 %

International trade

- Imports – 2021: 23,724 MM USD
- Exports – 2021: 14.035 MM USD

FDI

- FDI stocks in 2020: USD 10.26 MM
- Inward FDI flows in 2020: USD 1.72 MM

Strong facts

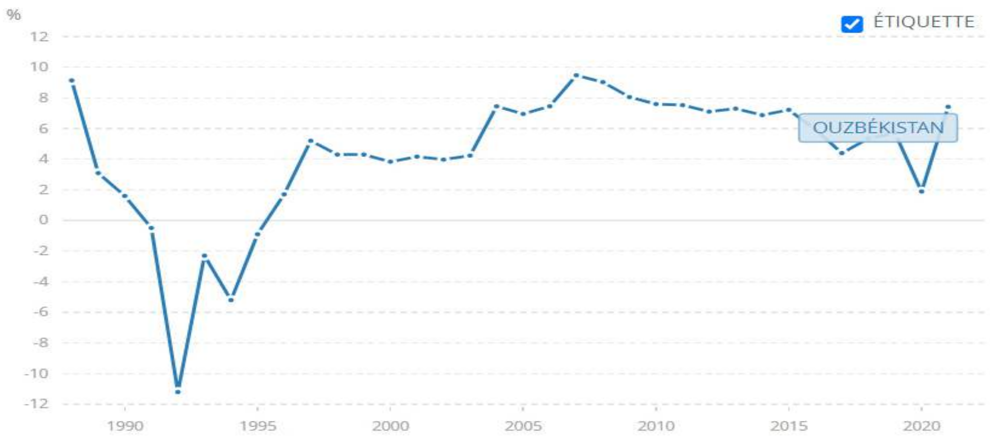
Resilient and diversified economy)

Abundant natural resources (gas, gold, copper, hydroelectric potential)

Dynamic bilateral relations towards preferential trade agreements with key partners

Enhanced partnership and cooperation agreement with the European Union (EU)

GDP growth (annual %)



Rankings of Doing Business 2020 by Domain

Uzbekistan's economy is the second largest in Central Asia, after Kazakhstan.

It is mainly based on the exploitation of raw materials. Energy products (mainly gas), cotton (1.3 million hectares cultivated), metals (gold, uranium, copper) and fertilizers representing three quarters of exports.

Reforms are underway to liberalize the economy, stimulate private initiatives and attract foreign investment, with the support of international donors.

Despite the strong global economic downturn caused by the Covid-19 pandemic since 2020, Uzbekistan is one of the few countries to have managed to maintain a positive growth rate. GDP growth is expected to accelerate in 2022 (5.3%).

Start a business	Uzbekistan	Europe & Central Asia
Procedures (number)	3	5.2
Time (days)	3	11.9

Uzbekistan ranks 69th in the Doing Business 2020 ranking . The country has strengthened the protection of minority investors by increasing the rights and role of shareholders in the main decisions of business, and by clarifying ownership and control structures as well as demanding greater corporate transparency. The country has facilitated the payment of taxes by merging the infrastructure tax with the corporate tax. Moreover, it has streamlined cross-border trade by introducing risk-based inspections and simplifying import document compliance.

Main sectors of activity

23.2%

Share of agriculture in GDP
It employs 25.5% of the population

29.9 %

Share of industry in GDP
It employs 33.1% of the population

46.7 %

Share of services in GDP
They employ 32.2% of the population

Sector Strategies

The strategy of development of the new Uzbekistan 2022-2026 aims at achieving 100 goals in seven priority areas of development for the next five years.

The overall strategy to achieve this vision is based on seven pillars:

- To build a people's state by enhancing human dignity and promoting a civil society.
- To establish the principles of justice and the rule of law as the most fundamental and critical conditions for the development of our country.
- To develop a robust national economy to sustain rapid growth.
- To pursue just and equitable public policies and human capital development.
- To ensure the enhancement of spiritual values by developing the institutions responsible for their management.
- To address global challenges from the perspective of our national interests.
- To strengthen the security and defense potential of our country by pursuing an open, pragmatic and active foreign policy.

The government has introduced a system for evaluating the effectiveness of planned reforms according to the level of achievement of development objectives.

Infrastructure

Airport

Tashkent Airport, the main hub of Uzbekistan Airways, is the busiest airport in the country in terms of passenger traffic and the third busiest airport in the Central Asian region. It serves the Uzbek capital Tashkent. It is located a dozen kilometers from its center.

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Road

The road network totals about 86,500 km in length and covers the country quite well. The Asian Development Bank (ADB) has approved a US$274.2 million loan to develop the existing road network to expand regional trade and road transport connectivity.

Railway

The country has invested $7 billion in railways. With this investment in recent years, the country aims to create efficient traffic corridors throughout Central Asia and, in the long term, to create direct connections with seaports that will facilitate access to international markets.

Promising Sectors

01 **Tourism:** Exports of tourism services for 8 months amounted to US$666.9 million, twice as much as the same period of 2017 (US$327.3 million).

02 **ICT :** Modern information systems, software and databases in the field of health care, social protection of the population, and education.

03 **Textile:** An easily accessible market, developing an organized distribution chain, favorable demographic indicators, rising income levels and a change in preferences for the quality of branded products.

04 **Food**: low cost of energy resources and production costs; environment-friendly; excellent indicators of the content of useful substances; excellent organoleptic properties and access to the largest world markets.

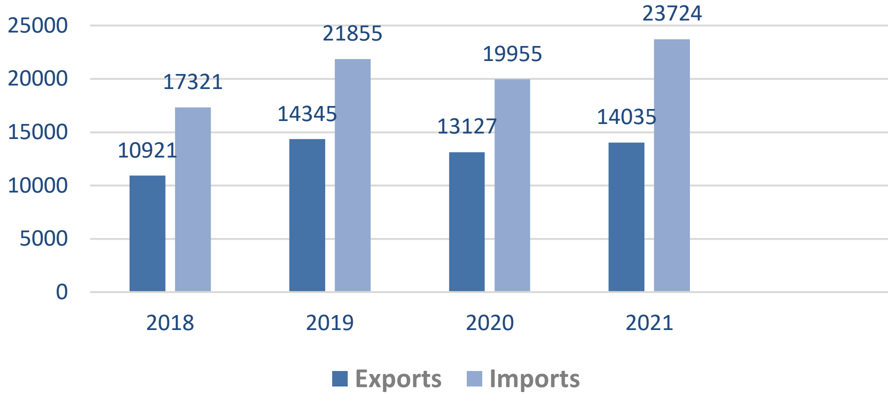
05 **Pharmaceuticals:** Over the past 20 years, about 30 original medicines have been developed in local plants and their production process has been established.

06 **Energy:** one of the few countries that satisfies its needs thanks to its energy resources. Today, proven energy reserves exceed 3 billion tons of coal, 1.1 trillion cubic meters of natural gas, 590 million barrels of oil.

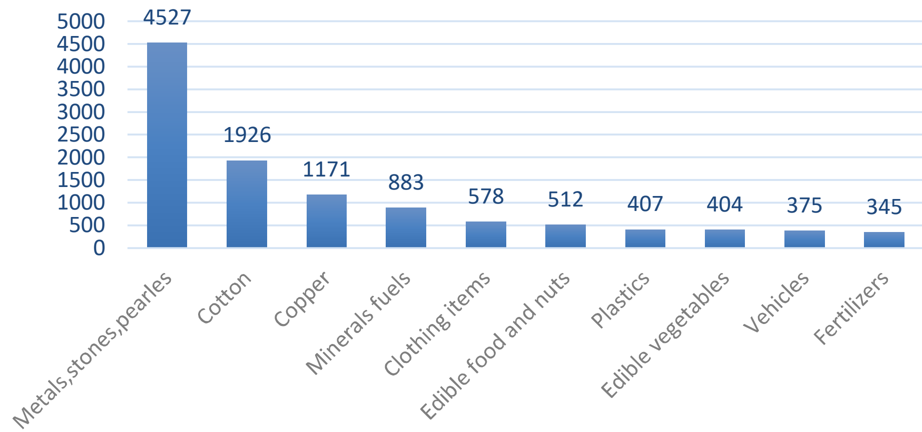
07 **Construction:** An easily accessible market that will grow in the future with an increase in organized retail entry, favorable demographics, rising incomes, and a shift in preference for quality and branded products.

International trade

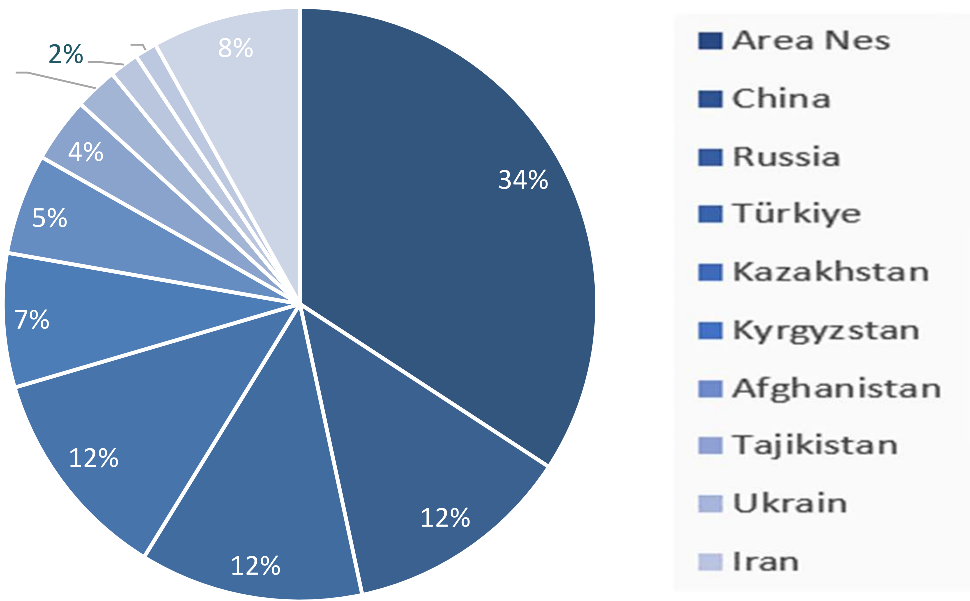
Evolution of Uzbekistan's trade - USD million



Main products exported by Uzbekistan in 2021 M USD

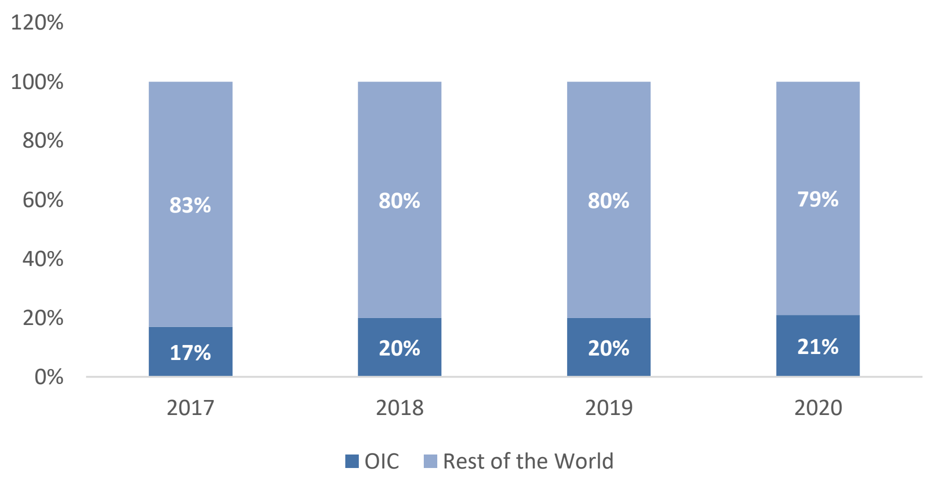


Main customers of Uzbekistan in 2021

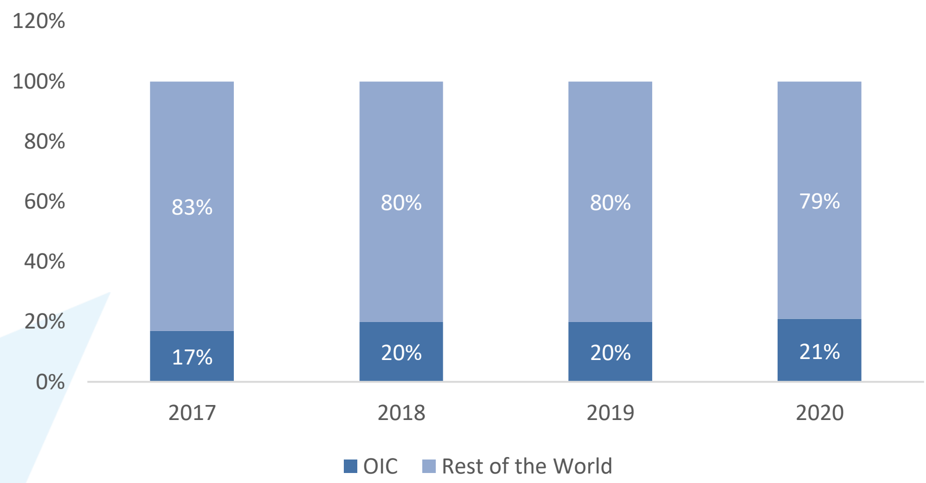


Intra-OIC Trade

Share of OIC in Uzbekistan's Exports



Share of OIC in Uzbekistan's Imports



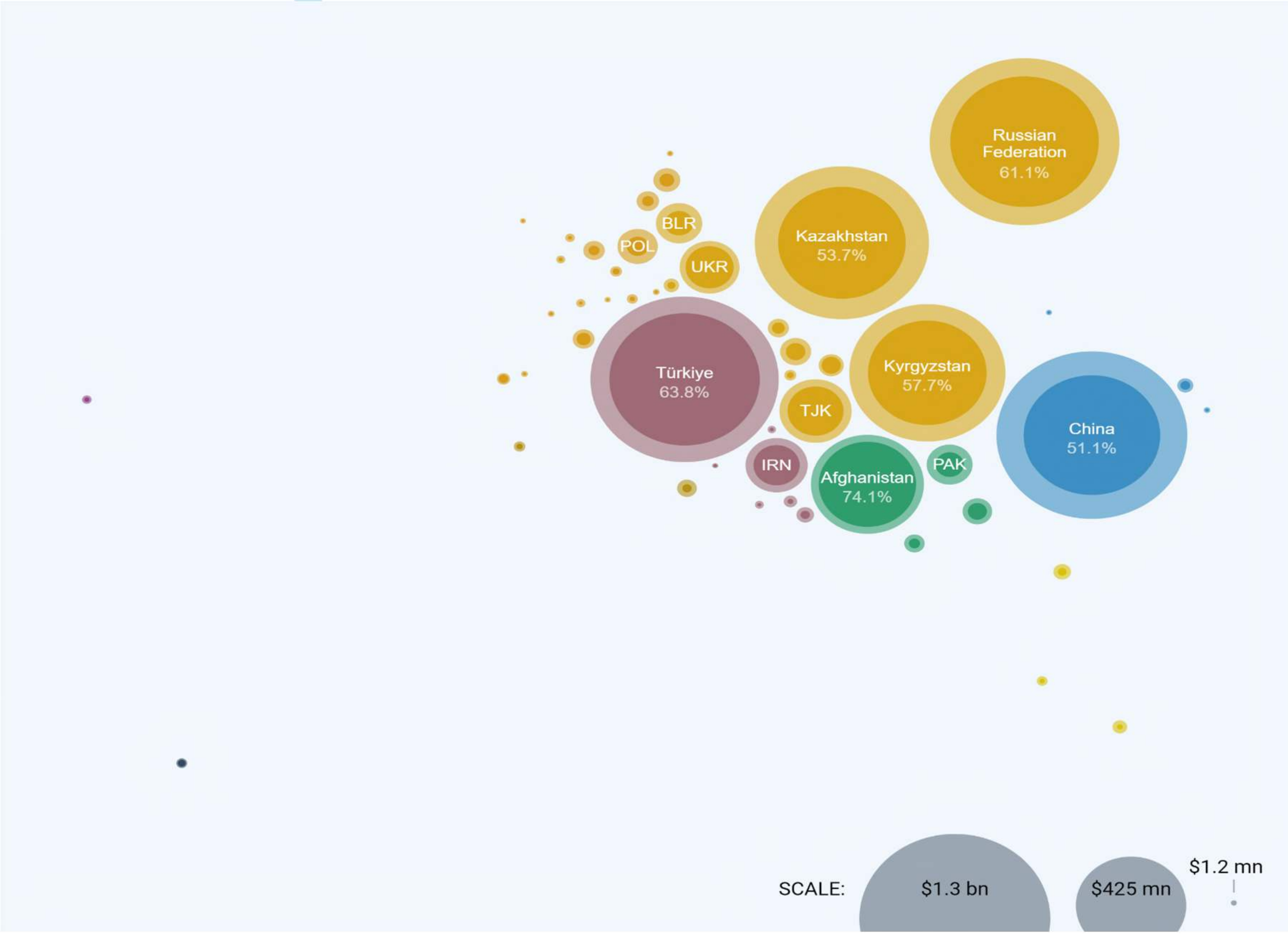
Top 10 Customers, OIC Members in 2020

1. Türkiye
2. Kazakhstan
3. Kyrgyzstan
4. Afghanistan
5. Tajikistan
6. Iran
7. Pakistan
8. Turkmenistan
9. Azerbaijan
10. Bangladeshi

Top 10 Suppliers, OIC Members in 2020

1. Kazakhstan
2. Türkiye
3. Turkmenistan
4. Kyrgyzstan
5. Iran
6. Tajikistan
7. Malaysia
8. United Arab Emirates
9. Azerbaijan
10. Pakistan

Export potential of Uzbekistan by country of destination



Markets with potential for Uzbekistan's exports

Legend

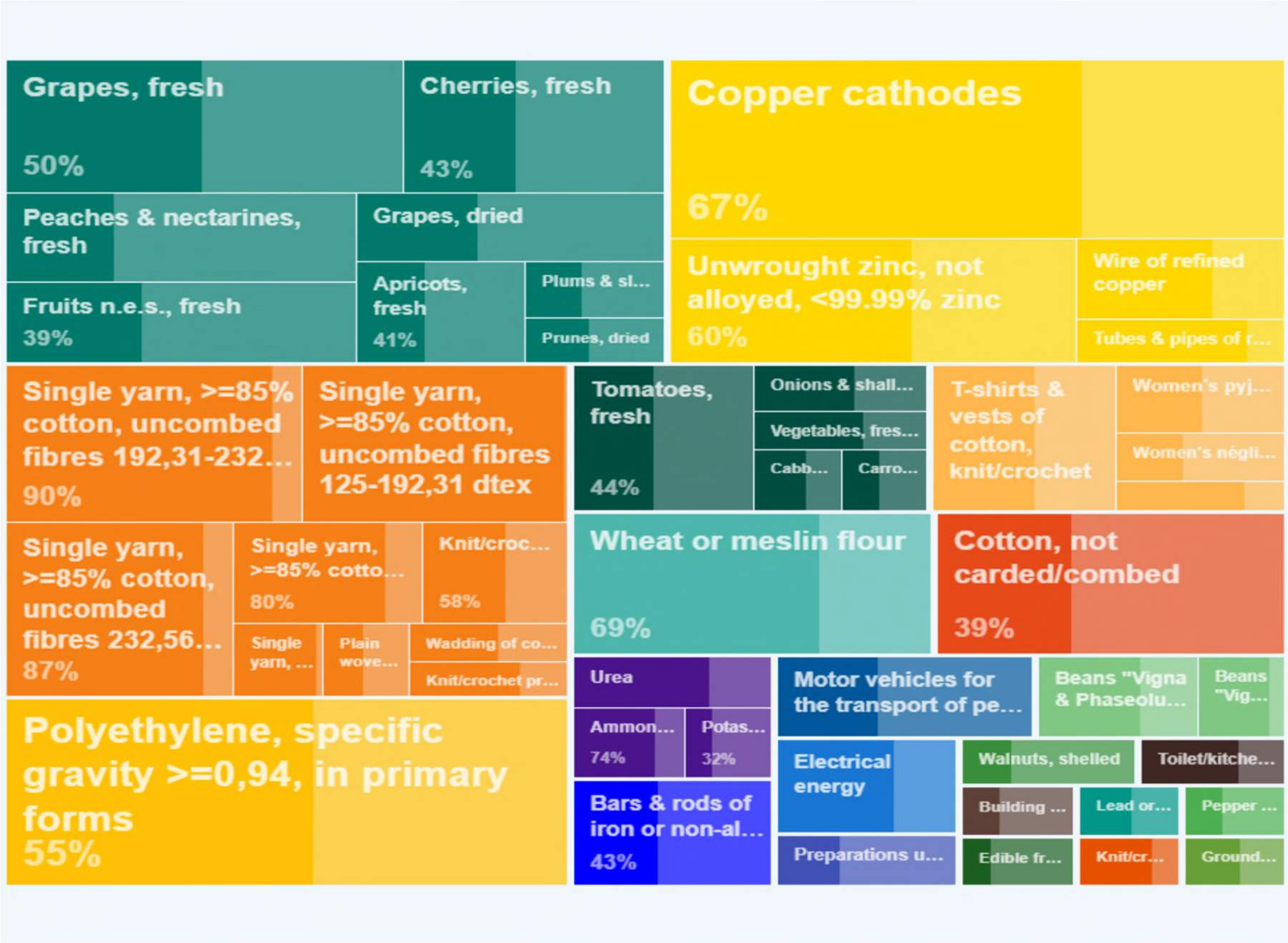
- Export potential
- Realized potential

- East Europe & Central Asia
- Middle East
- East Asia
- South Asia
- EU & West Europe
- Southeast Asia
- Northern Africa
- South & Central America
- North America

Source: International Trade Center

Within the OIC region, the markets with the highest export potential are located in Central Asia.

Export potential of Uzbekistan by product



Uzbekistan's products with potential

Legend

- Export potential
- Realized potential

- Fruits
- Metals (except ferrous & precious)
- Cotton (fabric)
- Plastics & rubber
- Vegetables
- Apparel
- Cereals (processed)
- Vegetal textile fibers
- Fertilisers
- Ferrous metals
- Motor vehicles & parts
- Pulses
- Machinery, electricity
- Vegetal residues & animal feed
- Nuts
- Home textiles
- Ceramic articles
- Live plants, flowers, foliage
- Mineral resources
- Spices

Source: International Trade Center

The products with the greatest export potential are fruits, metals (except ferrous and precious metals) and cotton (cloth).

Market Access

Investing in Uzbekistan

Customs Duties and Taxes

Average rate: 7.4%
Average rate of agricultural products: 11.2%
Average rate of non-agricultural products: 6.8%

Trade agreements

WTO Observer Member.

Fairs and Exhibitions

For more information, visit the website:
https://www.eventseye.com/fairs/c0_salons_ouzbekistan.html

Public markets

Tenders from Uzbekistan are published on the website: https://chamber.uz/en/tenders/uzbekistan

Why Uzbekistan

The central location and the logistical environment permit access to more than 4 billion markets. The country also has the largest labor force in the Central Asia region of nearly 19 million people as well as booming market conditions that are improving day by day thanks to large scale reforms.

Special Economic Zones

There are several special economic zones in Uzbekistan such as Navoi Free Zone, Angren Free Zone and Jizzakh Industrial Zone . For further information, please visit my website : www.invest.gov.uz

Implemented Measures

Operating Enterprises in free economic zones are exempted from payment of land tax, income tax, tax on property of legal entities, as well as other taxes, customs payments (except customs clearance costs) for equipment, raw materials and components imported for the needs of their own production, as well as construction materials not produced in the Republic and imported for projects.

contacts

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