

In Uzbekistan Economic Growth Dynamics

Abduvohidov Fazliddin Turg'un o'g'li

Denov Institute of Entrepreneurship and Pedagogy, Economics (by sectors and industries), 3rd year student, group 1I-22

Abduvohidov Behzod

Scientific advisor

Abstract: The economy is a multi-sectoral and constantly changing, constantly renewing sector. Although great emphasis is placed on innovative technologies and the IT sector in the world, the economy is an important pillar for the development of any country. In recent years, extensive work has been carried out to improve the economy of Uzbekistan. This article analyzes state programs and strategies for the development and digitalization of our country's economy, as well as the indicators of our economy over the past few years, using tables and diagrams.

Key words: economy, e-government, export, import, trade, industry, private sector, production.



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the 21st century, the world is changing rapidly in the age of technology. Time never stands still, but rather accelerates. All countries of the world strive for progress and are achieving heights in keeping with the times. Although we live in the age of technology, the main factor that leads a country to progress is the economy. In the so-called most developed countries, great attention is paid to the economy, which is constantly developing with new innovative ideas.

Improving the economic sector is one of the priorities in Uzbekistan, which aims to join the ranks of developed countries from the ranks of developing countries. In recent years, our economy has been approached with new perspectives. Based on world experience, a number of goals have been set to develop our economy through modern innovative ideas and digital systems. On January 24, 2020, President Sh.M. Mirziyoyev, in his Address to the Oliy Majlis, proposed to name 2020 the “Year of Science, Education and Development of the Digital Economy” in Uzbekistan, and this proposal was unanimously approved by representatives of parliament¹

¹ <https://www.gazeta.uz/oz/2020/01/24/president-speech/>

Literature review on the topic

1. Yusupov[1] analyzes the growth trends in the Uzbek economy after 2020 due to liberalization processes and the expansion of international trade relations. This scientific work presents empirical evidence on the impact of private sector development, investment climate, and banking system reforms on GDP growth.
2. Ahmedov's study[2] examines in depth the extent to which structural reforms implemented in Uzbekistan in 2020-2024, especially the modernization of agriculture and industry, have had a positive impact on growth dynamics. The author notes the increasing share of the services sector in GDP and also compares economic growth factors across regions.

The World Bank report[3] provides a comprehensive analysis of Uzbekistan's economic development forecasts for 2020-2024, recommendations for improving the effectiveness of reforms, and the impact of changes in the global economic environment on the country's economy. The document provides numerical indicators on private sector development, financing of infrastructure projects, and labor market developments.

The International Monetary Fund's report[4] examines Uzbekistan's economic policy, particularly monetary and fiscal discipline measures, and the expected growth scenarios for 2020-2024. The report includes practical recommendations for controlling inflation, deepening currency liberalization, and creating jobs.

In his scientific article, I. Petrov[5] focuses on the characteristics of the growth of the Uzbek economy by sector in 2020-2024. In particular, the increase in the share of high value-added products in the GDP structure as a result of industrial diversification and expansion of the agricultural value chain is analyzed. Petrov also considers industrial development, changes in the investment climate and labor market as interrelated processes and provides specific recommendations for increasing the effectiveness of reforms.

Research methodology

In carrying out this research work, methods widely used in scientific research methodology were used. The study uses comparative and statistical methods, systematic analysis and synthesis methods. The information base for the study was official statistical data and foreign sources.

Analysis and results

In 2020, major steps were taken in the development of the digital economy in our country. On April 28, 2020, the President of the Republic of Uzbekistan Sh.M.Mirziyoyev ²signed Resolution No. PQ-4699 "On measures for the widespread introduction of the digital economy and e-government". The resolution was accompanied by a list of priority projects for the further development of the "e-government" system and further development of e-government in 2020-2022.

The Covid-19 coronavirus, which emerged in China at the end of 2019, has spread widely throughout the world since 2020. Almost all countries began to fight this disease by applying a quarantine system. During this period, the wave of mutual foreign economic relations decreased. On March 15, 2020, this virus was detected in Uzbekistan and a strict quarantine regime was applied in our country. At the same time, trade processes in the public and private sectors slowed down, production volumes decreased. Foreign economic relations with foreign countries (import and export processes) were suspended. The continuity of the activities of most state institutions, workplaces, educational institutions (universities, colleges, schools, training centers, etc.) was ensured by switching from the traditional system to a remote system. These actions did not

² <https://lex.uz/docs/-4800657>

prevent the growth of our economy. Later, vaccines against the virus were developed and people became immune to the virus. Gradually, all obstacles were removed, and the production, trade, and industrial sectors of our countries began to activate. Work and study processes in state organizations and educational institutions also returned to the traditional system, and people returned to their previous way of life.

After the Action Strategy for 2017-2021, established at the initiative of our President in 2017, was put into practice and yielded good results, on January 28, 2022, the President of the Republic of Uzbekistan Shavkat Mirziyoyev ³signed Decree No. PF-60 “On the Strategy for the Development of New Uzbekistan for 2022-2026”. The Decree established a strategy consisting of 7 chapters and 100 goals. Chapter III of the Strategy is entitled “Intensive Development of the National Economy and Ensuring High Growth Rates” and includes goals and objectives for the progressive development of the economy. “Goal 21: By ensuring sustainable high growth rates in economic sectors, increase gross domestic product per capita by 1.6 times in the next five years and per capita income by 2030 to over \$4,000, and create the basis for entering the ranks of “upper-middle-income countries.” ⁴Based on the latest data, the GDP per capita was \$2,000-2,500. Despite the increase in our population, improving living standards is a priority task for our economy. As our head of state noted: “When the people are rich, the state will be rich and powerful.”^{5 6 7}(Figure 1).

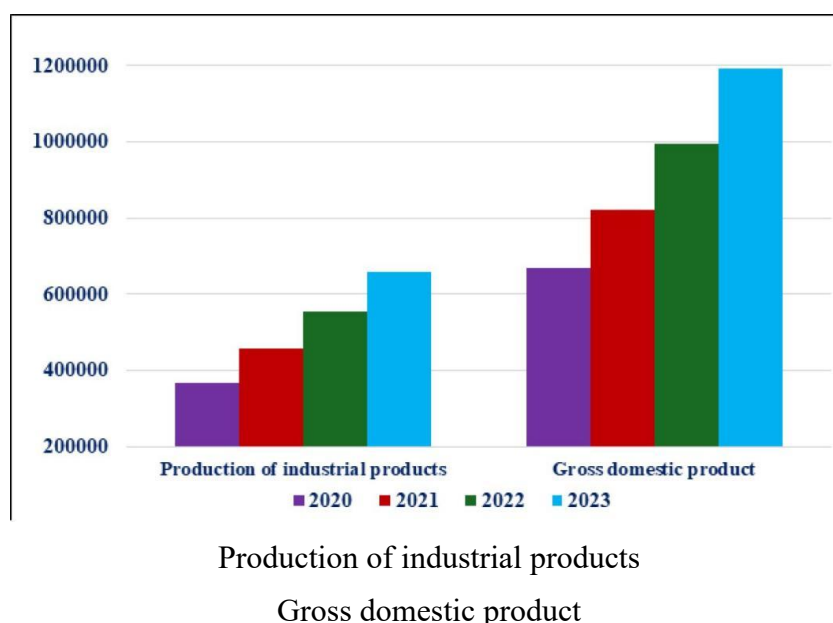


Figure 1. Statistics on GDP (Gross Domestic Product) and industrial production in the Republic of Uzbekistan in 2020-2023. ⁶

Table 1 above presents statistics on industrial production and gross domestic product for the last 4 years. Both of these indicators have shown steady growth. Industrial production has grown by an average of 21 percent per year, while gross domestic product has increased by an average of 20 percent. Industrial production and gross domestic product are among the most important indicators of a country's economic growth (Figure 2).

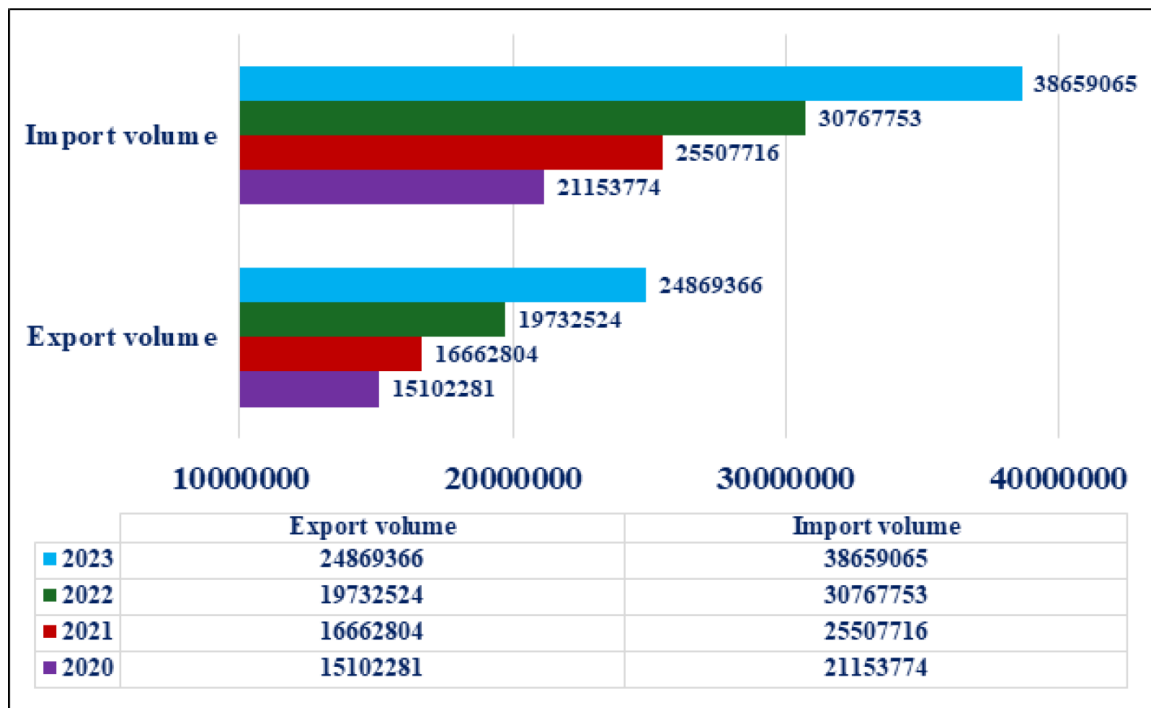
³ <https://lex.uz/ru/docs/-5841063>

⁴ <https://lex.uz/ru/docs/-5841063>

⁵ <https://uza.uz/oz/posts/xalq-boy-bo-lsa-davlat-ham-boy-va-qudratli-bo-ladi-27-02-2017>

⁶ Prepared by the author based on data from the National Statistics Committee of the Republic of Uzbekistan.

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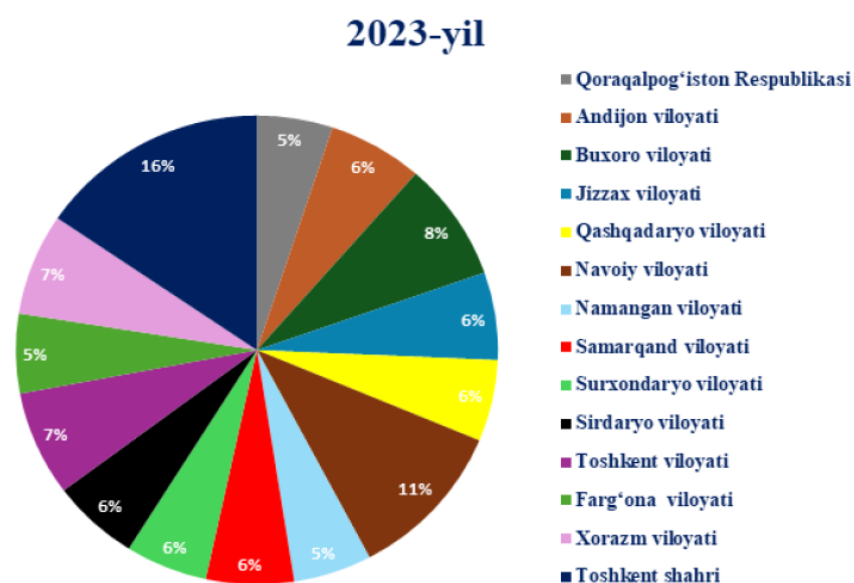
Export volume

Import volume

Figure 2. Volume of exports and imports of goods carried out in the Republic of Uzbekistan in 2020-2023. ⁷

The table below presents statistics on import and export volumes, which reveal the activities of our country in foreign economic activity in recent years. During this period, both indicators grew synchronously and led to an increase in foreign trade turnover. In 2020, foreign trade turnover amounted to about 36 billion US dollars, while at the end of 2023 this value reached 64 billion. Of course, like most countries in the world, our imports are higher than exports.

The main key to improving this result on the export side is membership in the WTO (World Trade Organization) (Figure 3).



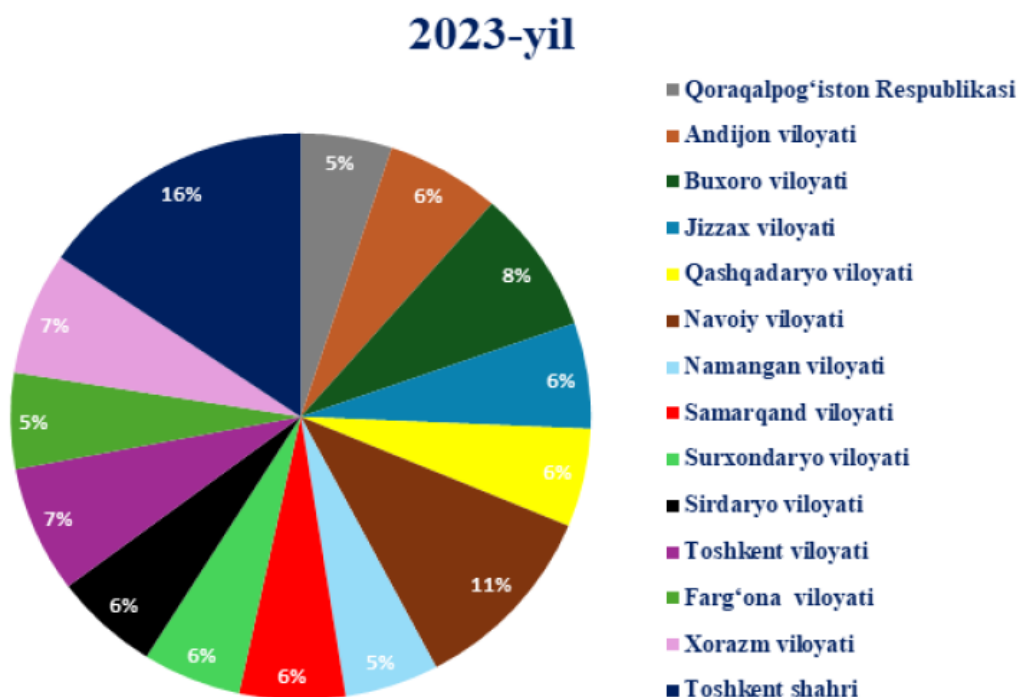
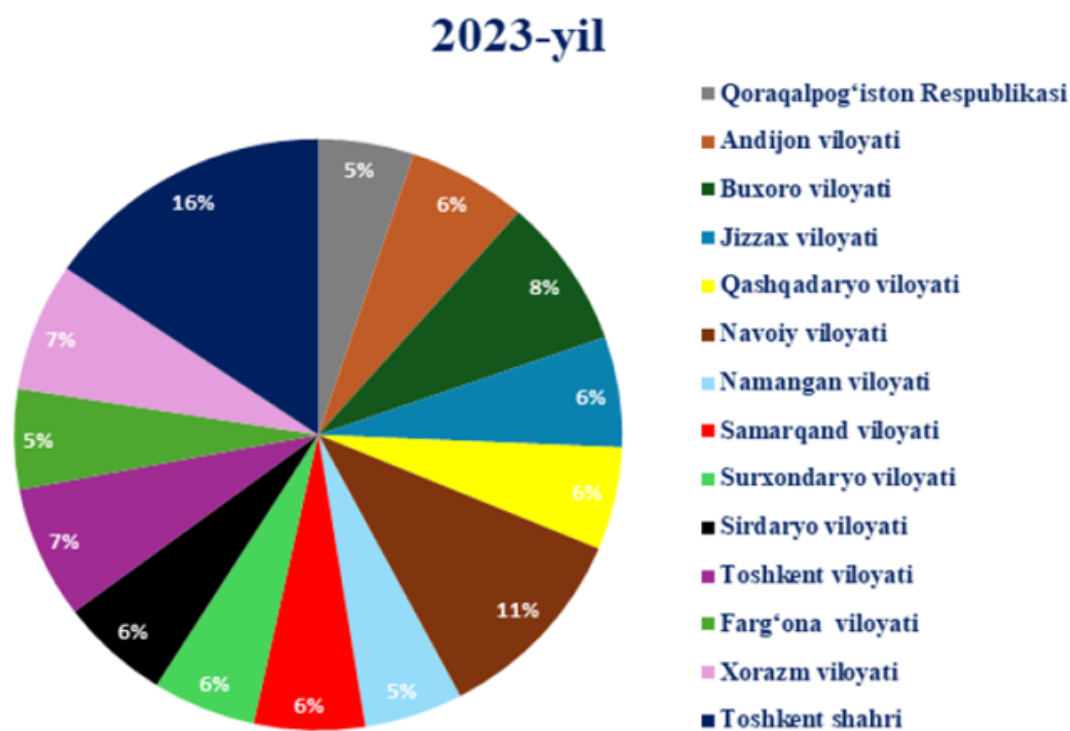


Figure 3. Statistics of total per capita income in the Republic of Uzbekistan in 2023 by region.⁸

This diagram presents statistical data on the size of total income per capita by region of our country. Of course, due to the large number of state and private organizations and companies in our capital, Tashkent, and the highest monthly salaries in Uzbekistan, Tashkent leads in this

⁸ Prepared by the author based on data from the National Statistics Committee of the Republic of Uzbekistan.

indicator with 16 percent. Navoi region, due to its well-developed surface and underground resources, mining industry, and low population, is in second place in this rating with 11 percent. Although entrepreneurship, manufacturing, and light industry are widely developed in the Fergana Valley, the majority of our country's population lives in Namangan, Andijan, and Fergana regions, and due to the high population density there, these regions account for 5-6 percent.

Conclusion and suggestions

In conclusion, we can say that over the past period, 2020-2023, positive changes were observed in all sectors of the economy in Uzbekistan. At the end of 2023, the GDP per capita reached almost 2,500 US dollars. As mentioned above, bringing this figure to 4,000 US dollars by 2030 is one of the priority tasks for the state.

The following suggestions can be made based on the analysis obtained:

Membership in the WTO (World Trade Organization). Membership provides opportunities for local products to enter the world market and be in demand from every corner of the world, as well as a progressive increase in export volumes.

To improve the skills of senior officials working in state organizations, ministries, and committees in the economic sphere. To send them to developed countries of the world for internships every year. They will gain world experience and apply the knowledge they have learned for the development of our country.

Strengthening measures to maximize the implementation of the "e-government" system throughout the country. Transferring public services to fully online platforms (my.gov.uz, oneid, my3soliq.uz) and further expanding their capabilities. This will save both time and money for the population.

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