

KEY STATISTICAL INDICATORS OF SMALL BUSINESS IN UZBEKISTAN AND THEIR SIGNIFICANCE

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Abstract: This study explores the pivotal role of small and medium-sized enterprises (SMEs) in Uzbekistan's ongoing economic transformation. Central to this analysis is Decree No. PD-50, issued by President Shavkat Mirziyoyev on March 19, 2025, which establishes a comprehensive support framework for SMEs. The decree aims to simplify regulatory processes, enhance access to financial resources—including collateral-free loans—and foster innovation through support for startups and national branding initiatives. It also designates administrative assets for business use and imposes a moratorium on new regulatory burdens to improve the entrepreneurial climate.

Key words: Small and medium-sized enterprises, statistical indicators, investment climate, economic potential.

Аннотация: В этом исследовании рассматривается ключевая роль малых и средних предприятий (МСП) в продолжающихся экономических преобразованиях в Узбекистане. Центральное место в этом анализе занимает Указ № ПД-50, изданный Президентом Шавкатом Мирзиевым 19 марта 2025 года, который устанавливает комплексную систему поддержки малого и среднего бизнеса. Указ направлен на упрощение процессов регулирования, расширение доступа к финансовым ресурсам, включая кредиты без залога, и стимулирование инноваций посредством поддержки стартапов и национальных инициатив в области брендинга. Закон также предусматривает выделение административных активов для использования бизнесом и вводит мораторий на новые нормативные акты для улучшения предпринимательского климата.

Ключевые слова: малые и средние предприятия, статистические показатели, инвестиционный климат, экономический потенциал.

Introduction

Small and medium-sized enterprises (SMEs) have emerged as the backbone of Uzbekistan's post-reform economic landscape. They provide critical support to national development by fostering job opportunities, attracting both domestic and international investment, driving technological invention, and opening new export avenues.

On 19 March 2025, President Shavkat Mirziyoyev issued Decree No. PD- 50, titled "On Measures to Enhance the Role of Small and Medium-Sized Businesses in the Economy". This decree, enacted immediately after a consultative meeting with SME stakeholders, signals the government's long-term

commitment to inclusive and sustainable economic growth [1]. It underlines a paradigm shift in economic strategy: empowering citizens at the grassroots, reducing bureaucratic friction, and nurturing entrepreneurship as a primary growth mechanism. Significance of Decree PD- 50 The decree reflects a multi-dimensional approach to strengthening SMEs:

- **Simplifying Business Registration & Regulation:** Tax and administrative burdens have been lifted through measures like waiving state duties on registration, introducing risk-based control systems, and enabling regulatory forbearance for first-time minor infractions.
- **Financial Inclusion & Equity Support:** The decree allocates substantial concessional finance, including collateral-free loans, which are earmarked especially for youth, women entrepreneurs, and family-run businesses.
- **Promoting Champion Entrepreneurs:** High-potential SMEs will receive recognition and support by meeting criteria for “champion” status—encouraging regional development and scaling of strong enterprises.
- **Infrastructure & Capacity Building:** Project offices will offer advisory and industrial development services at regional levels, designed to streamline production, modernization, and export-readiness.

1-picture.

Types of Small Businesses in Uzbekistan

Type	Employees	Examples & Features
Micro-enterprises	Typically 1–5	Very small operations—trading, personal services, artisanal.
Small enterprises	6–50	Registered firms—retail, services, light industry.
Medium enterprises	51–100	Often growth-stage businesses—manufacturing, ICT, exports.

According to table, in Uzbekistan there are several types of small business [2].

1. Classification by Annual Turnover

According to the presidential decree effective April 1 2023, businesses are categorized based on yearly revenue:

- **Micro-firms:** Individually owned businesses with relatively low annual turnover, typically operated by sole proprietors.
- **Small enterprises:** Registered firms with modest turnover, reflecting more formal operations and small teams.

- **Medium enterprises:** Firms that have outgrown the small category, often operating with extensive operations and a growing workforce. This tiered system aims to better align support and regulation with each business type's economic role.

2. Classification by Number of Employees

In alignment with international norms, Uzbekistan's Cabinet resolution also delineates business categories by staff headcount [3]:

- **Micro-enterprises:** Operate with very small teams, typically fewer than 20 staff in manufacturing or service roles.
- **Small enterprises:** Comprise 21 to 100 employees, depending on industry sector—reflecting their thrust into formal market structures.
- **Medium enterprises:** Often defined as having 101 to 250 employees in larger sectors, serving as a bridge to larger-scale operations.

3. Sector-Specific Employee Thresholds

Different sectors may define “micro” and “small” enterprises with tailored thresholds:

Sector	Micro (Employees)	Small (Employees)
Wholesale & retail trade	1–5	6–25
Transportation, accommodation, food	1–10	11–100
Agriculture, fintech, professional	1–20	21–50
Manufacturing, construction, health	1–20	21–200

These variable thresholds allow the classification to reflect typical operational scales in different sectors.

4. Comparative Context

In **Europe**, SMEs are categorized similarly:

- Micro: fewer than 10 employees
- Small: fewer than 50
- Medium: fewer than 250

Although Uzbekistan uses turnover-based and sector-specific definitions, its headcount classifications show clear parallels with international definitions

Enterprise Growth & Employment

The decree validates a vibrant SME ecosystem, reflected in its doubling over recent years. This rapid expansion signifies rising entrepreneurial engagement across urban and rural areas [4].

SMEs have become the largest employers, underpinning national labor market stability. Their reach from informal micro-enterprises to established industrial firms means they absorb a wide segment of local labor, providing both income and economic dignity.

Economic & Export Contributions

Uzbek SMEs now contribute a substantial share to the domestic economy's structure, not just in volume but in its diversification. Their reach spans agrarian processing, services, manufacturing, ICT, and other innovative sectors—underscoring their adaptability and strategic importance.

By scaling up certification, logistics capabilities, and global market integration, SMEs increasingly supply value-added goods abroad. The decree emphasizes export enhancement through logistical reforms and technical standardization to support this trajectory.

Innovation & Regulatory Simplification

SMEs are evolving into dynamic innovation hubs. The decree allocates dedicated funds to venture capital vehicles for startups, particularly those working in green tech, AI, and digital economies [5].

Administrative reforms—like collateral-free lending, VAT refunds, moratoria on new tax rules, and eased inspection protocols—are crafted to incentivize innovation and minimize compliance barriers. These regulatory incentives collectively foster a climate that encourages experimentation and expansion.

Conclusion. SMEs in Uzbekistan have transcended their traditional role, becoming central to the national development agenda. Backed by Decree PD- 50, these enterprises receive targeted support—from financial instruments to institutional backing—within a streamlined regulatory environment.

As a result, Uzbekistan is witnessing a shift: its economy diversifies, entrepreneurial consciousness thrives, high-opportunity youth and women gain entry to market participation, and export-oriented industries emerge robustly. If sustained focus is maintained on reducing bureaucratic barriers, scaling institutional support, and promoting global competitiveness, SMEs are well-positioned to define Uzbekistan's economic future—driving prosperity, inclusive growth, and resilience.

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