

## INCREASING THE ECONOMIC POWER OF UZBEKISTAN: STRATEGIES FOR SUSTAINABLE DEVELOPMENT

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**Abstract:** Uzbekistan, with diverse resources and strategic geographical location, is at a crucial stage of its economic development. Uzbekistan should follow the path of strategic reforms, innovations and sustainable growth strategies to open and expand its economic potential. This article examines key strategies for further developing and maximizing Uzbekistan's economic potential, focusing on systemic reforms, technological advances, and global cooperation.

**Key words:** Economy, strategy, development, network, capital, investment, entrepreneurship, economic potential.

**Аннотация:** Узбекистан, обладающий разнообразными ресурсами и стратегическим географическим положением, находится на решающем этапе своего экономического развития. Узбекистан должен идти по пути стратегических реформ, инноваций и стратегий устойчивого роста, чтобы раскрыть и расширить свой экономический потенциал. В данной статье рассматриваются ключевые стратегии дальнейшего развития и максимизации экономического потенциала Узбекистана с упором на системные реформы, технологические достижения и глобальное сотрудничество.

**Ключевые слова:** Экономика, стратегия, развитие, сеть, капитал, инвестиции, предпринимательство, экономический потенциал.

**Introduction:** Uzbekistan, a country rich in history, culture and natural resources, is at a crucial stage of economic changes and growth. With its strategic location at the crossroads of Central Asia, Uzbekistan has a huge economic potential, and if it is used effectively, it can push the country towards sustainable prosperity and development. This article examines key strategies for unlocking Uzbekistan's economic potential and ensuring sustainable growth in the coming years. In recent years, a number of economic reforms have been implemented in Uzbekistan with the aim of liberalizing the economy, attracting foreign investments and supporting the development of the private sector. Key initiatives include improving the business environment, reducing regulatory processes and bureaucratic barriers to doing business. These reforms are aimed at shifting the economy from heavy dependence on agriculture and extractive industries to manufacturing, services and other value-added sectors.

**The main part:** The economy of Uzbekistan is distinguished by its diverse resource base, strategic geographical location, economic reforms aimed at modernization and diversification. As a country in Central Asia, Uzbekistan has rich natural resources such as natural gas, cotton, gold and uranium, which have historically driven its economy. The economy of Uzbekistan is undergoing a process of change, the main focus is on diversification, modernization and integration into the world economy.

By carrying out reforms, attracting investments and continuing to support innovations, Uzbekistan aims to use its full economic potential and achieve sustainable growth and development for the well-being of the people.

The main sectors of economic development:

1. Agriculture: Uzbekistan's fertile land and favorable climate create great opportunities for the development of agriculture. By modernizing farming practices, investing in irrigation systems, and promoting agricultural exports, Uzbekistan can increase productivity, ensure food security, and increase income.

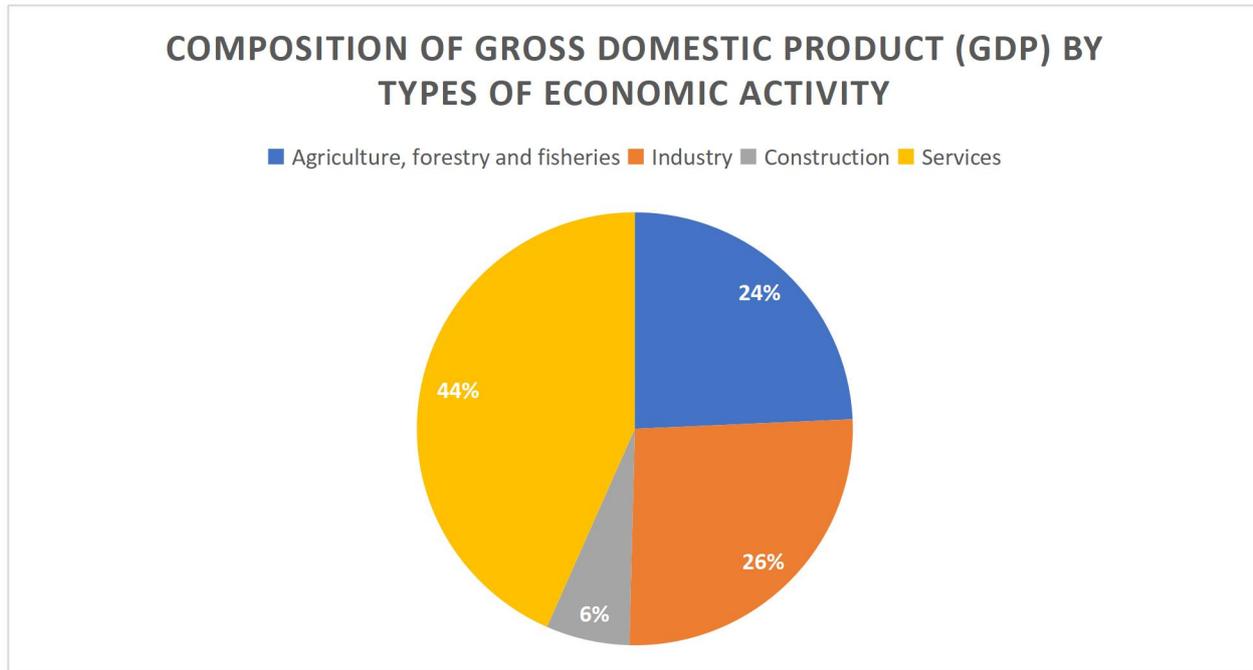
2. Tourism: With its rich cultural heritage, historical sites and natural attractions, Uzbekistan has the potential to become a popular tourist destination. Infrastructure development, provision of tourism services and preservation of cultural monuments are important to attract international tourists and stimulate economic growth.

**Table 1**

**Economic indicators of Uzbekistan in 2023**

Indicator	Quantity
GDP (2023)	\$90.8 billion
GDP (2022)	\$80.4 billion
Population (2023)	36 million 790 thousand
Population (2022)	35 million 500 thousand
GDP per capita (2023)	2468 \$
GDP per capita (2022)	2254 \$
Per Capita vs. 2022 (2023)	9.4%
Inflation rate (2023)	8.8 %
Annual economic growth picture (2023)	6%

Economic growth reached 6% compared to the level of 2022. According to the average dollar exchange rate (11,741 soums), last year's nominal GDP was 90.8 billion dollars, which is 10.4 billion dollars more than in 2022 (\$80.4 billion). Detailed information on GDP is published in a separate report on GDP production of the Agency of Statistics. Gross domestic product per capita was 28.98 million soums (about 2468 dollars). This indicator increased to 4.07 million soums or 16.3% (9.4% or \$213) in terms of soums.[2] The growth in the industry is 6 percent - 655.8 trillion soums. In the total volume of industrial production, the share of the manufacturing industry is 84.4%, the share of mining and quarrying is 8.4%, electricity supply, gas, steam and air purification is 6.7%, water supply, was 0.5 percent in sewerage, waste collection and disposal networks. The volume of agriculture, forestry and fishing increased by 4.1% and amounted to 426.3 trillion soums. The analysis by categories of farms shows that 63.1% of the total volume of agricultural products are farmers and auxiliary farms, 29.8% are private farms, 7.1% are agricultural The construction sector grew by 6.4% (up to 149.86 trillion soums), the service sector by 6.8% (up to 470.3 trillion soums).

Diagram 1 <sup>1</sup>

As can be seen in this diagram, services account for 44% of the gross domestic product by economic activities in 2023. The lowest volume of these indicators corresponds to the construction sector.

#### Policy Reforms and Institutional Development:

1. Regulatory and legal reforms: the introduction of transparent and business-friendly legal documents is important for attracting foreign investments, developing entrepreneurship and strengthening a competitive business environment. Simplification of administrative procedures, protection of property rights and enforcement of contracts are among the main directions of regulatory and legal reforms.

2. Tax Policy: Adopting a sound tax policy that promotes fiscal stability, efficient resource allocation and public sector transparency is essential for economic stability and growth. Improving tax administration, reducing the budget deficit and improving public expenditure management can strengthen the fiscal system of Uzbekistan.

#### International cooperation:

1. Foreign direct investment: Attracting foreign direct investment through strategic cooperation with international investors, transnational corporations and development agencies will bring capital, technology and experience can bring. Creating a favorable environment for investors, providing incentives and establishing investment promotion agencies can facilitate the flow of foreign direct investment.

2. Regional integration: Strengthening economic ties with neighboring countries and participating in regional integration initiatives such as the Central Asian Regional Economic Cooperation Program can increase trade, communication and economic cooperation. The use of regional partnerships can expand market access and encourage cross-border investment.

<sup>1</sup> [https://stat.uz/img/press-relizlar/sns\\_uzb\\_12\\_02\\_2024.pdf](https://stat.uz/img/press-relizlar/sns_uzb_12_02_2024.pdf)

One of the important strategies for the further development of the economic potential of Uzbekistan is to diversify the economy beyond the traditional dependence on cotton production and export of raw materials. By encouraging entrepreneurship in areas such as manufacturing, tourism, information technology and renewable energy, Uzbekistan can reduce its dependence on the volatility of raw material prices and create new avenues for sustainable economic growth.

#### Investments in infrastructure:

To support the expansion of various sectors of the economy, Uzbekistan should prioritize investment in critical infrastructure, including transportation networks, energy systems, communication technologies, and urban development. Improved infrastructure not only strengthens the country's connection with regional and global markets, but also increases productivity, efficiency and competitiveness in sectors.

#### Education and skills development:

Human capital is an important component of economic development, and investing in education and training is necessary to unlock Uzbekistan's economic potential. By reforming the education system, supporting vocational education and improving the culture of continuous education, Uzbekistan can train qualified personnel capable of developing innovation, entrepreneurship and efficiency in developing industries.

#### Promoting sustainable development:

As Uzbekistan strives to use its economic potential, it must also prioritize sustainability and environmental protection to ensure long-term prosperity for future generations. By applying green technologies, sustainable practices and conservation efforts, Uzbekistan can mitigate the impact of economic activity on the environment and preserve natural resources.

**Summary:** Uzbekistan's journey to unlocking its economic potential is not without challenges, but with strategic planning, bold reforms, and the combined efforts of government, business, and civil society, the country can pave the way for sustainable development and prosperity. By diversifying the economy, investing in infrastructure, improving education, promoting stability, and strengthening governance, Uzbekistan can harness its economic potential and chart a path to a brighter future for its people and the region as a whole. In order to open and maximize the economic potential of Uzbekistan, a comprehensive strategy is needed that covers the main sectors, implements political reforms and develops partnership relations. By developing agriculture, developing tourism, increasing energy security, implementing regulatory reforms, increasing institutional capacity, attracting foreign direct investment and entering into regional integration, Uzbekistan is a stable economic development. can create a favorable environment for growth and well-being.

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