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Uzbekistan:

Country Private Sector Diagnostic

JULY 2026

About the Country Private Sector Diagnostic

The private sector is an engine of long-term economic growth and a catalyst for global social and economic development. When functioning well, it promotes innovation and entrepreneurship, improves access to and the quality of economic opportunities, and supports the sustainable use of natural resources. In developing economies, the private sector creates the vast majority of jobs, generates tax revenue, and accounts for significant investment.

The Country Private Sector Diagnostic (CPSD) reports seek to unlock private investment and job creation through policy action to remove impediments to private investment. Prepared jointly by the institutions of the World Bank Group, each report analyzes specific sectors of the economy in which increased private investment could accelerate growth if appropriate policy and regulatory issues are addressed.

Designed from the perspective of an investor or entrepreneur, CPSDs seek to identify untapped private investment opportunities and the barriers that stand in their way (earlier reports can be found here). Subsectors of the economy are chosen based on their potential to attract private investment, create more and better jobs, generate domestic revenue, and foster sustainable, inclusive growth in response to targeted policy action. The report aims to help policy makers prioritize impactful actions that can be taken in the near term to remove disincentives to private investment, while delivering on broader development goals.

The CPSD is a core country diagnostic of the World Bank Group produced to guide the design and implementation of country strategies, public and private investment projects, budget support operations, advisory services, and other analytical work. It is intended to be of interest to domestic and foreign investors, government officials, Bank Group staff and management, civil society, and other development partners.

CPSDs are a central instrument of the World Bank Group's jobs agenda as articulated in the 2025 Development Committee (DC) Paper on Jobs: The Path to Prosperity, which emphasizes translating private sector development into large-scale employment opportunities. CPSDs support this agenda by providing country-level, sector-specific diagnostics that help identify systemic barriers to private investment critical to job creation. They also align with the DC's three-part approach to private sector development and job creation: investing in human capital and infrastructure to establish the basic preconditions for job, supporting business-enabling policies, and mobilizing private capital at scale to help firms create more and better jobs.

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Executive Summary

Uzbekistan's post-2017 economic transformation has reshaped market fundamentals and opened new pathways for private sector–led growth.

A first wave of reforms—including currency and trade liberalization, tax modernization, steps toward privatization, and simplification of visas—has underpinned resilient gross domestic product (GDP) growth, averaging around 5.6–6.0 percent, and a 77 percent increase in GDP per capita in current US dollars between 2017 and 2025. The government's Uzbekistan 2030 Strategy targets upper-middle-income status by 2030, a significantly higher private sector share of GDP, and a deep restructuring of the state's role in the economy.

Uzbekistan's economy is moving toward higher-value sectors, while productivity growth has slowed in recent years. From 2010 to 2025, agriculture's share of GDP fell from 26.9 percent to 17.3 percent, while marked increases were experienced in manufacturing from 21.2 percent to 34.0 percent and services from 39.9 percent to 48.6 percent. Recent growth is increasingly capital intensive, with weaker contributions from total factor productivity and labor amid policy and institutional frictions. Firms most frequently identify tax rates (24 percent), access to finance (12 percent), and skills gaps (11 percent) as binding constraints, deterring formalization and scaleup—particularly for small and medium enterprises. Infrastructure reliability has improved, with fewer outages and faster utility connections, but firm growth remains constrained by the tax, financing, and human capital environment.

This Country Private Sector Diagnostic (CPSD) identifies three sectors in which specific policy actions could unlock commercially viable opportunities for private investors: logistics, including road freight and warehousing; tourism, including cultural and nature-based tourism; and pharmaceuticals, including generics and dietary supplements. These sectors were selected based on Uzbekistan's evolving comparative advantage, demand trends, and potential to catalyze jobs, exports, and diversification, subject to the removal of key barriers to investment.[1]

Logistics was prioritized given Uzbekistan's position in emerging transcontinental corridors, rising trade volumes and agribusiness output, and the need for modern

multimodal services—including warehousing, cold chain, and last-mile distribution—enabled by customs and border process modernization. Tourism was selected because of Uzbekistan's strong asset base along the Silk Road, recent improvements in openness and connectivity, and the sector's capacity to generate micro, small, and medium enterprise jobs and regional spillovers when supported by quality standards, destination management, and competitive private participation in accommodation and attractions. Pharmaceuticals were selected due to growing domestic health demand and scope to export generics and medical supplies, contingent on stronger regulatory frameworks, quality assurance, and transparent procurement.

Table ES.1 offers an overview of these opportunities, the likelihood of overcoming the identified constraints, and the potential impact.

Table ES.1

Analysis of Selected Sectors

	Road freight and warehousing	Cultural and nature-based tourism	Generics and dietary supplements
Private investment potential assuming concrete reforms are undertaken	HIGH	HIGH	MEDIUM
Feasibility of removing constraints	HIGH	HIGH	HIGH
Contribution to job creation	HIGH	HIGH	HIGH
Contribution to other development objectives	HIGH	MEDIUM/HIGH	MEDIUM

Country Context

To achieve its goals, Uzbekistan must accelerate the shift from state-led investment to a competitive, private sector–driven model. This model needs to mobilize substantial domestic and foreign capital and generate greater opportunities and more jobs for a youthful population, with nearly 60 percent of the workforce under age 30.

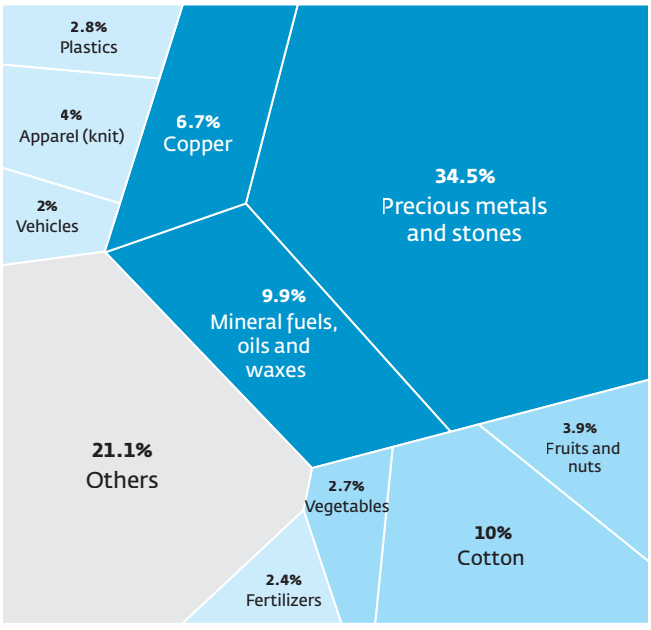
Yet private investors face persistent impediments that limit competitiveness and scale. A large state footprint creates an uneven playing field: state-owned enterprises (SOEs) account for more than 30 percent of gross domestic product (GDP) and dominate enabling sectors, influencing prices, market access, and resource allocation, with implications for the three sectors selected for analysis. Firms cite tax rates, access to finance, and skills gaps as the most significant constraints to their operations. The financial system is dominated by banks—with state-owned banks holding most assets—and capital markets remain embryonic, limiting long-term financing. Opaque land access and cumbersome construction permit processes undermine investment bankability across logistics, tourism, and pharmaceuticals. Infrastructure bottlenecks, particularly in logistics and warehousing, raise costs and reduce reliability; warehouse supply meets a fraction of modern Class A demand, and cold-chain capacity is inadequate for agrifood exports. Addressing these challenges is essential to broaden competition, lower transaction costs, and attract and scale private investment.

A further opening of trade and World Trade Organization (WTO) accession are central to Uzbekistan's next reform wave. The accession agenda requires aligning domestic rules with international disciplines, reducing market distortions, including SOE privileges and minimum import price requirements, and enhancing transparency in permits and standards. Successful accession would catalyze export diversification (figure ES.1), improve investor confidence, and expand access to technology and

Figure ES.1

Uzbekistan Has Scope to Diversify beyond Commodities

Annual exports, five-year average share, 2018–23



Source: UN Comtrade.

markets—particularly in tradables and services—while reinforcing the case for modernizing logistics, strengthening quality infrastructure, and upgrading regulatory regimes in sectors like pharmaceuticals. Accelerated tariff rationalization, removal of nontariff barriers, and mutual recognition arrangements could materially lower trade costs and integrate Uzbek firms into regional and global value chains.

Logistics: Road Freight and Warehousing

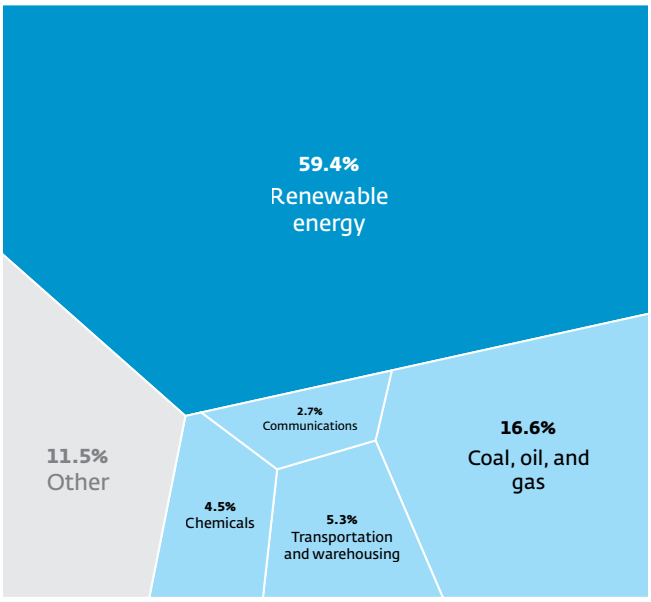
Uzbekistan's "land-linked" geography, positioned along the Eurasian Middle Corridor, creates demand for efficient logistics and storage. International road freight flows are expected to expand substantially by 2030, driven by Eurasian trade realignments and domestic growth in manufacturing and agrifood. Recent measures, including customs process digitalization and incremental liberalization, have improved throughput, but market structure and permitting remain fragmented. The sector is characterized by a large base of low-cost, low-responsibility operators, with limited incentives for quality, safety, and investment in modern assets.

The warehousing market shows an estimated 88 percent net supply gap for Class A facilities. This translates into substantial opportunities for private investors to build and operate modern logistics parks, bonded storage, and cold-chain hubs (figure ES.2). Streamlining land acquisition and construction approvals, alongside transparent access to international freight permits, known as Dazvol, could unlock US$0.95 to 1.05 billion in private investment and create 37,000 to 41,000 direct jobs and 60,000 to 67,000 indirect jobs over the medium term. Investment opportunities include certified carrier platforms, multimodal consolidation centers, and regional cold-chain nodes linked to export corridors. As trade

Figure ES.2

Transportation and Warehousing Attract a Modest Share of FDI

Share of FDI announcements, by capital expenditure, 2020–24



Source: Financial Times 2025 fDi Markets Data.
Note: FDI = foreign direct investment.

opens and standards are harmonized under WTO accession, predictable permitting and service quality standards will underpin investor confidence.

Opaque Dazvol processes, fragmented and discretionary permitting for land and construction, and the absence of recognized quality standards deter investment. Establishing the E-avto platform as the sole transparent channel for Dazvol allocation, creating a certified carrier regime tied to safety, insurance, and licensing, and digitizing end-to-end land and construction permitting could open the pipeline for logistics investment, raise service reliability, and improve cross-border competitiveness.

Cultural and Nature-based Tourism

Uzbekistan's tourism sector combines world-class Silk Road heritage, including multiple United Nations Educational, Scientific and Cultural Organization (UNESCO)–listed sites, with underexplored nature and adventure assets. In 2024, the sector contributed US$5.1 billion, or 4.7 percent of GDP (figure ES.3), and sustained over 842,000 jobs, representing 6 percent of total employment (figure ES.4). Visitor arrivals have grown rapidly—from about 1 million in 2016 to 11.7 million in 2025—supported by visa liberalization and targeted promotion. The government aims to reach 20 million visitors by 2030, broadening source markets beyond short-stay, low-spending regional segments. Early reforms include improved air connectivity and some privatization of accommodation assets, but site-level management, hospitality skills, and destination infrastructure need upgrading to capture higher-value market segments.

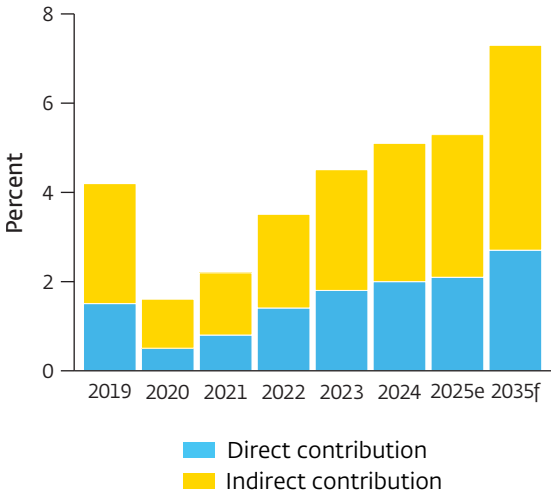
With standardized land-leasing rules, bankable tenure, and professional site management frameworks, private investors could develop quality accommodation, adaptive reuse projects near heritage sites, and curated nature and adventure products, such as trails, guides, and safety nodes. Reforms could catalyze US$3.1 billion to US$4.2 billion in private investment in lodging and complementary services and create 120,000 to 180,000 jobs.

Targeted destination development, aligned with conservation and community engagement, would enable higher spending per visitor, longer stays, and diversified offerings. This would leverage WTO-driven integration in services and greater international visibility. The potential to attract private investment in tourism is anchored in two main segments: cultural tourism, driven by Uzbekistan's core cultural heritage and over 4,000 historical monuments, and nature-based tourism, enabled by its diverse landscapes.

Figure ES.3

A Growing Tourism Sector…

Share of tourism in GDP

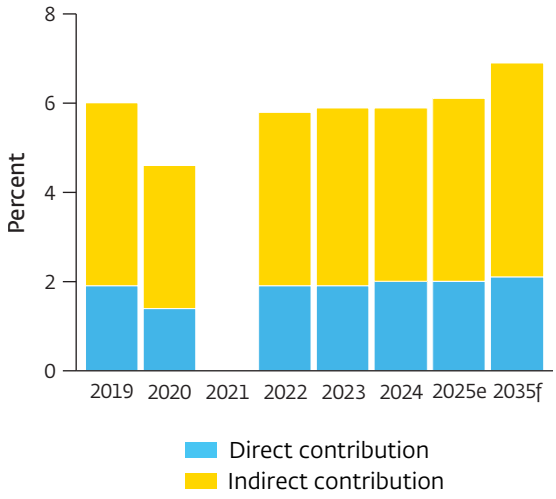


Source: Based on World Travel and Tourism Council data.
Note: e = estimate; f = forecast; GDP = gross domestic product.

Figure ES.4

…With Significant Job Creation Potential

Share of tourism employment in total employment



Source: World Travel and Tourism Council.
Note: e = estimate; f = forecast.

Fragmented land-leasing rules, weak site-level management at heritage locations, and gaps in nature and adventure infrastructure deter investment in quality tourism products. Amending the Land Code to provide for standardized and competitive land allocation with secure tenure, issuing regulations that authorize site management frameworks, and investing in essential destination infrastructure would enable private capital to develop bankable projects while safeguarding cultural assets and ensuring the sustainable use of natural areas.

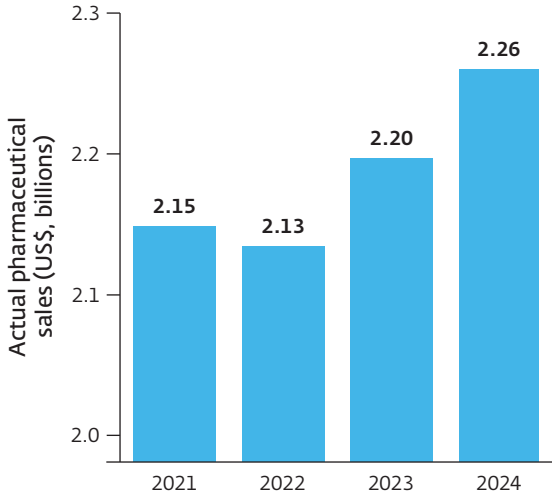
Generic Pharmaceuticals and Dietary Supplements

Uzbekistan's pharmaceutical market has demonstrated sustained growth and significant potential for further expansion, with sales increasing by approximately 5 percent between 2021 and 2024 (figure ES.5). The sector has attracted several foreign direct investment (FDI) commitments, and many firms are seeking to move up the quality ladder to supply regional markets. However, regulatory systems need to be aligned with

international norms to reduce time to market, ensure product quality, and expand access to export channels. Current procedures result in registration timelines of 7–12 months, and the absence of domestic capacity for bioequivalence studies constrains the competitiveness of generics.

Figure ES.5

Uzbekistan's Domestic Pharmaceutical Market



Source: Fitch BMI.

Targeted reforms could catalyze US$44 million to US$188 million in private investment and create 4,700 to 20,400 skilled jobs in the medium term, with further upside as quality systems mature. Opportunities include establishing accredited bioequivalence laboratories, upgrading manufacturing to Good Manufacturing Practice (GMP) standards aligned with the Pharmaceutical Inspection Co-operation Scheme (PIC/S), and digitizing regulatory pathways to accelerate product approvals. In addition, pharmaceutical demand across Central Asia is increasing, particularly for generics and dietary supplements. Alignment with international norms would open access to export markets and enable partnerships with global manufacturers and distributors, supporting Uzbekistan's vision to become a regional supplier of quality generics and expand its growing dietary supplements market.

Regulatory gaps are the primary obstacles for private investors. Uzbekistan lacks domestic bioequivalence capacity and requirement for new generics, GMP standards are not aligned with the PIC/S, active pharmaceutical ingredient documentation enforcement is weak, and registration timelines are lengthy. Phasing in bioequivalence requirements, accrediting domestic bioequivalence laboratories, aligning GMP with the PIC/S and pursuing membership, and instituting legally binding review timelines through digital systems would unlock investment by lowering regulatory risk, improving quality assurance, and shortening commercialization cycles.

Summary of Recommendations

Logistics: Road Freight and Warehousing

Rationale. This sector stands out due to rising trade volumes, regional integration, and the need for modern, efficient freight and warehousing solutions, including cold-chain and digital services.

Table ES.2

Recommendations: Logistics—Road Freight and Warehousing

Constraints	Recommendations	Responsible public sector entities
1. Uzbekistan's road freight market is distorted by "low-cost, low-responsibility" practices, primarily among small operators.	**1a.** Establish a Certified Carrier framework that raises minimum professional standards in road freight while sequencing enforcement to support market adaptation and compliance.	MOT
	1b. Amend the Law on Automobile Transport to explicitly allow voluntary transport cooperatives and joint ventures between small haulers and larger, established firms.	MOT; Cabinet of Ministers; Parliament (Oliy Majlis)
2. The opaque Dazvol permit system lacks a standardized, role-based digital workflow for reviewing, approving, issuing, and revoking permits, and individual steps are not fully recorded or traceable in an electronic system.	**2.** Fully integrate Dazvol into E-avto by amending the Law on Road Transport to make E-avto the only legal channel for digital Dazvol and approving a MOT order establishing role-based digital workflows for Dazvol.	MOT
3. Rules and criteria for allocating Dazvol permits are unclear and unpredictable.	**3.** The MOT should publish clear selection criteria, scheduled release windows, application eligibility criteria, real-time data on permit availability, and maximum approval times.	MOT; carrier associations
4. A complex, fragmented permitting process for commercial land allocation and logistics facility construction can lengthen a typical six- to nine-month development cycle to 12–24 months.	**4a.** Establish a fully digitized online permitting workflow for commercial land.	Cabinet of Ministers; Cadastre Agency; construction and land-use authorities; regional hokimiyats
	4b. Streamline investor access to commercial land by eliminating four separate investor-facing procedures around hokimiyat land authorization and shifting them to an integrated back-office workflow.	Cabinet of Ministers; regional hokimiyats; Cadastre Agency

Note: MOT = Ministry of Transport.

Cultural and Nature-Based Tourism

Rationale. This sector can leverage Uzbekistan's rich cultural and natural assets, strong government commitment, and untapped potential to attract higher-spending international visitors, diversify tourism offerings, and promote regional development.

Table ES.3

Recommendations: Cultural and Nature-Based Tourism

Constraints	Recommendations	Responsible public sector entities
1. Fragmented land-leasing and land-use rules create uncertainty, raise risks, and deter private tourism investment on state land.	**1.** Amend the Land Code (Law No. 598-I) to standardize tourism land leasing through competitive access, published criteria, and clear lease terms.	Prime Ministry, MOEEC/Tourism Committee, Ministry of Justice
2. Fragmented management of cultural heritage sites weakens asset protection and tourism value.	**2.** Issue a regulation, through ministerial order or cabinet resolution, authorizing standardized site-level management and concession frameworks.	Prime Ministry, MOEEC/Tourism Committee, Cultural Heritage Agency
3. Outdated guiding certification standards and weak enforcement undermine service quality, trust, profitability, and investment.	**3a.** Strengthen curriculum design and transparency for guide certification. **3b.** Introduce a transparent guide registry to enforce compliance and build consumer trust through coordinated recognition.	MOEEC, Tourism Committee, education and vocational bodies
4. Limited trail infrastructure in natural areas constrains private sector product development in nature-based tourism.	**4.** Invest in essential trail infrastructure that enables safe, scalable adventure and nature-based tourism in priority destinations.	MOEEC, Tourism Committee, local governments
5. Lack of clear activity-specific safety and qualification standards restricts insurability and investment in adventure tourism.	**5.** Establish and publish activity-specific adventure tourism safety and qualification standards aligned with international best practice.	MOEEC/Tourism Committee, relevant safety and regulatory bodies

Note: MOEEC = Ministry of Ecology, Environmental Protection and Climate Change.

Generic Pharmaceuticals and Dietary Supplements

Rationale. This sector offers potential to attract private investment in local manufacturing by leveraging Uzbekistan's botanical resources and meeting growing regional and global demand.

Table ES.4

Recommendations: Generic Pharmaceuticals and Dietary Supplements

Constraints	Recommendations	Responsible public sector entities
1. No requirement and lack of local capacity for bioequivalence studies.	**1a.** Establish accredited domestic bioequivalence laboratories. **1b.** Issue national technical guidelines for bioequivalence studies, harmonized with World Health Organization requirements. **1c.** Phase in mandatory bioequivalence studies for all new and publicly procured generic medicines submitted for registration, aligned with International Council for Harmonisation standards.	MOH, PIDA
2. GMP standards are not aligned with regional standards.	**2.** Require government medicine suppliers to meet PIC/S-aligned GMP standards.	Center for Good Practices, MOH, PIDA
3. Weak enforcement of API documentation standards.	**3.** Require complete API dossier compliance and supplier verification.	MOH, PIDA
4. Uncoordinated drug registration and serialization systems create duplicative compliance requirements and delay product market entry.	**4.** Integrate CPPS registration and Asl Belgisi serialization processes for pharmaceuticals.	MOH, CPPS, CPRT
5. Lengthy and resource-intensive pharmaceutical registration processes.	**5a.** Introduce legally binding review timelines for drug registration. **5b.** Digitize and streamline end-to-end regulatory workflows and restructure review processes for pharmaceutical registrations.	MOH, CPPS, PIDA
6. Lack of a mandatory food-safety management standard for nutraceuticals limits market access.	**6.** Mandate Hazard Analysis and Critical Control Points–based management certification for nutraceutical producers.	CPPS, PIDA

Note: API = active pharmaceutical ingredient; CPPS = Center for Pharmaceutical Products Safety; CPRT = Center for Research in Perspective Technologies; GMP = good manufacturing practice; MOH = Ministry of Health; PIC/S = Pharmaceutical Inspection Co-operation Scheme; PIDA = Pharmaceutical Industry Development Agency.

1 Country Context and Business Environment

Uzbekistan, Central Asia's second-largest economy, aims to achieve upper-middle-income status by 2030.

Since the launch of its economic reform program in 2017, the economy has experienced robust gross domestic product (GDP) growth, averaging 5.6 percent a year. Despite external shocks, including the COVID-19 pandemic, Uzbekistan's growth has remained more resilient than that of regional and income group peers, which averaged 3.3 percent in International Development Association (IDA) and International Bank for Reconstruction and Development countries in the region and 3.4 percent across all IDA-eligible countries.[2] Strong economic performance has been driven by market-oriented reforms, including exchange rate unification and the elimination of foreign exchange restrictions, trade liberalization, visa liberalization, tax reforms, and privatization in the real and financial sectors. As a result, GDP per capita in current US dollars rose from US$2,190 in 2017 to US$3,881 in 2025, an increase of 77 percent.

Macroeconomic and financial stability have been maintained. Inflation had been easing gradually since the beginning of 2023 but began to climb in May 2024 after energy tariff hikes tied to cost recovery reforms were initiated. The Central Bank has responded by maintaining a tight monetary policy stance, keeping the policy rate at 14 percent since March 2025, which has helped put inflation on a downward trajectory. Uzbekistan's international reserves have remained ample, and public debt is assessed as sustainable, with a low overall risk of debt distress (table 1.1).

The drivers of growth have shifted over time. Since 2017, when cost recovery reforms were initiated, growth has become more capita intensive, with diminishing contributions from total factor productivity (figure 1.1). Sectoral composition has also shifted: agriculture's share of GDP fell from 26.9 percent in 2010 to 17.3 percent in 2025, while manufacturing's share rose from 21.2 percent to 34.0 percent and services expanded from 39.9 to 48.6 percent, signaling a shift toward higher-value activities (figure 1.2). From 2017 to 2022, most labor productivity growth has occurred within sectors rather than through sectoral reallocation, with productivity gains in services offset by losses in agriculture (World Bank 2024).

Uzbekistan's economy remains commodity dependent, although diversification is progressing. Commodities accounted for 63.1 percent of goods exports over 2021–23, lower than the Central Asia average of about 80 percent.[3] Gold is the largest export, averaging 27 percent of goods exports between 2019 and 2023, with other major exports including nonretail pure cotton yarn, petroleum gas, and refined copper (figure 1.3). Nongold trade is geographically concentrated, with China, accounting for nearly one-third of total imports, and the Russian Federation as the leading partners. Prospective World Trade Organization (WTO) accession, which would entail reductions in certain subsidies

Table 1.1

Key Macroeconomic Indicators

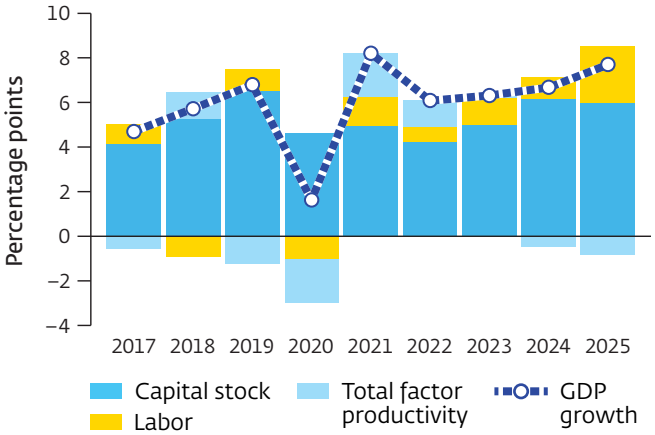
	2010–19 average	2020	2021	2022	2023	2024	2025e
Population (millions)	—	34.2	34.9	35.6	36.4	37.2	37.9
GDP (US$, billions)	70.0	70.1	81.2	94.3	107.5	120.6	146.9
Real GDP growth (%)	6.6	1.6	8.2	6.1	6.3	6.7	7.7
PPP GDP per capita (constant 2021 international US$)	7,276	8,727	9,248	9,608	10,008	10,450	—
Investment (% of GDP)	29.4	22.4	21.3	20.1	23.3	28.6	29.4
Inflation, period average (%)	11.8	12.9	10.8	11.4	10.0	9.6	8.8
Fiscal balance (% of GDP)	4.0	−1.6	−3.2	−3.3	−4.9	−3.3	−2.1
Public debt (% of GDP)	7.3	23.8	23.0	23.6	31.5	32.6	28.6
Current account balance (% of GDP)	0.8	−4.3	−6.0	−3.0	−7.6	−4.7	−3.3
Gross reserves (US$, billions)	23.3	34.9	34.9	35.5	34.5	35.2	34.0
Total reserves (months of imports)	16.3	18.5	15.0	12.0	9.7	9.7	8.2
FDI, net inflows (% of GDP)	1.9	2.4	3.1	3.1	2.3	2.4	2.6

Sources: World Bank Macro Poverty Outlook database, World Development Indicators, IMF World Economic Outlook database.
Note: FDI = foreign direct investment; GDP = gross domestic product; e = estimates.

Figure 1.1

Rising Contribution from Capital Accumulation to GDP Growth

GDP growth by factors of production

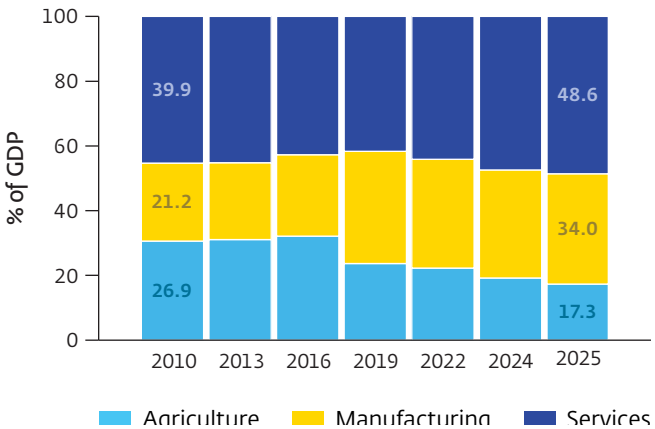


Source: World Bank.
Note: GDP = gross domestic product.

Figure 1.2

Rising Contribution of Services and Manufacturing to GDP

Normalized value added



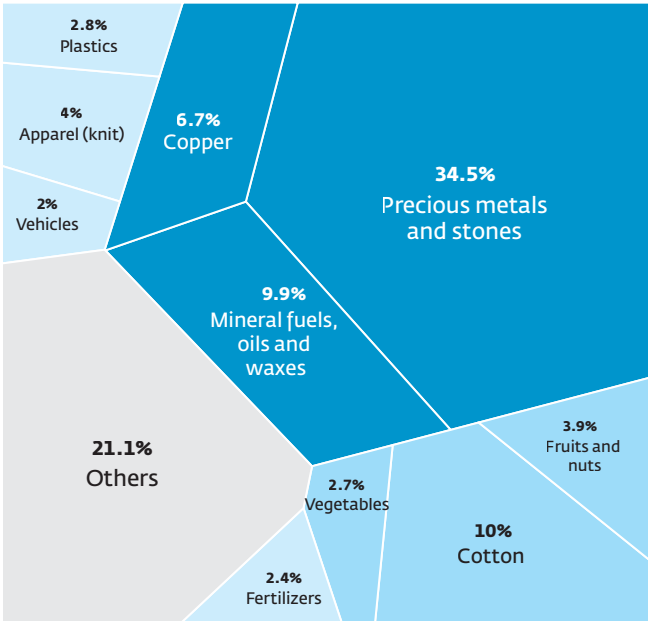
Source: World Bank World Development Indicators.
Note: GDP = gross domestic product.

and trade regulations, is expected to support trade diversification (figure 1.3).

Figure 1.3

Uzbekistan Has Scope to Diversify beyond Commodities

Annual exports five-year average share, 2018–23



Source: UN Comtrade.

Uzbekistan has recently undertaken several reforms to improve competition and the business environment. A new Law on Competition, adopted in October 2023, gave the Competition Promotion and Consumer Protection Committee the power to impose financial penalties, updated dominance criteria, and clarified merger control requirements. State-owned enterprise (SOE) restructuring has progressed, notably at Uzbekistan Railways, including through the divestment of noncore functions and the assignment of a governance role to the Ministry of Transport. In 2023, a new regulation initiated the unbundling of regulatory and commercial functions of a major SOE to foster competition in Uzbekistan's chemical sector (World Bank 2024).

There has been solid progress in strengthening frameworks to support financial stability. In particular, the Central Bank of Uzbekistan has strengthened its macroprudential policy framework. The National Agency of Prospective Projects has been established as the regulator overseeing insurance and capital markets, although it still needs to strengthen its oversight capacity and enforcement powers. The existing framework for nonperforming loan (NPL) resolution requires significant improvements. Banks mostly rely on collateral enforcement, as other resolution options, such as out-of-court restructuring and NPL sales, are not used. NPL sales are possible, but the market for distressed assets is underdeveloped, partly due to uncertainty in the current transfer regime (IMF 2025).

1.1 Investment Patterns

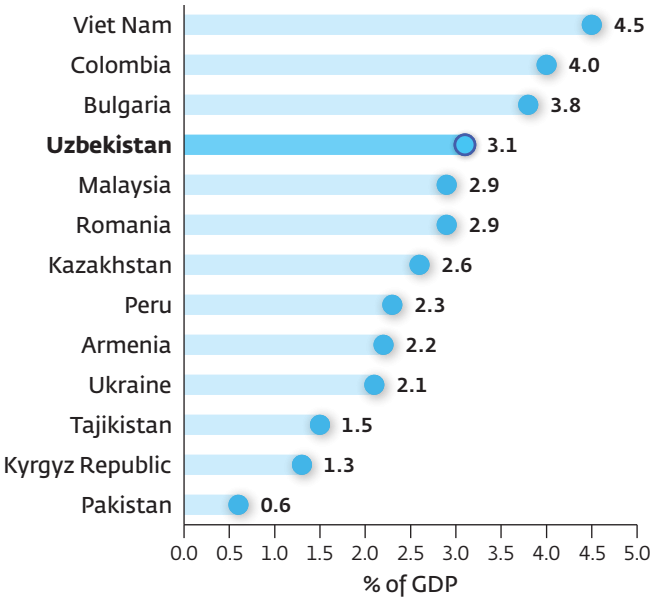
Uzbekistan has seen a sustained increase in foreign direct investment (FDI), with net inflows rising from an annual average of 1.5 percent of GDP during 2000–17 to 2.5 percent during 2018–25.[4] However, Uzbekistan's FDI inflows as a share of GDP lag those of several comparator economies[5] outside the region, although they exceed those of other Central Asian economies (figure 1.4).

Recent greenfield FDI announcements indicate a shift in investment patterns. In 2023, renewable energy, textiles, and chemicals attracted the largest shares of announced investments, signaling a reorientation toward more sustainable and export-oriented sectors. While investment in electricity, gas, steam, and air conditioning supply sectors remains high, FDI in the coal, oil, and gas subsectors has declined markedly since 2021. This underscores Uzbekistan's push to curb dependence on fossil fuels (figure 1.5).

Figure 1.4

Uzbekistan Ranks Fourth Among Comparators in FDI Net Inflow

FDI net inflow, Uzbekistan and comparators, five-year average, 2019–23 (% of GDP)

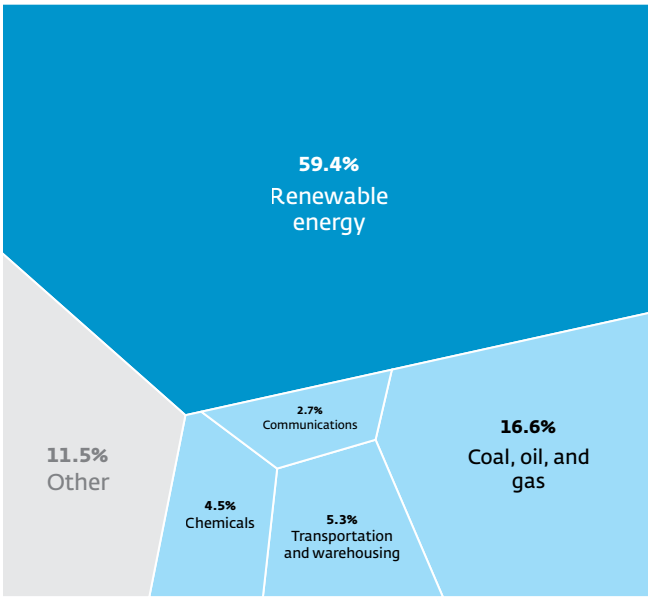


Source: World Bank World Development Indicators.
Note: FDI = foreign direct investment; GDP = gross domestic product.

Figure 1.5

Renewable Energy Accounts for the Largest Share of FDI Announcements in Uzbekistan

Share of FDI announcements, by capital expenditure, 2020–24



Source: Financial Times 2025 fDi Markets Data.
Note: FDI = foreign direct investment.

1.2 Financial and Capital Market Development

Despite reforms since 2017, Uzbekistan's financial system remains bank dominated and state influenced. At end-2024, the banking system comprised 36 banks: 9 foreign, 19 private domestic, and 9 state owned. Banks hold 95 percent of financial sector assets, equivalent to 53 percent of GDP, with the nine state-owned commercial banks controlling nearly two-thirds of these assets[6]. Despite stronger capitalization, longer loan maturities, and a decline in directed lending from 39 percent of all loans in 2020 to 24 percent in 2024, state-owned banks still depend on government support, with cumulative recapitalization of about 5 percent of GDP since 2017.[7] Corporate local currency lending rates are high—averaging 23.5 percent in 2024 and 23.2 percent in 2025, despite inflation decelerating from 9.8 percent in 2024 to 7.3 percent in 2025. Dollarization is elevated, at 44 percent of outstanding loans, leaving borrowers exposed to currency risks. Asset quality has not improved, with recent nonperforming loans above their five-year average. Provisioning levels are below international norms, and distressed assets have increased in both nominal terms and as a share of total assets (table 1.2).[8]

Table 1.2

Banking Sector Indicators

	Uzbekistan		ECA median	LMIC median	EMDE median
	2024 or most recent	Five-year average			
Domestic credit to the private sector (% of GDP)	33.2	32.9	51.9	25.6	33.9
Bank penetration (% of GDP)	33.2	32.9	48.3	23.6	31.8
Capital adequacy ratio (% of RWA)	17.4	17.7	20.5	18.4	18.9
NPLs (% of loans)	4	3.6	2.3	4.6	3.2
Provisioning rate for NPLs (%)	45.4	47.7	49.8	66.1	65.4
Loans in foreign currency (% of loans)	42.9	46.4	20.7	22.1	20.8
Government debt (% of assets)	n/a	n/a	7	19	11.9
State-controlled banks (% of assets)	66	n/a	n/a	n/a	n/a
Foreign-owned banks (% of assets)	11	n/a	n/a	n/a	n/a

Source: Calculations based on data from World Bank World Development Indicators, International Monetary Fund, International Financial Statistics, World Bank and Organization for Economic Co-operation and Development GDP estimates, Bank for International Settlements domestic debt securities, Fitch BMI, and the Central Bank of the Republic of Uzbekistan.
Note: Most recent data are for 2024 unless otherwise indicated. ECA = Europe and Central Asia; EMDE = emerging markets and developing economies; GDP = gross domestic product; LMIC = lower-middle-income countries; NPLs = nonperforming loans; RWA = risk-weighted assets.

Nonbank finance and capital market development have lagged, limiting long-term funding for firms. With 35 insurance companies, 100 microfinance institutions, 92 pawnshops, and 37 leasing firms, the nonbank financial sector represents only 3.5 percent of financial assets. Microfinance loans are less than 0.5 percent of total credit. Capital markets are embryonic: outstanding corporate bonds account for less than 3 percent of GDP (table 1.3), as the dominant role of the state makes bond issuance less attractive and private companies often find it more complex and costly than bank borrowing. Equity markets are illiquid, with turnover at just 0.1 percent and free-float-adjusted market cap at 0.29 percent of GDP.[9]

The institutional investor base is underdeveloped, with small insurance and pension sectors and an almost nonexistent investment fund industry. Uzbekistan has tapped international capital markets through multiple Eurobond issuances, including US$1.3 billion and UBZ 3 trillion, about US$240 million, in 2024; additional placements in 2025, comprising US dollar, euro, and Uzbek som tranches equivalent to US$1.5 billion; and a

Table 1.3

Capital Market Indicators

	Uzbekistan		ECA median	LMIC median
	Most recent	Five-year average		
Corporate bond market				
Outstanding private sector corporate bonds (% of GDP)	2.6	2.2	11.5	1.4
No. of listed corporate bonds	5	2.3	8	5
Public equity market				
Stock market capitalization (% of GDP)	16.4	10.7	23.8	17.3
No. of listed firms	89	117	82	144
Share turnover velocity (%)	0.1	0.6	5.0	6.3
FDI				
FDI flows (% of GDP)	2.5	2.6	2.4	2.1

Source: Calculations based on data from London Stock Exchange Group Securities Data Company Platinum database, World Federation of Exchanges, Toshkent Republican Stock Exchange, International Monetary Fund, and World Investment Report.
Note: Most recent data are for 2024 unless otherwise indicated. ECA = Europe and Central Asia; LMIC = lower-middle-income country; FDI = foreign direct investment.

further issuance of about US$1 billion in early 2026.[10] However, high interest rates, shallow nonbank intermediation, and the dominance of government securities in bank portfolios limit private sector access to long-term credit.

1.3 Business Environment and Institutional Constraints

Despite recent reforms, Uzbekistan's economy remains on a dual track: micro, small, and medium enterprise (MSME)–led in the private sphere but with a dominant state sector. MSMEs account for about 90 percent of registered firms, contribute roughly 55 percent of GDP, and employ around 75–80 percent of the workforce. Market-oriented reforms since 2017 boosted business creation, with entry density nearly doubling by 2020. However, new firm formation lags that of regional peers, at 2.8 new firms per 1,000 working-age people, compared with 3.5 in Kazakhstan, and weak firm exit mechanisms curb productivity growth. A large state footprint remains an impediment to business. SOE revenues exceed 30 percent of GDP, higher than in other Central Asian economies. Most SOEs are monopolies in their respective industries, operating under regulated prices and relying on budget support, subsidized credit, favorable tax and procurement policies, and regulatory exemptions. SOEs have substantial market power in energy, transport, telecoms, metallurgy, and agriculture.

This state footprint has distinct implications across the three sectors selected for deeper analysis in this CPSD. In tourism, SOE presence is most significant in rail and air transport. In rail transport, laws prohibit competition in both freight and passenger services, rail infrastructure lacks an independent operator to ensure nondiscriminatory access, and all services are provided by a single state-owned operator. Entry by private providers is not allowed, even on selected routes, unlike in most upper-middle-income countries. By contrast, tourism services such as accommodation and food and beverages are largely private and less affected by SOEs. In road transport, an important backbone for the logistics sector, domestic road freight services are legally open to competition and provided primarily by private operators. However, route licensing and fare-setting regulations in long-distance coach transport, as well as administrative permitting requirements, limit entry and reduce market contestability, affecting the efficiency of logistics and domestic supply chains. In pharmaceuticals, direct SOE participation in manufacturing and retail is limited, with the market largely supplied by private firms through imports and private pharmacies. However, the state influences market dynamics through regulation, price controls for certain medicines, and public procurement systems.

The government's 2030 Strategy, adopted in 2023, aims to reduce the number of SOEs to fewer than 400, from over 2,000 as of January 2024, and raise the private sector's

contribution to GDP to 85 percent from 60 percent by 2024. While over US$2 billion in privatization proceeds were generated between 2020 and 2024, progress has focused largely on small assets and real estate. Larger, more strategic SOEs remain unrestructured or unlisted. A new Privatization Law, enhanced regulatory oversight, and commitments under WTO accession negotiations (box 1.1) are steps in the right direction, but successful implementation will require accelerating the preparation and market readiness of major SOEs.

Institutional and structural barriers continue to inhibit private sector development. Firms cite tax rates, 24 percent; access to finance, 12 percent; and an inadequately educated workforce, 11 percent, as their top constraints. The high tax burden and administrative compliance costs discourage firms from formalizing and scaling operations, especially among small and medium enterprises (SMEs) (figure 1.6). Difficult access to land adds another constraint: restrictions on private land ownership, opaque and fragmented allocation processes, and caps on lease tenors for foreign investors limit the bankability of capital-intensive projects. This restricts logistics infrastructure development, slows hotel and resort construction for tourism, and delays the build-out of GMP-compliant facilities for pharmaceuticals.

Box 1.1

Uzbekistan's WTO Accession and Trade Policy Reform

Uzbekistan has been moving steadily toward accession to the World Trade Organization (WTO) as part of its broader economic reform agenda. The authorities aim to complete accession in 2026.[117] The country has completed bilateral market access negotiations with 33 of the 34 members involved. In 2025, Uzbekistan adopted 30 legal documents linked to WTO accession, including laws, presidential decrees, government resolutions, and sector-specific regulations.

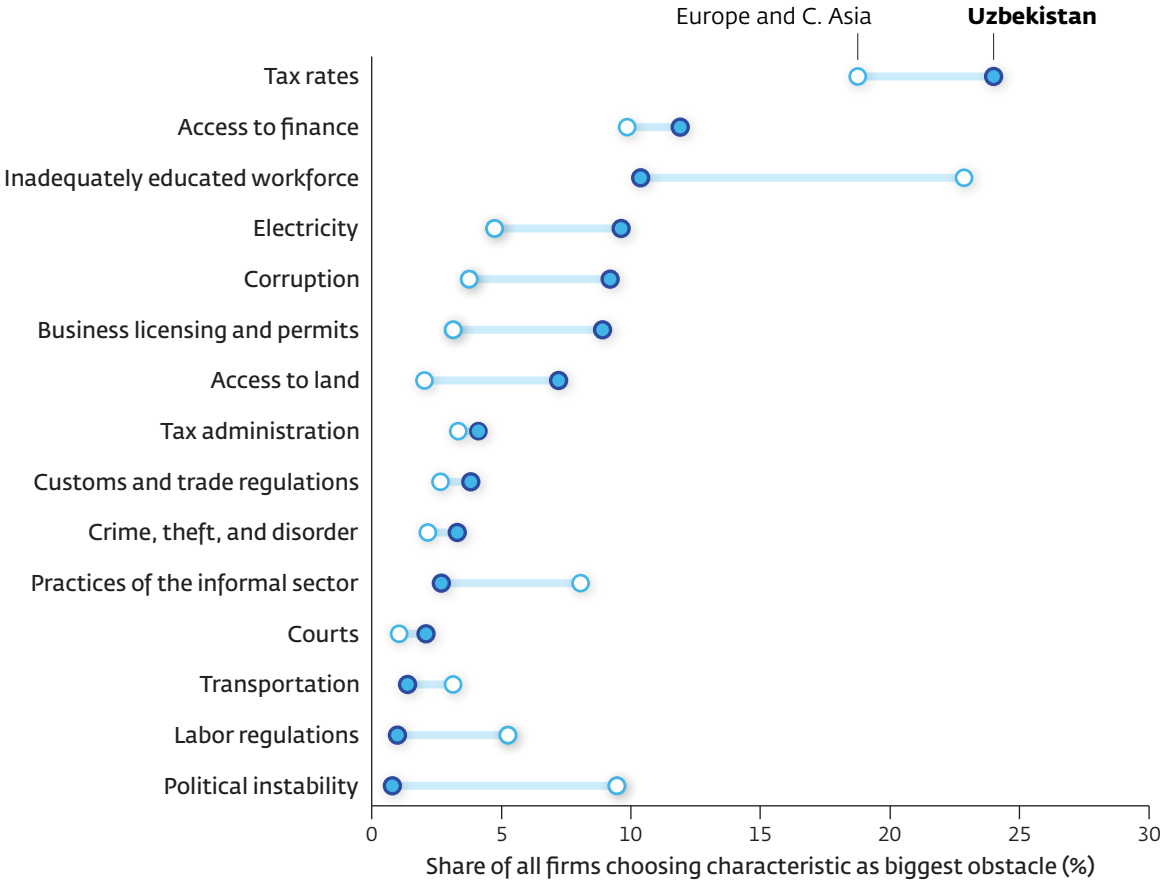
Competition has improved markedly across 17 previously concentrated industries. In particular, state-owned enterprise dominance has ended in the cotton, wheat, and cement production; unbundling has been completed in the energy, civil aviation, and airport services sectors; and unbundling is underway in the railway sector. Discounts on domestic freight rail transportation were removed, aligning transport pricing with market-based principles. Customs reforms included the removal of minimum import price requirements, while further actions are related to unification of export and import rail tariffs by 2030. These measures are expected to facilitate cross-border trade and logistics.

Throughout 2026, as part of its WTO accession process, Uzbekistan plans to adopt 29 new legal and regulatory acts covering customs and technical rules, intellectual property, and sanitary and phytosanitary standards. These steps are aimed at reducing market distortions, encouraging private participation, and promoting competitive neutrality in compliance with WTO rules.

Figure 1.6

Tax Burden Tops Business Constraints, Followed by Access to Finance and Skills Gaps

Ranking of the top business environment obstacles for firms in Uzbekistan



Source: World Bank 2024 Enterprise Surveys.

Infrastructure reliability, by contrast, has improved, easing a traditional constraint to private sector growth. Only 14.7 percent of firms reported power outages in 2024, well below the Europe and central Asia average of 26 percent, with outages infrequent and causing negligible sales losses. Connection times have also shortened dramatically, averaging just 5.6 days for electricity and 5.7 days for water, compared with regional averages of 66 and 39 days, respectively. These improvements have reduced operational risks and compliance costs, particularly for SMEs.

1.4 Labor Market and Skills Landscape

Uzbekistan's labor market is at a demographic inflection point. Nearly 60 percent of the population is under age 30, and the working-age population is projected to expand by more than 30 percent by 2030. Uzbekistan's employment structure has shifted markedly over the past decade. Between 2013 and 2023, the share of workers employed in agriculture nearly halved, declining from about 27 percent to 13.9 percent, while services and industry absorbed the difference. By 2023, services and industry accounted for 86.1 percent of employment, with services representing 58.2 percent and industry 27.9 percent. This shift from agriculture toward services and industry strengthens the case for policies that support higher-productivity, skill-intensive jobs (table 1.4).

Employer surveys indicate that firm growth is often constrained by skills mismatches, particularly shortages in technical competencies, fundamental cognitive abilities, and workplace soft skills.[11] Only 21 percent of firms view technical and vocational education and training (TVET) graduates as well prepared for the workplace, while one-third rated TVET as irrelevant.[12] Employers consistently report that graduates lack both technical proficiency and transferable soft skills, making recruitment costly and on-the-job training unavoidable. The challenge is even more pronounced for micro and small enterprises.

Acknowledging these challenges, the government has pursued an ambitious reform agenda. Institutional oversight has been streamlined, with the Ministry of Higher Education, Science and Innovation now responsible for setting strategic direction, while the Ministry of Employment and Poverty Reduction focuses on aligning education programs with labor market needs. A new National Agency for Quality Assurance in Education, established in 2025, is intended to strengthen governance and accreditation. Curriculum flexibility has been expanded—providers can now modify up to 30 percent of course content, double the previous limit—and international programs have been introduced in priority sectors such as logistics and tourism, where curricula are fully flexible. The transition toward dual education models,[13] developed with employers and industry associations, aims to deepen work-based learning. This is supported by a dedicated TVET Development Fund, drawing on public resources, tuition surcharges, and grants to sustain system upgrades. In parallel, the national "Professional Education" platform has been launched to better match graduates with labor market opportunities.

Despite this progress, important gaps remain. Tertiary enrollment is around 46 percent of the tertiary-school-age population, well below structural peers, constraining the supply of professionals in science, technology, engineering, and math and Industry 4.0–related fields (table 1.4).[14] TVET institutions struggle to translate learning into market-ready skills: many operate with outdated equipment, and a recent assessment found that

Table 1.4

Job and Skills

	Uzbekistan	ECA	LMICs	Regional and structural comparators*	Aspirational comparators*
Labor force supply					
Population ages 15–64 (as % of total population)	63	64.5	64.5	62.6	67.3
Labor force participation rate (% of population ages 15–64)	60.8	72.7	61.8	61.5	74.5
Learning-adjusted years of school	9.1	10	6.3	7.9	9.0
School enrollment tertiary (% gross)	57	85	27	53	52
Labor market conditions					
Unemployment, total (% of total labor force)	4.5	5.4	4.4	6.0	6.3
Share of firms identifying an inadequately educated workforce as a major or very severe constraint (%)	4.2	25.5	15.7	26.8	16.6
Employment by sector (% of total employment)					
Industry	27.9	24.2	22.6	26.6	21.8
Agriculture	13.9	6.9	39.2	25.3	24.3
Services	58.2	68.8	38.3	48.1	53.9

Sources: Approach follows that used in the World Bank Group Growth and Jobs Reports and draws on data from World Development Indicators; International Labour Organization modelled estimates for 2024 and sectoral employment for 2023; Human Capital Index; UNESCO; Enterprise Surveys, latest available results, with Uzbekistan from 2024; and comparators from the 2024 Uzbekistan Country Economic Memorandum (World Bank 2024b).
Note: ECA = Europe and Central Asia; LMICs = lower-middle-income countries. Learning-adjusted years of schooling adjusts years of schooling for how much students learn in each year of school, based on standardized test results. Data are the latest available for all countries, with Uzbekistan data from 2023 unless otherwise indicated.

nearly half of surveyed institutions have facilities and equipment that fall short of current industry standards.[15] The shortage of qualified instructors further compounds these constraints, as many teachers lack both the necessary credentials and recent industry experience, undermining the shift toward competency-based education.[16] Women are overrepresented in lower-paying social sectors and face higher unemployment—especially

in rural areas.[17] Opportunities for lifelong learning are limited, and systems to recognize prior learning are underdeveloped, making it harder for workers to reskill, upskill, and transition into emerging occupations.

Labor demand is evolving in ways that underscore these challenges. Firms are increasingly seeking medium-skilled workers in both industry and services, with mechanics, agronomists, machine operators, logistics and warehouse specialists, textile workers, hospitality professionals, and information and communication technology specialists among the fastest-growing occupations. Business surveys point to growing hiring needs in catering, education, construction, industry, and health services.[18] Current skills upgrading efforts aim to build competencies in digital, financial, and soft skills, including creativity, leadership, and problem-solving, but their coverage remains limited. Recent initiatives include the Information Technology Park Uzbekistan, which provides business mentorship and acceleration, and internationally funded programs focused on young people and women in business.

2 Sector Selection

This Country Private Sector Diagnostic (CPSD) identifies three sectors where concrete policy actions can generate commercially viable opportunities for private investment: (1) logistics, comprising road freight and warehousing; (2) tourism, focusing on cultural and nature-based tourism; and (3) pharmaceuticals, focusing on generics and dietary supplements (table 2.1).

These actions have the potential to contribute to growth, job creation, and other development objectives. Sector selection was based on three criteria:

1. Potential to attract private capital if constraints are mitigated through policy action.
2. Development impact, including job creation potential.
3. Political openness to consider concrete reforms in the near term.

Sector selection is not intended to be exhaustive. Entrepreneurs may identify further profitable opportunities in other sectors. The focus here is on sectors where an identified constraint to private investment can feasibly be alleviated through public policy actions. The recommended actions are not necessarily sufficient on their own. Rather, they are highlighted as concrete and observable steps that would represent meaningful progress along the results chain from action to impact and could be taken in the next few years. The

Table 2.1

Summary List of Sectors Selected

	Road freight and warehousing	Cultural and nature-based tourism	Generics and dietary supplements
Private investment potential assuming concrete reforms are undertaken	HIGH	HIGH	MEDIUM
Feasibility of removing constraints	HIGH	HIGH	HIGH
Contribution to job creation	HIGH	HIGH	HIGH
Contribution to other development objectives	HIGH	MEDIUM/HIGH	MEDIUM

ultimate impact on investment and job creation would be enhanced by complementary measures and capacity building that might extend beyond such a timeframe.

The Uzbekistan CPSD sector selection involved a comprehensive process combining quantitative analysis and consultations. Sectors were evaluated through a structured quantitative process focused on identifying profit-making opportunities and potential development impact. This process involved two stages: stage 1 assessed private investment opportunities using variables such as revealed comparative advantage, export gaps, global demand growth, and profitability indicators; stage 2 evaluated development impacts using variables such as job multipliers and value-added multipliers. Heat maps were used to rank sectors, leading to the selection of priority sectors for further analysis.

Across all three sectors, common attributes include the potential, if concrete and targeted reforms are undertaken, to leverage national assets, create employment, especially for women and youth, support sustainable development, and enhance Uzbekistan's competitiveness.

2.1 Road Freight and Warehousing

Uzbekistan's location on the Middle Corridor makes transport and logistics a strategic sector, anchoring trade flows between China and Europe and linking the country to the Caucasus, Persian Gulf, and South Asia. International road freight reached 12.2 million tons in 2022—around one-quarter of total trade—and is projected to rise to roughly 20 million tons by 2030. Yet capacity is stretched, with utilization nearing 90 percent, and logistics costs remain 15–25 percent above those of leading Eurasian routes. Fragmented markets, aging fleets, and gaps in regulatory compliance have locked the sector into a low-productivity equilibrium, limiting service quality and scale. Warehousing is a binding constraint and a prerequisite for industrial upgrading, export competitiveness, and the expansion of modern retail, e-commerce, agrifood, and pharmaceuticals. Total warehouse demand is estimated at 4.1 million square meters in 2025, against only 513,000 square meters of verified Class A supply, implying an 88 percent supply gap and current utilization of 95–98 percent. Sustained near-full utilization indicates capacity constraints and forgone throughput. Achieving 2030 corridor and freight ambitions will require mobilizing private investment at scale, which will hinge on priority reforms to streamline land access and permitting, harmonize national and local approvals, and clarify technical and market standards.

2.2 Cultural and Nature-Based Tourism

Uzbekistan's rich cultural heritage and diverse natural landscapes position it as a prime destination for cultural and nature-based tourism. In 2024, the tourism sector contributed 4.7 percent of gross domestic product (GDP), or US$5.1 billion, and employed 842,000 people. However, the sector is volume driven, with 87 percent of arrivals from Commonwealth of Independent States countries, mainly for family visits with short length of stay and low average spending. This underscores the sector's untapped potential to diversify offerings and destinations and cater to higher-spending segments. Opportunities include ecotourism, gastronomy tourism, community-based tourism, and adventure tourism. The government has liberalized visa policies, improved flight connections from Asia and the Middle East, and offered tax breaks and subsidies for hotel construction. Nevertheless, structural constraints weigh on private investment. Investment and infrastructure remain concentrated in a few hubs and restricted by road and rail connectivity. Lengthy and opaque processes for land acquisition near historical or natural attractions, cumbersome permitting, and limited concession frameworks further dampen investor interest. Addressing these weaknesses would drive rural job creation, expand small and medium enterprise participation, diversify exports, and strengthen Uzbekistan's global tourism brand as the heart of the Silk Road.

2.3 Generics and Dietary Supplements

Uzbekistan's pharmaceutical market has sustained steady growth, with retail sales of drugs and food supplements reaching about US$2.0 billion in 2024, equivalent to roughly 1.7 percent of GDP. The market has expanded by about 5 percent cumulatively between 2021 and 2024. Generics form the backbone of production, accounting for nearly half of market value and dominated by high-volume therapeutic areas such as antibacterials and cardiovascular agents. Dietary supplements, particularly vitamins, nutraceuticals, and herbal blends drawing on local medicinal plants, are also emerging as a dynamic segment, recording a compound annual growth rate of about 70 percent in export value between 2019 and 2024. Pharmaceutical exports have also risen sharply, with Uzbekistan now the second-largest pharmaceutical exporter in Central Asia at 29 percent of the regional total, driven by localization reforms and joint ventures. These reforms have incentivized local manufacturing through streamlined business processes, improved quality assurance, and domestic investment incentives, and other measures. However, investment remains constrained because export requirements and domestic generic registration are not fully aligned with international standards and regulatory systems are fragmented.

3
Road Freight and Warehousing

AT A GLANCE

- Economic growth and reforms are generating sustained demand for road-freight services and warehousing, but existing capacity is strained.
- Private investment is constrained by a fragmented road-freight sector, with more than 5,000 small operators, aging fleets, and high borrowing costs, while opaque permit processes, low border digitalization, and poor freight infrastructure keep logistics costs 15–25 percent above regional peers. Warehousing faces cumbersome permitting and unclear land allocation rules.
- Recommended actions include introducing a Certified Carrier framework; digitizing freight Dazvol permits end-to-end via E-avto; publishing transparent Dazvol allocation rules; and streamlining and digitizing land and warehouse permitting through a one-stop shop.
- Addressing these constraints could attract over US$2 billion in private investment in road freight and modern warehousing, create 98,000–108,000 permanent logistics jobs, reduce postharvest losses by about 20 percent, and lower trade costs.

3.1 Sector Context and Private Investment Potential

3.1.1 *Road Freight*

Uzbekistan's road-freight sector is substantial and is expanding rapidly. Strong gross domestic product growth and rising domestic consumption are driving higher transport demand. In 2024, total freight transport reached 1.4 billion tons, a 10.6 percent increase since 2020, with road haulage accounting for 92 percent. The truck fleet, comprising about 90,000 vehicles with an average capacity of 15 tons, has theoretical throughput of 1.3 to 1.4 billion tons.

Uzbekistan's strategic location makes it a key international crossing and supports its increasing role in the Eurasian Middle Corridor. The country has an extensive road network, including 6,000 kilometers of Central Asia Regional Economic Cooperation (CAREC) corridors, and is crossed by major international corridors linking China, Europe, the Caucasus, the Persian Gulf, and South Asia, and its role in the Eurasian mid-corridor is growing. CAREC Corridor 2 is the main east-west artery, carrying over 40 percent of cross-border road trade by value, while CAREC Corridors 3 and 6—along with route A1 to Kazakhstan and the Lapis Lazuli corridor to the Islamic Republic of Iran and Türkiye—diversify market access. International road movement reached 12.2 million tons in 2022, equivalent to 24 percent of trade tonnage, and transit volumes are increasing, reaching 5.3 million tons in January–June 2024).[19]

Uzbekistan's road freight market faces growing demand against tightening capacity. Demand is projected to rise from 12.2 million tons in 2022 to about 20.0 million tons by 2030, while effective supply capacity remained limited at 14.0 million tons in 2022.[20] Utilization climbed from 87 percent in 2022 to 90 percent in 2024 and is forecast to approach 100 percent by 2030. Current constraints include limited specialized trucks, fragmented logistics nodes, aging fleets, and cold-chain shortages. The shortage of refrigerated trucks is especially problematic, compounded by aging vehicles, high capital requirements, and limited integration between cold storage facilities and reefer transport, all of which undermine the broader cold-chain ecosystem. By 2030, a shortfall of 3 million tons is expected unless the fleet expands by about 4 percent annually.

Uzbekistan's corridor performance improved significantly between 2021 and 2023. Average corridor speed rose by 19 percent, approaching the global good practice benchmark of 35–40 kilometers per hour. Border-crossing time fell by 26 percent to 4.7 hours due to procedural improvements, although it remains above the two-hour global standard. Border-crossing costs dropped by 46 percent to US$50.2 per truck, nearly meeting the benchmark of below US$50 and reducing trip expenses (table 3.1).

Table 3.1

Improvements in Time and Cost of Freight in Road and Rail Transport, 2021–23

Trade facilitation indicators	Metric and subcategory	Road transport				Rail transport			
		2021	2022	2023	Change, 2021–23 (%)	2021	2022	2023	Change, 2021–23 (%)
Time taken to clear a border-crossing point (hours)	Overall average	7.6	4.2	4.7	–38.2	6.2	6.8	6.7	8.1
	Outbound	6.6	3.5	4.9	–25.8	6	—	—	—
	Inbound	9.1	5.5	4.4	–51.6	6.2	6.8	6.7	8.1
Cost incurred at border-crossing clearance (US$)	Overall average	92	74	50	–45.7	133	133	132	–0.8
	Outbound	114	87	49	–57.0	—	—	—	—
	Inbound	74	63	53	–28.4	133	133	132	–0.8
Cost incurred to travel a corridor section (US$ per 500 km per 20-ton cargo)	Overall average	674	687	568	–15.7	665	635	626	–5.9
Speed to travel along CAREC corridors (km per h)	Overall average	27.9	29.6	33.2	19.0	11.2	11.8	11.9	6.3
Speed without delay (km per h)	Overall average	46.9	45.6	47.4	1.1	13.3	13.1	13.2	–0.8

Source: ADB and C I (2023).

Uzbekistan's transportation costs are among the lowest in CAREC markets. Efficiency gains have been driven by shorter border-crossing times, partial customs digitalization, and improved corridor maintenance. Uzbekistan's normalized road-transport cost currently averages US$568 per 500 kilometers (km) per 20-ton truck, below Kazakhstan (US$1,030) and Georgia (US$1,371) but above Azerbaijan's localized routes (US$58).[21] According to CAREC, further cost reductions will require fleet modernization, integration of Dazvol digital permits, and expanded truck-stop and border-logistics facilities along CAREC Corridors 2, 3, and 6.

Despite its potential as a regional transit hub, Uzbekistan's road infrastructure has capacity and service gaps that undermine the business case for private investment in logistics. The country has a large road network—about 184,000 km of roads, including roughly 42,000 km of public highways—and roads account for around 97 percent of transport infrastructure, highlighting their central role in freight movement. Yet the system is straining under demand it was not built to handle. Major corridors such as the Tashkent-Samarkand highway, designed for 32,000 vehicles per day, now carry about 45,000 vehicles daily, increasing travel times and logistics costs.[22] Limited auxiliary services, such as truck stops, logistics hubs, and maintenance facilities, add further unpredictability to freight operations. Together, these conditions raise operating costs and reduce service reliability, making it difficult for private operators to build viable, scalable logistics businesses and deterring the investment needed to modernize the sector.

The market has a few large operators and many smaller firms clustered around logistics hubs. The top 10 firms control 6.6 percent of the fleet. Carriers with more than 100 trucks account for 18 percent of international service capacity, while small and micro firms collectively hold about one-quarter, reflecting strong participation by family-run operators. The average fleet age is more than 10 years, and over 75 percent of trucks fall below Euro V standards, raising fuel and maintenance costs and restricting access to higher-value cargo.[23]

For small and medium-size operators, Uzbekistan's road freight market primarily operates in a "low-cost, low-responsibility" equilibrium that erodes safety, service reliability, and competitiveness across the logistics sector. This equilibrium emerges when shippers cannot verify service quality or when some prioritize low prices despite lower standards. According to the *CAREC Corridor Performance Measurement and Monitoring: Annual Report 2023* (ADB and CI 2023) and Ministry of Transport Logistics Policy Review 2023, small haulers, mostly with fleets under 20 trucks, often quote rates 10–20 percent below cost on backhaul routes with weak demand. This sustains operations but undermines reinvestment in fleet renewal, insurance, and technology, reinforcing informality and poor service standards.

Backhaul discounting is common in competitive trucking markets. The concern is not normal price competition but persistent pricing below sustainable cost levels, especially among small operators. As ADB's CAREC analysis notes, when rates do not cover operating and capital recovery costs, firms defer maintenance, insurance, and vehicle replacement, reinforcing chronic underinvestment and poor compliance. The World Bank's *Logistics and Trade Facilitation Diagnostic* 2022 also confirms that small carriers compete on price over quality, creating a market where underpriced freight undermines reliability and safety.

These "low-cost, low-responsibility" practices are reinforced by widespread maintenance and compliance gaps. Over 25 percent of freight trucks fail initial technical inspection,[24] and less than half of international operators carry valid cargo or liability insurance, exposing goods and shippers to financial risk.[25] These deficiencies fuel a cycle of cost cutting, declining service quality, and weakened trust—hindering Uzbekistan's logistics modernization and compliance with CAREC corridor standards.

Small haulers struggle to meet insurance, axle-load, and environmental requirements, while their older fleets, combined with Uzbekistan's inconsistent inspection regimes and high compliance costs, give large, integrated operators a competitive edge. To break this cycle, the policy response should strengthen verifiable compliance signals and minimum protections, especially for safety, liability, and cross-border reliability, while sequencing reforms to manage adjustment costs. Measures outlined in the 2030 Transport and Logistics Strategy—such as streamlining digital permits, harmonizing technical standards, and strengthening data systems—are critical to modernizing the regulatory environment and ensuring fairer market access.

Two distinct policy levers shape the sector: profession-entry rules determine which firms qualify as road freight carriers, including whether they meet basic safety, liability, and compliance requirements, while market-access rules govern how international road freight permits, such as Dazvol, are allocated. In Uzbekistan, formal market entry into trucking, through business registration, is relatively easy: registration and licensing take less than 10 days, and the number of carriers continues to grow. Yet existing firms face operational and competitive challenges. Competition is weakened by opaque international road freight permit allocation and uneven enforcement of axle-load and safety rules, enabling some operators to undercut prices through noncompliance. According to stakeholder interviews, access to major clients and high-volume routes is largely channeled through established relationships and framework contracts, limiting smaller firms or new entrants' to compete on equal terms.

Uzbekistan's road freight sector is characterized by fragmented regulations that limit competitiveness, raise compliance costs, and discourage formality. The core legal base—the Law on Transport (ZRU-706, August 2021) and the Law on Road Transport (No. 674-I, August 1998, as amended)—defines licensing and technical standards but lacks effective mechanisms for monitoring informal carriers, enforcing insurance obligations, and aligning national rules with international conventions such as TIR[26] and CMR.[27] As a result, enforcement capacity has not kept pace with the expansion of cross-border freight and private participation.

Challenges stem from permit complexity and institutional overlap. Cabinet Resolution PP-28, issued in January 2025, approved the Concept for the Development of the Transport

and Logistics System until 2030 and assigned reform roles to the Ministry of Transport, the State Customs Committee, and regional road authorities. However, operators still require multiple approvals for international carriage, transit, oversized cargo, and customs warehousing. Studies by the World Bank (2023) and the Asian Development Bank (2022) note that this system prolongs processing times, increases opportunities for discretion, and discourages smaller firms from formalizing their activities.

Uzbekistan's Dazvol[28] permit system is being reformed but needs to go beyond digitalization to deliver transparency, fair allocation, and greater market efficiency. The Ministry of Transport's new QR-coded e-permit system, being piloted at Dostyk on the Kyrgyz Republic border and Oybek on the Tajikistan border in 2025, modernizes administration but does not resolve opaque quota allocation, limited small and medium enterprise access, or weak institutional coordination. Without complementary policy and legal reforms, old discretionary practices could persist in digital form. To make the system more competitive, Uzbekistan needs clear quota allocation rules, publicly available data on permit distribution, and interoperability between the Ministry of Transport, the State Customs Committee, and regional partners.

3.1.2 *Warehousing*

Uzbekistan's economic growth and reforms are driving demand for modern warehousing and straining existing capacity. Retail and e-commerce are key demand drivers, alongside pharmaceuticals and agrifood exports, and warehousing needs are outpacing supply. Retail turnover reached US$33.3 billion in 2024, with online sales accounting for 3.7 percent. E-commerce is projected to double to nearly US$2 billion by 2027, and the market will increasingly depend on high-specification fulfillment centers to support growth. Major retail chains have already added around 50,000 square meters of Class A distribution capacity. However, this figure reflects total installed capacity, including captive and preleased facilities that are not generally available on the open market. Additional investment in new capacity is therefore still needed to meet increased demand.

Warehousing capacity is insufficient, especially in Class A facilities and particularly for the fast-moving consumer goods (FMCG), retail, and agriculture sectors.[29] Overall demand for warehousing reached 4.1 million square meters in 2025, compared with supply of only 514,000 square meters, resulting in a gap of more than 80 percent. In retail and FMCG, demand for Class A warehousing is estimated at 118,000 square meters, yet only about 6,000 square meters are currently available on the open market because most existing capacity is captive or precommitted by large retail chains and is therefore not accessible to third-party users. E-commerce needs 60,480 square meters of Class A warehouse facilities for fulfillment space—that is, facilities for processing, packing, and

shipping online orders quickly and efficiently—while 115,692 square meters is available, largely because of the 112,000-square-meter Uzum hub. However, demand is growing rapidly, and this surplus is expected to be fully absorbed in the near term. Pharmaceutical logistics requires about 19,500 square meters of Class A facilities, which is covered by current capacity, but most available warehousing is not configured for compliant, secure pharmaceutical handling.[30]

The warehousing shortfall is even more pronounced when viewed against Uzbekistan's road freight expansion targets. Achieving the 2030 target will require at least 2 million square meters of modern Class A warehousing capacity. Overall demand, including Class A and lower-grade warehousing and auxiliary infrastructure, reached an estimated 14.9 million square meters in 2025 and is projected to increase further to 19.9 million square meters, of which roughly 28 percent is expected to meet Class A specifications. In 2025, the Class A gap was substantial: 4.14 million square meters were required, yet only 513,000 square meters were available. Closing this gap and meeting national logistics objectives will require significant investment in new, high-quality warehouse infrastructure.

The Class A warehouse shortage is pushing up costs and undermining competitiveness. In 2024, utilization averaged 95 percent and peaked at 98 percent in hubs like Tashkent and Namangan, which have the highest concentration of warehousing facilities. This is driving up logistics costs, slowing deliveries, and eroding competitiveness. While long-term tenants, representing 12–14 percent of contracts, secure lower rates, spot rents for Class A dry storage in Tashkent are the highest in Central Asia. High occupancy, rising rents, and rapid preleasing signal strong investment potential.

Cold-chain storage faces the most acute shortage. Although Uzbekistan is a leading horticulture producer, less than 5 percent of output is stored under refrigeration, far below the 75 percent needed to compete in fresh produce export markets, leading to postharvest losses of 20–30 percent.[31] Food-processing and pharmaceutical cold storage are tight in several production regions. Although initiative supported by the US Agency for International Development have expanded cold storage capacity, infrastructure remains insufficient, especially near production zones and rural areas.[32] Cold-chain infrastructure depends heavily on reliable electricity supply. While Uzbekistan has made notable improvements in power reliability in recent years, outages remain a significant risk in rural areas, undermining the viability of refrigerated storage facilities and threatening product integrity. In addition, the insufficient supply of refrigerated vehicles creates critical gaps across all stages of the cold chain. New technologies such as solar-powered cooling show strong commercial potential, with spoilage reductions of 15–20 percent.

Logistics parks and intermodal facilities remain insufficient for the country's current freight flows. Existing logistics hubs cover only a fraction of national needs, resulting in a large share of domestic and transit cargo being handled through dispersed, low-standard facilities. Based on official freight volumes, current domestic and transit flows would require more than 11.6 million square meters of integrated yard and warehouse capacity, compared to 300,000 square meters currently available, to operate efficiently.[33] For export and transit flows only, the need is around 1.7 million square meters, but only 52,600 square meters meets Class A specifications. Container traffic would require 945,000 square meters, compared with only 40,000 square meters available as of 2025. Bridging these gaps will require substantial investment in modern Class A logistics parks equipped with paved yards, temperature-controlled storage, bonded zones, and on-site customs facilities.

Logistics parks and multimodal hubs are critical to closing Uzbekistan's warehousing gap because they integrate storage, container handling, truck and rail connectivity, and value-added logistics services in a single platform. This allows freight consolidation, lowers handling costs, supports customs clearance, and improves reliability along export corridors. Their underdevelopment constrains not only available Class A warehouse space but also the efficiency of freight movement and trade facilitation more broadly. Since these facilities account for the largest share of missing Class A capacity, they are the main driver of the overall supply-demand gap reported in table 3.2.

Financing represents a major constraint to logistics investment in Uzbekistan. Bank lending rates are among the highest in the region and are compounded by stringent collateral requirements and short loan maturities. The constraint is particularly acute in capital-intensive subsectors such as trucking and warehousing, where typical project returns, measured by internal rate of return, range from 12 precent to 18 percent, while local currency borrowing costs reach 20 percent to 30 percent. This negative spread between expected returns and the cost of capital makes many investments commercially unviable. As a result, investors defer fleet upgrades, reduce the scale of warehouse projects, or pursue smaller, incremental investments rather than developing integrated logistics platforms. Alternative financing instruments offer a viable remedy. Although leasing and factoring instruments exist and are growing, their rates are similarly elevated, leaving businesses without a cost-effective path to the long-term capital that logistics infrastructure requires.

The warehousing sector is transitioning from a state-dominated system toward a more open but unevenly competitive market. The continued control by state-owned enterprises such as Uzbek Railways over significant land and facilities—especially rail-linked sites and free economic zone locations—limits competition and weakens incentives to modernize. As a result, service quality remains below modern standards. Since 2017,

Table 3.2

Estimated Warehousing Demand, Supply, and Gap in Uzbekistan, 2025

Subcategory	Demand, 2025 (m^2)	Verified allocated supply (m^2)	Gap (%)
FMCG and retail	117,810	6,071	95
E-commerce and third-party logistics	60,480	115,692	–91 (surplus)
Pharmaceuticals and high-value goods	19,500	114,000	–485 (surplus)
Agriculture, cold storage	102,102	29,700	71
Food processing, cold storage	22,500	45,000	–100 (surplus)
Pharmaceuticals, cold storage only	7,200	6,300	13
General cargo	2,320,000	119,529	95
Export corridors	1,020,000	52,569	95
Multimodal and customs facilities	472,500	24,313	95
Total or net gap	4,142,092	513,174	88

Source: Estimates based on publicly available, secondary sources, including UzStat, Ministry of Transport of Uzbekistan, FAOSTAT, UN Comtrade, CAREC CPMM (ADB), World Bank Logistics Diagnostics, with extrapolations into 2025 and proxy assumptions and peer-country benchmarks due to limited Uzbekistan-specific data.
Note: FMCG = fast-moving consumer goods; m^2 = square meters. All estimates are derived from publicly available sources for 2023–24 and conservative extrapolations into 2025. Peer-country benchmarks were used to fill local data gaps. Key metrics, particularly e-commerce parcel volumes, cold-chain infrastructure capacity, and multimodal terminal throughput, rely on proxy assumptions due to limited Uzbekistan-specific audits or official disclosures. National statistics from UzStat may lag real-time market shifts, and FAO and UN Comtrade figures reflect production or trade volumes, not actual built warehousing footprint. Demand estimates should therefore be interpreted as directional planning guides; facility-level surveys and updated industry reports could refine the ratios and total area requirements.

private investment in warehousing has surged, with new operators entering the market and international entrants establishing hubs to serve e-commerce growth.

Limited access to land hinders private investment in warehouses. Uzbekistan does not allow private ownership of land, although property built on land can be owned. Land leases cannot exceed 25 years for nonresidents and 100 years for residents. Nonagricultural land is allocated through auctions by local authorities, but the process is not always transparent. Converting agricultural land for commercial use requires a formal rezoning application, which is subject to a Cabinet decision. Logistics centers depend on proximity to transport infrastructure, making access to secure land rights in suitable locations essential

for operators. Uncertain land rights and difficulties in obtaining them remain important impediments to investment.

Specific skills shortages limit sector productivity and the adoption of advanced logistics technologies. The most acute gaps arise in operational roles that require technical skills, such as international truck drivers, fleet dispatch coordinators, warehouse technicians, and cold-chain supervisors, as well as digital competencies, such as route optimization and fleet management software for dispatchers; temperature-controlled storage and monitoring systems for cold-chain operators; safety and regulatory compliance for international transport for drivers; and warehouse management systems and automation equipment for warehouse technicians. These shortages stem from a shortage of specialized logistics training programs, relatively low wages and limited career progression in logistics occupations, and the perception that logistics roles are low-skill jobs.

Recent decrees aim to accelerate the development and approval of logistics and warehousing projects. Presidential Decree PQ-28 (2025) created the Public-Private National Logistics Council and introduced clearance-height standards, with pilot permitting times reportedly about 20 percent faster. However, fragmented authority among the Ministry of Transport, free economic zone bodies, and hokimiyats[34] makes timelines uncertain. A draft Unified Logistics Law, intended to simplify approvals and harmonize rules, remains pending.

3.2 Constraints to Private Investment and Recommendations

CONSTRAINT 1. Uzbekistan's road freight market is distorted by "low-cost, low-responsibility" practices, primarily among small operators. From an investor perspective, the main obstacle in Uzbekistan's road-freight market is not lack of demand but competition from a low-tariff segment dominated by small haulers. These operators offer low prices but weakly enforced service obligations, with short, basic contracts, unclear liability for delays, damage, or loss, and minimal insurance. Shippers pay less upfront but bear higher risk, and struggle to recover losses. This "low price, low-responsibility" equilibrium undercuts compliant operators, depresses service quality, and discourages investment in modern trucks, insurance, and digital systems despite strong demand.

RECOMMENDATION 1A. Establish a Certified Carrier framework that raises minimum professional standards in road freight while sequencing enforcement to support market adaptation and compliance. The Ministry of Transport, in

consultation with carrier associations, should establish a minimum profession-entry and operating standard for road freight operators, covering licensing, insurance, safety and social compliance, and operationalize it through a public compliance registry—a "Certified Carrier" mechanism. This would require registry enrolment for Dazvol eligibility for international operations, while enabling domestic operators to opt in voluntarily to strengthen signalling and contractability.[35]

RECOMMENDATION 1B. Amend the Law on Automobile Transport to explicitly allow voluntary transport cooperatives and joint ventures between small haulers and larger, established firms. This would encourage pooled insurance and shared compliance services, enabling small operators to meet certification criteria and gradually move from "low-cost, low-responsibility" operations to quality-assured services. Raising and enforcing minimum standards is likely to trigger consolidation and exit among small and noncompliant operators in the short term.[36]

CONSTRAINT 2. The opaque Dazvol permit system lacks a standardized, role-based[37] digital workflow for reviewing, approving, issuing, and revoking permits, and individual steps are not fully recorded or traceable in an electronic system. Despite the introduction of E-avto, the Dazvol process is not fully integrated and remains largely paper based or semimanual. The lack of an integrated system creates challenges for verifying Dazvol permits at border crossings. This leads to prolonged queuing, often spanning hours or days, resulting in missed loading windows and idle truck time. Operators also have limited ability to verify their position in the queue or challenge decisions. These conditions raise costs, reduce efficiency, and reduce predictability for operators.

RECOMMENDATION 2. Fully integrate Dazvol into E-avto by amending the Law on Road Transport to make E-avto the only legal channel for digital Dazvol and approving a Ministry of Transport order establishing role-based digital workflows for Dazvol. Carriers would use E-avto to receive status updates, making approvals more predictable. Border authorities would also use E-avto to verify Dazvol permits, reducing wait times and costs.

CONSTRAINT 3. Rules and criteria for allocating Dazvol permits are unclear and unpredictable. Without transparent Dazvol allocation rules, new market entrants are disadvantaged and competition is distorted. Opaque Dazvol permit availability, combined with the concentration of permits among a few incumbents, makes it difficult for new carriers to plan operations or justify investment in Euro-standard trucks, new routes, or export contracts.

Road haulage market-access regimes vary by corridor and partner country and may include permit-free arrangements, bilateral exchanges, or quota-based systems. While cross-border operations can generate some discipline through compliance requirements, these mechanisms typically provide limited leverage over purely domestic operations and do not substitute for profession-entry and operating standards. Accordingly, Dazvol governance reforms should be treated as complementary to, not a substitute for, measures that improve baseline carrier quality, safety, and responsibility across the sector.

RECOMMENDATION 3. The Ministry of Transport should publish clear selection criteria, scheduled release windows, application eligibility criteria, real-time data on permit availability, and maximum approval times. This would make Dazvol allocation more transparent, predictable, and equitable. Dazvol batches should be issued only within fixed, preannounced release windows, with the system applying first-come, first-served logic. This will require revising Cabinet of Ministers Resolution No. 277 of July 2023, on the procedure for determining the quota of exchange, distribution, issuance, and use of permits for international road transport, to align with first-come, first-served principles and clear processing-time standards.

CONSTRAINT 4. A complex, fragmented permitting process for commercial land allocation and logistics facility construction can lengthen a typical six- to nine-month development cycle to 12–24 months. Multiple approvals—hokimiyat signoffs, repeated cadastral checks, and separate fire, sanitary, environmental, and utility clearances—add time, uncertainty, and cost, while investors incur land, design, and financing expenses without generating revenue. Compared with transit partners that use digital one-stop systems, Uzbekistan's regime lowers expected returns and raises risks, steering investors toward simpler assets or more conducive markets.[38] The result is slower rollout of modern warehousing and truck hubs and a market dominated by small, incremental, often informal investments that cannot meet growing trade and transit needs.

RECOMMENDATION 4A. Establish a fully digitized online permitting workflow for commercial land. This workflow should integrate all key permits and approvals, including (1) confirmation of land-use and zoning status, (3) geotechnical soil survey clearance, (3) the main construction permit, (4) notification of the start of construction, (5) completion certificate or act of commissioning, and (6) registration of the finished warehouse in the digital cadastre and property registry. Digitizing these steps through a unified portal would prevent discretionary delays while preserving only the approvals that are legally and technically necessary for warehouse development.

RECOMMENDATION 4B. Streamline investor access to commercial land by eliminating four separate investor-facing procedures around hokimiyat land

authorization and shifting them to an integrated back-office workflow. Specifically, once land-use and zoning status are confirmed in existing digital systems, the following should be processed automatically so that the investor experiences a single, time-bound "apply for land and receive approval" step rather than four distinct procedures: (1) the hokimiyat's decision to allocate a specific plot; (2) the issuance of the land-use authorization; (3) the conclusion of the land lease or sale agreement; and (4) the submission of these documents for cadastre registration.

3.3 Impact

Implementing these reforms would help reduce regulatory risk, lower informal costs, and improve logistics efficiency. If fully executed, these reforms could catalyze US$0.95 billion to US$1.05 billion in private investment in warehousing capacity by 2030, including US$106 million in Class A ambient warehousing, US$51 million to US$58 million in cold chain, and US$788 million in logistics parks and multimodal hubs. This investment could generate 98,000–108,000 permanent direct and indirect jobs by 2030, alongside 5,000–7,000 person-year construction jobs during the build-out phase.

Table 3.3

Policy Recommendations to Remove Impediments to Private Investment in Road Freight and Warehousing

Constraints	Recommendations	Responsible agency
1. Uzbekistan's road freight market is distorted by "low-cost, low-responsibility" practices, primarily among small operators.	**1a.** Establish a Certified Carrier framework that raises minimum professional standards in road freight while sequencing enforcement to support market adaptation and compliance.	MOT
	1b. Amend the Law on Automobile Transport to explicitly allow voluntary transport cooperatives and joint ventures between small haulers and larger, established firms.	MOT; Cabinet of Ministers; Parliament (Oliy Majlis)
2. The opaque Dazvol permit system lacks a standardized, role-based digital workflow for reviewing, approving, issuing, and revoking permits, and individual steps are not fully recorded or traceable in an electronic system.	**2.** Fully integrate Dazvol into E-avto by amending the Law on Road Transport to make E-avto the only legal channel for digital Dazvol and approving a MOT order establishing role-based digital workflows for Dazvol.	MOT
3. Rules and criteria for allocating Dazvol permits are unclear and unpredictable.	**3.** The MOT should publish clear selection criteria, scheduled release windows, application eligibility criteria, real-time data on permit availability, and maximum approval times.	MOT; carrier associations
4. A complex, fragmented permitting process for commercial land allocation and logistics facility construction can lengthen a typical six- to nine-month development cycle to 12–24 months.	**4a.** Establish a fully digitized online permitting workflow for commercial land.	Cabinet of Ministers; Cadastre Agency; construction and land-use authorities; regional hokimiyats
	4b. Streamline investor access to commercial land by eliminating four separate investor-facing procedures around hokimiyat land authorization and shifting them to an integrated back-office workflow.	Cabinet of Ministers; regional hokimiyats; Cadastre Agency

Note: MOT = Ministry of Transport.

4 Cultural and Nature-Based Tourism

AT A GLANCE

- Uzbekistan's tourism sector is rapidly growing, supported by recent reforms and the country's rich cultural and natural assets. Yet growth remains concentrated in lower-spending Commonwealth of Independent States (CIS) markets, which account for about 90 percent of arrivals and tend to generate shorter stays.
- Investment is discouraged by regulatory and institutional gaps: opaque land leasing, weak heritage site management and concession frameworks, poor guide training and certification, limited trail infrastructure in natural areas, and the absence of activity-specific safety standards. These gaps raise risks, limit financing, and undermine competitiveness.
- To attract higher-spending visitors, Uzbekistan will need to make tourism land allocation more competitive, standardize heritage site management and concession frameworks, modernize guide certification, improve trail and visitor infrastructure, and publish activity-specific safety and qualification standards.
- These reforms could catalyze US$3.1–4.2 billion in investment by 2030, attract 4.4–5.2 million additional tourists, and create 120,000–180,000 direct and indirect jobs over the medium term, especially in secondary cities and rural areas.

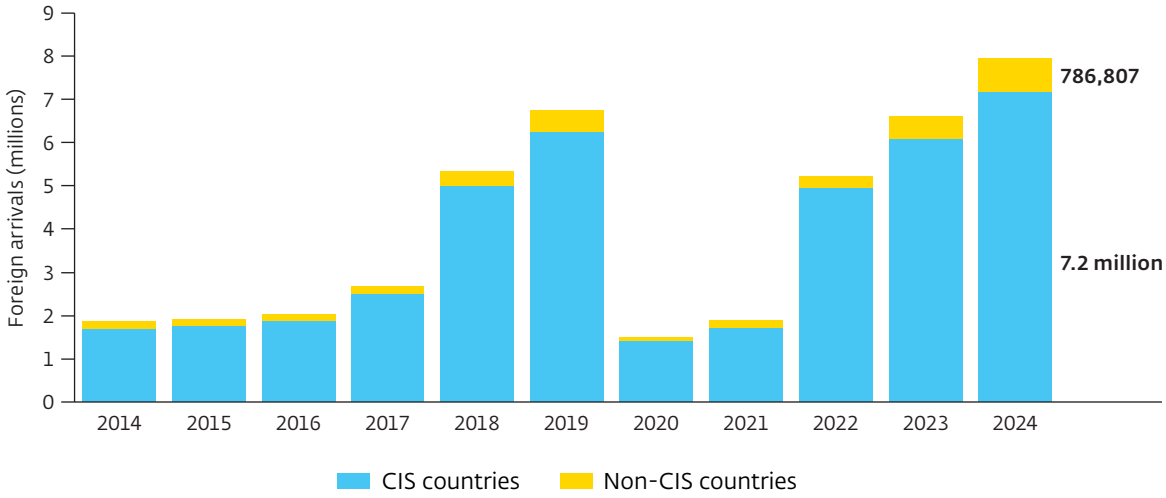
4.1 Sector Context and Private Investment Potential

Uzbekistan is emerging as a fast-growing tourism destination, combining world-class heritage with distinctive natural and cultural assets. The potential to attract private investment in tourism is anchored in two main segments: cultural tourism, driven by over 4,000 historical monuments, including United Nations Educational, Scientific and Cultural Organization (UNESCO) sites; and nature-based tourism, enabled by the country's diverse landscapes. Recent reforms, particularly visa liberalization, and infrastructure investment, have driven strong postpandemic recovery, with arrivals rising from 1 million in 2016 to 7.9 million in 2024 (figure 4.1).

Since 2017, Uzbekistan has pursued an ambitious tourism reform agenda to enhance service quality and attract private investment. The Concept for Tourism Development 2019–25 aimed to attract 9 million foreign tourists by 2025, including 2 million from long-haul markets. In 2025, tourist arrivals reached 11.7 million, an increase of 48.1 percent year over year.[39] The Uzbekistan 2030 Strategy set a higher target of 20 million international visitors,[40] including 3 million pilgrimage tourists, by 2030. The visa regime has been progressively liberalized; by 2025, visa-free access to more than 90 countries, and e-visa or simplified procedures for more than 70 countries. In 2023, responsibility for the tourism sector was consolidated under the Ministry of Ecology, Environmental Protection and Climate Change, with the State Committee for Tourism Development authorized to lead policy initiatives on infrastructure, visa facilitation, marketing, and heritage management. Interagency coordination is overseen by the Prime Minister through the Coordinating Council

Figure 4.1

Tourist Arrivals Rebounded Strongly Since the Pandemic



Source: Uzbekistan Statistics Committee.
Note: CIS = Commonwealth of Independent States

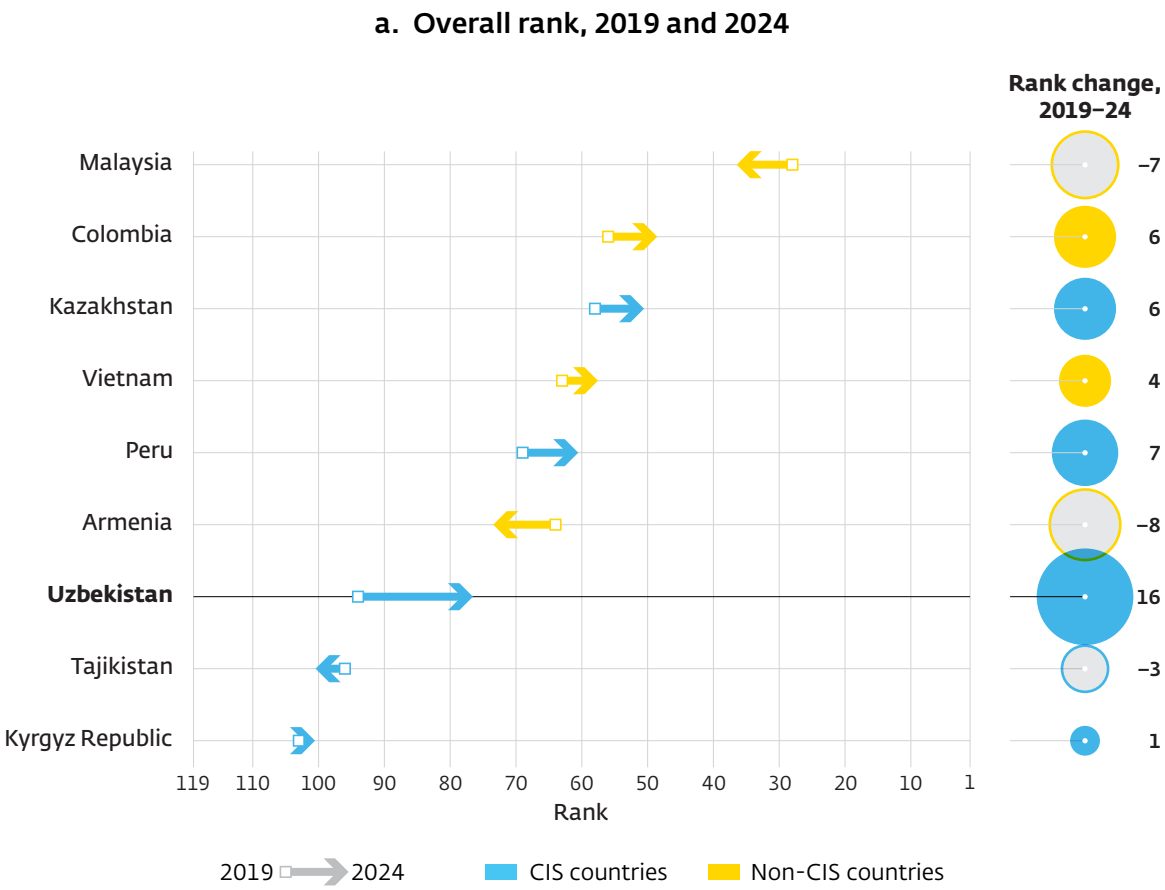
for Tourism Development. In 2025, Uzbekistan joined the International Code for the Protection of Tourists, signaling its commitment to global consumer protection standards.

The sector's transformation is evident in improved international connectivity and overall sector performance. Direct flights increased from 46 cities in 23 countries in 2015 to 84 cities in 35 countries in 2024.[41] Growth was particularly pronounced from Muslim-majority destinations, where flights surged from 84 in 2015 to 551 in 2024[42] and passenger volume rose from 0.18 million to 1.27 million. According to the World Economic Forum's Travel and Tourism Development Index, Uzbekistan achieved the largest improvement globally between 2019 and 2024. Top performance areas included price competitiveness and human resources and the labor market (figure 4.2, panel a). Yet weaknesses, particularly in tourism services and infrastructure and environmental sustainability, continue to constrain further improvements (figure 4.2, panel b).

Figure 4.2

Uzbekistan Had the Largest Tourism Competitiveness Gain

Travel and Tourism Development Index



(Figure continues next page)

Figure 4.2

Uzbekistan Had the Largest Gain in Tourism Competitiveness *(continued)*

b. Index component rank, 2024

Source: WEF (2024).
Note: CIS = Commonwealth of Independent States

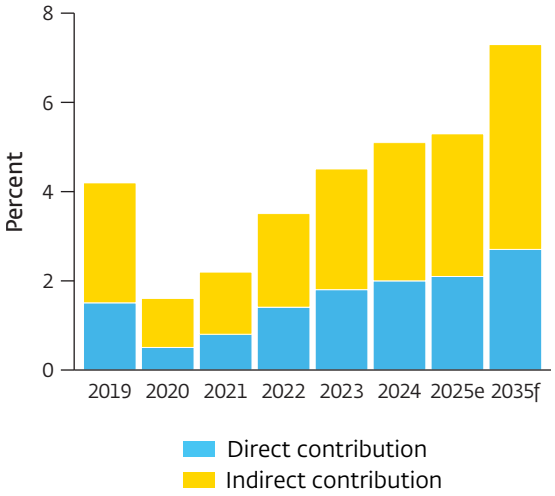
Uzbekistan's tourism sector is sizable but yields low value per visitor. In 2024, it generated US$5.1 billion, or 4.7 percent of gross domestic product (figure 4.3), and supported over 842,000 jobs, or 6 percent of total employment (figure 4.4). However, reliance on low-spending regional travelers has limited revenue growth and investment: receipts per arrival in 2023 were US$318, well below Georgia (US$869), Malaysia (US$833), and the global average (US$1,192).[43] About 90 percent of arrivals are from CIS countries,[44] but they contribute only 22.2 percent of receipts. In contrast, higher-spending visitors from China, the United States, Europe, and other East Asian markets collectively represent less than 10 percent of total arrivals but account for 41.8 percent of all tourism spending (figure 4.5).

Uzbekistan's challenge is not only the number of visitors they receive but also the short duration of their stays, which directly affects revenue potential and the business case for investment. Between 2020 and 2022, the average stay of international tourists fell to 2.1 nights, from 2.5 in 2016–18, far below global norms of 5.7–6.5 nights and regional comparators such as Kazakhstan, at 5.1 nights, and Tajikistan, at 7.0 nights

Figure 4.3

A Growing Tourism Sector…

Share of tourism in GDP

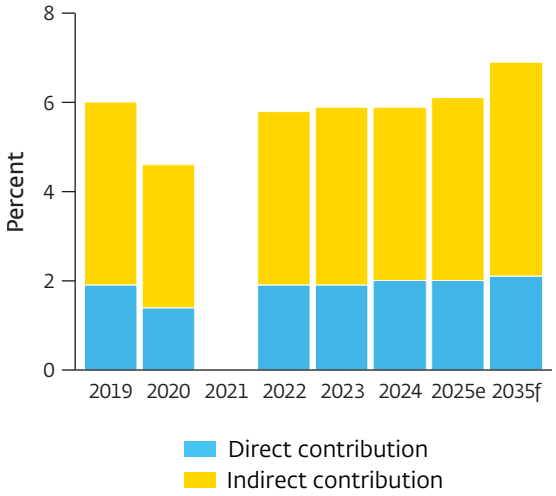


Source: Based on World Travel and Tourism Council data.
Note: GDP = gross domestic product.

Figure 4.4

…With Significant Job Creation Potential*

Share of tourism employment in total employment

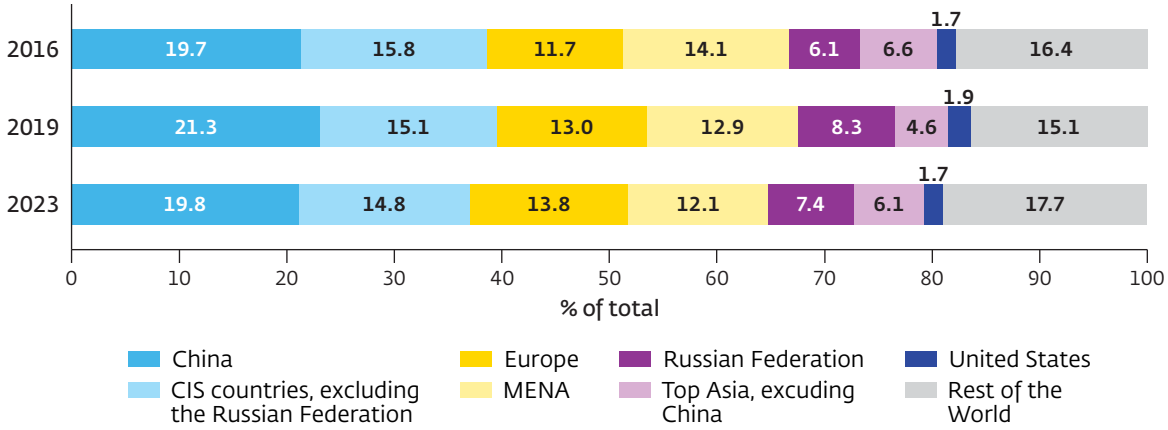


Source: Based on World Travel and Tourism Council data.
*Tourism gross domestic product outpaced employment as the post-COVID rebound increased receipts and prices faster than firms added workers. Capital-intensive investment lifted labor productivity, while skills shortages held back hiring in labor-intensive segments.

Figure 4.5

Source Markets Remain Largely Unchanged…

Importers of Uzbekistan's travel exports



Source: Based on data from World Trade Organization and Organisation for Economic Co-operation and Development Balanced Trade in Services database.
Note: CIS = Commonwealth of Independent States; MENA = Middle East and North Africa.

Table 4.1

…with CIS Source Markets Driving Shorter Stays

	Average number of days inbound tourists stay		
	2016–18	2018–20	2020–22
South Asia	12.4	12.6	13.9
East Asia and the Pacific	6.3	6.6	10.3
Tajikistan	7.0	7.0	7.0
Global	5.7	5.8	6.5
Eurasia	6.2	6.4	6.5
Sub-Saharan Africa	5.7	5.6	5.6
Kyrgyz Republic	3.0	4.2	5.1
Kazakhstan	5.0	5.1	5.1
Middle East and North Africa	4.6	4.8	4.8
Georgia	4.0	4.3	4.3
Azerbaijan	4.8	4.5	4.1
Türkiye	3.8	3.4	3.2
Uzbekistan	2.5	2.3	2.1

Source: WEF (2024).
Note: CIS = Commonwealth of Independent States.

(table 4.1). Driven by short cross-border and day trips from CIS countries, this pattern compresses per-visitor spending on accommodation, food, and services, weakening profitability, asset utilization, and the investment case. Unlocking higher value requires diversifying offerings and destinations to attract longer-stay and higher-spending leisure travelers. Opportunities exist in community-based tourism (CBT), pilgrimage tourism, cultural events for regional visitors, and soft adventure products for European and Gulf markets.

High seasonality is a structural challenge, straining hotels, transport, guides, and hospitality staff in spring and fall while remaining underutilized in summer and winter. This undermines the financial sustainability of tourism businesses. A 2024 presidential decree launched the "Travel in Each of the Four Seasons" program to promote different tourism segments across the calendar: gastronomy in spring and fall, historical tourism in summer, and skiing in winter.

4.1.1 *Cultural Tourism*

Cultural tourism[45] is the backbone of Uzbekistan's tourism sector, although some segments remain underdeveloped. Anchored in its Silk Road legacy, the country hosts five UNESCO World Heritage sites—Samarkand, Bukhara, Khiva, Shakhrisyabz, and the Zeravshan-Karakum corridor—and has another 35 sites nominated for inscription. It has also more than 4,000 historical monuments, ranking ninth in the world in 2020.[46] Faith-based tourism has investment potential but is underdeveloped, with over 1,000 cultural sites related to Islamic heritage (see box 4.1).

Despite improved heritage management, regulatory and service gaps continue to erode the value of the country's tourism assets. The government has strengthened the heritage protection framework by establishing the Agency for Cultural Heritage, forming a UNESCO advisory committee, and investing in restoration and conservation at priority sites.[47] However, UNESCO has flagged gaps in site-level management, including poor coordination of conservation, fragmented or incomplete management planning, and the need for stronger development and activity control as visitation increases.[48] These gaps manifest in crowding, unmanaged visitor flows, and the proliferation of tourism-related businesses in and around heritage sites. The absence of clear spatial, quantitative, and operational controls limits the ability of site authorities to manage visitor circulation and protect sensitive areas, increases long-term risks to heritage assets, and reduces the quality of the visitor experience. Guides are prevalent at sites, but inconsistent enforcement of guide certification and registration leads to uneven quality, weakens tour quality, and creates reputational risks.[49]

Box 4.1

Faith-Based Tourism in Uzbekistan

Faith-based tourism—travel to visit holy centers, places, or events—is an important market in Uzbekistan, which ranks among the top 20 Muslim-friendly destinations in the Global Muslim Travel Index.[a] The country has expanded direct flights with Muslim-majority countries,[b] improved faith-based marketing, introduced the Tabarruk Ziyarat platform, launched in 2023 and listing 175 sites in Uzbekistan,[c] and introduced the "Umrah Plus" initiative targeting pilgrims transiting to or from Mecca, particularly from Malaysia and Indonesia.[d]

Several constraints continue to discourage investor interest and market growth. A primary bottleneck is the incomplete rollout of a credible halal certification framework. Uzbekistan joined the Standards and Metrology Institute for Islamic Countries in 2019, aligned with OIC/SMIIC 1: 2019 standards on general halal food requirements, and launched a national halal certification system through Cabinet Resolution No. 57 in February 2025. However, implementation remains nascent. Uneven enforcement, limited transparency on applicable standards, and the absence of a certification registry weaken trust, forcing some investors to rely on international certifiers. This adds costs, raises entry barriers, and reduces Uzbekistan's competitiveness against established halal destinations.

a. Mastercard and Crescent Rating (2025).
b. Based on data from OAG Air Traffic Analyser database.
c. See "News," Tabarruk Ziyorat, Tourism Committee, https://tabarrukziyorat.uz/news.
d. Kun.uz (2025b).

Uzbekistan has niche cultural tourism potential in gastronomy and CBT, but these segments remain underdeveloped due to gaps in data, promotion, and product standardization. Gastronomy tourism is a growing global segment, with 53 percent of leisure travelers identifying as food travelers.[50] Uzbekistan promotes the segment through seasonal food festivals and dedicated websites. However, Uzbekistan-specific content is limited, with little guidance on popular restaurants or itineraries. Private operators struggle to develop products because data on visitor spending, activity preferences, and regional demand are scarce. Uzbekistan scores low on the World Economic Forum's Travel and Tourism Development Index for intangible heritage, at 21 out of 100, reflecting weak product standardization and formalization. The CBT Uzbekistan platform[51] maintains a national registry and a catalog of certified guesthouses, but weak integration with broader marketing channels curbs visibility and private investment.

4.1.2 *Nature-Based and Adventure Tourism*

Nature-based[52] and adventure[53] tourism have been growing rapidly worldwide, and Uzbekistan has significant untapped potential. Globally, adventure travelers made up approximately 30 percent of all travelers and contributed US$683 billion in spending in 2022.[54] This market has a higher local economic impact than mass-market tourism: 65 percent of spending remains in-country, compared to 14 percent for mass-market tourism. Adventure tourism also generates more jobs, with an estimated 2.6 local jobs per US$100,000 in expenditure, compared with just 1.5 jobs for mass-market tourism.[55]

However, Uzbekistan underperforms in adventure tourism due to poor resource protection, limited tourism infrastructure in natural areas, and underdeveloped products. The country has a range of natural assets, from the Nuratau Mountains and Zaamin National Park to the Kyzylkum Desert and Aral Sea. Tripadvisor lists 70 nature and wildlife tours in Uzbekistan, with activities such as four-wheel driving tours, hiking, and yurt camping. A few operators have branched out into more varied products, such as rafting on the Ugam River, canyoning in Chimgan-Beldersay, or mountain biking in the Nuratau Mountains. However, the country ranks 122nd in Adventure Travel Trade Association's 2024 Adventure Tourism Development Index, far behind Kazakhstan, at 93rd, and the Kyrgyz Republic, at 98th.[56] The ranking is weighed down by the natural resources pillar, at 0.17 out of 1, indicating weak protection, management, and visitor-ready infrastructure in natural areas.

Despite some improvement, Uzbekistan's regulatory framework for conservation and tourism continues to discourage private investment. The 2004 Law on Protected Natural Territories[57] permits sustainable tourism and revenue reinvestment. The 2025 Biodiversity Finance Plan supports tourism conservation and rural livelihoods. A 2019 national standard, O'z DSt ISO 18065: 2019, guides protected area management through access planning, zoning, capacity limits, and impact monitoring. However, concession procedures remain undefined, limiting the development of itineraries and infrastructure within protected areas. Operators report that unclear land ownership and land-use rights restrict access to rural areas, hindering itinerary planning and product development.

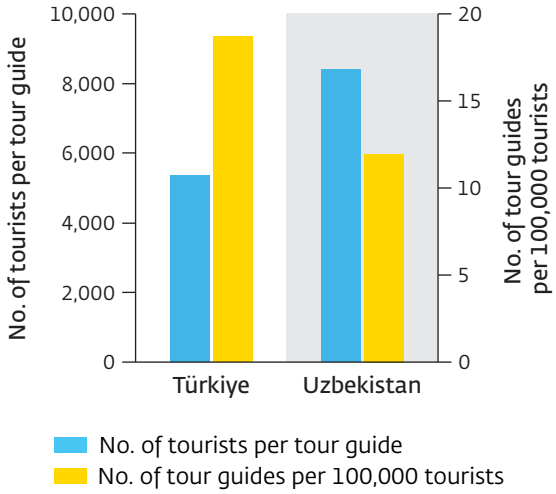
Uzbekistan's adventure tourism sector faces shortcomings in training, regulation, infrastructure, and marketing. Several capacity-building programs exist, but with only two registered mountaineering guides and no certification system, technical skills training for specific activities, such as rafting or rock climbing, remains minimal. Although a national standard on risk management[58] has aligned safety protocols with international practices, the absence of clear, activity-specific regulations for safety, equipment, and operator qualifications creates uncertainty for both operators and insurers. This affects insurance availability, consumer trust, and private investment.[59] Soft infrastructure, such as marked

and maintained trails, signage, shelters, and trained guides is underdeveloped, leaving many natural areas effectively inaccessible for independent travel. Without basic facilities, nature-based activities cannot reach scale, making it unattractive to private investors. Marketing is weak: the national tourism website references ecotourism and sport tourism but lacks itineraries, certified operators, safety guidance, or destination details, undermining consumer confidence and brand positioning.

Figure 4.6

Guide Capacity Is Becoming a Binding Constraint

Tour guide availability, Türkiye and Uzbekistan



Source: UNWTC; Tourism Committee; Turkish Guide Association.

4.1.3 *Tourism Regulatory Framework*

Since 2017, Uzbekistan has significantly improved its tourism regulatory framework, especially for tour operators and accommodation providers. However, significant gaps persist in the regulation of tour guides. With fewer than 1,000 active guides, or just 12 per 100,000 tourists, Uzbekistan falls short of Türkiye's benchmark of 19 (figure 4.6).[60] Guides and excursion leaders are required to obtain certification from the Committee for Tourism and the Tourism Development Institute,[61] which requires a relevant diploma or training certificate and successful completion of written and practical exams. Certification is valid for three years, with retraining required thereafter, although guides with at least nine years of experience can receive a lifetime certificate.[62]

Despite this framework, the certification process suffers from limited transparency, weak enforcement, and reliance on a single general training course, with no specialization for high-demand areas such as cultural heritage, faith-based guiding, or adventure tourism.[63] There is no certification pathway for adventure guides distinct from that for cultural guides. For religious and cultural tourism, the gap is qualitative: guides often lack the theological and historical depth that scholars possess, but those scholars are not entering the profession due to the absence of a formal certification track or recognition pathway. Curriculum and exam content are not publicly accessible, and anecdotal evidence suggests that many guides operate informally. As a result, certification provides limited and inconsistent benefits, undermining service quality and reducing incentives for guides to invest in training or compliance.

Secure and predictable access to land is necessary for tourism investment but remains absent in Uzbekistan. Because all land is state owned, tourism projects rely on state land-use or lease rights. These rights are governed primarily by the Land Code (Law No. 598-I), together with a range of secondary regulations. The Land Code assigns land allocation and lease issuance to local executive authorities, or hokimiyats, while other legally required elements of the land-use process, such as state registration of rights, environmental clearance, and compliance with sectoral permitting regimes, are governed under separate laws and administered by different institutions. Under this system, access to state land and permitted land use for tourism are determined through administrative decisions by local executive authorities, with market-based mechanisms such as electronic auctions applied selectively. The division of legal authority also means that lease issuance is not legally linked to standardized allocation criteria, development readiness, or financing considerations.

Several core provisions of the Land Code create risks for investors. Nonresident entities may lease nonagricultural land for shorter maximum terms than domestic entities: 25 years compared with 100 years.[64] The 25-year cap for foreign investors is at the lower end of tenors typically sought by lenders and investors, which range from 20 to 99 years,[65] and can be prohibitive for capital-intensive projects such as hotels or resorts. Further, article 36 introduces the two-year "use-it-or-lose-it" rule, permitting termination of land-use rights if land is not used within two years. This creates material risk for staged or complex tourism projects, such as resort clusters, cable cars, and cultural precincts, that require lengthy permitting, heritage approvals, and financing closure. Although reforms have been underway to improve transparency in land allocation, including electronic auction mechanisms, the Land Code and its implementing regulations do not establish uniform, publicly codified criteria governing allocation methods, lease duration, renewal, termination, or pricing across regions. This lack of transparency and security dampens investor confidence, particularly among foreign and midsize developers, and can deter otherwise viable projects.[66]

4.1.4 *Tourism Supply and Services*

Access to heritage and natural sites is constrained by road quality, rail capacity, and air connectivity gaps that raise costs, deter investment, and reduce visitor flows. Road corridors connecting UNESCO World Heritage sites have deteriorated amid under-investment and limited use of public-private partnerships. Rail infrastructure presents a mixed picture: the Tashkent-Samarkand-Bukhara-Khiva corridor is served by high-speed trains with expanding capacity, but peak-season capacity is strained, and bulk ticket purchases by tour operators crowd out individual travelers. Heritage sites beyond the primary cities lack rail access, with no framework to connect rail with onward road transport.

Air connectivity growth has been concentrated in established hubs, with few direct routes to major source markets; limited and imbalanced demand, inbound versus outbound, on many routes makes service commercially marginal.[67] Despite strong overall demand—15.6 million passengers in 2025, up 14 percent year over year—the dominant position of Uzbekistan Airways constrains competitive pricing, and high fares relative to competing destinations further narrows the addressable market.[68] World Bank and Asian Development Bank assessments confirm that these constraints suppress tourism growth, diminish visitor experience, and weaken the commercial viability of tourism investments.[69] Cost pressures are easing with a new private fuel supplier, domestic jet fuel production, progressive reductions in airport charges, and a 2025 decree eliminating customs duties and value added tax on aircraft imports.[70]

Uzbekistan's hotel sector expanded after the COVID-19 pandemic. Occupancy reached 54.5 percent in 2024, up from 16.5 percent in 2020, with an average daily rate of US$127.20 and revenue per available room of US$69.37. However, the limited supply of midrange and budget facilities, as well as accommodation outside main hubs, constrains market diversification.

Alternative accommodation, including short-term rentals and guest houses, is becoming an important complement to the hotel sector. Despite moderate occupancy of 36.4 percent and an average daily rate of US$63.60, the market shows annual revenue growth of 12.8 percent. Guest houses are a growing niche, concentrated in heritage destinations such as Bukhara, Khiva, and Samarkand. Often family run, they emphasize traditional Uzbek hospitality through cultural experiences such as cooking classes, handicraft workshops, and farm activities. In 2024, guesthouses hosted 605,000 visitors across 566 establishments.[71] This model strengthens community-based tourism by linking accommodation directly with local livelihoods.

Tour operators are increasing in number and scale, with growth concentrated in major hubs. According to the National Statistics Committee, 743 travel companies and organizations operated across Uzbekistan in 2024, serving nearly 2 million people through over 600,000 tours—more than double the number of tours in 2023.[72] Between January and July 2025, tour operators and travel agencies generated UBZ 1.9 trillion, around US$150 million, up 44 percent year over year.

Access to finance remains a major impediment to private investment, particularly for projects outside the government-designated flagship pipeline. Large-scale projects benefited from per-room construction subsidies, tax holidays, and partial coverage of international franchise fees, successfully attracting branded operators to Tashkent and the main cultural corridor. Financing conditions for the broader sector, however, are considerably more constrained. High interest rates render most private investment effectively not

bankable. Banks require collateral of up to 130 percent of loan value while capping property appraisals at 70 percent of market value, creating a structural gap that most small operators cannot bridge. Intangible assets are not recognized as collateral, a particular barrier for tour operators. Without longer tenor, affordable financing instruments, sector growth may remain confined to main cultural corridors and large urban centers.

Skills shortages in the tourism sector stem from gaps in education and training, reinforced by labor migration and weak industry incentives. Employers note a mismatch between educational outcomes and market needs, with the best talent absorbed by luxury hotels and premium operators, while midrange and budget providers struggle to meet service standards. Tourism education and training programs are not producing job-ready graduates: curricula remain overly theoretical, instructors lack industry exposure, and rigid academic calendars limit practical experience during peak tourism seasons.[73] As a result, major hotel operators and large firms invest in in-house training, while smaller firms often cannot afford to do so.

Language skills represent an acute gap. Russian, the dominant language of CIS visitors, is in structural decline among younger Uzbek cohorts, while capacity in niche languages critical for high-value market segments remains limited. The perception of hospitality as low-status employment, deeply embedded in CIS professional culture, is not primarily a skills-supply problem but an incentive and recognition problem. These challenges erode service quality and deter young people from pursuing tourism careers.

4.2 Constraints to Private Investment and Recommendations

CONSTRAINT 1. Fragmented land-leasing and land-use rules create uncertainty, raise risks, and deter private investment in tourism on state land. Because private land ownership is not permitted in Uzbekistan, tourism projects rely on state land-use or lease rights under the Land Code (Law No. 598-I), which does not provide a standardized, investment-oriented leasing framework. The code allows both auction and nonauction land allocation without uniform, publicly codified criteria, resulting in variable lease conditions across regions. Article 36 of the Land Code allows terminating land rights if land is not used within two years, despite the longer permitting and financing timelines required for capital-intensive tourism projects. The code also does not allow the pledge or assignment of lease rights, constraining tenure security and collateral use and forcing reliance on other assets as collateral or equity. This is particularly acute for midsize developers, which often lack the equity base of large investors. Lease durations for nonresident entities are capped at 25 years, compared with up to 100 years for domestic entities. These hurdles weaken tenure security, limit access to finance, increase risk and costs, and discourage private investment.

RECOMMENDATION 1. **Amend the Land Code (Law No. 598-I) to standardize tourism land leasing through competitive access, published criteria, and clear lease terms.** The Ministry of Ecology, Environmental Protection and Climate Change should establish a single-window process with standardized, published criteria and model lease contracts for land used for tourism. The amendments should (1) mandate competitive allocation and pricing; (2) extend the "use-it-or-lose-it" window; (3) raise the maximum lease term for nonresident investors above 25 years, with clear, predictable renewal provisions to align with lender and investor tenor expectations and enable capital-intensive projects; and (4) publicly disclose available and leased plots in both Uzbek and English.

CONSTRAINT 2. **Weak site-level controls undermine protection of cultural heritage sites.** Uzbekistan's heritage attractions are drawing visitors faster than site-level management systems can accommodate, exposing gaps in how visitor and commercial activity is organized and controlled. In the absence of standardized, site-specific frameworks defining permissible activities, spatial use, capacity limits, and operational requirements, tourism-related development and commercial activity expand in ways that are difficult to manage effectively. This contributes to congestion, uncontrolled visitor movement, and increased pressure on heritage fabric, while creating uncertainty for operators and investors about what is allowed, where, and under what conditions.

RECOMMENDATION 2. **Issue a regulation, through a ministerial order or cabinet resolution, authorizing standardized site-level management plans, zoning maps, permits, and concession framework.** Uzbekistan should pilot a standardized site-level management and concession framework at high-traffic cultural heritage sites to address overtourism pressures, improve control over development and activities, and strengthen the financial sustainability of site maintenance. Building on existing cultural heritage mandates and UNESCO guidance, the framework should define permissible tourism and commercial activities by zones, establish spatial capacity limits, and introduce clear operational requirements for authorized activities, including retail and visitor services. The framework should be implemented through standardized management plans, permits, or concession agreements, with clear enforcement provisions. This would improve visitor flow management, reduce conservation risks, enhance the visitor experience, and create more predictable conditions for responsible private investment.

CONSTRAINT 3. **Outdated guiding certification standards and weak enforcement undermine service quality, trust, and profitability.** While a mandatory qualification exam and certification system exists, the curriculum is not transparent, may be outdated, and is not well tailored to adventure, cultural, or nature-based guiding. Current rules allow experienced guides to bypass retraining, reducing incentives for skill upgrading and limiting the adoption of modern safety, interpretation, and visitor-management practices. At the

same time, enforcement is inconsistent: uncertified guides continue to operate at popular sites, while certified guides report being challenged by tourist police, indicating poor coordination among enforcement bodies. These weaknesses erode consumer confidence, create unfair competition, reduce guide profitability, and discourage both guides and tour operators from investing in training and higher-value tourism products, particularly in emerging segments that depend on specialized guiding skills.

RECOMMENDATION 3A. Modernize and professionalize guide certification through a transparent, specialized national curriculum. Uzbekistan should establish a standardized, publicly accessible national guiding curriculum, aligned with international good practices such as the UNESCO Competence Framework and subject to regular independent review. The curriculum should introduce specialization tracks, such as cultural heritage, adventure, nature-based, and faith-based tourism, to build capacity in priority tourism segments. For certain tracks, streamlined competency-based pathways should allow professionals with relevant credentials to qualify through simplified assessments, such as nontechnical and guiding related, rather than full retraining. *This would apply*, for example, to historians and Islamic scholars for cultural and faith-based tracks, and to safety, first aid, and natural science professionals for adventure and nature-based tracks. The certification framework should also introduce a formal language designation, referenced against an internationally recognized standard, to promote multilingual guiding and create a marketable credential that incentivizes investment in language skills. Recertification requirements should be modernized, for example by extending recertification intervals for experienced guides while ensuring continued learning and updated safety standards.

RECOMMENDATION 3B. Strengthen enforcement and consumer trust by establishing a centralized, credible, and public registry of certified guides. The registry should function as both a verification tool for tourist police and site managers and a marketing asset that allows operators and visitors to identify qualified guides. It should clearly display guide certification status, such active or inactive, specialization, and language proficiency. Linking enforcement to a single, authoritative registry would reduce inconsistent checks, restrict access for uncertified guides at key sites, and improve coordination among enforcement bodies. Certification requirements can be enforced at high-traffic, access-controlled sites, such as UNESCO World Heritage sites and major cultural monuments, where entry management infrastructure already exists. As certification rates rise and enforcement capacity strengthens, the requirement can be extended to additional sites. By concentrating enforcement where it is most feasible and most visible, this approach would strengthen consumer trust, reward certified guides with higher demand, and create clearer financial incentives for professionalization and private investment in the guiding sector.

CONSTRAINT 4. **Limited trail infrastructure in natural areas constrains private sector product development in nature-based and adventure tourism.** Adventure tourism in Uzbekistan is constrained by limited basic but essential soft infrastructure, such as well-marked trails, multilingual signage, trail maps at trail heads, emergency points or safety stations, and campgrounds or shelters. Without this infrastructure, multiday treks and independent exploration remain difficult to organize, reducing visitor length of stay and discouraging operators from developing new, diversified products. These gaps raise risks and deters private operators from entering this segment.

RECOMMENDATION 4. **Put in place trail infrastructure that enables safe, scalable adventure and nature-based tourism in priority destinations.** This includes (1) marked and maintained trails; (2) multilingual signage at trailheads, featuring maps, difficulty ratings, and safety guidance; (3) emergency points and wayfinding signage; (4) basic campgrounds or mountain huts to support multiday trekking; and (5) publicly disseminated information on safety and qualifications standards via national promotion platforms to enhance visibility and attract adventure tourists. This is consistent with article 26 of the Law on Protected Natural Areas, which permits tourism and mass recreation and allows limited economic activity in designated zones. The government should prioritize the main adventure areas such as Zaamin, Chimgan, and the Nuratau region, where visitor flows already exist but facilities constrain product scale-up. Infrastructure should be planned and managed in partnership with local communities and private operators. Sustainable maintenance mechanisms, such as visitor fees or levies in protected and rural areas, should be established.

CONSTRAINT 5. **The absence of clear activity-specific safety and qualification standards restricts insurability and investment in adventure tourism.** Despite the presence of a general national risk management standard, Uzbekistan lacks clearly defined activity-specific safety, equipment, and operator qualification standards for key adventure activities such as rafting, rock climbing, trekking, and canyoning. International evidence shows that such standards are essential for enabling insurance coverage, reducing operator risk, and building consumer confidence.[74] In their absence, insurers may apply higher premiums or deny coverage altogether.[75] This limits market entry, restricts scaling of existing operators, and constrains the development of adventure tourism products despite strong natural assets and growing global demand.

RECOMMENDATION 5. **Establish and publish activity-specific adventure tourism safety and qualification standards aligned with international good practice.** The State Committee for Tourism should coordinate with international regulatory bodies, tourism associations, and experienced operators to define minimum safety procedures and guide qualifications. Uzbekistan should adopt and publicly disseminate these activity-specific safety, equipment, and operator qualification standards for priority adventure

activities such as rafting, rock climbing, canyoning, and trekking. These standards should be centrally published in both Uzbek and English and referenced consistently across marketing and licensing processes. By clarifying safety expectations and professional requirements, such standards would improve access to insurance, strengthen consumer trust, enhance Uzbekistan's reputation as a safe adventure destination, and create a more enabling environment for private investment and growth.

4.3 Impact

If implemented, the proposed tourism sector reforms could catalyze US$3.1 billion to US$4.2 billion in private investment in accommodation and complementary services over the medium term, with additional induced investment in other sectors. Based on sector benchmarks and Uzbekistan's current capacity, these investments could generate 120,000–180,000 direct and indirect jobs, contingent on parallel efforts to expand the supply of skilled labor. Reforms would lengthen stays, expand accommodation supply, and diversify experiences across heritage and nature assets, supporting higher tourism receipts and spillovers to micro, small, and medium enterprises in food services, handicrafts, and local logistics.

Table 4.2

Policy Recommendations to Remove Impediments to Private Investment in Cultural and Nature-Based Tourism

Constraints	Recommendations	Responsible Agency
1. Fragmented land-leasing and land-use rules create uncertainty, raise risks, and deter private tourism investment on state land.	**1.** Amend the Land Code (Law No. 598-I) to standardize tourism land leasing through competitive access, published criteria, and clear lease terms.	Prime Ministry, MOEEC/Tourism Committee, Ministry of Justice
2. Fragmented management of cultural heritage sites weakens asset protection and tourism value.	**2.** Issue a regulation, through ministerial order or cabinet resolution, authorizing standardized site-level management and concession frameworks.	Prime Ministry, MOEEC/Tourism Committee, Cultural Heritage Agency
3. Outdated guiding certification standards and weak enforcement undermine service quality, trust, profitability, and investment.	**3a.** Strengthen curriculum design and transparency for guide certification. **3b.** Introduce a transparent guide registry to enforce compliance and build consumer trust through coordinated recognition.	MOEEC, Tourism Committee, education and vocational bodies
4. Limited trail infrastructure in natural areas constrains private sector product development in nature-based tourism.	**4.** Invest in essential trail infrastructure that enables safe, scalable adventure and nature-based tourism in priority destinations.	MOEEC, Tourism Committee, local governments
5. Lack of clear activity-specific safety and qualification standards restricts insurability and investment in adventure tourism.	**5.** Establish and publish activity-specific adventure tourism safety and qualification standards aligned with international best practice.	MOEEC/Tourism Committee, relevant safety and regulatory bodies

Note: MOEEC = Ministry of Ecology, Environmental Protection and Climate Change.

5 Generic Pharmaceuticals and Dietary Supplements

AT A GLANCE

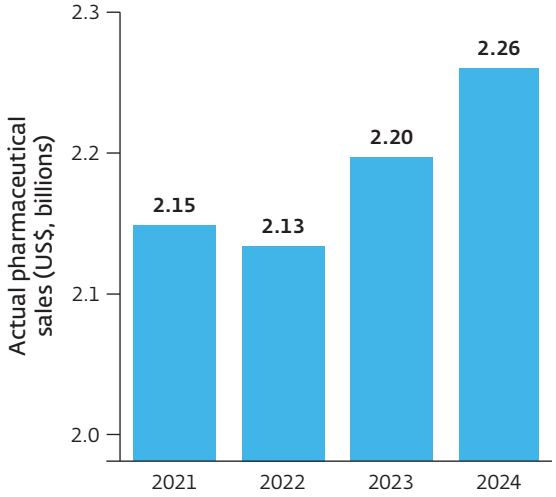
- Rising pharmaceutical demand across Central Asia could position Uzbekistan as a major regional supplier. Its generics base, growing nutraceuticals and vitamins segment, and medicinal-plant resources for natural active pharmaceutical ingredients (APIs) offer export potential.
- Investment remains constrained by the absence of bioequivalence capacity for product registration and exports; good manufacturing practice (GMP) standards that diverge from regional norms; weak enforcement of API documentation; uncoordinated registration and serialization systems; protracted drug-approval timelines; and lack of mandatory food-safety standard for nutraceuticals.
- To unlock investment, Uzbekistan should establish accredited bioequivalence laboratories and require bioequivalence studies for all new publicly procured generic medicines; align GMP standards with international norms; enforce complete API documentation; integrate registration and serialization into a single digital platform with binding review timelines; and mandate internationally recognized, risk-based food-safety management for nutraceutical producers.
- These reforms could attract US$43–76 million in investment and create 4,700–8,200 direct and indirect jobs under a conservative scenario. Under an optimistic scenario, investment could reach US$107–188 million, with 11,700–20,400 jobs over the medium term.

5.1 Sector Context and Private Investment Potential

Uzbekistan's pharmaceutical market has sustained growth in recent years. Sales increased by approximately 5 percent between 2021 and 2024, driven by population expansion, rising household incomes, and improved access to health care services (figure 5.1). Per capita pharmaceutical consumption has increased alongside income growth and expanded health care access (figure 5.2). Despite this positive trajectory, per capita pharmaceutical spending in Uzbekistan remains below comparator markets, such as Kazakhstan and Türkiye, suggesting considerable scope for market expansion as incomes rise and health care coverage deepens.

Figure 5.1

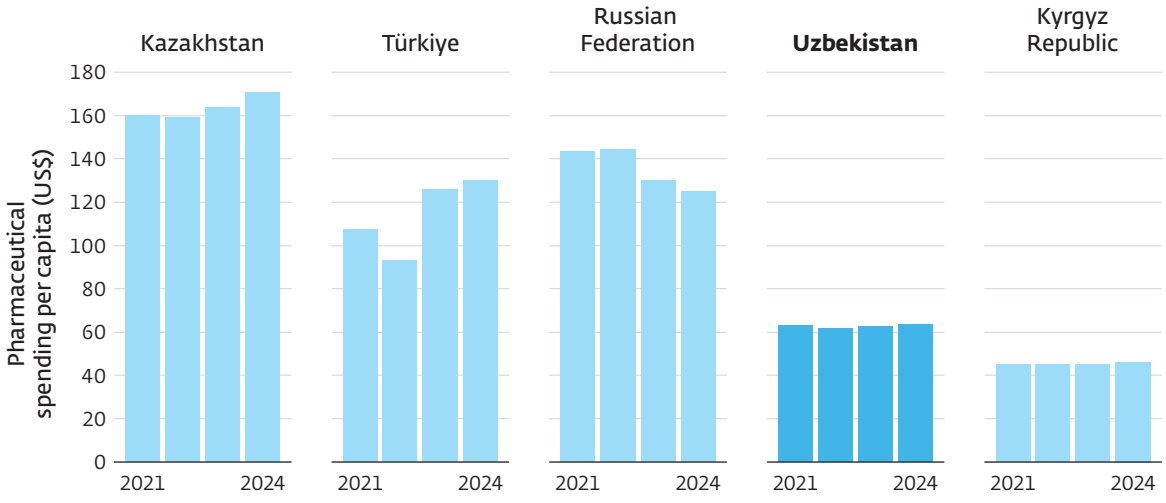
Uzbekistan's Domestic Pharmaceutical Market Is Growing



Source: Fitch BMI.

Figure 5.2

Uzbekistan's Pharmaceutical Spending Remains below Comparators



Source: Fitch BMI.

Fragmented purchasing decisions, however, may deter private investment. Uzbekistan's pharmaceutical market remains largely retail- and household-financed. Out-of-pocket spending accounted for about 60 percent of current health expenditure from 2018 to 2023,[76] indicating that demand is dispersed across millions of households rather than concentrated among large pooled buyers. This structure is reflected in the scale and growth of the retail pharmacy channel: Proxima Research estimates retail sales of drugs and food supplements at approximately US$2 billion in 2024, including US$91 million in food supplements. This confirms that most market volume and value flows through pharmacy sell-out rather than centralized procurement.[77]

Uzbekistan's pharmaceutical market growth is being propelled by two fast-growing segments: affordable generics and dietary supplements. Both are supported by wider access to health care and increasing consumer awareness of preventive health. Generics account for a large portion of Uzbekistan's pharmaceutical sales, at 49 percent of the total market value, supported by lower prices and expanding health care access in rural areas.[78] They dominate high-volume therapeutic categories, such as antibacterials, which account for 10 percent of the market, along with other high-demand products including analgesics and widely used medicines such as Fluconazole and Citicoline.[79] Respiratory therapies, such as nasal sprays, diabetes medicines are also growing, reflecting the rising incidence of chronic and respiratory diseases. At the same time, Uzbekistan's dietary supplements segment—including vitamins, nutraceuticals, and herbal products—have expanded steadily as consumers increase their use of products such as Vitamin D3, magnesium, and other alimentary tract and metabolism supplements. Herbal and nutraceutical products are emerging as dynamic niches, with major firms producing established formulations alongside newer products for immune, digestive, and cognitive health. Together, these segments are becoming important growth drivers of Uzbekistan's pharmaceutical and wellness industries.

Rising demand for generics and dietary supplements across Central Asia also creates export opportunities. Pharmaceutical imports in the region increased by about 129 percent between 2019 and 2024,[80] driven by strong demand for both preventive care and chronic disease management. General therapeutics accounted for the largest share of imports, growing by 13 percent annually (table 5.1). Dietary supplements expanded rapidly, with vitamin medicaments reaching US$109 million and growing at a 20 percent compound annual growth rate (CAGR), reflecting a regional shift toward proactive health care. Generic drug imports also grew strongly, including antibiotics, which reached US$177 million and grew at an 8 percent CAGR, and autoimmune and anti-inflammatory treatments, which reached US$59 million and grew at a 15 percent CAGR. Similar trends are visible across regional markets: dietary supplements account for roughly 10 percent of pharmaceutical markets in Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan,

Table 5.1

Rising Imports and Expanding Nutrition and General Medicaments Market in Central Asia*

Therapeutic area	Five-year CAGR (%)	Imported value, 2024 (US$, millions)
Nutrition and preventive care	20	109.85
Autoimmune and anti-inflammatory	15	59.60
General, OTC, and unclassified therapeutics	13	1,584.71
Endocrinology and hormone therapy	10	85.17
Antibiotics and infectious disease	8	177.45
Respiratory and stimulants	6	0.19
Endocrinology and diabetes	4	25.57
Pain management and neurological	–1	40.51
Infectious disease	–1	0.99

Source: International Trade Centre Trade Map.
Note: CAGR = compound annual growth rate; OTC = over-the-counter.
* Excludes Uzbekistan.

growing by more than 5 percent annually. Kazakhstan leads in scale, while smaller markets such as the Kyrgyz Republic are expanding steadily (table 5.2).

Domestic pharmaceutical production is expanding, but imports still dominate the market. Imported medicines accounted for over 85 percent of market value between 2018 and 2025.[81] Local production increased from about US$200 million in 2020 to US$338 million in 2023[82] and an estimated US$508 million in 2025, concentrated in basic, high-volume generics. Of the 10,748 registered drugs, 3,222 are produced locally. Uzbek manufacturers have the strongest capacity in simple formulations, including intravenous fluids, tablets, and straightforward injectables. They supply roughly half of domestic demand for electrolyte solutions and common antimicrobials, while holding small shares in selected over-the-counter categories such as decongestants and mucolytics. More complex and highly regulated products—including biologics, anticoagulants, vaccines, hormones, and many advanced cardiovascular therapies—remain mostly imported.

Exports are also growing, though from a limited base. Pharmaceutical exports from Uzbekistan increased strongly from 2017 to 2020 before moderating in recent years.

Table 5.2

Generic Drugs Lead Pharmaceutical Markets across Central Asia

Market	Market size (US$)	Market growth, 2022–25 (%)	Details
Kazakhstan	2.4 billion*	14	High demand for generics including oncology, cardiovascular, antibiotic, and respiratory medicines. Supplements are concentrated in vitamins and minerals.
Tajikistan	557 million	2	Generic imports dominate, mainly antibiotics and cardiovascular. Supplements are present but are peripheral to core medicine segments.
Kyrgyz Republic	364 million	21	Generics account for 98–99 percent of registered medicines, mainly antibiotics and respiratory medicine. Supplements are concentrated in vitamins and minerals.

Source: Pharmaceutical Industry Development Agency (2025).
*Seventy percent imported.

Nevertheless, the country has become Central Asia's second-largest pharmaceutical exporter. By 2024, it accounted for 29 percent of the region's total exports, up from just 12 percent in 2017.[83] Growth after 2019 was driven by localization reforms, joint ventures with foreign partners, and expanded generic production capacity (figure 5.3). Key export markets include Kazakhstan, the Kyrgyz Republic, and Tajikistan, as well as Azerbaijan, Georgia, and the Russian Federation, where rising health care demand is creating opportunities for Uzbekistan's affordable generics and dietary supplements. Major exports include therapeutic and prophylactic medicaments, medical dressings and plasters, and vitamin medicaments.

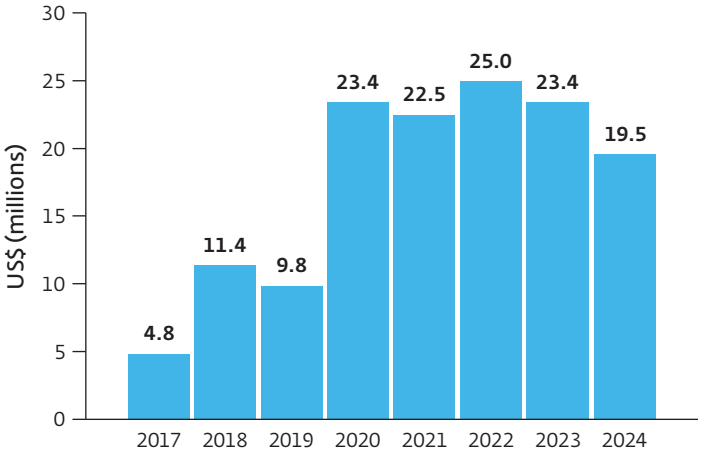
Several government interventions have sought to strengthen Uzbekistan's pharmaceutical sector. The 2025 implementation of GMP standards raised quality requirements for domestic producers. Noncompliant firms exited the market, reducing the number of manufacturers to 56. All remaining producers are now GMP-certified, improving the overall quality and reliability of domestic supply. The sector remains relatively unconcentrated: no single firm dominates, and the three largest pharmaceutical companies together accounted for less than 10 percent of total market value in

mid-2025.[84] Many domestic manufacturers operate through joint ventures with foreign partners, facilitating transfer of production technology and managerial know-how.[85] Together, these developments suggest a gradual shift toward a more formalized, higher-quality domestic pharmaceutical industry.

Figure 5.3

Uzbekistan's Pharmaceutical Exports Have Expanded

Pharmaceutical exports, 2017–24



Source: International Trade Centre Trade Map.

Policy reforms and investment incentives are also supporting foreign and domestic investment in Uzbekistan's pharmaceutical sector. As of March 2026, about US$1.8 billion had been invested in the sector over nine years.[86] Announced deals include investments from companies in the Arab Republic of Egypt, Saudi Arabia, and Slovakia, as well as Indian and Malaysian interests, incentivized by tax and investment reforms such as reducing profit tax in free economic zones to zero for up to 10 years. In August 2025, a presidential decree introduced contract manufacturing in the pharmaceutical sector, creating a legal framework for local firms to collaborate with international producers on technology transfer and joint production. This could deepen Uzbekistan's integration into global value chains and strengthen its competitiveness as a regional manufacturing hub.

Uzbekistan is strengthening its intellectual property (IP) framework in ways that could help encourage private investment in pharmaceuticals. The reforms are relevant to generic manufacturers and dietary supplement firms because they clarify rules affecting market entry, the bankability of licensing, and contract manufacturing arrangements. In February 2024, a World Trade Organization (WTO)–harmonization law updated patent, trademark, and medicines legislation. The law introduced provisions consistent with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights on use without the patent owner's permission, with compensation, and established compulsory licensing norms for public interest, with proportional compensation. It also reduced unequal treatment between resident and nonresident applicants by aligning certain IP-related fees and procedures. These changes help reduce legal uncertainty that can otherwise deter licensing-based localization and branded-generic partnerships.

At the same time, Uzbekistan's patent term extension mechanism for pharmaceuticals could delay generic entry for selected products by extending exclusivity.[87] For generic-focused investors, this created both a clearer legal framework and a need to assess product-specific entry windows. These IP developments are also relevant to Uzbekistan's newer legal basis for contract manufacturing "on the basis of an order from the right-holder." Contract manufacturing and technology transfer in branded generics depend on clear trademark control, enforceable licensing terms, and predictable dispute resolution. These factors influence whether private partners are willing to bring formulations and brands into local production.

Uzbekistan is expanding natural API production based on medicinal plants, but local synthetic API manufacturing remains limited. Cultivated medicinal-plant area reached about 17,300 hectares in 2023 and is targeted to rise to 36,000 hectares by end-2026 under the national strategy, supported by export demand—especially for licorice root—from China and the European Union (EU). Key outputs include licorice, capers, ferula, and wild roses, but most are exported as raw materials with minimal domestic processing into APIs, syrups, or nutraceuticals. By contrast, synthetic APIs are largely imported from India, China, and Europe. Oncology has only one local API facility, with modest output. A 2018 oncology formulation joint venture included plans to develop additional local APIs, including cytotoxic agents and targeted therapies,[88] but broader scale-up remains constrained by the high cost of high-containment production lines,[89] the cost and cluster advantages of India's and China's mature API ecosystems,[90] and the difficulty of meeting International Council for Harmonisation (ICH) Q7-level GMP and audit requirements at small scale.[91]

Uzbekistan is also consolidating public procurement of medicines and medical products, shifting from fragmented purchasing toward a more centralized and digitized model. This builds on broader procurement reforms that have moved public purchasing onto electronic systems and a dedicated information portal since 2020.[92] The framework is anchored in the 2021 Law on Public Procurement, which established core procurement rules and transparency requirements through the national procurement portal.[93] More recently, Presidential Resolution PP-408 of November 2024 strengthened demand planning and allowed certain categories of pharmaceutical procurement—including original medicines from manufacturers, specialized laboratory inputs, and emergency-care items—to be conducted through direct contracting. The government is also establishing a centralized procurement center under the Ministry of Health to integrate existing purchasing entities and expand regional coverage.[94] Looking ahead, the Ministry of Health plans to launch a dedicated module for centralized state procurement of medicines and medical products[95] within the national e-procurement system, with a pilot beginning in March 2026 and mandatory nationwide use expected from July 2026.[96] These

reforms aim to improve efficiency, transparency, and supply coordination, although public procurement still represents a relatively small share of total pharmaceutical spending.

Domestic pharmaceutical packaging remains underdeveloped. Advanced components, including blister foils, polyvinylidene chloride–coated films, coated vials, and other high-barrier containers, are mostly imported from Europe, India, and China. The segment has not scaled because Uzbekistan's domestic base remains small, finished drugs are largely imported, and barrier-film and coating know-how is concentrated among a few global suppliers.[97] As a result, manufacturers depend on imported GMP-compliant packaging.

5.1.1 *Overview of the Regulatory Framework*

Cabinet Resolution No. 213 of 2018 sets the framework for state registration of medicines. Registration dossiers follow a national version of the Common Technical Document (CTD),[98] but the process remains paper based, relying on hard-copy dossiers and physical samples rather than ICH electronic CTD (eCTD) practices. As a result, alignment with international standards is only partial: the documentation structure broadly follows CTD Modules 2–5,[99] but submission channels and some content expectations diverge from ICH/eCTD norms, and end-to-end digital workflows are not in place.

The Ministry of Health oversees medicine registration and pharmacovigilance. The Pharmaceutical Industry Development Agency focuses on industry development, investment promotion, and GMP compliance, while the Center for Pharmaceutical Products Safety (CPPS) manages testing and registration. Recent regulatory reforms have strengthened alignment with international standards, including GMP, good distribution practice (GDP), good storage practice, and good pharmacovigilance practice.[100] Law No. ZRU-879 of 2023 further streamlined registration by introducing indefinite validity for domestically produced medicines, recognizing foreign GMP certificates, and legalizing contract manufacturing.

For generic medicines, Uzbekistan's national registration system allows applicants to submit bioequivalence data or a justified biowaiver. In practice, however, bioequivalence studies are not required for domestic approval or exports. Key export markets apply stricter, fully codified requirements. The EU mandates eCTD submissions and requires bioequivalence studies to demonstrate therapeutic equivalence, typically within the 80–125 percent acceptance interval for area under the curve and maximum concentration, which measure drug' concentration in the bloodstream over time.[101] The Eurasian Economic Union (EAEU) likewise uses a harmonized CTD/electronic format and requires bioequivalence for generic registration.

Dietary supplements follow a dual pathway based on drug dosage. Low-dose products, providing less than 50 percent of the recommended daily intake, are reviewed by the Sanitary-Epidemiological Service under a procedure requiring safety data, ingredient lists, and hygienic studies. Approvals are valid for five years and typically take five to eight months to obtain—broadly in line with Kazakhstan, at five to seven months, but slower than Türkiye, where standard dossiers take two to three months.[102] Higher-dose products, including most vitamins, fall under the CPPS and follow medicine-like registration, resulting in more stringent reviews and longer timelines, often extending to 12 months.

Uzbekistan has tightened pharmaceutical oversight through mandatory GMP inspections, introduced. Resolution No. 486 of 2021 established the Center for Good Practices to oversee compliance with GMP and GDP,[103] making GMP and GDP certification mandatory for all manufacturers and distributors from April 2022.[104] This contributed to sector consolidation and a reduction in manufacturing sites. While local GMP inspections are compulsory, foreign approvals from regulators such as the European Medicines Agency or the US Food and Drug Administration may be recognized through simplified procedures.

Postmarketing surveillance was formalized under Cabinet Resolution No. 628 of 2025, giving CPPS authority to conduct monthly risk-based inspections, purchase drugs for testing, and enforce corrective measures. Samples are analyzed within five business days, or up to 15 business days for sterility and other complex tests. Regulatory action, including recalls or license suspensions, must be taken within days of confirmed noncompliance.

Supply chain integrity is being strengthened through the Asl Belgisi serialization system, which has required GS1-compliant digital codes on all packaging since 2022. Now in its third phase, the system will extend coverage to additional product groups by November 2025, enabling full traceability across manufacturing, distribution, and retail.

The Tashkent Pharmaceutical Institute remains the core training hub, while new pharmaceutical engineering and biotechnology programs are being launched at the Technical University in Tashkent Pharma Park. International partnerships, including programs supported by the Japan International Cooperation Agency and India-supported training and exchange programs, aim to address skills gaps in GMP quality assurance, biologics production, and biotechnology.[105] Research is concentrated in eight institutes, including the Institute of Plant Substances and the Institute of Virology, but outdated facilities, obsolete equipment, and limited funding constrain their ability to meet international standards.[106] The US$1.3 billion Tashkent Pharma Park includes a pharmaceutical university, alongside manufacturing facilities.[107]

Uzbekistan's pharmaceutical regulation is moving closer to global standards. Presidential Decree No. PP-371 of 2023 introduced mandatory serialization across the

supply chain and strengthened GMP requirements as conditions for market access. CPPS gained ICH observer status in 2024 and launched pilot electronic dossier submissions. Reforms are also aligning IP rules with WTO TRIPS and introducing radiation-safety standards by 2026. However, major gaps remain: firms still face slow, paper-based processes; ICH guidelines are only partially adopted; and no public database of approvals, timelines, or regulatory rationales exists, increasing compliance risk.

5.2 Constraints to Private Investment and Recommendations

5.2.1 *Generics*

CONSTRAINT 1. No bioequivalence requirement and limited local capacity for bioequivalence studies. Uzbekistan does not require bioequivalence for domestically consumed generics or for generics intended for export, while nearly all key destination markets do. Because Uzbekistan lacks accredited bioequivalence facilities, manufacturers must outsource studies to laboratories in India or the Russian Federation, incurring an additional US$100,000–200,000 per study.[108] The absence of a domestic bioequivalence requirement also discourages manufacturers from pursuing foreign markets.

RECOMMENDATION 1A. Establish at least one accredited domestic bioequivalence laboratory. Uzbekistan should prioritize creating one or more bioequivalence laboratories accredited under ISO/IEC 17025 for analytical testing and ISO 15189 for clinical testing. These laboratories should operate in compliance with ICH-GCP, World Health Organization (WHO) bioequivalence guidelines (TRS 1003 Annex 9), and, where applicable, OECD GLP principles. Accreditation should be carried out by a national body recognized by the International Laboratory Accreditation Cooperation to ensure international recognition of test results.

RECOMMENDATION 1B. Issue national technical guidelines for bioequivalence studies, harmonized with WHO requirements. The guidelines should define how bioequivalence studies are designed, conducted and reported, including study structure, endpoints, comparators, and documentation. This would provide local manufacturers and bioequivalence centers a clear, consistent framework for compliance.

RECOMMENDATION 1C. Phase in mandatory bioequivalence studies for new and publicly procured generic medicines submitted for registration. Once at least one accredited bioequivalence laboratory is operational, the government should introduce bioequivalence requirements through a phased implementation plan aligned with ICH standards:

— *PHASE 1: Export-oriented generics*. Require bioequivalence evidence for generic products intended for export registration, including EAEU and other foreign jurisdictions, and for export supply contracts.

— *PHASE 2: Public procurement and new registrations*. Require bioequivalence for generic medicines supplied through centralized government procurement and for all newly registered generics, with clear transition periods and technical guidance on scientifically justified biowaivers.

CONSTRAINT 2. GMP standards are not fully aligned with regional export requirements. Uzbekistan's GMP certification, O'z DSt 2766: 2018, is based on WHO guidelines and sets general requirements for facilities, quality systems, and clean areas. EAEU member states, by contrast, apply GMP standards under Council Decision No. 77 of 2016, which are aligned with the Pharmaceutical Inspection Co-operation Scheme (PIC/S) and are more prescriptive. For example, PIC/S-aligned rules require validated heating, ventilation, and air conditioning systems with defined pressure differentials and continuous environmental monitoring,[109] while Uzbekistan's GMP standards refer more broadly to "clean areas." Because national GMP certificates are not mutually recognized, Uzbek manufacturers seeking to export to the EAEU must undergo additional inspections by EAEU authorities, adding costs and extending approval timelines.

RECOMMENDATION 2. Require government medicine suppliers to meet PIC/S-aligned GMP standards. Uzbekistan should require manufacturers supplying medicines through centralized government tenders to comply with requirements aligned with the PIC/S GMP Guide, PE 009. Using public procurement as the enforcement lever would raise quality standards and create a clear commercial incentive for firms to upgrade.

CONSTRAINT 3. Weak enforcement of API documentation standards. Uzbekistan's regulatory framework formally follows the CTD structure, including Module 3 on quality, which requires detailed information on the API, including its source, manufacturing process, quality controls, and stability. In practice, however, imported APIs used in domestic generic production are often registered with incomplete or inconsistent dossiers. Manufacturers may also switch API suppliers without updating the relevant API documentation. While this may be sufficient for marketing authorization inside Uzbekistan, it creates actual and reputational problems in export markets, particularly the EAEU, where regulators strictly enforce full Module 3 compliance. This gap can delay approvals, trigger costly resubmissions, and lead to rejection of Uzbek generics abroad.

RECOMMENDATION 3. Require complete API dossier compliance and supplier verification. The government should strengthen enforcement of CTD Module 3 requirements for all imported APIs used in local manufacturing. Regulators should no longer accept partial or incomplete dossiers for domestic registrations. Instead, they

should require the same level of documentation expected in export markets, including full traceability of the API source, manufacturing process, quality controls, and stability data.

CONSTRAINT 4. Uncoordinated drug registration and serialization systems create duplicative compliance requirements and delay product market entry. In Uzbekistan, drug registration is overseen by CPPS, while product serialization and digital marking are managed through the Asl Belgisi system operated by CRPT Turon. Serialization requires separate information technology integration, crypto-code requests, and aggregation and distribution reporting. Because the registration and serialization systems are not aligned, companies face duplicate submissions, parallel reporting, and higher compliance costs, slowing product launches and complicating market entry.

RECOMMENDATION 4. Integrate CPPS registration and Asl Belgisi serialization processes to streamline compliance and lower regulatory costs for manufacturers. The Ministry of Health should improve coordination between CPPS and CRPT Turon to reduce duplicate documentation and streamline compliance. As a first step, Uzbekistan should develop data-exchange standards between the registration and serialization systems so that approved labeling and product data do not have to be resubmitted. In the medium term, the government could establish a single-window platform that allows manufacturers to submit CTD dossiers, labeling, and serialization data through one interface.

CONSTRAINT 5. Lengthy and resource-intensive pharmaceutical registration slows market entry. Although Uzbekistan formally applies a CTD-based registration system through CPPS, dossier evaluation, expert council review, and administrative approvals often take 7–12 months. Internal guidelines cite a nominal 155-working-day review period, but this limit is not legally binding, and frequent clock-stops extend timelines. The process remains sequential and partly paper based, with limited digital tracking and too few trained reviewers for CTD Modules 2 and 3. Unnecessary or inconsistently applied requirements—such as requests for local clinical trials for generic medicines—can further delay approvals. As a result, Uzbekistan's approval timelines are longer than those of regional comparators, including the EAEU at 140–210 days and at India three to six months. These delays creates uncertainty for manufacturers and slow access to domestic and export markets.

RECOMMENDATION 5A. Introduce legally binding review timelines for drug registration. Uzbekistan should amend its pharmaceutical legislation (O'z DSt 2766: 2018) and CPPS regulations to establish enforceable deadlines for dossier evaluation, expert council review, and administrative approval, aligned with regional and international benchmarks.

RECOMMENDATION 5B. Digitize and streamline regulatory workflows and restructure review processes. Uzbekistan should scale-up the e-submission system into an end-to-end digital platform that enables review of dossier components, real-time status tracking, and direct communication with applicants. The government should also move from sequential, committee-based reviews toward parallel technical evaluations to reduce administrative bottlenecks and shorten approval timelines.

5.2.2 *Dietary Supplements*

CONSTRAINT 6. Lack of a credible food-safety management standard for nutraceuticals. Hazard Analysis and Critical Control Points (HACCP)[110] is the globally recognized benchmark for food-safety management and is referenced under the WTO Sanitary and Phytosanitary Agreement. While other quality schemes exist, HACCP is the approach widely accepted by major import markets as evidence of risk-based, science-driven food-safety controls. Uzbekistan has not made HACCP compliance mandatory, and WTO accession materials note that sanitary and phytosanitary alignment remains incomplete. Without a compulsory HACCP-based standard, nutraceutical manufacturers face higher risks of noncompliance with partner-country requirements. This weakens acceptance by foreign regulators, reduces investor confidence in sector reliability, limits market access, and may slow WTO accession.

RECOMMENDATION 6. Mandate HACCP-based food-based management certification for nutraceutical producers. Uzbekistan should require all nutraceutical producers to adopt HACCP-based food-safety management systems, supported by phased implementation, technical training, and compliance assistance.

5.3 Impact

If implemented, the recommended reforms would better position Uzbek manufacturers to expand product registrations, meet regional regulatory requirements, and scale production in core generics and dietary supplement segments. Under a conservative scenario, exports to Central Asia could reach around US$52 million by 2029, equivalent to about 2 percent of the regional market. Under an upside scenario, exports could reach roughly US$131 million, or about 5 percent of the regional market.

The reforms would also strengthen domestic production. Sales of domestically produced generics and dietary supplements are projected to rise from about US$502 million to US$585 million–US$668 million by 2029. Applying pharmaceutical capital-intensity benchmarks of 0.4–0.7 to incremental export and domestic output implies additional

investment of approximately US$44 million–US$76 million under a conservative scenario and US$108 million–US$189 million under a more optimistic scenario.[111]

Employment effects are estimated using multipliers derived from Uzbekistan's 2022 input–output table, capturing direct, indirect, and induced effects across the value chain. On this basis, the reform package could support approximately 4,700–8,200 direct and indirect jobs under a conservative scenario and 11,700–20,400 jobs under a more optimistic scenario over the medium term.

Table 5.3

Policy Recommendations to Remove Impediments to Private Investment in Generic Pharmaceuticals and Dietary Supplements

Constraints	Recommendations	Responsible agency
1. No requirement and lack of local capacity for bioequivalence studies.	**1a.** Establish accredited domestic bioequivalence laboratories. **1b.** Issue national technical guidelines for bioequivalence studies, harmonized with World Health Organization requirements. **1c.** Phase in mandatory bioequivalence studies for all new and publicly procured generic medicines submitted for registration, aligned with International Council for Harmonisation standards.	MOH, PIDA
2. GMP standards are not aligned with regional standards.	**2.** Require government medicine suppliers to meet PIC/S-aligned GMP standards.	Center for Good Practices, MOH, PIDA
3. Weak enforcement of API documentation standards.	**3.** Require complete API dossier compliance and supplier verification.	MOH, PIDA
4. Uncoordinated drug registration and serialization systems create duplicative compliance requirements and delay product market entry.	**4.** Integrate CPPS registration and Asl Belgisi serialization processes for pharmaceuticals.	MOH, CPPS, CPRT
5. Lengthy and resource-intensive pharmaceutical registration processes.	**5a.** Introduce legally binding review timelines for drug registration. **5b.** Digitize and streamline end-to-end regulatory workflows and restructure review processes for pharmaceutical registrations.	MOH, CPPS, PIDA
6. Lack of a mandatory food-safety management standard for nutraceuticals limits market access.	**6.** Mandate Hazard Analysis and Critical Control Points–based management certification for nutraceutical producers.	CPPS, PIDA

Note: API = active pharmaceutical ingredient; CPPS = Center for Pharmaceutical Products Safety; CPRT = Center for Research in Perspective Technologies; GMP = good manufacturing practice; MOH = Ministry of Health; PIC/S = Pharmaceutical Inspection Co-operation Scheme; PIDA = Pharmaceutical Industry Development Agency.

Appendix

Appendix A

Estimates of Potential Increases in Private Investment and Employment

A.1. Road Freight and Warehousing

A.1.1 *Methodology*

The employment and value-added impact of investment in road freight and warehousing were estimated using Uzbekistan's 2022 social accounting matrix (SAM). The SAM captures intersectoral production linkages, factor incomes, and household consumption patterns, allowing estimation of direct, indirect, and induced effects from a demand-side investment shock. Results are expressed per US$1 million invested and assume linear production relationships and fixed technical coefficients, consistent with standard SAM multiplier analysis.

- Direct effects measure employment and value added generated within the road freight and warehousing sectors.
- Indirect effects capture upstream impacts through supplier industries, such as fuel, maintenance, construction, and services.
- Induced effects reflect economy-wide employment and value added generated by increased household consumption financed by labor income.

A.1.2 *Key Assumptions*

The analysis assumes (1) sufficient slack in labor and product markets to accommodate increased demand without crowding out; (2) fixed input-output coefficients and prices in the short to medium term; and (3) representative household consumption patterns, as reflected in the 2022 SAM. Results reflect gross impacts and should be interpreted as upper-bound estimates, particularly for induced employment, which is sensitive to household income multipliers.

A.1.3 *Results*

Investment in both sectors generates substantial economy-wide impacts, with induced effects accounting for the largest share of employment gains.

- **Employment impacts.** *Road freight* generates 278 jobs per US$1 million invested, including 20 direct, 67 indirect, and 191 induced jobs. *Warehousing* generates 306 jobs per US$1 million invested, with higher direct employment intensity, 58 direct jobs, reflecting labor demand in storage, handling, and facility operations, alongside 61 indirect and 187 induced jobs.
- **Value-added impact.** *Road freight* generates US$2.05 million in total value added per US$1 million invested, driven by strong induced demand effects. *Warehousing* generates US$2.01 million in total value added per US$1 million invested, with a relatively higher induced component reflecting household consumption linkages.

A.1.4 *Interpretation and Policy Relevance*

The results highlight that logistics investment has high multiplier effects in Uzbekistan, particularly through household income and consumption channels. Warehousing shows higher direct employment intensity, while road freight exhibits stronger upstream and induced linkages, underscoring their complementary roles in supporting trade, services, and manufacturing. These findings support the case for targeted reforms and investment facilitation in logistics, while emphasizing the importance of distinguishing direct from indirect and induced jobs when communicating employment impacts to policy makers and investors.

A.2. Cultural and Nature-Based Tourism

Uzbekistan has realistic medium-term potential to mobilize private investment in hotels and related accommodation. Using 2024 UzStat arrivals data as a baseline and the observed mix of Commonwealth of Independent States (CIS) and non-CIS visitors, we

project a plausible range of international arrivals by 2030 consistent with World Travel and Tourism Council (WTTC) trend growth in visitor spending, about 7.4 percent compound annual growth rate (CAGR). This yields a conservative-to-ambitious arrivals band of 13–16 million, reflecting ongoing reforms that lengthen stays and raise per-visitor spending. This range is compatible with the government's aspiration of 20 million visitors and roughly US$5 billion in tourism exports, close to WTTC's projection of US$5.6 billion by 2033.

Accommodation demand is derived by applying hotel-staying rates from the latest comprehensive visitor survey, from 2018 (latest available), which indicates that 16 percent of CIS visitors and 77 percent of non-CIS visitors choose hotels. Domestic hotel demand is inferred from UzStat 2024 by subtracting estimated international hotel guests from total hotel guests and converting the residual into a domestic hotel-staying share. These shares are then applied to the arrivals scenarios to estimate total hotel guests. Assuming an average stay of six days and using observed occupancy, total room-night demand is translated into required bed capacity and converted into rooms based on UzStat's 2024 beds-to-rooms ratio. The result is a range for additional rooms needed to serve medium-term demand.

Key figures from the model are as follows:

- *Total tourists needing accommodation:* 4.4 million (lower bound) and 5.2 million (upper bound)
- *Additional hotel rooms required:* 20,000 (lower bound) and 31,000 (upper bound)
- *Average cost per hotel room:* US$83,850
- *Total accommodation investment:* US$1.7 billion (lower bound) and US$2.5 billion (upper bound)

Spillover investments in related sectors, such as restaurants, retail, and transport, is derived by applying international benchmark sales-to-capital ratios to projected visitor spending. Average spending per international arrival is increased by 20 percent to reflect reforms and product diversification, while domestic visitors are assumed to spend half as much as international tourists after adjusting for transport and accommodation. Induced investment in linked sectors, including restaurants, retail, and transport, is estimated at US$1.4 billion (lower bound) and US$1.7 billion (upper bound). These figures are extrapolated to estimate job creation in the tourism, tourism-linked sectors such as restaurants, and the broader economy (indirect jobs) using SAM-based multipliers. Employment is expected to increase by 120,000–180,000 jobs.

A.3. Generic Pharmaceutical and Dietary Supplements

The analysis uses a top-down approach to estimate the private investment and employment impact of reforms supporting the expansion of generic pharmaceutical and dietary supplement manufacturing. The methodology starts from observed exports and projected Central Asian import demand and estimates reform-enabled export growth under conservative and upside scenarios.

Incremental export and domestic output associated with reforms are translated into investment needs using pharmaceutical-specific capital-intensity benchmarks. Employment impacts are estimated using multipliers derived from Uzbekistan's 2022 input-output table, capturing direct, indirect, and induced effects across pharmaceutical manufacturing and related services. The analysis focuses on incremental impacts attributable to reforms and excludes existing capacity.

A.3.1 *Assumptions*

— **Export expansion.** Implementation of the recommended reforms improves product registration, regulatory compliance, and production scale, enabling Uzbek manufacturers to expand exports of generics and dietary supplements to Central Asia. Under a conservative scenario, exports reach around US$52 million by 2029, equivalent to approximately 2 percent of Central Asian pharmaceutical imports. Uzbekistan's pharmaceutical exports to Central Asia stand at approximately US$20 million, equivalent to 0.6 percent of the current Central Asian market, and have already grown by roughly 300 percent from 2017 levels. This strong export trajectory from a low base suggests that reaching a 2 percent share of Central Asian pharmaceutical imports is plausible under the conservative scenario. This benchmark is also informed by Jordan's experience, where a comparable set of regulatory and compliance reforms implemented between 2016 and 2020[112] lifted Jordan's generic pharmaceutical export share in the Saudi Arabian market from a similarly low base to around 2.6 percent.[113] The upside scenario assumes exports of about US$131 million, equivalent to around 5 percent market share, and reflects consultations with local industry experts. It is consistent with the government's 2024–25 pharmaceutical roadmap, which targets total pharmaceutical exports of up to US$200 million.[114]

— **Domestic production growth.** In the absence of reforms, sales of domestically produced generics and dietary supplements are assumed to grow in line with the observed five-year CAGR over 2019–2024, extending to 2029. Domestic production is assumed to increase by an additional 5 percent under the conservative scenario and 10 percent under the upside scenario relative to the baseline, raising domestic sales from about US$503 million to US$585–668 million by 2029. These assumptions are benchmarked against Türkiye's pharmaceutical localization experience.[115]

— **Capital intensity.** The pharmaceutical capital-intensity benchmark is 0.4–0.7. This range is intended as a planning-grade proxy and is consistent with publicly disclosed greenfield and expansion investments by multinational pharmaceutical manufacturers, where reported capital expenditures and indicative production scale suggest comparable orders of magnitude.[116]

— **Employment multipliers.** Employment effects are estimated using multipliers derived from Uzbekistan's 2022 input-output table, capturing direct and indirect effects across the pharmaceutical value chain. The analysis assumes 246 total jobs per US$1 million of investment, comprising 66 direct jobs and 42 indirect jobs.

A.3.2 *Results*

The proposed reforms could unlock private investment in generic pharmaceuticals and dietary supplements, supporting domestic value addition and export expansion to regional markets.

Under a conservative scenario, the reforms could attract US$44–76 million in private investment and support approximately 4,698–8,222 direct and indirect jobs over the medium term. Under an upside scenario, stronger export growth and full capacity utilization could raise investment to US$108–189 million and support approximately 11,653–20,394 jobs.

Notes

1. Sector selection is not intended to be exhaustive or to imply that other sectors lack investment or growth potential. Rather, it focuses on sectors in which constraints to private investment can feasibly be addressed through policy action, generating commercially viable opportunities for private investors.
2. World Bank World Development Indicators.
3. UNCTAD 2025.
4. World Bank World Development Indicators.
5. Comparator countries were selected based on relevant and aspirational criteria defined in in World Bank (2024b).
6. World Bank (2025a; 2025b).
7. IMF (2025a).
8. IMF (2025a).
9. World Bank (2025b).
10. IMF (2025b; 2026).
11. ADB (2022).
12. Ibid.
13. Dual education refers to a training approach that combines classroom-based theoretical instruction with structured, employer-supervised on-the-job training. It is typically codesigned by educational institutions and industry partners to align curricula with labor market needs.
14. Industry 4.0 refers to the fourth industrial revolution and describes new approaches to manufacturing supported by innovative technologies, such as the internet of things, cloud computing, augmented reality, robotics, and big data.
15. Nakata et al. (2025).
16. ADB (2022).
17. Ibid.
18. Data from Uzbekistan Institute of Macroeconomic and Regional Studies.
19. UzStat; ADB and CI (2023).
20. Ibid.
21. CAREC, Corridor Performance Measurement and Monitoring; 2023. Azerbaijan's CPMM cost figure reflects short, land-side road segments and a narrow set of cost items, while the figures for Georgia, Kazakhstan, and Uzbekistan capture higher-cost, long-haul road sections.
22. See "Road Capacity and Traffic Data: Tashkent–Samarkand Corridor," Ministry of Transport, Republic of Uzbekistan, 2024.
23. Euro V is a European Union (EU) emission standard, introduced in 2008/09, that sets strict limits on harmful exhaust pollutants from heavy-duty diesel trucks, notably nitrogen oxides, particulate matter, hydrocarbons, and carbon monoxide. This standard is particularly significant for Uzbekistan because many neighboring and transit countries, including the EU, Türkiye, and parts of the Caucasus, restrict or penalize pre-Euro V trucks through bans, quotas, or higher environmental fees. Euro V–compliant vehicles face fewer inspections, lower charges, and faster border clearance, improving corridor efficiency and reliability. Newer Euro V trucks also have lower fuel and maintenance costs, strengthening the competitiveness of Uzbekistan's export freight.
24. MOT (2023); UNECE (2024).
25. AIRCUZ (2023).
26. TIR, or Transports Internationaux Routiers (International Road Transport), facilitates international road transport by allowing sealed cargo to transit multiple countries without payment of duties or repeated customs checks at each border. The system is recognized across more than 60 countries.
27. CMR, or Convention on the Contract for the International Carriage of Goods by Road, standardizes the contractual and liability framework for international road freight among member countries, including uniform documentation, liability for loss, damage, or delay, and dispute resolution across borders.
28. Dazvol is Uzbekistan's international road transport

permit system, regulating cross-border and transit freight under reciprocal quota agreements with partner countries. Each Dazvol permit authorizes a single international or transit trip and is required for customs clearance at border crossings. The system is administered by the Ministry of Transport, in coordination with the Association of International Road Carriers and partner agencies.

29. A Class A warehouse is a modern, high-quality industrial facility built to high construction and operational standards, typically less than 10–15 years old. It features high clear heights, often 9–12 meters; modern loading docks; wide column spacing; advanced fire and safety systems; and good access to major transport corridors, making it suitable for large-scale logistics, e-commerce, and international supply chains. Class B warehouses are functional but older or less advanced facilities that meet basic operational needs. They usually have lower clear heights, simpler loading infrastructure, and limited automation, making them suitable for domestic storage, light distribution, or cost-sensitive users. Class C warehouses are outdated or repurposed buildings with poor layouts, low ceilings, limited safety systems, and weak transport access. They are typically used for basic storage or informal operations and are unsuitable for modern, high-value, or time-sensitive logistics.
30. Surpluses and shortfalls can occur simultaneously because warehouse capacity is tied to specific locations and specifications, limiting substitutability across subsectors. Excess capacity may cluster in a few large sites, while shortages persist elsewhere, especially in general cargo, FMCG and retail distribution, export-corridor facilities, and cold chain near production and trade gateways. Some recent expansions reflect older siting or approvals, while new entrants still face land-access and permitting bottlenecks for prime locations.
31. Global Cold Chain Alliance and Food and Agriculture reports often use 70–80 percent cold-storage coverage as a practical target for competitive horticulture export systems (GCCA and FAO 2018; 2022).
32. Cold-storage capacity in Uzbekistan expanded sharply over the 2010s with support from donor-backed programs, including USAID's AgLinks, AgLinks Plus, and Uzbekistan Agricultural Value Chains Activity, with technical assistance from the Global Cold Chain Alliance. As of 2024, the country operates over 1 million cubic meters of refrigerated storage, covering only around 4.5 percent of horticultural output.
33. Estimates based on UzStat freight volumes (domestic general cargo of about 580 million tons), Ministry of Transport transit data (17 million tons), and ADB and World Bank logistics-park and corridor design ratios (0.02 square meters per ton for domestic yards and 0.1 square meters per ton for export and transit facilities), cross-checked against the Concept for the Development of the Transport and Logistics System of the Republic of Uzbekistan until 2030, approved by Presidential Decree No. PP-28 of January 27, 2025.
34. Hokimiyat refers to local executive authorities in Uzbekistan, including regional, city, or district administrations, responsible for local governance and implementation of central government' decisions at the subnational level.
35. This can be done in phases. The first phase would focus on registration. The second phase would progressively extend minimum requirements, including valid licensing and registration, mandatory insurance and liability coverage, compliance with basic safety, environmental, and labor standards, and registration in a public digital system to ensure traceability and enforcement, in line with strengthened monitoring and enforcement capacity and market adaptation. This phased approach creates a clear, enforceable pathway toward a unified access-to-the-profession framework, allowing standards to be raised credibly over time as enforcement capacity strengthens and the market adjusts.
36. To mitigate adjustment costs while preserving competition, reforms should be sequenced and paired with enabling measures, including voluntary cooperatives and joint ventures, pooled compliance and insurance services, and targeted capacity building, so small haulers can "graduate" into compliant, bankable service provision.
37. Role-based refers to workflows structured around clearly defined institutional roles and responsibilities.
38. Examples include Kazakhstan, which uses digital

one-stop platforms for land allocation, construction permits, and utility connections in logistics zones; Georgia, which has fully digitized construction and land permitting with predictable timelines; Azerbaijan, which uses centralized approvals for logistics parks and corridor infrastructure; and Türkiye, which has integrated digital permitting and zoning systems for industrial and logistics developments.

39. See "Are there more male tourists in Uzbekistan or women?" Committee News, National Statistics Committee of Uzbekistan, February 12, 2026, https://stat.uz/en/press-center/news-of-committee/66825-zbekistonga-erkak-turistlar-k-pro-kelganmi-joki-ajollar-4.
40. Decree of the President of the Republic of Uzbekistan No. DP-21.
41. Based on data from OAG Traffic Analyser database.
42. Ibid.
43. Based on data from UNWTO database.
44. See "News," Tabarruk Ziyorat, Tourism Committee, https://tabarrukziyorat.uz/news.
45. UN Tourism defines cultural tourism as "a type of tourism activity in which the visitor's essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions and products in a tourism destination."
46. Patterson and Tureav (2020).
47. See "CBT Uzbekistan," https://cbtuzbekistan.uz/?lang=en.
48. See "Uzbekistan," World Heritage Sites, UNESCO, https://www.unesco.org/en/world-heritage/list?fq%5Bsm_unsc_field_ref_countries_label%5D%5B0%5D=Uzbekistan.
49. UZA (2024).
50. See "What is Food Tourism?" World Food Travel Association, https://www.worldfoodtravel.org/food-tourism.
51. See "CBT Uzbekistan," https://cbtuzbekistan.uz/?lang=en.
52. The World Bank defines nature-based tourism as tourism that uses natural resources in a relatively undeveloped form, including landscapes, wildlife, and biodiversity assets (https://www.worldbank.org/en/topic/environment/brief/nature-based-tourism).
53. The Adventure Travel Trade Association defines adventure tourism as travel that includes at least two of the following elements: physical activity, natural environment, and cultural immersion (UN Tourism 2014).
54. Ferghana Tourism (2020).
55. UN Tourism (2014).
56. See "2024 Adventure Travel Development Index," Adventure Travel Trade Association, https://learn.adventuretravel.biz/research/2024-adventure-tourism-development-index-atdi.
57. The law was amended in February 2026 to explicitly promote ecotourism through the establishment of "environmentally clean territories" within resort and recreational zones and to support tourism infrastructure development in mountainous regions, while prohibiting activities that undermine ecosystem sustainability or alter landscapes (UZ Daily 2026).
58. See "Adventure Tourism: Risk Management Systems – Requirements," State standards of the Republic of Uzbekistan, https://tourquality.uz/upload/iblock/be6/rr8dp8ncbko99wpenf2fc58cndxhpa6g.pdf.
59. UN Tourism (2014).
60. In 2025, Türkiye welcomed 56.7 million international arrivals with an active population of guides at 10,593 (based on data from UNWTO and Turkish Tour Guide Association).
61. See "Uzbekistan has approved a new procedure for licensing travel companies, Uzbekistan Travel, August 22, 2020, https://uzbekistan.travel/en/o/uzbekistan-has-approved-a-new-procedure-for-licensing-travel-companies/.
62. Ferghana Tourism (2020); UZ Daily (2020).
63. Industrial good practice for tour guiding is a competency-based, standardized, and licensed training system, backed by national legislation where possible, with a strong focus on sustainability, cultural integrity, and continuous skills upgrading. The main reference standards are EN 15565 in Europe and the World Federation of Tourist Guide Associations' training framework, which support professional credibility and international recognition.
64. See "Land and Construction," Tax and Legal Uzbekistan, https://tax-legal.uz/en/land-construction/.
65. Summit Properties (2022).
66. World Bank (2024a).
67. World Bank (2024a, 73–75; 2020b, 19).

68. Trend News Agency (2026); Tashkent Times (2024).
69. World Bank (2020b).
70. Interfax (2025); "Aviation Fuel Supply Operations," Saneg JetWhites, https://saneg.com; Kun.uz (2025a).
71. Includes guest houses, cottages, yurt camps, and other types of individual accommodation facilities.
72. See "Development of tourism and recreation in the Republic of Uzbekistan for 2024," National Statistics Committee of the Republic of Uzbekistan, https://www.scribd.com/document/961251328/Tourism-and-Recreation-p37860.
73. Rakhmanova (2024).
74. UN Tourism (2014).
75. World Bank (2025b).
76. Based on data from World Health Organization Global Health Expenditure Database, https://apps.who.int/nha/database/.
77. Proxima Research (2025).
78. WHO (2024).
79. Pharmexcil (2018).
80. Based on data from International Trade Centre Trade Map database.
81. Bland (2025).
82. See "Pharmaceuticals, "Invest Uzbekistan, Ministry of Investment, Industry and Trade of the Republic of Uzbekistan, https://invest.miit.uz/.
83. Based on data from International Trade Centre Trade Map database.
84. Bland (2025).
85. Ibid.
86. Administration of the President of the Republic of Uzbekistan 2024.
87. WIPO (n.d.).
88. The 2018 India-Uzbekistan oncology joint venture at Tashkent Pharma Park.
89. Pollak and Badrot (2012); DCAT (2023).
90. See "Dependency of the EU Pharmaceutical Industry on Active Pharmaceutical Ingredients (APIs) and Chemical Raw Materials Imported from Third Countries," Health and Food Safety Directorate-General, European Commission, March 12, 2020, https://health.ec.europa.eu/document/download/d6871c01-b30a-49d9-a780-6396e094e1f5_en.
91. ICH (2000).
92. See "Public Procurement," Government of the Republic of Uzbekistan, https://gov.uz/en/pages/davlat_xaridlari.
93. See "Law of the Republic of Uzbekistan On Public Procurement (No. ZRU-684)," Lex.uz, https://lex.uz/docs/6121273.
94. See "Resolution of the President of the Republic of Uzbekistan of November 29, 2024 No. PP-408 About Measures for Enhancement of System of Providing Medical Institutions with Pharmaceutical Products and the Medical Equipment," Commonwealth of Independent States Legislation, https://cis-legislation.com/document.fwx?rgn=164338.
95. Farma.xarid.uz.
96. Daryo (2026).
97. Gonzalez (2024).
98. The CTD is a standardized format for organizing and submitting regulatory information for pharmaceutical products to health authorities.
99. The CTD consists of five modules: Module 1 covers country-specific administrative and prescribing information; Module 2 summarizes quality, nonclinical, and clinical data; Module 3 provides quality information, including chemical, pharmaceutical, and biological data; Module 4 contains nonclinical study reports, including toxicology and pharmacology; and Module 5 contains clinical study reports.
100. Times of Central Asia (2024).
101. EMA (2010).
102. See "State Registration of Food Supplements in Kazakhstan," Mikhailyuk, Sorokolat, and Partners, https://mspcorporate.com/state-registration-of-food-supplements-kazakhstan.html; and "Food Supplement Registration in Turkey." Turkish Pharma Medical, https://turkishpharmamedical.com/food-supplement-registration/.
103. See "Resolution of the Cabinet of Ministers of the Republic of Uzbekistan On Additional Measures for Implementation of Good Practice (GxP) Requirements in the Pharmaceutical Industry (Decision No. 486)," Lex.uz, https://lex.uz/en/docs/5546536.
104. See "Decree of the President of the Republic of Uzbekistan On Additional Measures for Accelerated Development of the Pharmaceutical Industry in 2022–2026 (Decree No. UP-55)," Lex.uz, https://lex.uz/en/docs/5834289.
105. Embling (2025).
106. World Bank (2020a).

107. Embling (2025).
108. ERG (2021); Patwardhan and Begum (2022).
109. PIC/S (2023).
110. HACCP is a science-based, preventive system designed to identify, monitor, and control potential biological, chemical, and physical hazards across all stages of production.
111. All monetary values are expressed in constant 2024 US dollars unless otherwise stated.
112. Al Haqaish et al. (2017); Chehimi (2019).
113. International Trade Centre Trade Map.
114. See "Presentation of Results and Projects in the Pharmaceutical Industry," Government of the Republic of Uzbekistan, May 24, 2024, https://gov.uz/en/news/view/12327.
115. İEİS (2021).
116. Van Arnum (2012); Rafarma Pharmaceuticals (2021).
117. See "Uzbekistan Commits to Maintaining 'Strong Momentum' to Accede to WTO in 2026," Accessions, World Trade Organization, March 9, 2026, https://www.wto.org/english/news_e/news26_e/acc_09mar26_316_e.htm.

Abbreviations and Acronyms

API	active pharmaceutical ingredient
CAGR	compound annual growth rate
CBT	community-based tourism
CIS	Commonwealth of Independent States
CPPS	Center for Pharmaceutical Products Safety
CPSD	Country Private Sector Diagnostic
CRPT	Center for Research in Perspective Technologies
CTD	common technical document
DA	International Development Association
Dazvol	International Road Transport Permit
EAEU	Eurasian Economic Union
eCTD	electronic common technical document
EU	European Union
FDI	foreign direct investment
FMCG	fast-moving consumer goods
GDP	gross domestic product/good distribution practice
GMP	good manufacturing practice
HACCP	Hazard Analysis and Critical Control Points
ICH	International Council for Harmonisation
IP	intellectual property
MOEEC	Ministry of Ecology, Environmental Protection and Climate Change
MOH	Ministry of Health
MOT	Ministry of Tourism
MSME	micro, small, and medium enterprise
PIC/S	Pharmaceutical Inspection Co-operation Scheme
PIDA	Pharmaceutical Industry Development Agency
SAM	social accounting matrix
SME	small and medium enterprises
SOE	state-owned enterprises
TVET	technical and vocational education and training
UNESCO	United Nations Educational, Scientific and Cultural Organization
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

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IFC International Finance Corporation

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