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Uzbekistan:

Country Private Sector Diagnostic

EXECUTIVE SUMMARY



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.

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.

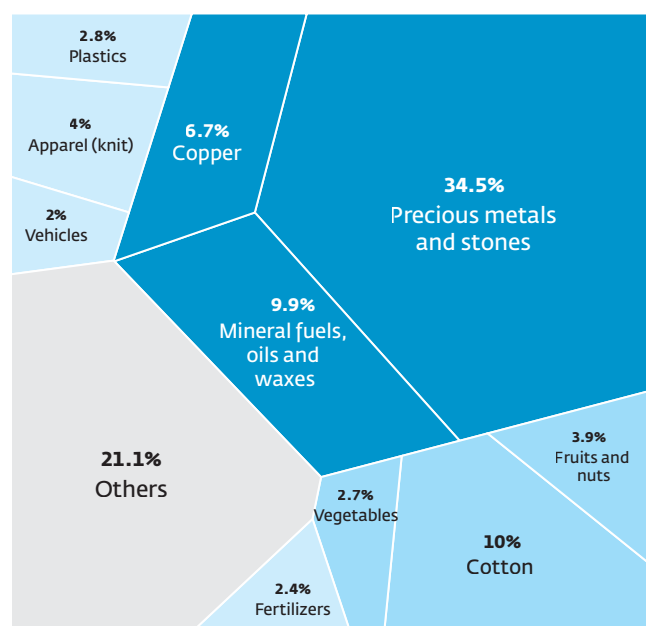
A further opening of trade and World Trade Organization (WTO) accession are central to Uzbekistan's next reform wave.

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

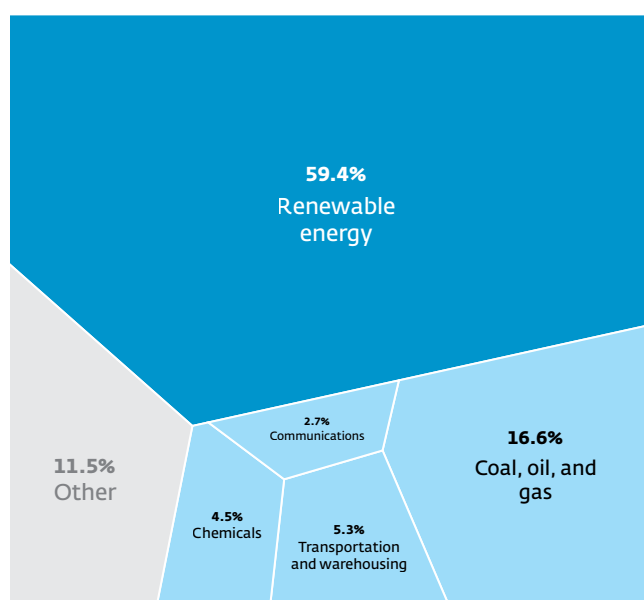
Uzbekistan’s “land-linked” geography, positioned along the Eurasian Middle Corridor, creates demand for efficient logistics and storage. International road freight flows are expected to expand substantially by 2030, driven by Eurasian trade realignments and domestic growth in manufacturing and agrifood. 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.

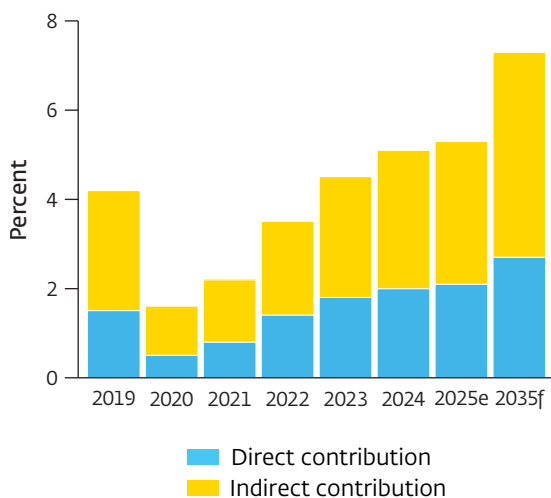
With standardized land-leasing rules, bankable tenure, and professional site management frameworks, private investors could develop quality accommodation, adaptive reuse projects near heritage sites, and curated nature and adventure products, such as trails, guides, and safety nodes. Reforms could catalyze 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

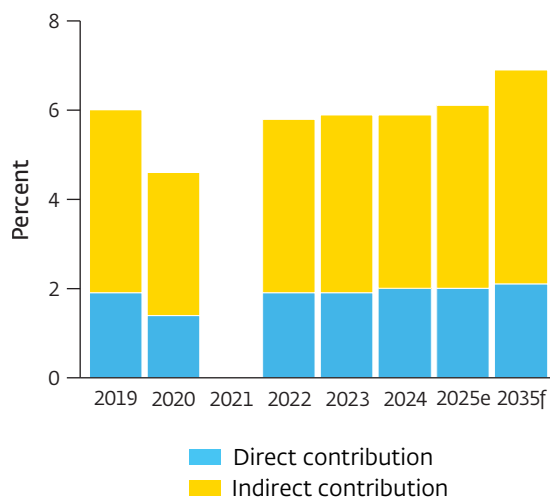


Source: Based on World Travel and Tourism Council data.
Note: e = estimate; f = forecast; GDP = gross domestic product.

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.

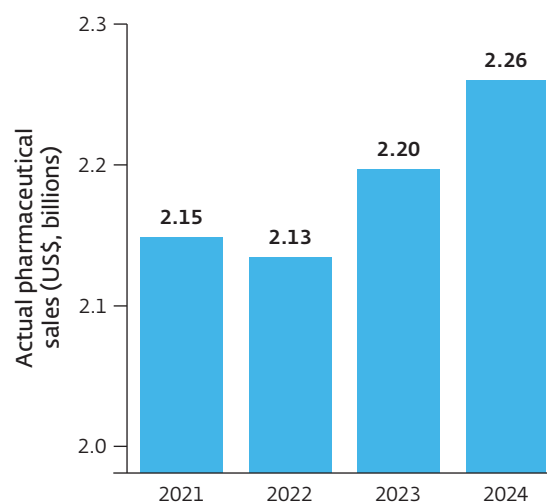
Targeted reforms could catalyze US\$44 million to US\$188 million in private investment and create 4,700 to 20,400 skilled jobs in the medium term, with further upside as quality systems mature.

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.

Figure ES.5

Uzbekistan’s Domestic Pharmaceutical Market



Source: Fitch BMI.

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.	<p>1a. Establish accredited domestic bioequivalence laboratories.</p> <p>1b. Issue national technical guidelines for bioequivalence studies, harmonized with World Health Organization requirements.</p> <p>1c. Phase in mandatory bioequivalence studies for all new and publicly procured generic medicines submitted for registration, aligned with International Council for Harmonisation standards.</p>	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.	<p>5a. Introduce legally binding review timelines for drug registration.</p> <p>5b. Digitize and streamline end-to-end regulatory workflows and restructure review processes for pharmaceutical registrations.</p>	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.

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