A754-Economic Report 2023

UZBEKISTAN

16 August 2023

Executive Summary

Uzbekistan has entered its seventh year of an ambitious market transition led by the reformative will of President Mirziyoyev, whose declared aim is for the country to reach an upper middle-income level by 2030. These plans remain ambitious, even if notable progress has been achieved in past years and the Uzbek economy has so far been notably resilient amid global crises such as Covid-19 and the war in Ukraine. Yet, Uzbekistan remains highly dependent from its two major trading partners Russia and China which together make up almost 40% of the country's foreign trade. Diversification (as practiced through its "multivectoral foreign policy") makes sense for Uzbekistan, not least due to uncertainties of longer-term effects of the war in Ukraine. Challenges lay also in connecting the country to the global markets both policy-wise (Uzbekistan has re-started its accession to the WTO in 2020) and in regards to transportation routes.

As a key piece of economic reforms, the country has started a divesting/privatization process that should make the private sector the main driver of the economy – and attract foreign direct investment. Experiences from other, also post-Soviet, countries show that such a process can bring risks of increased inequalities and state capture by vested interests. In its current state, the Uzbek economy is prone to these risks and accompanying measures, including a more transparent legal framework promoting the equal treatment of all investors, increased independence of the judiciary, but also investments in human capital, higher labor standards and social protection are necessary.

Despite ongoing challenges, over mid- to long-term, Uzbekistan has the potential to position itself as an interesting market for Swiss companies and investors. Ongoing investments in the country have already led to an increased interest and competition among external private actors. Through its promotion instruments, the Government of Switzerland supports Swiss businesses interested in accessing the Uzbek market. In 2022, it has for the first time organized the "Swiss Days" in Uzbekistan, a platform for Swiss economic actors to present themselves to the Uzbek public. The next Swiss Days are foreseen for November 2023.

For further reading, the sources indicated in the text (a.o. World Bank: 2nd Systematic Country Diagnostics; OECD: Insights on the Business Climate in Uzbekistan; and regular updates by the Foreign Investors Council under the President of the Republic of Uzbekistan) can be recommended.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Uzbekistan has entered its seventh year of an ambitious market transition led by the reformative will of President Mirziyoyev (re-elected 2023 for a 7-year term) whose declared aim is for the country to reach an upper middle-income level by 2030. With a Gross National Income (GNI) per capita in 2022 of 2190 USD[1], these plans remain ambitious[2], even if notable progress has been achieved in past years.

For 2023, GDP growth is expected to remain at a steady level of 5.3% (2022: 5.7%).[3] While the slight slowdown is owned to an expected cooling down of private consumption within the country, the Uzbek economy has shown notably resilient amid global crises such as Covid-19 and the war in Ukraine. Amongst others, it has benefitted from increasing gold prices, for which Uzbekistan is one of the biggest producers/miners.

Yet, mid- to longer-term uncertainties and risks stem from continued sanctions on the Russian Federation and their effects on what remains one of Uzbekistan's most important trade partners and major source of crucial remittances for many Uzbek families. The situation in Russia and potential devaluation of the Ruble could hence have major effects on domestic-driven consumption. On the other hand, the projected post-Covid recovery in China, Uzbekistan's second important trade partner, might increase demand for textile and food exports eastwards. Continuous infrastructure investment to better connect the region (keyword: Belt and Road Initiative) should support this.

Increasing public spending, needed to accompany Uzbekistan's reforms to modernize its infrastructure and to provide services for a population growing by around 2% per year, means a continued fiscal deficit and dependency on foreign lenders. With low underwriting levels, high credit risks persist in the economy.

In this context, inflation targeting remains difficult for the Central Bank. The arrival of many Russian newcomers (after mobilization efforts in Russia in view of the war in Ukraine) has furthermore increased demand amongst others in housing, energy and food items. Inflation stood, according to IMF, at around 11.4% by the end of 2022. While the wave of Russian immigrants might lead to an increase in capital and skills, it brings along challenges to the overall purchasing power of the local population. Such inflationary pressure is expected to persist, with average inflation anticipated to raise to 11.8% in 2023 and slightly decrease to 9.9% in 2024.[4] To help contain food inflation, the government has extended some import duty exemptions until the end of 2023.

While the government has started implementing its privatization strategy, challenges to the competitiveness of the Uzbek economy continue to remain specifically in limited infrastructure; risks to energy and water supply security; labor force qualification and economic losses due to continuously widespread practices of corruption. In view of 700'000 young people entering the labor market every year, and with an official unemployment rate of 8.4% but around 34% of the working-age population "inactive"[5], labor migration will, for years, remain an important factor and a source of income for the country. The authorities follow strategic policies in this regard.

With a GDP of 80.42 billion USD in 2022, Uzbekistan received an additional 16.9 billion USD in remittances[6], more than 20% of the GDP. Yet, these numbers have to be read with a pinch of salt as they might remain exceptional, caused by the temporary appreciation of the

[1] World Bank: GNI Data 2022

[2] For 2023, the World Bank classification for "upper middle-income" is based on a minimal GNI per capita of 4256 USD.

[3] IMF Data Uzbekistan

[4] IMF Data Uzbekistan

[5] World Bank: 2nd Systemic Country Diagnostics

[6] According to information shared at a press conference of the Central Bank of Uzbekistan, 27.01.2023

Russian ruble, but also by property transfers from Uzbek citizens definitely moving home due to the situation in Russia. In previous years, remittances amounted to around 10% of GDP.

Further potential challenges also lay ahead in the privatization process, which may bring about risks of increased inequalities. Without accompanying these reforms with reliable public services, incl. education, social security, strengthened labor rights and an independent judiciary, the power imbalance could especially leave small farmers in position of increased dependencies. This is for example the case in the textile sector: With the formal abolition of forced labor, the government continued to take steps towards privatization by expanding so called “clusters”, yet many reports indicate new vulnerabilities for cotton and silk-growing farmers. As one step, in June 2023, an Agency of Social Protection was established.

Nontransparencies in the legal framework and their implementation (including special treatment through specific decrees) remain. Specifically in the economic sector, the authorities seem to have started taking such risks more seriously and have created structures that should improve the entrepreneurial and investors’ space in the mid- to long-term: This includes a more adamant approach of the Prosecutor General’s Office in enforcing the rights of entrepreneurs as well as the creation of a Foreign Investors Council (gathering representatives of foreign companies that should help advise the authorities on reforms – and publishing Investors’ guidelines to help the latter navigate the complex legal landscape).

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

The structures of Uzbekistan’s economy are still characterized by a relatively strong agricultural sector (around 23.5% of GDP) which includes raw material extraction including minerals (gold, uranium) and natural gas. While especially important as national income, approximately constituting around 15% of government budget[7], it has a low level of job creation and limited value creation for local communities.

Over the years, authorities have hence been adamant to restructure the economy. The removal of trade, investment, regulatory, and labor market constraints has specifically led to strengthening of the labour-intensive manufacturing/industry sector (above all: car manufacturing; food processing/beverages and the textile industry). Industry has seen a doubling in GDP contribution between 2010 and 2021 (10% to 20%)[8]. In addition, in March of 2022, after important improvements (supported by the ILO and by international partners including Switzerland) to eradicate forced labor on cotton fields, 331 international brands and retailers lifted their boycott of Uzbek cotton. Uzbekistan now has the potential to become a key sourcing country for cotton (as well as silk) textiles: authorities aim at a vertical integration of the value chain in “clusters”.

Historically, the service sector in Uzbekistan, including transportation, financial services, health care, education, professional services, and most activities related to tourism, has been neglected. In aiming at an upper-middle-income status for the country by 2030, developing a service-driven industry is a key. The “New Uzbekistan” National Development Strategy 2022-26 therefore aims at developing the human capital, amongst others by increasing the vocational education coverage, strengthening links between industrial enterprises and scientific institutions, and improving the quality of health services including by partnerships with health service providers.

As a central part of Uzbekistan’s reforms, there is a 5-year-plan to privatize – or partially sell – 620 of the country’s still 2500 state-owned enterprises (SOE). The industries and sectors, which are to be affected by this process importantly include: financial institutions (banks and insurances), energy supply operators (electricity, natural gas), mobile operators, fertilizer

[7] World Bank: 2nd Systemic Country Diagnostics

[8] OECD: Insights on the Business Climate in Uzbekistan

plants, digitalization of public services, geological research work, transport (low-cost airlines, toll-roads, train operators), health, education, water management and other utility services as well as the construction sector; offering opportunities for potential investors. However, depending on the sector, the legal framework might set limitations despite official privatization policies. For example, in the financial sector the Central Bank's oversight has lately been strengthened, granting it the power to dismiss management and board members and prohibit payment of dividends when it sees fit: in effect, centralized control remains strong. Furthermore, aggregate financial information and granular data on SOE performance, including the measurement of revenues, tax and dividend contributions, are not publicly available and might be deterring for potential investors.

Independently from the divesting process, the renewable energy sector offers specific growth potential. Demand for electricity is expected to grow at approximately 4 percent annually through 2030. The diversification of Uzbekistan's electricity generation is limited: Natural gas–based generation accounts for more than 80 percent of the total installed capacity, followed by hydropower (above 10 percent), and coal (5 percent). Against this background, the Government of Uzbekistan has recognized the importance of supporting a more sustainable and climate-friendly growth approach. The 2019–30 Strategy on Transition to a Green Economy includes commitments to bring the share of renewables in power generation up to 25 percent by 2030. At the same time, the country's geography is conducive for solar and wind power.

Transportation infrastructure is another priority. With average shipment costs at about 1.75 USD per kilometer, Uzbekistan has the highest transportation costs in the Central Asia region. The decrease of transport costs is at the heart of many negotiations and projects (e.g. in the framework of the Belt and Road Initiative), leading to increased investment. The war in Ukraine and the by-passing of the Russian territory by many providers has further complicated logistics and rendered the development of alternative routes (e.g. southwards through Afghanistan) more important. Regarding transportation, too, the government has been pushing a more sustainable approach. In summer 2023, the Tashkent city council announced to limit cars running on gasoline and to invest in a broad network of charging stations for e-vehicles. The public transportation system has been strengthened in the past years, amongst others through purchases of electric buses and trains. There are intentions to build new tramlines and even cable cars.

Another potential is offered by the growing tourism sector, in which Switzerland benefits from a traditionally strong branding, not least due to the Swiss Development Cooperation's Vocational Education and Training Programme in the tourism industry. By 2026, the government foresees to triple tourism services and create an additional 3.5 million jobs. In 2019, visa exemptions for citizens from the EU and an additional 20 countries (incl. Switzerland) came into effect. In 2023, 7 million tourists are expected to visit Uzbekistan compared to 2 million in 2016, before the first major uptake in tourism.[9][10]

3 FOREIGN ECONOMIC POLICY

3.1 Uzbekistan's policy and priorities

In order to implement the ambitious reform plans, the country's international priority lies in opening and internationally connecting its market, attracting foreign direct investment (FDI) and modern technologies – amongst others through a large-scale divesting/privatization plan and the set-up of 13 "Free Economic Zones" (FEZ) – and receive credits from international lenders to finance the modernization of public services.

[9] Uzbekistan Tourism PR Center

[10] World Bank Data

These ambitions are strengthened the desire to join numerous international organizations such as the Eurasian Development Bank or the World Trade Organization (WTO; Uzbekistan applied to join the WTO in 1994, but suspended its process in 2005, restarting it again in 2020). In the adhesion process to the WTO, Uzbekistan is currently negotiating trade conditions with various countries.

A major issue for Uzbekistan as a double land-locked country remains its connectivity (also digital[11], but primarily physical). The Chinese Belt and Road Initiative is of importance, including major investments in the China-Kyrgyzstan-Uzbekistan railroad. A closer and faster access to the sea could be established by connections to ports in Pakistan. The construction of a trans-Afghan highway has been in planning for years; however, the Taliban takeover in Afghanistan has further complicated this project.

Good neighborly relations, not only with Afghanistan, but within the whole region, are also at the core for energy and water security; needed not only for industrial development, but also for the continuously important agricultural sector. Following severe electricity shortages, common investments in energy production were set up with Kazakhstan and Kyrgyzstan, given that power grids from the Soviet-era are already transnational. The effects of climate change furthermore increase water shortages, where agreements with upstream countries are a priority.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Uzbekistan with its 36 million inhabitants and its growing economy offers an interesting market not only for B2C products. The government is keen to attract FDI and is opening up various sectors in which Swiss actors have proven expertise (e.g., financial). Uzbekistan’s will to modernize its infrastructure (transportation, energy, etc.) while prioritizing a green transition furthermore means that opportunities arise e.g. in the area of public transportation, engineering and the machine industry. The focus on developing human capital, amongst others through improved health services, opens windows for the extensive Swiss expertise in the pharmaceutical sector and beyond.

Generally, Switzerland enjoys a very good reputation in Uzbekistan. It is renowned for high-quality and reliable precision products and for first-class engineering. These are comparative advantages as Uzbekistan is aiming at developing its own industrial sector that has to differentiate itself against low-cost competitors in the region. To address this quality aspect, the Uzbek authorities have increasingly recognized the benefits of Technical and Vocational Education and Training (TVET), amongst others supported by the Swiss Agency for Development and Cooperation (SDC). Swiss companies with their long-lasting hands-on experience in TVET can bring real benefit to developing the human capital in Uzbekistan and should consider actively approaching this thematic in case of interest in doing business in Uzbekistan.

On the other hand, given the broad public spending currently needed in Uzbekistan’s development, there is a tendency that public tenders favor a short-term approach to costs. Product quality, long-term reliability and service guarantees, often constituting parts of offers from Swiss companies, might not receive the necessary attention. This often makes early outreach to government institutions, to raise product and service awareness, a necessity.

Furthermore, as the World Bank describes, the government’s granting of special, nontransparent preferences to some investors (including concessional access to resources or “even the establishment of explicit entry barriers to potential competitors”) remain: “Many agreements, especially financial concessions, are concluded in secret and never published,

[11] International Telecommunication Union: Statistics

making it difficult for newly entering businesses (*including Swiss ones*) to know the full extent of incentives available to competitors in the market".[12]

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

Uzbekistan's policy of "opening up" can amongst others be observed in its trade balance with external partners. While in 2016, trades in goods amounted to around 20 billion USD, by 2022, it doubled to reach around 40 billion USD.[13][14] Additionally, Uzbekistan exported gold in the value of more than 4 billion USD.

China and Russia remain the most important trade partners for Uzbekistan with each of the country making up around 18% of total trade. Trade with neighboring Kazakhstan adds up to around 10%. In the past years, Uzbekistan has specifically deepened its economic relations with Türkiye, which, with a share of around 6.5% has become the 4th biggest trade partner. Apart from the neighboring countries Kyrgyzstan, Turkmenistan and Afghanistan, the Republic of Korea, Germany and India figure amongst the top ten trading partners.[15]

When adding trade in services, Uzbekistan presented a negative foreign trade balance in 2022 in the amount of around 11 billion US dollars, meaning a slight deficit increase compared to 2021 (8.8 billion USD). Uzbekistan's exports still remain concentrated both in terms of sectors and geography, and SMEs are underrepresented among exporting businesses.[16] Reinforcing the conditions for exporting SMEs will be key for a more balanced trade sheet.

Logistical challenges for the double-landlocked country have increased with international sanctions against Russia following its war in Ukraine, as a majority of Uzbekistan's exporting goods pass through Russia. Alternative trade routes are few and costly. A trilateral Agreement of Cooperation was signed at the 22nd Shanghai Cooperation Organization Summit in Uzbekistan in September 2022 to advance the construction of the China-Kyrgyzstan-Uzbekistan (CKU) railway, as one step of increasing Eurasia integration and connectivity.

Furthermore, Uzbekistan signed new trade agreements with some countries in 2022-2023, amongst others with China, Russia and Türkiye. With the latter, Uzbekistan established an Agreement on Preferential Trade. Official visits of President Mirziyoyev in a number of European countries in the past year have led to the signing of agreements bound to increase bilateral trade with these countries. In 2021, Uzbekistan had been admitted as a beneficiary country under the European Union's Generalized Scheme of Preferences (GSP).

4.1.2 Trade in services

According to the official statistics of Uzbekistan, export of services amounted to around 4 billion USD, import of services to around 2.5 billion USD in 2022; adding up to around 20.5% of total foreign trade. This means a slight increase to 2021 (15.5%). As part of the export of services, the lion's share is occupied by transport services (44.3%), tourism (40.7%),

[12] World Bank: 2nd Systematic Country Diagnostics

[13] IMF Data (depending on source, data can vary)

[14] Uzbekistan Department of Statistics of Foreign Economic Trade

[15] Uzbekistan Department of Statistics of Foreign Economic Trade

[16] OECD: Boosting the Internationalisation of Firms through better Export Promotion Policies in Uzbekistan

telecommunications, computer and information services (6.8%), as well as financial services (1.8%).

As part of the import of services, the main share is occupied by tourism (56.6%), transport services (15.5%), telecommunications, computer and information services (9.4%), as well as the use of intellectual property (4.4%), construction services (2.8%), maintenance and repair services (2.5%).[17]

4.2 Bilateral trade

4.2.1 Trade in goods

In the past years, trade with Switzerland has been fluctuating around 100 million USD per year, while slightly growing over the years. The trade data for the first half of the year indicates a potentially sharp rise for trade in 2023 (see Annex 4). While calculation for trade volume may vary, according to Uzbekistan's official statistics, Switzerland figures among the top-20 countries from which Uzbekistan is importing.[18]

Switzerland primarily exports chemical products, vitamins, diagnostic instruments, including active substances, industrial machinery as well as food, beverages and tobacco. The overwhelming majority of imports is made up of precious metals (gold), constituting 99.9%. If one were to include precious metals in the official bilateral trade statistics, Switzerland would be 4th most important trading partner for Uzbekistan.

4.2.2 Trade in services

There is no quantitative data available. There is a number of Swiss companies in Uzbekistan operating logistics services. Some Swiss enterprises have offered franchising. Furthermore, some Swiss companies have started selling online services, including market platforms and online lending. Tourism furthermore plays an increasingly important role with upward trends of visitors from Uzbekistan to Switzerland.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

At the beginning of 2023, the government has revealed the priority areas for foreign investments. A major focus lies on the development of the industry for which the authorities foresee a growth of 50% in the next five years. According to them, this requires 120 billion USD of investment, of which 70 billion USD are expected to come from abroad.

In order to attract FDI, the President and its administration have been busy strengthening bilateral contacts with various visits around the world which included the signing of investment agreements. So far, Uzbekistan has opened up 13 Free Economic Zones, amongst others also to attract investment in needed modern technologies. To increase its attractiveness for FDI, further structural reforms such as a strengthened independence of the judiciary (to effectively protect investments) and more transparency in the legal framework are key.

As such, Uzbekistan's laws and regulations remain highly fragmented, which deters investors and increases the risk of corruption: Regulations consist of presidential decrees and resolutions, laws of Parliament, cabinet-level and ministerial resolutions, as well as ministerial orders. For example, at least 13 different legal regulatory documents pertain specifically to FDI in Uzbekistan. Though businesses may still be required to comply with them, many of these

[17] Uzbekistan Department of Statistics of Foreign Economic Trade

[18] Uzbekistan Department of Statistics of Foreign Economic Trade

documents are not publicly available because of administrative delays or decisions to withhold publication.

Furthermore, the ability of some investors to obtain an investment-specific regulatory framework creates an unleveled playing field. State-owned enterprises specifically enjoy preferential access to land, infrastructure, credit and state support. The authorities seem to be keen to address these issues, but reforms will take time. Positively, a strengthened role of the Prosecutor General's Office to protect the rights of business entities can be observed.

Despite the goal and the efforts to increase FDI, since 2018, the government and SOEs – including state-owned banks – have expanded external borrowing, most of which is long term. Net loans equaled to around 11,25% of GDP and international bond issuances to 2,5% of GDP. FDI made up 3.1% of GDP.[19]Total external debt stood at 33.8% of GDP (see Annex 2). External borrowing has been increasing fast - specifically in the banking sector – and more robust debt management will be needed.

In June 2022, the World Bank has elaborated recommendations for the Government of Uzbekistan for a national FDI strategy. It includes a "sector scoring" that identifies sectors with special potential for FDI attraction: At the top stand the banking and the renewable energy sectors.[20] In December 2022, as a major international signal for the ongoing privatization efforts – though after various highest-level contacts between the two countries – the Hungarian OTP bank acquired 97% shares of the Uzbek Ipoteka bank (which had previously been held by the Government of Uzbekistan).

5.2. Bilateral investment

Around 30 Swiss companies are active in Uzbekistan. So far, investment has remained low, as only few companies have opened own facilities in the country that go beyond administration and distribution. With the ongoing reforms and the government's divesting strategy, new opportunities may arise (cp. chapters 2 + 3). In the past, through the Central Asia Small Enterprise Fund (CASEF), the Government of Switzerland has invested in chosen projects with social impact.

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Switzerland supports Swiss companies in developing their international business through the federally mandated export promoter Switzerland Global Enterprise (S-GE) as well as through its representations abroad. S-GE's services are geared to small and medium-sized enterprises (SMEs). The S-GE's ExportHelp team is the first point of contact for administrative export-related issues of all kinds, but companies can also contact one of S-GE's country advisers directly.

Additionally, the Embassy of Switzerland in Tashkent offers a selection of services comprising information, advice, referral, support for events and delegations, and consular protection. It organizes regular meetings and networking opportunities within the circle of Swiss business representatives in Uzbekistan. Amongst the community, it runs annual business climate perception surveys to learn about the needs as well as perceived challenges and opportunities.

[19] World Bank Data

[20] World Bank: 2nd Systematic Country Diagnostics

In November 2022, S-GE and the Embassy of Switzerland have for the first time organized the "Swiss Days" in Uzbekistan. As a platform for Swiss companies to showcase their products and services, the Swiss Days include a number of public events, exhibitions and workshops. At its first edition, the Swiss Days in Tashkent attracted an estimated 20'000 visitors. The Swiss Days are foreseen to take place annually, with its next edition planned for November 2023.

The Joint Chamber of Commerce of Switzerland (JCC) also promotes private-sector business exchanges.

6.2 Uzbekistan's interest in Switzerland

The good relations between Switzerland and Uzbekistan have a strong foundation in the cooperation in international financial institutions, in the Swiss Cooperation Programme of Central Asia 2022-2025 as well as in the restitution of assets definitively forfeited as part of the criminal investigation in connection with Ms. Gulnara Karimova, which was initiated in 2012 by the Office of the Attorney General of Switzerland.

Furthermore, the Swiss private sector, through its renown expertise and innovation force has the potential to effectively contribute to the objectives of Uzbekistan's development strategy. The development of human capital being a key priority, study opportunities for students at Swiss universities have received increasing attention in the past years. Switzerland and Uzbekistan maintain a regular political dialogue and meetings of joint economic commissions.

Attracting FDI, including from Switzerland, plays an important role in Uzbekistan's strategy. The Director of the Investment Promotion Agency under the Ministry of Investments and Foreign Trade of the Republic of Uzbekistan expressed his willingness to meet with and assist any interested potential investors and economic partners from Switzerland on related matters. The director of the Agency has asked for the contact information to be included in this report:

Investment Promotion Agency
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34, Taras Shevchenko Street
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Uzbekistan

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Furthermore, the newly created Foreign Investors Council can be contacted through their Linkedin profile.

ANNEX 1 – Economic structure

Economic structure of Uzbekistan

Distribution of GDP	**2020**	**2021**	**2022**	**2023**
Agriculture, forestry and fishing	36.4	25.8	n/a	23.5 %
Industry	28.1	25.0	n/a	31.1%
Services *	35.5	49.2	n/a	38.7%

Distribution of employment	**2020**	**2021**	**2022**	**2023**
Agriculture, forestry and fishing	23.6	14.0	14.0	25.2%
Industry	27.1	25.8	26.0	23.3%
Services**	49.5	60.2	60.0	51.5%
- of which public services	n/a	n/a	n/a	n/a

Source(s): **National data:** State Committee of the Republic of Uzbekistan on Statistics http://nsdp.stat.uz/

**Services = Trade, accommodation and food services + Transportation and storage, information and communication + other branches of services*

***Services=Trade + Transportation and Storage + Education + Health and social services + other activities*

ANNEX 2 – Main economic data

Uzbekistan's main economic data

	2023	***2024***	***2025***
GDP (USD bn)*	92.332	103.530	116.282
GDP per capita (USD)*	2,563	2,817	3,102
Growth rate (% of GDP)*	5.2	5.5	5.5
Inflation rate (%[21])*	11.8	9.9	6.5
Total investment (% of GDP)*	38.4	38.4	38.2
Unemployment rate (%)*	8.3	7.8	7.3
Fiscal balance (% of GDP)*	-2.9	-2.8	-2.7
Current account balance (% of GDP)*	-3.5	-3.7	-4.1
Volume of imports of goods and services (%)*	15.6	16.5	15.3
Total external debt (% of GDP)*	33.8	32.9	31.4
Debt-service ratio (% of exports)*	24.2	15.4	14.3
Reserves (months of imports)*	15.2	16.4	15.1

* https://www.imf.org/en/Publications/WEO/weo-database/2023/April

[21] Percent change

ANNEX 3 – Trade partners

Trade partners of Uzbekistan **Year: 2022**

Rank	Country	Exports *from Uzbekistan* (USD million)	Share	Change[22]	Rank	Country	Imports *to Uzbekistan* (USD million)	Share	Change[1]
1	**Russia**	1,958.44	10.1%	+2	1	**China**	6,619.81	21.5%	
2	**China**	1,549.08	8%		2	**Russia**	5,788.59	18.8%	
3	**Türkiye**	1,397.24	7.2%	-2	3	**Kazakhstan**	3,101.49	10.1%	
4	**Kazakhstan**	926.84	4.7%		4	**South Korea**	2,431.56	7.9%	
5	**Kyrgyz Rep.**	729.52	3.7%		5	**Türkiye**	1,718.55	5.5%	
6	**Afghanistan**	516.74	2.6%		6	**Germany**	1,012.52	3.2%	+1
7	**Tajikistan**	307.94	1.5%		7	**Turkmenistan**	670.79	2.1%	-1
8	**Canada**	132.70	0.68%		8	**India**	634.70	2%	
9	**Iran**	117.98	0.61%	+1	9	**Brazil**	502.02	1.6%	+4
10	**Poland**	109.51	0.56%	+2	10	**Lithuania**	399.63	1.2%	-1
42	**Switzerland**	**8.94**	**0.4%**	**-5**	**22**	**Switzerland**	**150.07**	**0.4%**	**-1**
	Total	**19,309**	**100%**	**15.9%**		**Total**	**30,699**	**100%**	**+20.4%**

Source(s):IMF Data

[22] Change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and Uzbekistan

	Export (CHF million)	*Change (%)*	**Import** (CHF million)	*Change (%)*	**Balance** (in million)	**Volume** (in million)
2018	114,8	2.80%	2,2	-23.70%	112,6	117,0
2019	111,1	-3.20%	2,8	24.70%	108,3	113,8
2020	64,8	-41.70%	1,0	-62.50%	63,8	65,8
2021	84,6	30.50%	2,5	146.90%	82,0	87,1
2022 *(Total 1)**	104,7	23.90%	1,3	-50.80%	103,5	106,0
2023 (I-VI)**	81,7	98.2%	1,4	140.6%	80,3	83,1

*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

**) Change (%) from the previous year

Exports	**2021-1** (% of total)	**2022-0** (% of total)
1. Chemical end products, vitamins, diagnostic products, including active substances	38.427	48.862
2. Industrial machinery	19.394	19.271
3. Food, beverages and tobacco	1.894	7.593
4. Watches	8.09	6.825

Imports	**2021-1** (% of total)	**2022-0** (% of total)
1. Precious metals (including gold and silver bars from 1.1.2012)	99.883	99.966
2. Textiles, clothing, shoes	0.002	0.017
3. Articles of apparel and clothing	0.009	0.013
4. Food, beverages and tobacco	0.016	0.007

Source: Federal Office for Customs and Border Security: https://www.gate.ezv.admin.ch/swissimpex/

ANNEX 5 – Main investing countries

Main investing countries in Uzbekistan **Year: 2021**

Rank	Country	**Direct investment** (USD, stock)	Share	**Variation** (stock)	**Inflows over past year** (USD)
1	China	2.2 billion USD		+/- …%	….
2	Russia	2.1 billion USD		+/- …%	….
3	Türkiye	1.18 billion USD		+/- …%	….
4	Germany	800.7 million USD		+/- …%	….
5	Republic of Korea	137.4 million USD		+/- …%	….

Source: Investment Promotion Agency under the former Ministry of Investments and Foreign Trade of the Republic of Uzbekistan[23] (Data only available for 2021 and for top 5 investing countries: Link)

[23] Since December 2022: "Ministry of Investment, Industry and Trade of the Republic of Uzbekistan"