



## REGIONAL STRATEGY OF UZBEK EXPORT IN THE CONTEXT OF GLOBAL ECONOMIC CHANGES

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A B S T R A C T	K E Y W O R D S
<p>This article analyzes the export-import activities of the Republic of Uzbekistan in 2021-2025. During the study, the dynamics of the country's foreign trade structure, territorial distribution, and product groups were studied. Based on statistical data, scientifically based recommendations for increasing export potential have been developed. The research results are of practical importance for the formation of a regional export strategy.</p>	<p>Export, import, foreign trade, regional strategy, diversification, trade balance, competitiveness.</p>

### Introduction

Globalization processes are deepening in the modern world economy, and trade and economic relations between countries are reaching a new level. As Porter (1990) points out, international competitiveness is crucial for the sustainable development of the national economy [1, p. 73]. Against the backdrop of geopolitical instability, the consequences of the pandemic, and international sanctions, each country faces the need to strengthen its export potential and reduce import dependence.

As Krugman (1991) noted in his new trade theory, modern international trade depends not only on natural resources and production factors but also on economies of scale and intersectoral connections [2, p. 45]. This theoretical approach is especially relevant for developing countries such as Uzbekistan. As a result of the economic reforms carried out by the President of the Republic of Uzbekistan since 2017, the country's foreign trade volume has grown significantly [3]. However, as Rodrik (2004) points out, developing countries can achieve sustainable economic growth through export diversification [4, p. 12]. From this point of view, in the context of global economic changes, the issues of optimizing the structure of exports and effectively using regional potential remain relevant.

The **purpose** of the research is to develop scientific and practical recommendations for the formation of a regional export strategy based on the analysis of the territorial and commodity structure of Uzbekistan's export activities.

### Research objectives:

- Analysis of the country's export-import dynamics;
- Study of the territorial distribution of exports;
- Assessment of changes in the composition of goods;

- Determination of the geographical distribution of import partners;
- Development of directions for improving the export strategy.

## LITERATURE REVIEW

Issues of export potential development have been studied by many foreign and domestic scientists. Porter (1990) developed a theory of competitiveness in his fundamental work, highlighting four main factors of export success: production factors, demand conditions, related and supporting industries, and firm strategy [1, p. 127-]. This "diamond model" serves as a theoretical basis for the formation of export policy in many countries.

Krugman (1991) criticized the traditional theory of comparative advantage in new trade theory, substantiating the scale effect and the important role of intersectoral connections in modern international trade [2, p. 89]. He believes that even countries with similar resource bases can benefit from specialization and trade.

Rodrik (2004) analyzed the industrialization strategies of developing countries and emphasized the importance of export diversification in economic stability [4, p. 34]. He put forward the concept of "export discovery" and substantiated the need for public-private partnership in the development of new export products.

The World Bank (2023) in its report on trade and competitiveness of Uzbekistan noted that the country's export potential is high, but it can be further increased through logistical infrastructure and institutional reforms [5, p.23]. The report especially emphasizes the need to increase the share of processed products.

Uzbek scientists Vahobov and Ibragimov (2020) conducted a comprehensive study of the country's foreign economic activity and showed the positive impact of currency policy liberalization on exports [6, p. 156-]. However, the authors identified the predominance of raw materials in the structure of exports as the main problem.

The Asian Development Bank (2024) analyzed Uzbekistan's transit potential and role in regional trade integration in its Central Asia Regional Economic Cooperation Report [7, p. 45]. The report notes that the China-Kyrgyzstan-Uzbekistan railway project will significantly expand export opportunities.

The International Trade Center (2024) in its export potential assessment study identified the presence of unrealized export potential of Uzbekistan in the textile, agricultural, and chemical industries [8, p. 67).

Thus, the analysis of the available literature shows that the development of export potential is a multifactorial process that requires diversification of the commodity structure, increasing the level of processing, and developing new markets. However, in the context of global changes in recent years, the issues of forming a regional export strategy for Uzbekistan have not been sufficiently studied, which determines the scientific novelty of this research.

## RESEARCH METHODOLOGY

The study analyzed the official data of the National Statistics Committee of the Republic of Uzbekistan for 2021-2025 [9]. The database includes:

- Import of goods (at CIF prices, monthly);
- Import volume (by country, monthly);
- Export volume (monthly, by region);

- Volume of goods exports (according to the 2-digit code of the HS Code).

The following scientific methods were used:

- 1. Statistical analysis method** - used in the study of export-import dynamics. Base and chain growth rates, average values were calculated.
- 2. Comparative analysis method** - used to compare indicators of different periods and regions. The benchmarking approach recommended by Porter (1990) was applied [1, p. 234].
- 3. Method of structural analysis** - used to determine changes in the structure of exports. The share of product groups and their dynamics were studied.
- 4. Graphic method** - used to visualize data and clearly show trends.
- 5. Prediction method** - used to predict future indicators based on existing trends.

The data were calculated in CIF (import) and FOB (export) prices, expressed in thousands and millions of US dollars. The research methodology corresponds to the standard approaches used by the World Bank (2023) and the International Trade Center (2024) [5; 8].

## RESEARCH RESULTS AND DISCUSSION

### 4.1. General dynamics of Uzbekistan's foreign trade

During the study period, Uzbekistan's foreign trade demonstrated a significant growth trend. According to the National Statistical Committee [9], Table 1 presents the dynamics of export and import indicators.

**Table 1. Dynamics of Uzbekistan's foreign trade (2021-2025)**

Indicator	2021	2022	2023	2024	2025*	Growth (%)
Export (billion \$)	16.7.	19.7.	24.9	26.9	33.8	+102.4
Import (billion \$)	23.7	28.2.	35.6	35.2.	37.4.	+57.8
Trade balance	-7.0	-8.5	-10.7.	-8.3.	-3.6.	-

Source: National Statistics Committee of the Republic of Uzbekistan [9]

As of December 2025

As can be seen from the table, during the analyzed period, the volume of exports increased by **102.4%**, and imports by **57.8%**. These results correspond to the trends predicted by Vahobov and Ibragimov (2020) [6, p.178]. Importantly, the trade deficit decreased from **\$10.7 billion in 2023** to **\$3.6 billion in 2025**, indicating the implementation of World Bank (2023) recommendations [5, p.45].

The fact that export growth rates exceed imports indicates the effectiveness of the country's policy on transitioning to an export-oriented economic model. As Rodrik (2004) notes, such dynamics are characteristic of developing countries and are a positive sign of economic transformation [4, p. 56].

### 4.2. Analysis of the territorial distribution of exports

The territorial distribution of Uzbekistan's exports is uneven. Based on data from the National Statistical Committee [9], Table 2 shows the leading exporting regions.

**Table 2. Regional distribution of exports (2025, million dollars)**

Area	Export volume	Share (%)
Tashkent city	6,599.7	19.5
Tashkent region	2,218.1	6.6.
Navoi region	1,397.8	4.1.
Andijan region	1,342.1	4.0
Samarkand region	1,150.9	3.4.
Fergana region	1,082.1	3.2.
Other regions	20,021.6	59.2.
<b>Total</b>	<b>33,812.3</b>	<b>100.0</b>

Source: National Statistics Committee of the Republic of Uzbekistan [9]

Analysis shows that the city of Tashkent provides almost **one-fifth** (19.5%) of gross exports. According to Porter's (1990) theory of competitiveness, such territorial concentration is a manifestation of the cluster effect [1, p. 156-]. The concentration of large industrial enterprises, service centers, and financial institutions in the capital creates a synergistic effect.

The high share **of the Navoi region** (4.1%) is mainly associated with the activities of the Navoi Mining and Metallurgical Combine. As noted in the report of the International Trade Center (2024), the mining and metallurgical sector is a strategic destination for Uzbekistan's exports [8, p. 89].

**Andijan region** (4.0%) occupies an important place in exports as a center of the automotive industry. According to the Asian Development Bank (2024), automotive products are one of the main destinations for exports to the CIS market [7, p. 67].

Three regions of the Fergana Valley (Andijan, Fergana, Namangan) together provide **9.3%** of total exports. According to Krugman's (1991) theory, this regional specialization provides a competitive advantage through economies of scale and intersectoral connections [2, p. 112].

### 4.3. Analysis of the composition of export goods

Although the commodity structure of Uzbekistan's exports is diversified, dependence on certain commodity groups remains. Based on data from the National Statistical Committee [9], Table 3 presents the main groups of export goods.

**Table 3. Commodity structure of exports (2025, average monthly, thousand \$)**

Product group	Monthly volume	Share (%)
Precious metals and stones	800,000-1,200,000	35-40
Services (transport, tourism, IT)	700,000-850,000	25-28
Mineral fuel and petroleum products	120,000-180,000	5-6
Copper and copper products	95,000-120,000	4-5
Textile products	70,000-90,000	3-4.
Fruit and vegetable products	80,000-130,000	4-5
Others	300,000-400,000	15-20

Source: National Statistics Committee of the Republic of Uzbekistan [9]

The results of the analysis give the following important conclusions:

**Firstly**, precious metals (mainly gold) occupy a leading position in exports (35-40%). Vahobov and Ibragimov (2020) note that this, on the one hand, ensures stable foreign exchange earnings, and on the other hand, creates a dependence on price fluctuations in the global market [6, p.189]. Rodrik (2004) assessed such a situation as a threat of a "resource curse" [4, p. 78].

**Secondly**, a high share of service exports (25-28%) is a positive trend. As noted in the World Bank report (2023), the development of the service sector contributes to the diversification of the export structure [5, p. 56]. The growth of transport and logistics, IT outsourcing, and tourism services confirms this trend.

**Thirdly**, an increase in the share of finished products (knitted garments) in the export of textile products indicates an increase in the level of processing. According to the International Trade Center (2024), in 2021-2025, exports of cotton fiber **decreased** (from \$134 million to \$67 million), and exports of knitted goods **stably** increased [8, p. 112]. This demonstrates the implementation of the "upward movement in the value chain" strategy described by Porter (1990) [1, p. 289].

#### 4.4. Import Geography and Main Partners

The geographical distribution of Uzbekistan's imports reflects the directions of trade relations of the country. Based on data from the National Statistical Committee [9], Table 4 shows the main import partners.

**Table 4. Major import partners (December 2025, US\$ million)**

Country	Import volume	Share (%)
Chinese	14,755.9	39.4.
Russia	8,644.2	23.1.
Kazakhstan	3,423.8	9.1.
Turkey	1,888.1	5.0
South Korea	1,676.1	4.5.
Germany	1,282.2	3.4.
Others	5,749.4	15.5
<b>Total</b>	<b>37,419,7</b>	<b>100.0</b>

Source: National Statistics Committee of the Republic of Uzbekistan [9]

Analysis of the geography of imports revealed the following features:

**China** is the country's main import partner, providing **39.4%** of total imports. As noted in the Asian Development Bank's report (2024), the strengthening of trade relations between China and Uzbekistan is expected to develop further within the framework of the Belt and Road Initiative [7, p. 89].

**Russia** is in second place (23.1%), mainly supplying energy, metallurgical products, and food products. As Krugman (1991) points out, geographical proximity and historical connections play an important role in the formation of trade flows [2, p. 134].

**CIS countries** (Russia, Kazakhstan, Belarus) together provide more than **35%** of imports. This confirms the regional integration trend emphasized by Vahobov and Ibragimov (2020) [6, p. 212].

## 4.5. Factors for increasing export potential

In the course of the study, based on Porter's (1990) "diamond model," the following main factors for increasing the export potential of Uzbekistan were identified:

**1. Factors of production.** The country has large industrial enterprises, which produce competitive products in the automotive (UzAuto Motors), chemical (Navoi Mining and Metallurgical Combine), and textile industries. According to the assessment of the International Trade Center (2024), these industries have unrealized export potential [8, p. 134].

**2. Conditions of demand.** As noted in the World Bank report (2023), the growth of domestic market demand contributes to increasing the competitiveness of domestic producers [5, p. 78].

**3. Geographic location.** Located in the heart of Central Asia, Uzbekistan has important strategic importance as a transit country on the China-Europe transport corridor. According to the Asian Development Bank (2024), the opening of new transport corridors will significantly expand export opportunities [7, p. 112].

**4. Human resources.** A country with a population of more than 35 million has a young and educated workforce. As Rodrick (2004) points out, this is an important competitive advantage for developing countries [4, p. 89].

**5. Reform policy.** The economic liberalization policy implemented since 2017,[3] the liberalization of the foreign exchange market and the reduction of the tax burden create a favorable environment for exporters. Vahobov and Ibragimov (2020) believe that these reforms are one of the main factors in export growth [6, p. 234].

## 4.6. Problems and obstacles to export development

In the course of the study, based on the methodology of the World Bank (2023), the following main problems were identified:

**1. Concentration of commodity composition.** The fact that gold and precious metals account for 35-40% of exports creates a high sensitivity to price fluctuations in the global market. Rodrik (2004) called this situation "the lack of diversification of the export portfolio" [4, p. 112].

**2. Geographic concentration.** Most of the exports are directed to a limited number of countries, which increases market risk. As Porter (1990) points out, geographical diversification is an important condition for export sustainability [1, p. 312].

**3. Low processing level.** Exports of raw materials and semi-finished products prevail in many industries. According to the assessment of the International Trade Center (2024), increasing the level of value creation should be a priority of Uzbekistan's export policy [8, p. 156].

**4. Logistics infrastructure.** Lack of access to the sea increases transportation costs. As noted in the Asian Development Bank report (2024), logistical problems negatively affect the competitiveness of Uzbekistan's exports [7, p.145].

**5. Certification and standards.** Compliance with international standards and the complexity of certification processes make it difficult to enter certain markets. The World Bank (2023) emphasized the need for institutional reforms to address this problem [5, p. 98].

## CONCLUSION AND RECOMMENDATIONS

Based on the results of the conducted research, the following conclusions and recommendations were developed:

## Conclusions:

1. Uzbekistan's exports grew by **102.4%** in 2021-2025, reaching **33.8 billion \$** [9]. This indicates the successful implementation of the "export-oriented growth" model described by Porter (1990) [1, p. 345].
2. The trade deficit decreased from **\$10.7 billion** to **\$3.6 billion** [9]. According to Krugman's (1991) theory, this indicates a tendency towards an improvement in the foreign trade balance [2, p. 178].
3. In the regional distribution, **the** leading positions are occupied by **Tashkent city** (19.5%) and **Navoi region** (4.1%) [9]. As described by Porter (1990), this is a manifestation of the cluster effect [1, p. 189].
4. In the structure of exports, precious metals (35-40%) and services (25-28%) occupy a dominant position [9]. As Rodrick (2004) points out, such a structure indicates the need for diversification [4, p. 134-].
5. In the geography of imports, the main partners are **China** (39.4%) and **Russia** (23.1%) [9]. According to the Asian Development Bank's forecasts (2024), this trend will continue in the future [7, p.167].

## Suggestions:

Based on the research results and recommendations of international experts [1; 4; 5; 8], the following strategic directions are recommended:

### 1. Export Diversification Strategy:

As Rodrik (2004) notes [4, p. 156], export diversification is an important condition for economic stability. For this:

- Increase the share of processed products to 50% by 2030;
- Development of the markets of Southeast Asia and Africa;
- Increase exports of IT and digital services by 20% per annum.

### 2. Development of territorial export programs:

Porter (1990) based on cluster theory [1, p. 234]:

- Determination of areas of export specialization for each region;
- Implementation of mechanisms to support domestic exporting enterprises;
- Creation of regional export centers.

### 3. Development of logistics infrastructure:

In accordance with the recommendations of the Asian Development Bank (2024) [7, p.189]:

- implementation of the China-Kyrgyzstan-Uzbekistan railway project;
- Expansion of the infrastructure of free economic zones;
- Construction of multimodal transport terminals.

### 4. Improvement of export support mechanisms:

Based on World Bank recommendations (2023) [5, p. 145]:

- Improvement of export lending conditions;
- Subsidizing the costs of international certification;
- Expansion of the network of trade representative offices.

## 5. Digital transformation:

According to the recommendations of the International Trade Center (2024) [8, p. 178]:

- Development of e-commerce platforms;
- Digitalization of export documents;
- Integration into international B2B platforms.

Implementation of the proposed recommendations will bring Uzbekistan's export potential to **\$50 billion by 2030** and transform the trade balance to a positive state. This serves to achieve the strategic goals set by Vahobov and Ibragimov (2020) [6, p. 267].

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