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ANALYSIS OF THE CURRENT STATE AND EXPORT ACTIVITIES OF THE MINING INDUSTRY OF THE REPUBLIC OF UZBEKISTAN

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ABSTRACT

The article analyzes the current state of the mining industry of the Republic of Uzbekistan and its importance for industrial production, export potential, and investment attraction. The role of gold, copper, uranium, coal, and other mineral resources is examined, along with production dynamics in 2025, the results of geological exploration activities, and the main directions for the development of the industry in 2026. The article includes sections devoted to the legal and regulatory framework governing export activities and subsoil use, including the new Law of the Republic of Uzbekistan No. ZRU-987 "On Subsoil", which entered into force on February 2, 2025.

KEYWORDS

Mining industry, mineral resources, gold, copper, uranium, exports, subsoil use, investments, Uzbekistan.

Introduction

The mining industry occupies a particularly important position in the economy of Uzbekistan. This is due to the country's rich mineral resource base and the presence of significant reserves of gold, copper, uranium, silver, tungsten, molybdenum, and other mineral resources. Under modern economic conditions, the importance of the industry is determined not only by the volume of raw material extraction but also by the ability of the state and enterprises to transform mineral resources into export revenues, investments, technological development, and new employment opportunities.

In 2025, Uzbekistan's exports reached US$33.8 billion**,** representing a 24% increase compared to the previous year. This export growth was driven, in particular, by exports of gold, copper, zinc, uranium, and other products**.**[1]

Therefore, the mining industry should be analyzed comprehensively. On the one hand, it is necessary to examine mineral extraction and industrial production**;** on the other hand, attention should be paid to the regulatory framework, investment regime, export procedures, and the level of raw-material processing**.**

The mining industry encompasses a range of activities related to geological exploration, prospecting, development of mineral deposits, extraction, concentration, processing, and transportation of mineral resources. The new Law of the Republic of Uzbekistan "On Subsoil" defines mining activities broadly, covering everything from geological exploration and infrastructure development to the extraction, concentration, beneficiation, processing, and transportation of solid mineral resources.[2]

Gold, copper, and uranium are of particular importance to Uzbekistan. According to the official investment portal, in 2025, gold production amounted to approximately 130 tons**,** coal production reached around 3.9 million tons**,** while the total output of the mining sector was estimated at approximately US$17.6 billion**.**[3]

Literature review

The issues of investment activity and the assessment of enterprises' investment attractiveness have been examined in the works of P.L. Vilensky, V.N. Livshits, S.A. Smolyak, E.I. Krylov, V.M. Vlasova, M.G. Egorova, and other scholars. The problems of the mining industry economics have been studied in the works of Ya.V. Mossakovsky.

Methodology

The theoretical and methodological basis of the study consists of the works of domestic and foreign economists on investment analysis, the economics of the mining industry and the assessment of enterprises' investment attractiveness, as well as the regulatory and legal acts of the Republic of Uzbekistan.

Analysis and results

The mining industry is a set of activities related to the geological study and exploration of mineral deposits, their development, and the extraction, beneficiation, processing and transportation of minerals. The new Law of the Republic of Uzbekistan "On Subsoil" defines mining activity broadly, from geological study and infrastructure construction to the extraction, concentration, beneficiation, processing and transportation of solid minerals.[2].

Gold, copper and uranium are of particular importance for Uzbekistan. According to the official investment portal, in 2025 gold production amounted to about 130 tonnes and coal production to about 3.9 million tonnes, while the total output of the mining sector was estimated at approximately USD 17.6 billion.[3]

Table 1. Mining Sector Production Volume[1]

Indicator	2025	Economic significance
Gold production	≈130 tons	A key export commodity and source of foreign exchange earnings
Coal production	≈3.9 million tons	Supports industrial and energy demand
Mining sector output	≈US$17.6 billion	Significant contribution to the industrial economy
Share of mining and quarrying in industrial value added as a percentage of GDP	≈11.4%	Strategic importance of the sector
Uranium production	7 thousand tons	Significant export and strategic resource
Explored uranium reserves	139 thousand tons	Long-term resource base

[1] National Statistics Committee of the Republic of Uzbekistan; Ministry of Mining Industry and Geology of the Republic of Uzbekistan; official investment portal *Invest Uzbekistan*.

According to data from the National Statistics Committee, in January–December 2025, the volume of industrial production in the "Mining and Quarrying" sector amounted to 77 trillion soums, accounting for approximately 7% of the country's total industrial production.[5]

The data demonstrate the sustained importance of the mining industry within Uzbekistan's industrial sector. At the same time, it is necessary to distinguish between the statistical indicator "mining and quarrying" used in the national statistical classification and the broader economic sector, which also includes metallurgy and subsequent processing activities. Therefore, estimates of the overall value of the mining sector presented in investment materials may differ from official statistics for the individual industrial classification.

Table 2. Main Types of Mineral Resources

Resource	Main Areas of Use	Role in the Economy
Gold	Jewelry industry, financial reserves, exports	One of the main sources of export revenues
Copper	Electrical engineering, construction, mechanical engineering	A foundation of non-ferrous metallurgy and industrial modernization
Uranium	Nuclear fuel	A strategic export resource
Coal	Energy production, chemical processing	Supports the energy sector and provides industrial raw materials
Silver	Electronics, industry, jewelry	An additional export resource
Tungsten and molybdenum	Metallurgy and production of special alloys	Promising critical minerals
Lithium and rare-earth elements	High-tech manufacturing	Long-term potential for economic diversification

The export model of Uzbekistan's mining industry has historically relied heavily on gold; however, current government policy is gradually expanding the structure of mineral exports. The World Bank notes that the growth of Uzbekistan's exports in 2025 was supported by gold, copper, zinc, uranium, and other commodities.[7] This is particularly important given the growing global demand for critical minerals, which are essential for the energy sector, electronics, transportation, and industrial infrastructure.

At the same time, an important challenge for the country is to increase value added. Exporting concentrates or unprocessed raw materials generates revenue, but deeper processing makes it possible to achieve higher value per unit of mineral resources, create skilled jobs, and develop domestic supply chains.

Table 3. Traditional and Prospective Models of Mineral Resource Development

Direction	Traditional Model	Prospective Model
Gold	Mining and primary processing	Expansion of jewelry and industrial processing
Copper	Concentrate and cathode copper production	Production of copper products, cables, and electrical components
Uranium	Mining and export of the raw product	Development of processing infrastructure and technological capabilities
Rare metals	Limited extraction	Development of processing and materials-production value chains
Coal	Use primarily as fuel	Deep chemical processing and production of higher value-added products

As a result of geological exploration activities, significant increases in forecast mineral reserves were recorded: 398.4% for uranium, 279.5% for silver, 125.9% for gold, and 192.1% for hydrocarbons**,** relative to the respective planned targets.[8] These figures reflect the achievement of projected reserve-growth targets and do not represent a percentage increase in the country's total mineral resource base**.** As of 2025, 2,537 mineral deposits were recorded on the state balance sheet, including 1,855 deposits of construction materials, 296 hydrocarbon deposits, and 92 deposits of precious metals**.**[8]

The uranium industry is one of the most prominent examples of Uzbekistan's export specialization. According to official data, the country produced 7,000 tonnes of uranium in 2025, while its proven reserves reached 139,000 tonnes.[4] In 2026, the development of several new deposits and the expansion of processing capacities are planned.

At the same time, the government is focusing on improving the economic efficiency of the industry. This means that the goal is not simply to increase production, but also to develop infrastructure, ensure a reliable supply of raw materials to processing facilities, improve labor productivity, and reduce environmental risks. The legal and regulatory framework governing the mining industry is twofold. On the one hand, the government establishes rules for access to mineral resources, exploration, extraction, and environmental protection. On the other hand, it regulates export operations, customs procedures, foreign exchange transactions, taxation, and international obligations.

A key change in the legal framework was the Law of the Republic of Uzbekistan No. ZRU-987 "On Subsoil," adopted on October 31, 2024, and entering into force on February 2, 2025.[9] The law regulates relations arising from the ownership and management of subsoil resources, as well as the use and protection of the subsoil.

It is crucial to emphasize that subsoil resources and naturally occurring mineral deposits are state property. The state grants the right to use areas of the subsoil under the terms and within the limits established by law.[9]

Regulatory Element	Content of the New Legislation	Significance for Business and Exports
State Ownership	Subsoil resources and mineral deposits are owned by the state.	Defines the basic framework for subsoil use.
Permits	Procedures for granting rights to use subsoil areas have been established.	Increases the formalization and transparency of investor access.
Geological Information	A subsoil cadastre system is provided for.	Improves the quality of investment decisions.
Investment	The state promotes and regulates investment in the industry.	Creates a legal framework for private capital.
Environmental Safety	Requirements for the rational use and protection of subsoil resources have been established.	Reduces environmental and legal risks.
Liability	Liability for violations of the legislation has been established.	Strengthens discipline in subsoil use.

The export of mining products is regulated not by a single document, but by a comprehensive system of legislation. This includes regulations on subsoil resources, customs, taxation, foreign exchange, precious metals and gemstones, technical regulation, and foreign economic activity.

For companies operating in the industry, it is crucial to have clearly defined extraction rights, transparent permitting procedures, and the ability to plan export shipments. The new Law "On Subsoil"

explicitly establishes the state's responsibilities in regulating investment, organizing geological exploration, regulating extraction activities, and ensuring legality, openness, transparency, and environmental safety.[9]

At the same time, Uzbekistan is implementing a broader reform of its foreign trade system. In 2025, the World Bank highlighted measures to simplify export procedures, eliminate certain export permits, and further advance the country's accession process to the WTO.[10] For the mining industry, this creates conditions for more effective integration into international supply chains.

However, trade liberalization does not imply the elimination of state control. For strategic minerals, the government must simultaneously ensure economic efficiency, transparent access to resources, compliance with environmental requirements, and the protection of long-term national interests.

Challenges of Regulatory Framework

Problem	Manifestation	Proposed Solution
Complexity of Permitting Procedures	Long approval periods and a high administrative burden	Digitalization of permits and the "one-stop shop" principle
Limited Access to Geological Information	Investors face greater difficulties in assessing project risks	Development of an open digital subsoil cadastre
Environmental Risks	Waste, tailings, and impacts on water and land	Strengthening environmental monitoring and land reclamation plans
Low Added Value of Some Exports	Exports consist mainly of raw materials or primary processed products	Promoting deeper processing
Price Risks	Export revenues depend heavily on global metal prices	Diversification of products and markets

Export Competitiveness: Key Areas

- Transition from the export of raw materials to the export of higher value-added products;
- Expansion of export destinations for copper, uranium, gold, and critical minerals;
- Increasing the transparency of procedures for allocating subsoil areas and investment projects;
- Introduction of modern geological exploration technologies and digital mine management;
- Development of environmentally responsible mining and land reclamation;
- Improving labor productivity and localizing mining equipment and components;
- Developing partnerships with foreign investors while maintaining state control over strategic resources.

Conclusions and recommendations.

The analysis shows that the mining industry remains one of the key components of Uzbekistan's industrial and export potential. In 2025, the industry demonstrated high production volumes, while gold, copper, uranium, and other mineral resources continued to play a significant role in the country's exports.

An important development in 2025–2026 was the modernization of the institutional framework. The new Law "On Subsoil" established a more modern legal framework for subsoil use, investment,

geological information, environmental safety, and the liability of market participants. At the same time, efforts to simplify foreign trade procedures are continuing.

The main challenge for the next stage is to move from a resource-based model toward a model based on deeper processing of mineral raw materials. For Uzbekistan, this creates an opportunity to generate higher export revenues, develop technology-intensive industries, and create skilled jobs. Therefore, the future performance of the industry should be assessed not only by production volumes, but also by value added, export diversification, investment returns, and environmental sustainability.

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