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Uzbekistan Economy

Understanding Uzbekistan

Uzbekistan | Economy
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Executive Summary

Uzbekistan is Central Asia's most populous country, comprising nearly half of the region's total. The country has over 1,800 mineral reserves with substantial deposits of gold, copper, uranium, coal and natural gas.

The economy experienced the smallest contraction among its peers after the collapse of the Soviet Union in 1991. The country managed to increase its nominal GDP by 19x to US$ 67.1bn between 1992 and 2016. However, this was not sufficient to raise the living standards of the population with per capita GDP at US$ 2,124 in 2016 – one of the lowest globally, albeit up from US$ 167 in 1992.

Solid economic growth was insufficient for quality job creation given the rapidly increasing labor force. Uzbekistan's annual average real GDP growth of 8.3% over 2007-16 was 6th highest in the world. Despite unprecedented growth levels public sector was unable to meet labor market demand with 500,000 new job seekers entering the market every year.

A private sector-driven growth model and attracting foreign investment are high on agenda. Worsening external environment since 2014 required the economy to move towards a different growth model. At end-2016, newly elected president Shavkat Mirziyoyev acknowledged that the economy needed new drivers of growth and some dismantling given that it was still closed and centrally planned 25 years after the collapse of the Soviet Union. The government's five-year development strategy, adopted in February 2017, is the country's official roadmap of liberal economic reforms aiming to increase private investment in the economy.

Uzbekistan implemented a series of reforms under its development strategy in 2017-18. Institutional progress was rapidly acknowledged by international observers. The World Bank named Uzbekistan as one of the top improvers globally and the regional leader in terms of its total number of reforms in its 2018 "Doing Business" report. Despite this progress, the authorities have much work to do to move away from a state controlled economic model and combat widespread corruption.

Uzbekistan has the potential to become the largest economy in Central Asia given its natural resources combined with the government's commitment to promoting private sector-led growth. Moreover, Uzbekistan's large FX reserves and low and affordable foreign debt provide a cushion against global market volatility. According to the IMF, the economy has the potential to grow by 5.0% in 2018-19, before accelerating slowly to 6.0% by 2022.

Economic structure and development

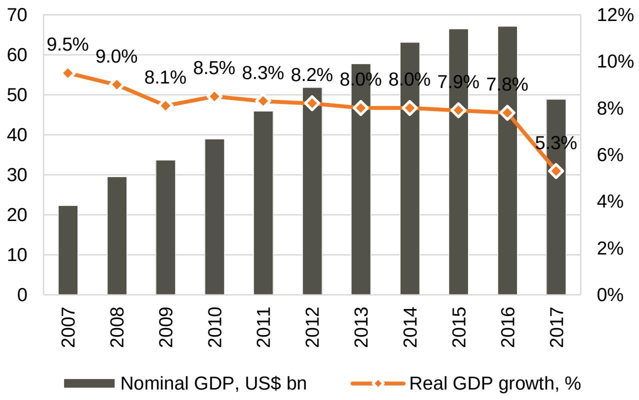
Uzbekistan is Central Asia's most populous country, comprising nearly half the region's total. It is one of only two double-landlocked countries in the world and has a land area of approximately 448,000 km² – about the size of California or Spain and twice as large as the UK or Romania. It borders the other four landlocked Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan) and shares a short border with Afghanistan. With a population of 32 million – of whom almost a third are under the age of 14 – the labor force is expected to continue growing until 2050.

Uzbekistan is 9th-largest gold-producing country globally with an abundance of other natural endowments also. Its Muruntau mine is one of the largest open-pit gold mines in the world. Production of 85 tons of gold annually makes the commodity the economy's top foreign-currency earner. The country has over 1,800 mineral reserves with substantial deposits of gold (10th globally), copper (10th globally), uranium (16th globally), natural gas (24th globally), and coal (29th globally).

Uzbekistan is the world's 8th-largest cotton producer out of 90 cotton-growing countries and the 12th-largest cotton exporter worldwide. Cotton production and exports have a long history in Uzbekistan, and there is considerable potential to improve productivity in this sector.

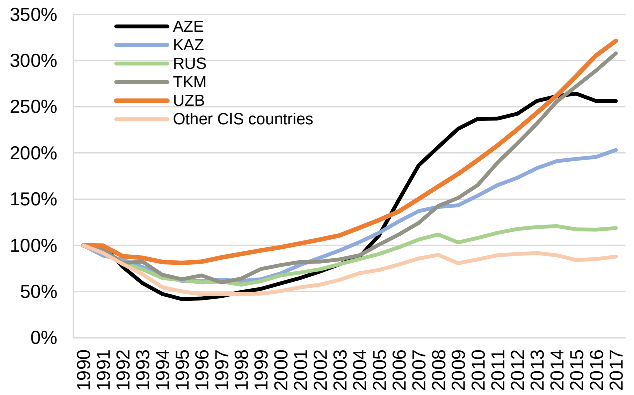
Despite abundant natural resources and unprecedented growth, Uzbekistan remains one of the lowest-income countries in the world. The economy experienced the lowest contraction among its peers after the collapse of the Soviet Union in 1991 and managed to increase nominal GDP by 19x to US$ 67.1bn over 1992-2016. Growth was financed from increased revenues from energy, gold and other minerals exports. However, this was not sufficient to lift the population's living standards with per capita GDP at US$ 2,124 in 2016 – one of the lowest globally, albeit up from US$ 167 in 1992.

Figure 1: Nominal GDP and real GDP growth, %



Source: IMF

Figure 2: Real GDP growth index vs peers



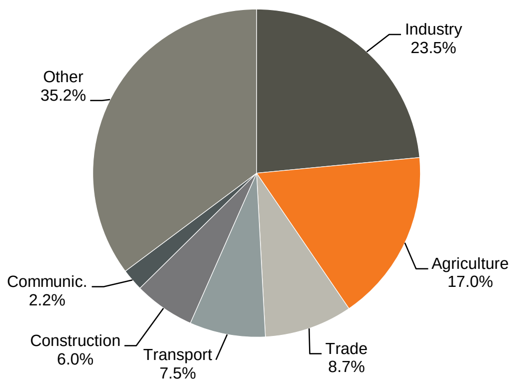
Source: WB, IMF

Over 2007-16, Uzbekistan's economy[1] was resilient to external shocks and grew rapidly before growth slowed to 5.3% in 2017. Its average annual real GDP growth rate of 8.3% over that period was 6th highest in the world. Despite reduced exports and remittances, the economy managed to grow rapidly during and after the global financial crisis of 2008-09. This was a result of expansionary fiscal and monetary policies and measures implemented to boost private-sector credit growth. Despite these policies, the government ran a fiscal surplus, public debt remained low, the CA

[1] Uzbekistan's official statistics are frequently difficult to interpret and analysis is limited due to the lack of credible economic, financial, and social statistics and the report relies on analysis from World Bank, IMF and other official sources.

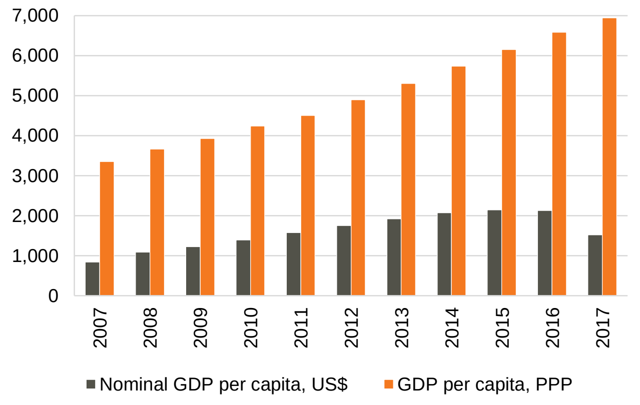
was in surplus and FX was stable. However, the downturn in commodity prices due to the commodity price shock in 2014-15, combined with the rapidly increasing labor force and the worsening external environment, raised risks to maintain previous high growth rates without further depleting its fiscal and external buffers.

Figure 3: GDP by sector, 2017



Source: UzStat

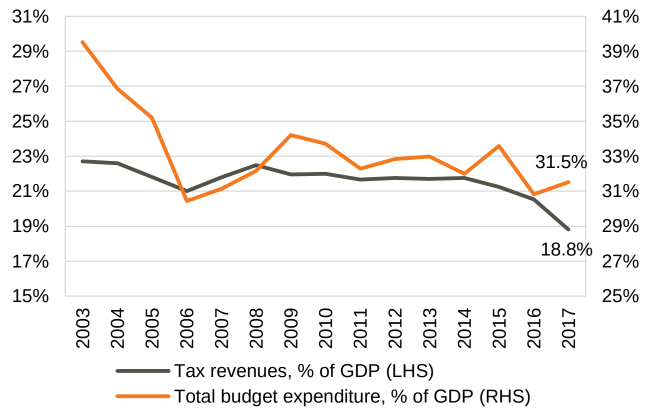
Figure 4: GDP per capita, US$



Source: IMF

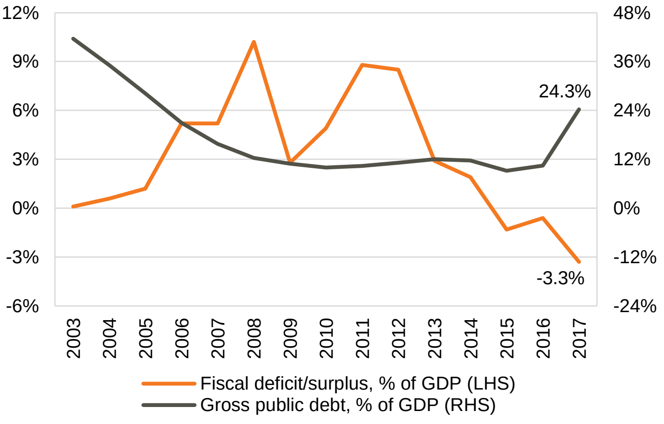
Worsening external environment since 2014 required the economy to move towards a different growth model. Compared to the previous shock of 2008-09, exports saw a larger downturn in 2014-15, accompanied by a much sharper decline in remittances. In 2015, the UZS gradually depreciated by 14% against the US$, while the RUB depreciated by 23% over the same period. In 2014-15, significant fiscal efforts (pension and wage growth as well as tax cuts) kept average real GDP growth at 8.0%; however, this eroded Uzbekistan's fiscal and external buffers and increased the country's external debt, although this did remain low. The consolidated fiscal balance dropped from a surplus of 1.9% of GDP in 2014 to a deficit of 1.3% of GDP in 2015; the CA surplus declined from 1.7% of GDP in 2014 to 0.7% of GDP in 2015. As a consequence, total external debt increased from 12.7% of GDP in 2014 to 18.5% of GDP in 2015.

Figure 5: Tax revenues and budget spending



Source: IMF, Ministry of Finance of Uzbekistan

Figure 6: Fiscal performance and public debt

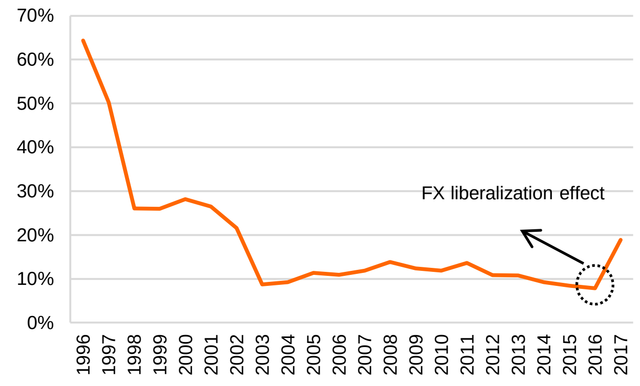


Source: IMF, Ministry of Finance of Uzbekistan

Note: Fiscal deficit/surplus figures include FRD balance

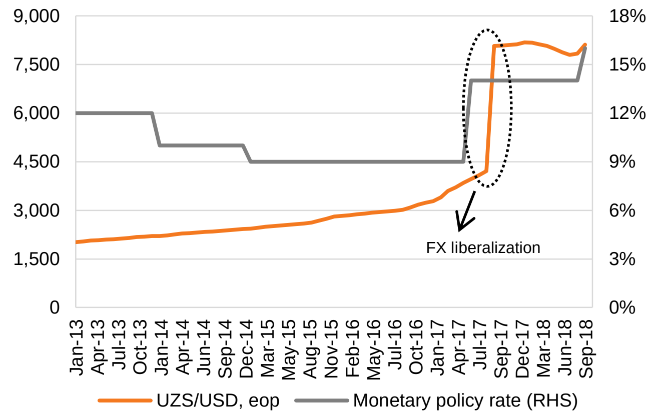
Inflation remained high over 2007-16, and the move to a floating FX regime along with price liberalization has recently exacerbated inflationary pressures. As in other post-Soviet countries, inflation in Uzbekistan skyrocketed in the mid-1990s due to a scarcity of goods, double-digit budget deficits, and expanded money supply. By 1999, annual inflation was down to 26.0% from 1,281% in 1994. Inflation continued to decline but remained high over 2004-16, averaging 10.9%. The main sources of consumer inflation were administered price increases for oil products, utilities, and transport services and higher import tariffs and excise taxes on some foods. In September 2017, the Central Bank of Uzbekistan (CBU) moved to a floating FX rate regime and the government liberalized prices on some export goods. Inflation subsequently picked up to 18.9% at end-2017. In September 2017, the UZS weakened 47.8% against the USD (from UZS 4,210/$ to UZS 8,067/$), putting considerable pressure on prices. Prior to the FX liberalization, the CBU tightened monetary policy, increasing the monetary policy rate from 9.0% to 14.0% in June 2017, but this did not help to neutralize the FX rate pass-through effects fully.

Figure 7: Annual inflation



Source: IMF

Figure 8: UZS/USD exchange rate and monetary policy rate



Source: CBU, IMF

Market-oriented reforms

In December 2016, newly elected President Shavkat Mirziyoyev and his administration acknowledged the need to transition to a market-oriented economy driven by the private sector. The new president came to power following the death of the country's longtime autocratic ruler, Islam Karimov. The major developmental challenge was the rapidly growing labor force, for which the public sector was unable to create sufficient jobs. This was because even 25 years after the collapse of the Soviet Union in 1991, Uzbekistan was still a closed, centrally planned economy.

Uzbekistan launched some market-oriented reforms in 2017. In February 2017, the new president signed a decree on a market-oriented reform program referred to as "Uzbekistan's Development Strategy", which set out five priority areas:

1) Improving public administration and strengthening civil society;
2) Reforming the judiciary system and ensuring its independence;
3) Liberalizing the economy;
4) Improving education, healthcare, public infrastructure, and the social safety net;
5) Promoting friendly and cooperative relationships with other countries.

Uzbekistan implemented a series of reforms under its development strategy in 2017-18. Namely, reforms included liberalizing prices, cutting average customs tariffs and moving to a floating exchange-rate regime. The government also approved gradually moving to an inflation-targeting regime, restructuring state enterprises and reforming the tax system. The government established the State Committee for Investments and started work on four additional Free Economic Zones in the Samarkand, Bukhara, Fergana and Khorezm regions to attract more investments and modern technology to the country. Additionally, the government is working to develop Uzbekistan's domestic capital markets and improve the country's relations and cooperation with its neighbors. The government revived the previously stalled World Trade Organization accession process, and drafted new legislation to promote competition and public-private partnerships (PPPs).

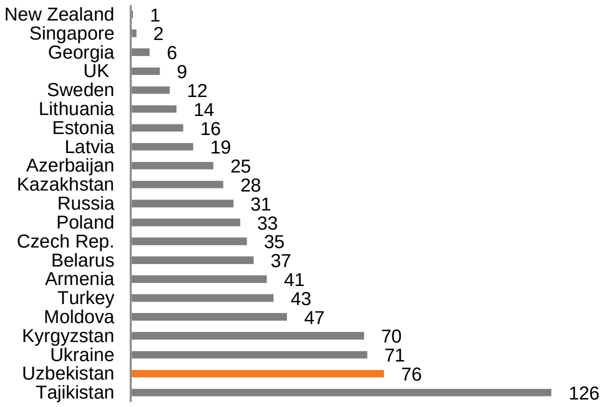
Tax reform is a top priority in the new Uzbekistan Development Strategy. Over 2003-17, the tax to GDP ratio averaged 22.0%. Although this is one of the lowest in the region, the figure is diluted by the high proportion of activity in the shadow economy in Uzbekistan. According to the business-friendly tax reform measures, the following changes in tax rates will take effect from January 2019:

- **Personal income tax (PIT) –** income tax range of 0%-22.5% to be replaced by single flat rate of 12%.
- **Corporate income tax (CIT) –** tax rate to be reduced to 12% from 14%; CIT rate for commercial banks to be reduced to 20% from 22%; rate for mobile communication companies to be increased to 20% from 14%.
- **Income tax on dividends and interest payable –** to be reduced to 5% from 10%.
- **VAT tax –** single rate of 20% to be set (a new turnover threshold will be determined; VAT refund mechanism to be simplified).
- **Property tax –** to be reduced to 2% from 5% for legal entities.
- **Turnover tax for small business –** to be reduced to 4% from 5%.
- **Recognition of small businesses –** businesses with annual turnover less than UZS 1bn to be recognized as small business and their tax status subject to revision every three years.
- **Excise tax –** tax to be set per unit of products (e.g. alcoholic beverages and tobacco).
- **Capital duty –** No taxation.
- **Capital acquisitions tax –** No taxation.
- **Net wealth/net worth tax –** No taxation.

Uzbekistan has the potential to become the largest economy in Central Asia given its natural resources, entrepreneurial and trading heritage combined with the government's commitment to promoting private sector-led growth. However, the government still has much work to do to move away from a state controlled economic model and combat widespread corruption. Notably, the ongoing liberalization reforms will take time before growth and job creation pick up, and therefore the government needs to provide clear communication and commitment of its reform agenda. External risks may also jeopardize the targeted results; however, risks are expected to remain moderate given Uzbekistan's large FX reserves and still low and affordable foreign debt.

The presidential decree in July 2018 set a goal of reaching the top 20 countries in World Bank's Doing Business ranking by 2022. Uzbekistan's institutional progress was reflected in WB's 2019 Doing Business report where Uzbekistan ranked 76th out of 190 countries up from its 164 ranking in 2011. In its 2018 report, WB named Uzbekistan as one of the top improvers globally and the regional leader in terms of the total count of reforms being undertaken. The 2018 ranking reflected improvements in five areas: starting a business, dealing with construction permits, getting electricity, paying taxes and protecting minority investors.

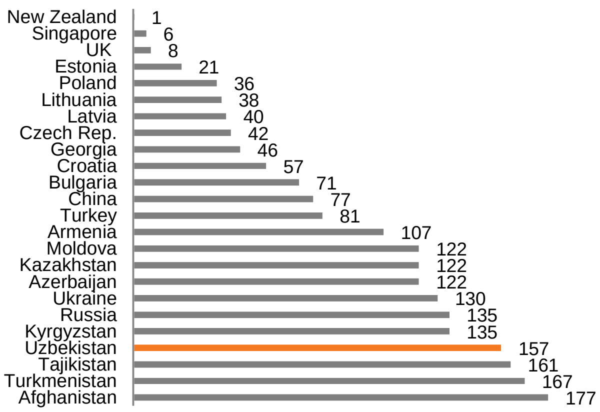
Figure 9: Doing Business ranking, 2019



Source: World Bank's 2019 Doing Business report

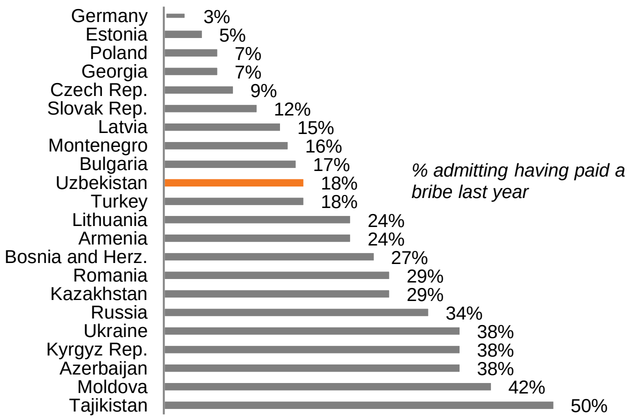
Uzbekistan ranks poorly in terms of bribery rates. According to Transparency International's 2017 Corruption Perception Index, Uzbekistan ranks 157th out of the 180 countries rated, and corruption should be addressed to achieve shared prosperity and more efficient use of public resources. By Transparency International's 2017 Global Corruption Barometer, 18% of people surveyed in Uzbekistan admitted having paid a bribe. While this rate is high, it is still below the levels found in Turkey, Armenia, Kazakhstan, Russia and Ukraine.

Figure 10: Corruption perception index, 2017



Source: Transparency International

Figure 11: Global corruption barometer, 2017



Source: Transparency International

Government plans to develop financial markets. From 1996 to 2011, the Ministry of Finance issued a total of UZS 803bn worth of securities. In 2011, Uzbekistan stopped issuing local securities. In May 2018, the IFC issued its inaugural local currency-denominated bond – the first-ever UZS-denominated transaction issued in the international markets – raising UZS 80bn (US$ 10mn). The 2-year bond is listed on the London Stock Exchange.

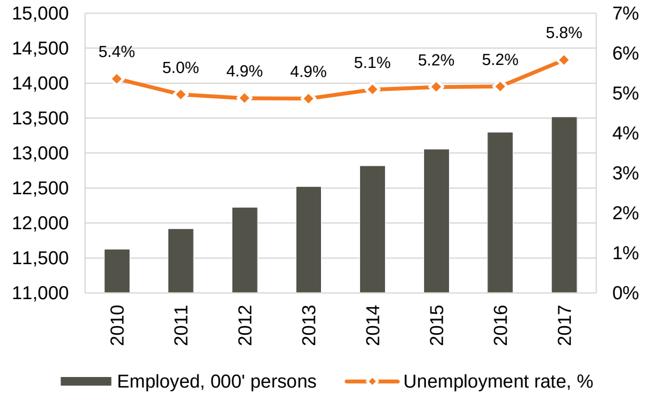
The government plans to issue a Eurobond aiming at creating a benchmark for Uzbek corporate borrowers. This step is primarily seen to benefit Uzbekistan's corporates to attract foreign capital to their debt markets as budget financing needs are manageable without external financing sources. A US$ 300mn Eurobond issuance was slated for 2018 but has been postponed to 2019. Uzbekistan has appointed HSBC banker Odilbek Isakov, an Uzbek national, to head its new debt-management office, to issue the country's first Eurobond. This process was launched in 2017, when President Shavkat Mirziyoyev began seeking an international sovereign credit rating - a necessary precursor to Eurobond placement. Obtaining sovereign credit rating will enhance foreign direct investments and cooperation with foreign partners, as well as create favorable conditions for banks and enterprises for attraction of loans in the global financial markets at lower interest rates.

The Uzbekistan's stock exchange was established in 1994. Currently, more than 100 brokerages operate on the market capable to connect the clients to the auction from any office. The ongoing capital market reform targets creation of public joint stock companies on the basis of the privatized state enterprises.

Job creation a major developmental challenge

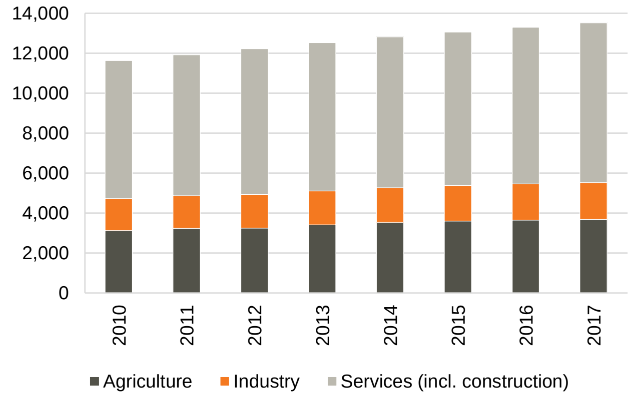
Solid economic growth in Uzbekistan has been insufficient for quality job creation given the rapidly increasing labor force. The official unemployment rate was 5.0% over 2010-16, rising to 5.8% in 2017. However, the quality of the social data available is questionable as during periods of low unemployment rates, labor emigration remained high as well-paying and secure formal sector jobs are scarce. About 500,000 new job seekers enter the labor market every year with Uzbekistan's public sector unable to meet labor market demands. Therefore, private sector development is essential to create decent jobs.

Figure 12: Unemployment, %



Source: UzStat

Figure 13: Employment by sector



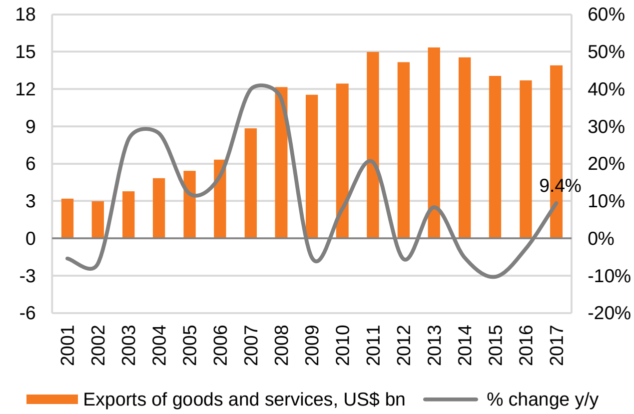
Source: Uzstat

The services sector is the largest employer followed by agriculture. Almost 60% of the Uzbek workforce is engaged in services (including construction) while the sector value-added accounted for 54.1% of GDP in 2017. Agriculture accounts for 27.0% of employment (stable over the last decade) and its share of GDP was 17.0% in 2017 (down from c.40% in 1990s). Industry employs 13.5% of the workforce, while its share of GDP stands at 23.5%. Given the government's current economic reforms and the emphasis on private sector development, employment is likely to be created in urban areas however, it may take long time as investments may not return to their pre-2017 level quickly.

Hampered surplus

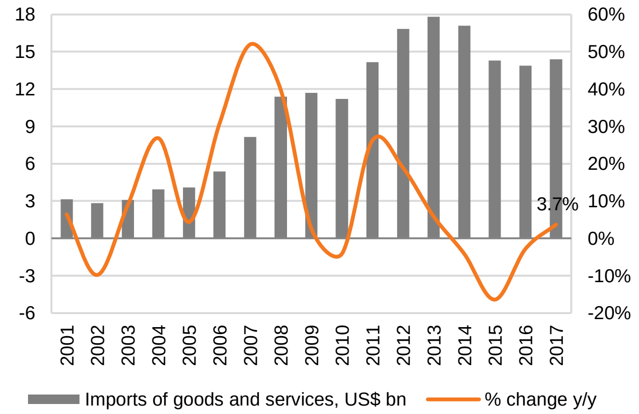
Uzbekistan has been running a current account (CA) surplus since 2000 (with the exception of 2004). Uzbekistan's CA surplus reached a record high of 9.1% of GDP in 2007. The fall in commodity prices along with the global strengthening of the USD over 2014-16 hampered Uzbekistan's positive CA balance through the goods trade channel and remittances. The goods trade balance deteriorated sharply during 2012-16, and surplus turned into deficit coming at 1.5% of GDP in 2016 before improving at 0.9% of GDP in 2017. As a result, the CA surplus dropped to 0.6% of GDP in 2016 from an average 1.7% of GDP in 2012-15 and improved to 3.5% of GDP in 2017.

Figure 14: Exports of goods and services



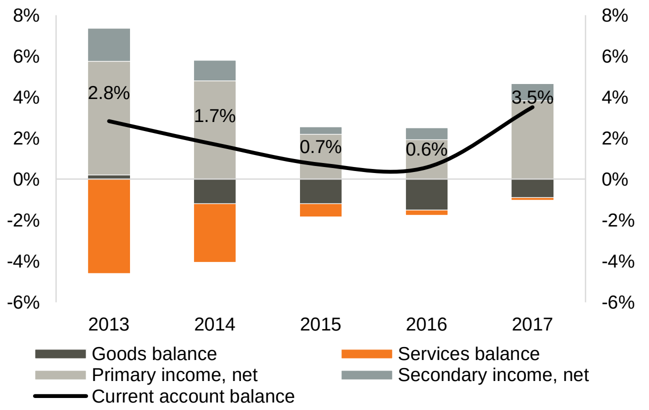
Source: WB, IMF

Figure 15: Imports of goods and services



Source: WB, IMF

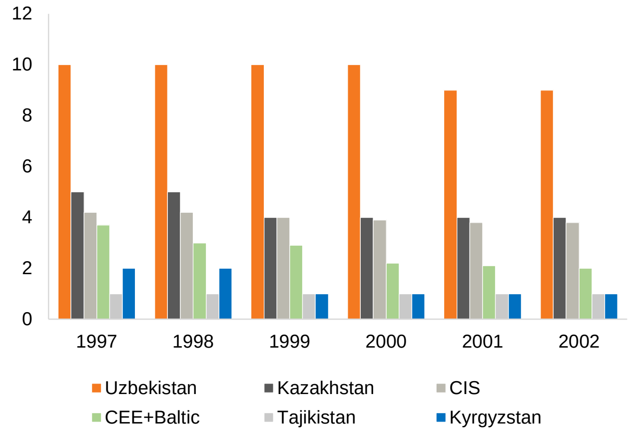
Figure 16: Current account balance, % of GDP



Source: IMF

International trade has accelerated since the early 2000s and trade liberalization is high on the agenda. Uzbekistan was the most closed country in Central Asia over 1997-2002 based on the IMF Trade Restrictiveness Index, which captures formal and informal barriers to trade. This improved markedly over 2004-17. As a result, the country's goods and services trade turnover increased 3.7x to US$ 23.7bn over 2000-10 and a positive trade balance of 3.1% of GDP was recorded in 2010. From 2011, the goods and services trade balance turned negative, worsening further in 2012-16, reflecting weaker commodity prices as well as the slowdown in Uzbekistan's major trading partners' economies. A subsequent reduction in imports helped the trade deficit to improve to 1.0% of GDP in 2017 from an average of 3.4% of GDP in 2012-16.

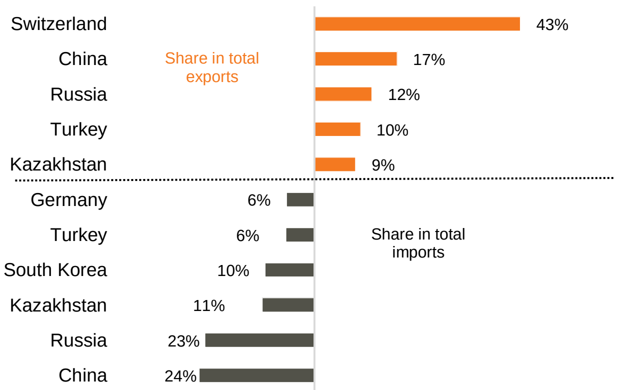
Figure 17: IMF Trade Restrictiveness Index



Source: IMF
Note: The index ranges between 1 and 10 where 1 corresponds to the least restrictive trade regime

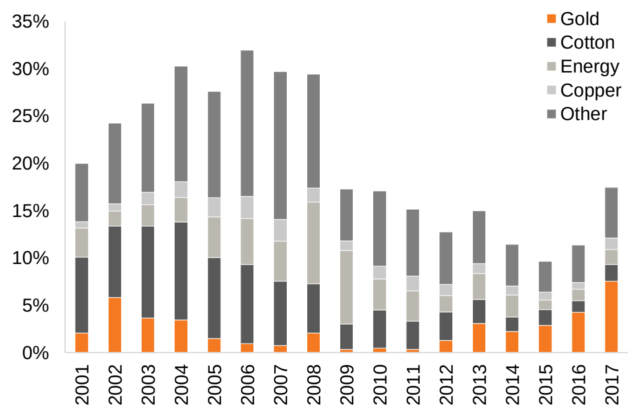
Uzbekistan exports dominated by cotton, gold and energy commodities. These items accounted for more than 60% of the country's total goods exports in 2017. Notably, cotton's dominant share of c.40% in total exports in the mid-1990s has been replaced by gold, accounting for 43.0% of total exports in 2017. Traditionally, Uzbekistan's main trading partner countries have been China, Russia, and Turkey, accounting for almost half of trade turnover in 2017.

Figure 18: Goods exports and imports by country 2017



Source: Trademap

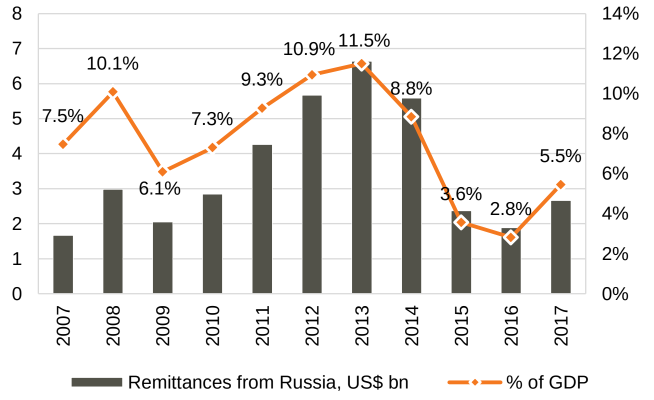
Figure 19: Export commodities as % of GDP



Source: Trademap

Remittances are also an important component supporting Uzbekistan's CA surplus. Russia has been and remains a major employer of millions of jobless Uzbeks as one in four of its migrant workers comes from Uzbekistan. According to the Russian central bank, over 2007-16 remittances from Russia to Uzbekistan accounted for 7.8% of GDP before retreating to 2.8% of GDP in 2016 when Russia entered a recession. In 2017, remittances from Russia to Uzbekistan recovered and reached 5.5% of GDP.

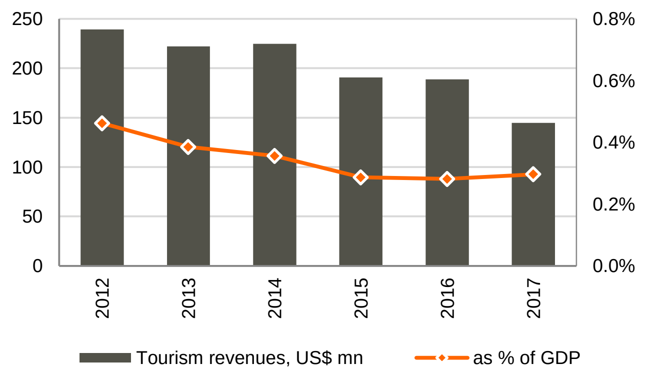
Figure 20: Remittances from Russia



Source: IMF, Central Bank of Russia

The tourism industry in Uzbekistan is underdeveloped despite the country's historical, archeological, architectural and natural treasures. For decades, tourism revenues have generated less than 1.0% of GDP, according to the World Travel and Tourism Council (WTTC). In 2017, the tourism sector generated US$ 145mn, accounting for 0.3% of GDP, and added 98,500 jobs (0.8% of total employment). In recent years, the most visited cities in Uzbekistan have been Samarkand, Bukhara and Khiva. To increase international arrivals government needs to focus on airport development, accommodation room stock, road and rail, and communication technologies. Such infrastructure is not only critical for the continued development of the travel and tourism industry, but also key in providing employment opportunities and regional development. The recently approved visa liberalization measures are essential but not enough factor to enhance the sector's performance, which can generate substantial revenues and employment for the economy.

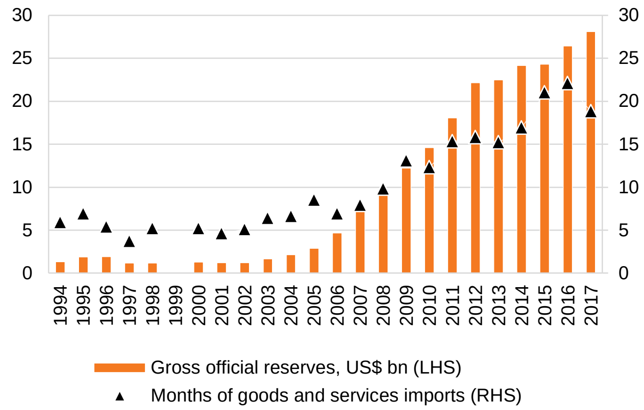
Figure 21: International tourism revenues, US$ mn



Source: World Travel and Tourism Council (WTTC), IMF

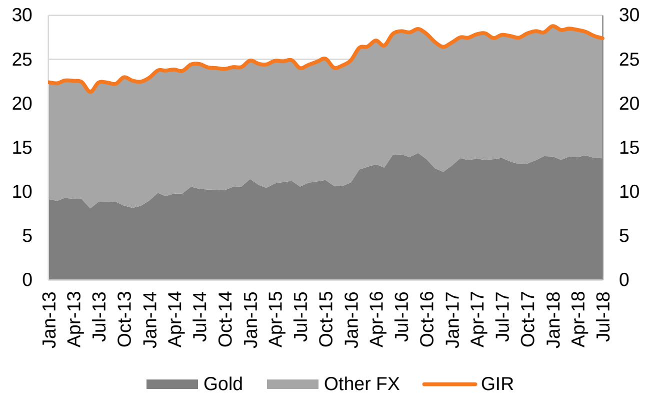
Uzbekistan managed to accumulate large FX reserves, substantially above the reserve adequacy metrics for emerging markets or developing countries. The country's FX reserves stood at US$ 28bn (57.5% of GDP) at end-2017 – equivalent to 19 months of goods and services imports and up 15x from 1996. Notably, 48.7% of reserves represent deposits by the Fund for Reconstruction and Development (FRD) of Uzbekistan. The FRD is a state-owned fund established in 2006 with equity of US$ 1bn, and provides government-guaranteed loans and equity investments to strategic sectors (especially for state-owned enterprises) of the domestic economy, including energy, chemicals and non-ferrous metallurgy.

Figure 22: Gross international reserves



Source: IMF

Figure 23: Structure of gross international reserves, US$ bn



Source: IMF

Large external buffers along with administrative restrictions supported low public debt. Public debt reached a maximum of 59.4% of GDP in 2001 before gradually declining to 10.5% in 2016. For years, external borrowing has been officially limited while domestic debt has been non-existent since 2011. With the central bank moving to a floating exchange rate regime in September 2017 and the UZS falling 60.2% y/y against the USD in 2017, Uzbekistan's debt level more than doubled at end-2017 to 24.3% of GDP, which is still low.

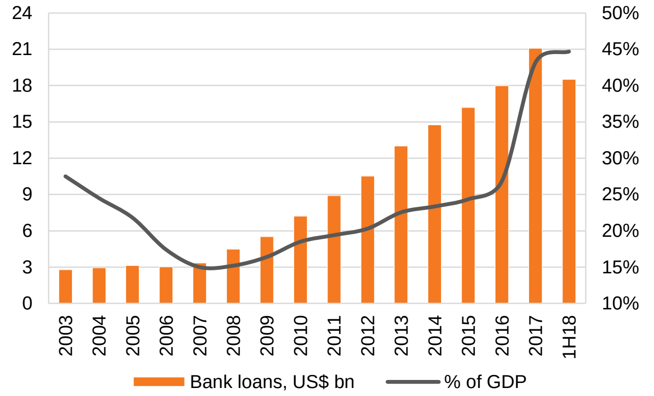
Banking sector

The banking sector in Uzbekistan is dominated by state-owned banks. In the 1990s, banking sector loan portfolio was c.25% of GDP, with more than half denominated in foreign currency as there was lack of trust in the local currency. The government acted as a guarantee for issued loans and therefore almost all foreign currency-denominated loans and c.35% of loans in local currency were backed by such guarantees.

Despite the reforms in the mid-2000s, the bank intermediary business was still constrained by government intervention. The loan to GDP ratio reached an all-time low of 15.0% in 2007, rising only slightly during the subsequent global financial and economic crisis. Since 2010, the banking sector's confidence has been strengthened, however, the system remains highly concentrated with lending and other bank activities largely state-driven. Therefore banks' lending skills on commercial basis are broadly lacking. As of 1H18, the banking system is represented by 11 state-owned banks and 17 commercial banks. The three largest state banks – NBU, Asaka Bank and Uzpromstroy Bank – account for more than 50% of the total assets in the system.

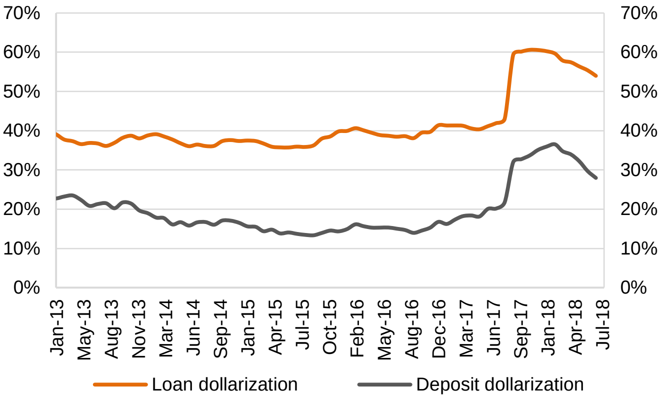
UZS devaluation in September 2017 sharply increased the country's bank loan to GDP ratio. This ratio increased by 16.3ppts to 43.2% of GDP due to loan dollarization and the lower nominal GDP in US$ terms. Putting aside the loan concentration risk, the overall performance of the banking system was sound over 2013-17. Notably, the banking system ended 2017 with high ROE of 17.1%, a high capital adequacy ratio of 18.8%, and one of the lowest levels of NPLs worldwide at 1.2% of total loans. While the indicators are strong, 56% of credit is concentrated in state enterprises. For efficiency purposes, the IMF recommends that the existing state bank business model be gradually transformed into a more commercially oriented system in order to avoid any possible deterioration in bank asset quality considering the ongoing price liberalization and other economic reforms.

Figure 24: Loan penetration



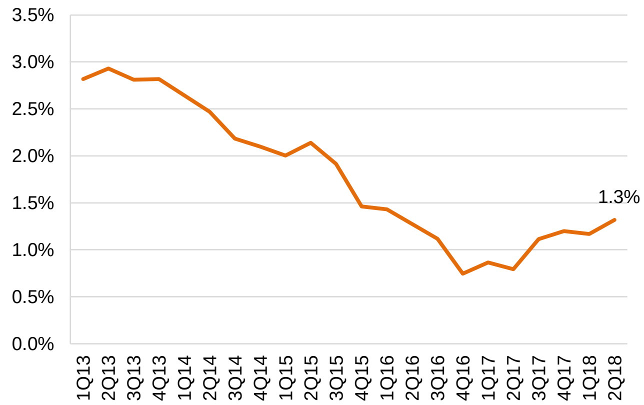
Source: IMF, CBU

Figure 25: Dollarization



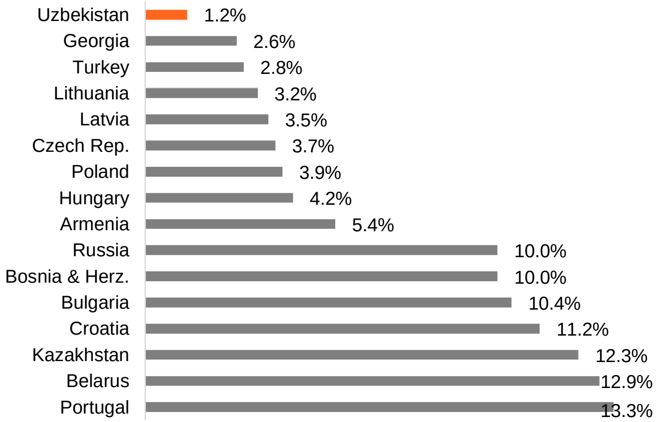
Source: CBU

Figure 26: Non-performing loans (NPLs), % of total



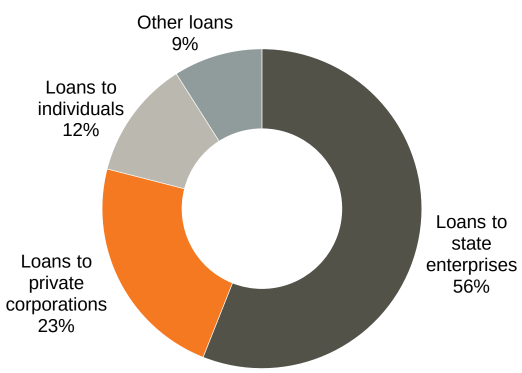
Source: CBU

Figure 27: NPLs by country, 2017



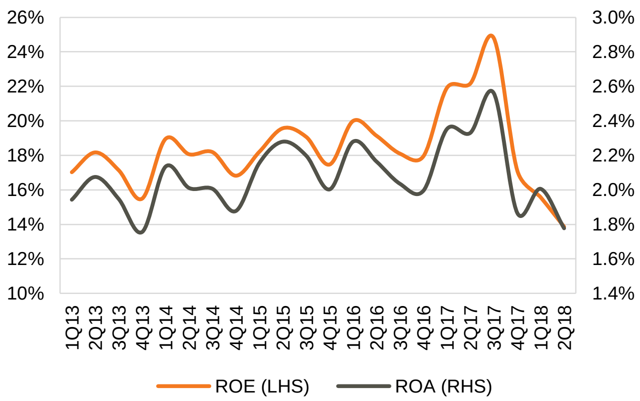
Source: IMF

Figure 28: Loans breakdown, 2017



Source: IMF

Figure 29: Bank profitability

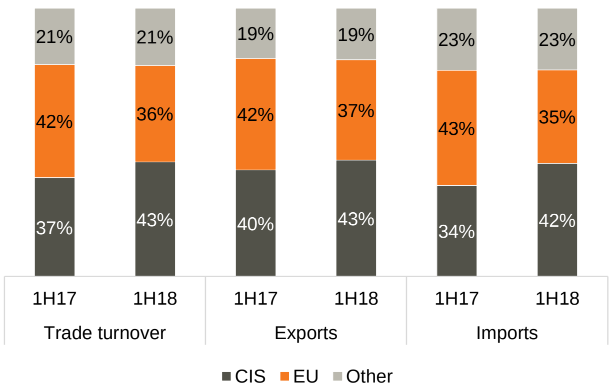


Source: CBU

Outlook for growth

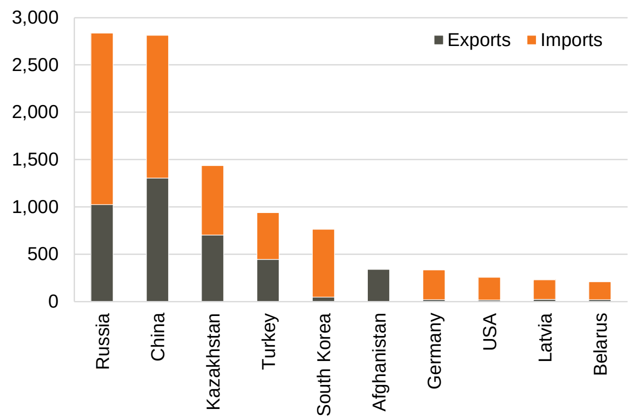
Real GDP growth is expected to reach 5.0% in 2018-19, according to the IMF, before accelerating slowly to 6.0% by 2022. Growth came in at 4.9% in 1H18, helped by increased activity in the services sector (+4.4% y/y), industry (+6.1% y/y) and construction (+9.7% y/y). The business environment is improving on the back of the reform process, which supports acceleration in private investment, including foreign direct investments. Despite exports growth and solid remittances, the current account surplus is projected to narrow as imports continue to rise in the face of trade liberalization.

Figure 30: Foreign trade by region



Source: UzStat

Figure 31: Top 10 countries by trade turnover in 1H18, US$ mn



Source: UzStat

Inflation is expected to remain elevated leading to tighter monetary policy than in previous years. In 1H18, annual inflation stood at 18.5% – down from 20.5% in January 2017. Price dynamics mostly reflect surge in the prices of tradable goods as liberalized prices need time to adjust. Inflation remained persistent in 2018 despite the CBU tightening monetary policy further and increasing the key rate to 16% in September 2018 from 14% previously.

Banking sector remains profitable and NPLs are low. Loan portfolio to GDP ratio stood at 44.7% as of end-1H18. Bank profits are at about 14.0% and non-performing loans remain flat. The loan and deposit dollarization ratios fell to 55.4% (-5.2ppts y/y) and 29.7% (-5.4ppts y/y), respectively, in 1H18.

The UZS has stabilized against the USD since September 2017. After sharp devaluation due to liberalized FX regime, the currency started to appreciate since the start of 2018 before slight depreciation of 1.8% vs USD in Nov-18 compared to Jan-18.

Government's commitment to making investment in Uzbekistan easier has already paid off. The government manages to maintain close economic ties with Russia, and at the same time builds business relationships with other countries successfully, including Europe. To name a few, Indian investors are already active in the country with US$ 3bn worth of deals signed at the Uzbekistan-India Business Forum; the Islamic Development Bank has committed US$ 1.3bn for development and social projects in Uzbekistan over 2018-21; and the UAE has set up a US$ 1.0bn investment fund for the country. Also, Uzbekistan's president made his first trip to the EU to meet with the French president in Paris. The Uzbekistan delegation signed partnership agreements with French companies, including the energy group Total, water services managers Veolia and Suez, nuclear company Orano, and Airbus Helicopters.

Macro Data and Forecasts

Uzbekistan	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018F
GDP and Prices												
Nominal GDP, UZS tn	28.2	39.0	49.4	61.8	78.8	97.9	120.9	145.8	171.8	200.0	254.0	338.4
Nominal GDP, US$ bn	22.3	29.5	33.7	39.0	45.9	51.8	57.7	63.1	66.5	67.1	48.8	43.3
Nominal GDP per capita, US$	837	1,091	1,224	1,392	1,577	1,753	1,924	2,070	2,143	2,124	1,520	1,326
Real GDP, % change y/y	9.5%	9.0%	8.1%	8.5%	8.3%	8.2%	8.0%	8.0%	7.9%	7.8%	5.3%	5.0%
CPI Inflation, average	11.2%	13.1%	12.3%	12.3%	12.4%	11.9%	11.7%	9.1%	8.5%	8.0%	12.5%	19.2%
CPI Inflation, eop	11.9%	13.8%	12.4%	11.9%	13.6%	10.8%	10.8%	9.2%	8.4%	7.9%	18.9%	17.5%
UZS per US$, average	1,264	1,320	1,466	1,586	1,714	1,890	2,095	2,311	2,584	2,982	5,203	7,816
Population, mn	26.7	27.1	27.5	28.0	29.1	29.6	30.0	30.5	31.0	31.6	32.1	32.7
Government Finances												
Budget revenues, % of GDP	35.6%	39.4%	36.5%	37.0%	39.7%	41.0%	35.6%	35.0%	33.9%	31.3%	29.8%	30.6%
Budget expenses, % of GDP	31.1%	32.2%	34.2%	33.7%	32.3%	32.8%	33.0%	32.0%	33.6%	30.8%	31.5%	32.2%
Budget balance, % of GDP	4.5%	7.3%	2.3%	3.3%	7.4%	8.1%	2.6%	3.0%	0.3%	0.4%	-1.7%	-1.6%
Gross public debt, % of GDP	15.8%	12.3%	10.9%	10.0%	10.3%	11.2%	12.0%	11.7%	9.2%	10.5%	24.3%	19.2%
External Sector												
Current account, US$ bn	2.0	2.5	1.1	2.7	2.6	0.6	1.6	1.1	0.5	0.4	1.7	-0.2
Current account, % of GDP	0.0%	8.4%	3.3%	7.0%	5.7%	1.2%	2.8%	1.7%	0.7%	0.6%	3.5%	-0.5%
Exports of goods and services, US$ bn	8.9	12.2	11.5	12.5	15.0	14.2	15.3	14.6	13.1	12.7	13.9	15.6
Imports of goods and services, US$ bn	8.2	11.4	11.7	11.2	14.2	16.8	17.8	17.1	14.3	13.9	14.4	18.0
Net Current transfers, US$ bn	..	..	..	..	..	..	0.9	0.6	0.2	0.4	0.4	0.4
Net FDI, US$ bn	..	..	..	..	..	..	..	..	0.9	1.0	1.0	1.1
FDI, % of GDP	..	..	..	..	..	..	..	..	1.3%	1.5%	2.0%	2.5%
Gross international reserves, US$ bn	..	..	..	..	18.0	22.1	22.5	24.1	24.3	26.4	28.1	28.9
Financial sector												
Bank loan portfolio, US$ bn	3.3	4.5	5.5	7.1	8.9	10.5	13.0	14.7	16.2	18.0	21.1	18.4
Bank loan portfolio, % of GDP	15.0%	15.2%	16.4%	18.3%	19.4%	20.3%	22.5%	23.4%	24.4%	26.8%	43.2%	42.5%
Monetary policy rate, %	..	..	..	..	..	..	12.0%	10.0%	9.0%	9.0%	14.0%	16.0%

Source: CBU, UzStat, IMF
Note: Government budget balance according to IMF's GFS 2001

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