



TYPES OF ECONOMIC GROWTH IN UZBEKISTAN

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Abstract. This article discusses the main types of economic growth in Uzbekistan, their dynamics, and their impact on the country's economic development. The article analyzes extensive and intensive growth, their roles at various stages of economic formation. Special attention is given to recent reforms, the influence of market transformations, investment policy, and technological progress on the transition to intensive growth. The article also provides recommendations to improve the efficiency of economic development.

Keywords: economy, economic growth, extensive growth, intensive growth, investments, economic reforms.

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Introduction

Economic growth is a crucial indicator of a state's development, determining the level of citizens' welfare, investment attractiveness, and the competitiveness of the country. Depending on the factors used for growth, two types of growth are distinguished: extensive (based on increasing the volume of resources used) and intensive (based on improving production efficiency and the introduction of new technologies).

For Uzbekistan, which has undergone a complex process of economic transformation since gaining independence, different stages of economic growth are characteristic. In the early years of independence, extensive growth prevailed, associated with the expansion of production and the use of natural resources. In recent years, the country's economic policy has been focused on transitioning to intensive growth, including technological innovations, the development of human capital, and industrial modernization.

The Uzbekistan Strategy - 2030 emphasizes: "In order to ensure the will of our people to build a free, prosperous, and strong New Uzbekistan, to create all opportunities for each citizen to develop their potential, to raise a healthy, educated, and spiritually developed generation, to form a strong economy that has become an important link in global production, as well as to guarantee justice, the rule of law, security, and stability." [1].

The purpose of this work is to examine the features of economic growth in Uzbekistan, analyze its structure, identify key trends, and provide recommendations for ensuring sustainable development.

Analysis of the Used Literature

The research is based on scientific publications, analytical reports from international organizations, and data from government agencies.

In the work of G.I. Musurmankulova, the main growth models used in the economy of Uzbekistan are analyzed. The author notes that the country employs a combined approach, blending elements of both extensive and intensive growth. [2]. D.D. Komiljonova, in her research, emphasizes the significant differences in the pace of economic growth between the country's regions. [3]. The World Bank report (2019) discusses the consequences of market reforms, including the liberalization of the currency market, tax policy, and attracting foreign investments. According to the Center for Economic Research and Reforms, GDP growth is expected to reach 6.5% in 2024, driven by investments in industry and the service sector. [4].

Research Methodology

To achieve the set objectives, the following methods were used: content analysis of scientific publications, reports from international organizations, and statistical data; comparative analysis of economic growth dynamics over different periods; statistical analysis of macroeconomic indicators of Uzbekistan in recent years.

Analysis and Results

The choice of types of economic growth undoubtedly plays an important role in the development of any national economy. In this regard, it is necessary to analyze the possibilities of utilizing different types of economic growth in Uzbekistan.

Extensive growth dominated in Uzbekistan during the first decades of independence. The main factors driving this growth were:

An increase in agricultural production.

Growth of the labor force due to demographic expansion.

Development of key industries (mining, textile, and construction).

However, by 2016, it became evident that the extensive model had its limits. The growth of productivity and GDP began to slow down, which required a transition to intensive development.

Intensive growth, observed in recent years, is based on the following factors:

- Innovations and digitalization of the economy.
- Improvement of labor productivity.
- Economic diversification.

Development of the service sector and the IT sector.

In this context, we used infographics showing the GDP growth rates of Uzbekistan from 2018 to 2024. [5]

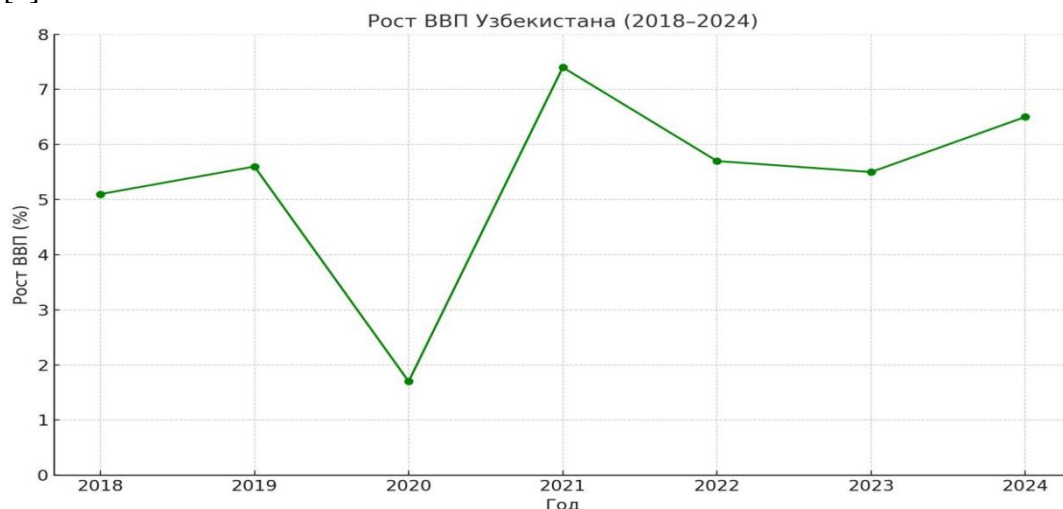


Fig 1. Reforms Implemented Since 2017

The reforms implemented since 2017 included: • Liberalization of the currency market, which facilitated the attraction of foreign investments. • Tax reforms that reduced the burden on businesses. • Development of entrepreneurship, including in agriculture and industry.

According to the World Bank, these measures helped increase the share of the private sector in the economy and accelerate GDP growth rates.

Economic growth in Uzbekistan is uneven: • Tashkent and Navoi regions – high growth rates due to developed industry. • Fergana Valley – growth in agriculture and light industry. • Karakalpakstan and Khorezm region – slower growth due to insufficient investments and infrastructure issues.

Thus, for balanced economic growth, a differentiated approach to regional development is required.

Uzbekistan's economic growth in 2025 is expected to be 6.6%, and in 2026 – 6.7%, according to the Asian Development Bank's annual report "Asian Development Outlook" for April 2025. The report emphasizes the crucial role of regional cooperation in the country's development. [6]

Conclusion

The economic development of Uzbekistan is undergoing a transformational period. Moving away from the extensive growth model and transitioning to an intensive economy allows the country to enhance its competitiveness in the global market.

In the process of economic reforms, the country faces several challenges that hinder its growth, such as a lack of investments, infrastructure issues, a shortage of innovations, and a high dependency on agriculture. However, through comprehensive reforms and the implementation of new strategies, Uzbekistan has the potential to overcome these barriers and create a competitive economy. [7]

It is necessary to improve the investment climate, develop infrastructure, support innovation and technology, and invest in human capital development. All these measures will help accelerate economic growth, create new jobs, increase international competitiveness, and ensure the sustainable development of the country's economy in the long term.

Research and development of effective strategies to address existing problems is a critical task that will contribute to the creation of a stable, flexible, and innovative economy capable of effectively adapting to the challenges of the modern world.

An important factor in boosting economic growth is the diversification of the economy—developing new industries such as IT, machine engineering, and pharmaceuticals. Further market reforms involve reducing administrative barriers to business.

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