INTERNATIONAL MONETARY FUND

IMF Country Report No. 26/152

REPUBLIC OF UZBEKISTAN

June 2026

2026 ARTICLE IV CONSULTATION—PRESS RELEASE; AND STAFF REPORT

Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. In the context of the 2026 Article IV consultation with the Republic of Uzbekistan, the following documents have been released and are included in this package:

- A **Press Release**.
- The **Staff Report** prepared by a staff team of the IMF for the Executive Board's consideration on a lapse-of-time basis, following discussions that ended on April 9, 2026, with the officials of the Republic of Uzbekistan on economic developments and policies. Based on information available at the time of these discussions, the staff report was completed on May 28, 2026.
- An **Informational Annex** prepared by the IMF staff.
- A **Debt Sustainability Analysis** prepared by the staffs of the IMF and the International Development Association.

The documents listed below have been or will be separately released.

Selected Issues

The IMF's transparency policy allows for the deletion of market-sensitive information and premature disclosure of the authorities' policy intentions in published staff reports and other documents.

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International Monetary Fund
Washington, D.C.

IMF Executive Board Concludes 2026 Article IV Consultation with the Republic of Uzbekistan

FOR IMMEDIATE RELEASE

- *Uzbekistan's economy has continued to perform strongly, with robust economic growth, gradually moderating inflation, improving fiscal and external balances, and ample international reserves.*

- *The outlook remains positive. Downside risks include a deterioration in global conditions and potential overheating pressures, while faster reform implementation provides upside.*

- *Policy priorities are to contain demand pressures, safeguard macro-financial stability, and accelerate reforms that strengthen the economy's productive capacity and foster private-sector-led, sustainable growth.*

Washington, DC – June 18, 2026: On June 12, 2026, the Executive Board of the International Monetary Fund (IMF) concluded the Article IV Consultation for the Republic of Uzbekistan[1] and considered and endorsed the Staff Appraisal on a lapse-of-time basis without a meeting.[2] The authorities have consented to the publication of the Staff Report prepared for this consultation.[3]

Uzbekistan's macroeconomic performance has remained solid. Real GDP expanded by a strong 7.7 percent in 2025, underpinned by robust domestic demand, and growth accelerated further to 8.7 percent year-on-year (y/y) in the first quarter of 2026. Unemployment and poverty declined further, while inflation has continued to ease from the elevated levels following the May 2024 energy price reform, falling to 7.0 percent y/y in April 2026. The consolidated fiscal deficit narrowed to 2.1 percent in 2025, supported by buoyant economic activity and high gold prices. The latter, together with strong remittances and non-gold exports, contributed to a further reduction in the current account deficit to 3.9 percent of GDP. International reserves have remained ample.

The baseline economic outlook remains favorable, with limited spillovers from the ongoing war in the Middle East observed so far. Real GDP growth is projected at about 6.8 percent in 2026

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[1] Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

[2] The Executive Board takes decisions under its lapse-of time procedure when the Board agrees that a proposal can be considered without convening formal discussions.

[3] Under the IMF's Articles of Agreement, publication of documents that pertain to member countries is voluntary and requires the member consent. The staff report will be shortly published on the www.imf.org/Uzbekistan page.

and 6 percent in 2027, supported by strong private consumption, investment, and sustained progress with structural reforms. These reforms, combined with a continued tight monetary stance, are expected to further reduce inflation, bringing it to the Central Bank of Uzbekistan's (CBU) 5 percent target by end-2027. The current account deficit is foreseen to narrow further to 3.2 percent of GDP in 2026, supported by higher gold prices. International reserves are projected to remain at comfortable levels, exceeding twelve months of imports by end-2026.

Uncertainty around the outlook remains elevated. Downside risks stem primarily from a weaker global environment—associated with heightened geopolitical tensions—which could dampen external demand, lower export prices, and tighten international financial conditions. Domestic risks include pressures for procyclical fiscal spending, the continued use of directed and preferential lending, and delays in addressing structural bottlenecks. Upside risks include faster-than-expected implementation of structural reforms.

Executive Board Assessment

In concluding the 2026 Article IV consultation with the Republic of Uzbekistan, Executive Directors endorsed staff's appraisal, as follows:

Uzbekistan's economy continues to perform strongly. Growth has remained buoyant, supported by the authorities' efforts to transform the economy and advance market-oriented reforms; fiscal and external positions have improved further, and inflation has been on a downward trend. At the same time, economic activity is likely running above potential amid strong domestic demand, and global uncertainty and risks loom large. This underscores the importance of prudently managing the current juncture while advancing supply-side reforms to sustain durable and inclusive growth.

Fiscal policy should prioritize limiting overheating risks and rebuilding buffers. It should avoid adding to demand pressures in 2026, particularly in the context of likely revenue overperformance. Containing within-year expenditure adjustments would help support disinflation and reinforce policy credibility. Looking ahead, enhancing the fiscal framework to better insulate spending from volatile mineral revenues would strengthen macroeconomic stabilization and intertemporal discipline. Introducing a complementary operational anchor—such as a ceiling on the non-mineral primary deficit—would help address procyclicality while preserving flexibility to respond to genuine spending needs.

Sustained progress on revenue mobilization and fiscal institutions remains essential to meet Uzbekistan's large development needs. Increasing specific excise taxes, reducing exemptions and tax holidays, and strengthening tax and customs administration would help reverse the decline in the tax-to-GDP ratio over recent years. In parallel, further upgrades to medium-term budgeting, public investment management, treasury operations, and fiscal risk oversight—especially for SOEs and PPPs—would improve spending quality, efficiency, and transparency.

Monetary policy should remain firmly oriented toward durably anchoring inflation at the CBU's target. With domestic demand still strong, the output gap likely positive, and potential inflationary pressures stemming from the Middle East war, maintaining a sufficiently restrictive stance is warranted, with readiness to tighten further if disinflation stalls. Preserving the recent increase in exchange rate flexibility is critical to shock absorption, international reserve protection, and the effective functioning of the inflation-targeting framework. Continued efforts to deepen FX markets, strengthen liquidity management, and phase out directed and preferential lending would enhance monetary transmission over time.

Safeguarding financial stability in a rapidly evolving economy requires decisive implementation of the FSAP recommendations. Progress to date on capital buffers, borrower-based measures, and supervisory frameworks is welcome, but momentum needs to be sustained. Accelerating the restructuring and privatization of SOCBs, strengthening asset quality recognition, and safeguarding central bank autonomy are central to improving resource allocation and limiting fiscal risks. Financial inclusion initiatives should rely on competition, transparency, and sound risk management, rather than directed and preferential lending and administrative controls that could weaken balance sheets.

Reducing the state's footprint and strengthening market institutions remain key to lifting productivity and private-sector dynamism. Advancing SOE reform—through privatization where feasible and stronger governance where state ownership remains—would help level the playing field and crowd in private investment. Accelerating governance reforms, including the adoption and effective implementation of whistleblower protection and asset declaration frameworks, would enhance accountability and investor confidence. Further strengthening competition policy, operationalizing sector regulators, and completing WTO accession would support market efficiency and export diversification.

Continued reform of labor markets and climate-related policies will be important to sustain inclusive growth and resilience. Addressing structural impediments to labor force participation—particularly among women and youth—alongside tackling skill mismatches and reducing informality would help meet the economy's growing labor demand. Better integration of climate considerations into public investment planning would improve energy efficiency and resilience while supporting decarbonization objectives.

Data are broadly adequate for surveillance, but further improvements are needed. Applying institutional sectorization consistently across macroeconomic datasets, producing quarterly GDP, and aligning financial soundness indicators with international standards would strengthen policy analysis and transparency. The authorities' strong commitment to statistical modernization, supported by continued capacity development, is encouraging.

Uzbekistan: Selected Economic Indicators 2023-2027

	2023	2024	2025	2026	2027
				Proj.	Proj.
National income 1/					
Real GDP growth (percent change)	6.3	6.7	7.7	6.8	6.0
Nominal GDP (in trillions of Sum)	1,262	1,535	1,850	2,154	2,465
GDP per capita (in U.S. dollars)	2,922	3,232	3,846	4,528	4,957
Population (in millions)	36.8	37.5	38.2	38.9	39.7
Prices			(Percent change)		
Consumer price inflation (end of period)	8.8	9.8	7.3	6.8	5.0
GDP deflator	13.9	14.1	11.9	9.0	8.0
External sector			(Percent of GDP)		
Current account balance	-7.3	-4.7	-3.9	-3.2	-3.6
External debt	50.8	53.1	54.2	51.8	49.5
			(Level)		
Exchange rate (in sums per U.S. dollar; end of period)	12,339	12,920	12,025	…	…
Real effective exchange rate					
(ave, 2015 =100, decline = depreciation)	59.9	56.9	58.7	…	…
Government finance			(Percent of GDP)		
Consolidated budget revenues	25.6	25.2	27.2	28.2	27.7
Consolidated budget expenditures	30.2	28.1	29.3	29.7	29.7
Consolidated budget balance	-4.6	-3.0	-2.1	-1.5	-2.0
Adjusted revenues 2/ 3/	24.8	24.2	25.7	26.7	26.3
Adjusted expenditures 2/ 3/	28.6	26.3	27.4	27.4	27.5
Adjusted fiscal balance 2/	-3.8	-2.1	-1.6	-0.7	-1.1
Policy lending 3/	0.8	0.9	0.5	0.8	0.9
Overall fiscal balance	-4.6	-3.0	-2.1	-1.5	-2.0
Public debt	30.7	30.9	28.6	28.2	27.2
Money and credit			(Percent Change)		
Reserve money	4.9	9.5	23.2	11.9	11.0
Broad money	12.2	30.6	36.6	18.4	15.4
Credit to the economy	23.2	14.0	15.3	16.7	15.7

Sources: Country authorities; and IMF staff estimates.
1/ Incorporates the November 2025 revision to national accounts data.
2/ Adjusted fiscal data are budget data adjusted for financing operations, such as equity injections and policy lending.
3/ The coverage of government social loan programs was expanded in the 2026 budget resulting in larger adjustments to consolidated revenue and expenditure and higher net lending.

INTERNATIONAL MONETARY FUND

REPUBLIC OF UZBEKISTAN

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION

May 28, 2026

KEY ISSUES

Context. Uzbekistan entered 2026 from a position of economic strength, reflecting sustained reform efforts, favorable terms of trade, robust investment, and strong inflows of income and capital. Fiscal and external positions have improved, providing an opportunity to entrench macroeconomic stability, rebuild buffers, and lock in recent disinflation gains. At the same time, policies must navigate a challenging environment characterized by strong domestic demand, higher energy prices, and elevated global uncertainty.

Outlook and Risks. The ongoing war in the Middle East has so far had a limited impact on Uzbekistan, with spillovers mainly transmitted through global commodity prices and logistics costs. Against this backdrop, the economic outlook remains favorable under the baseline, with real GDP growth projected at around 6.8 percent in 2026 and 6 percent in 2027. Inflation is expected to continue its gradual decline, reaching the Central Bank of Uzbekistan's 5 percent target in 2027, supported by a tight monetary policy stance and easing cost pressures. The outlook is subject to downside risks stemming primarily from a deterioration in global conditions—affecting gold prices, external demand, and financing conditions—as well as from domestic sources, including procyclical policy responses and delays in addressing structural distortions. Upside risks include faster-than-expected implementation of structural reforms.

Policy Advice. Policies should focus on containing demand pressures while accelerating reforms that strengthen the economy's productive capacity. Fiscal policy should avoid reinforcing near-term demand pressures and be underpinned by a stronger framework to manage mineral revenue volatility and improve expenditure efficiency. Monetary policy should remain firmly focused on anchoring inflation, supported by exchange rate flexibility and continued progress in strengthening policy transmission. Swift implementation of the FSAP recommendations is critical to safeguard financial stability, curb fiscal contingencies, and improve credit allocation, including through further progress on state-owned bank privatization and reform, as well as the withdrawal of directed and preferential lending. Advancing structural and governance reforms—especially state-owned enterprises reform, competition policy, WTO accession, and anti-corruption efforts—alongside labor market and climate-related reforms, will be essential to sustain durable and inclusive growth.

Approved By
Thanos Arvanitis (MCD) and Jarkko Turunen (SPR)

Discussions for the 2026 Article IV consultation were held in Tashkent during March 26–April 9, 2026. The staff team comprised Yasser Abdih (head), Etibar Jafarov, Alejandro Simone, Koba Gvenetadze (all MCD), and Sarvar Ahmedov and Galina Kostina (local office). Patryk Loszewski and Uktamov Makhamatutkir (both OED) joined some of the meetings. The mission met with the Minister of Economy and Finance, Central Bank Governor, other Ministers and senior government officials, banks, and representatives from the private sector and civil society. Shuyi Wang (MCD) provided research assistance and Svetlana Zolotareva (MCD) provided administrative assistance.

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CONTEXT

1. **Uzbekistan has been reaping dividends from its reform agenda launched in 2017 to strengthen policies and liberalize the economy.** Economic conditions have been strong, with robust growth, moderating inflation, and narrowing fiscal and current account deficits, supported by favorable commodity prices and solid remittances (Figure 1 and Table 1). This conjuncture provides an opportunity to durably reduce inflation toward the Central Bank of Uzbekistan's (CBU) target; complete energy-sector reform and price liberalization; contain procyclical fiscal pressures while building buffers; enhance the efficiency of public investment; reduce the role of the state in the economy; and strengthen market competition.

ECONOMIC DEVELOPMENTS, OUTLOOK, AND RISKS

A. Recent Developments

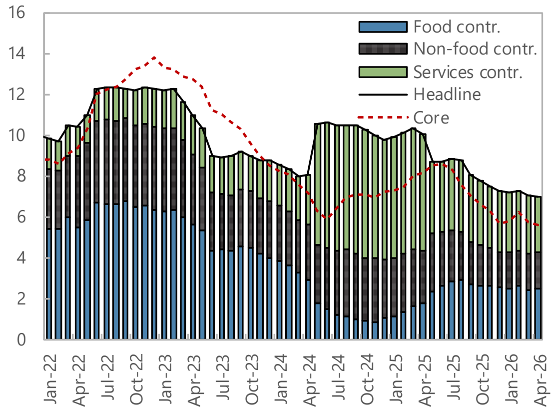
2. **Growth has been exceptionally strong, and social outcomes continue to improve.** Real GDP growth increased to 7.7 percent in 2025 from 6.7 percent in 2024, driven by robust consumption and investment, including by the government.[1] Sectoral gains were broad-based, with services and construction growing the fastest. Growth accelerated further to 8.7 percent year-on-year (y/y) in the first quarter of 2026. On the back of strong output and employment growth, the unemployment rate fell to 4.6 percent in the same period from 5.4 percent a year earlier. Meanwhile, solid wage increases and sustained remittance inflows supported a further decline in poverty to 5.8 percent at end-2025 (Figure 2, Table 2).

3. **Inflation has continued its downward trend, although it remained above the Central Bank of Uzbekistan's (CBU) 5 percent target.** Headline CPI inflation fell from 9.8 percent y/y at end-2024 to 7.3 percent at end-2025, and further to 7.0 percent by end-April 2026. This disinflation occurred despite strong domestic demand and wage growth, reflecting the fading effect of the May 2024 energy price increases, an appreciation of the sum against the U.S. dollar, and a restrictive monetary policy stance (¶17). Core inflation dropped by 1.6 percentage points (ppts) over 2025, to 5.7 percent by year-end, and edged down further to 5.6 percent in April 2026. Survey-based measures indicate that household and firm inflation expectations declined by about 2.9 ppts over 2025 and by a further 0.5 ppts through March 2026.[2]

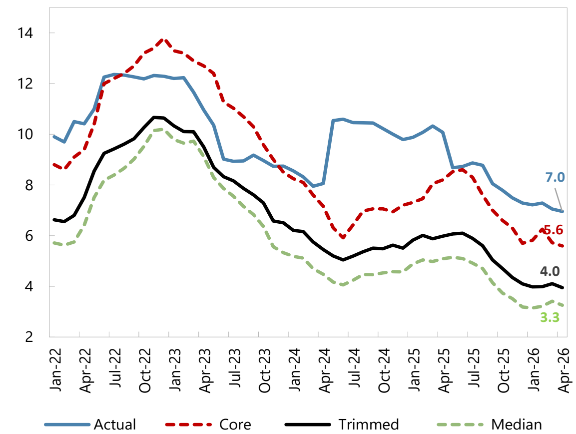
[1] National accounts data were revised in November 2025. Nominal GDP for 2024 was revised upward by 5.6 percent and real GDP growth was revised to 6.7 percent from 6.5 percent.

[2] Given statistical issues, staff considers survey-based measures of inflation expectations for households and firms to be subject to a systematic upward bias—even perceived current inflation is typically above actual inflation. Accordingly, staff places less weight on the levels and greater weight on trends and changes in inflation expectations for policy assessment.

Consumer Price Index 1/ 2/
(Percent change, year-on-year)



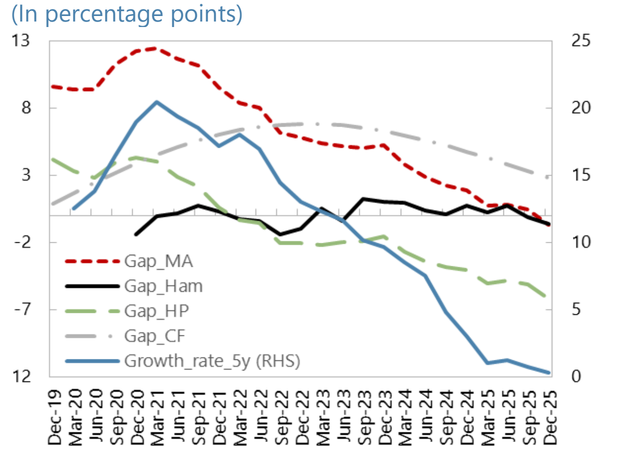
Alternative Consumer Price Index Measures 3/
(Percent change, year-on-year)



Note: Inflation is measured on an end-of-period basis. 1/ Contributions are in percentage points of headline inflation. 2/ Core inflation excludes fruits, vegetables, and regulated (energy and utilities) prices. 3/ Trimmed inflation excludes 15 percent of the CPI basket (by weight), comprising items with the largest price increases and declines.
Sources: Country authorities, and IMF staff estimates.

4. **Overall lending growth remained modestly below nominal GDP growth, but this is masking notable heterogeneity across segments.** At a constant exchange rate, total bank lending rose by 15.8 percent y/y in March 2026, but household lending expanded considerably faster (22.3 percent y/y), albeit from a low base. This expansion was largely driven by microlending (37.9 percent) and mortgages (17.2 percent), supported by strong household income growth and preferential lending programs (Figure 5). Corporate credit grew more slowly (12.1 percent), reflecting in part a shift by large corporates toward external borrowing and lingering balance-sheet weaknesses.[3] The aggregate credit gap continued to narrow.

Alternative Measures of Total Credit Gap
(In percentage points)



Note: Credit gaps are measured as deviations from trend credit levels estimated using four alternative methods: a moving average (MA), the Hodrick–Prescott (HP) filter, the Hamilton filter (Ham), and the Christiano–Fitzgerald (CF) filter. Also shown is the change in the credit-to-GDP ratio over the period t-20 to t.
Source: IMF staff estimates based on forthcoming IMF Working Paper "Rapid Credit Growth in the Caucasus and Central Asia in Recent Years: Does it Represent Financial Deepening or a Buildup of Risks and Vulnerabilities?" by E. Jafarov and C. Matayev.

5. **Reported financial soundness indicators have improved and suggest that systemic risks are contained despite pockets of vulnerability.** Deposit growth remained robust at 33.1 percent y/y in March 2026, while deposit dollarization fell to 20.4 percent. Bank liquidity strengthened further, as reflected in a lower loans-to-deposit ratio and

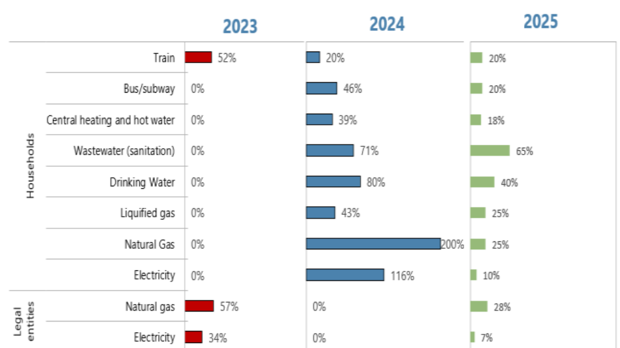
[3] In 2025, corporates issued $2.6 billion (1.8 percent of GDP) in bonds on international markets. Corporate borrowing as a share of GDP is considerably higher than in other CCA countries.

higher liquidity coverage indicators. Reported asset quality also improved, with NPLs declining (to 3.2 percent) and the provisioning ratio rising.[4] Capitalization and profitability increased as well, with the regulatory capital adequacy ratio reaching 18.5 percent in March 2026. In the real economy, housing price growth moderated, while corporate profitability and leverage indicators improved (Figure 6, Table 7). Nevertheless, around 20 percent of firms still have insufficient earnings to cover interest expenses, and a significant share of foreign exchange (FX) loans is extended to firms without a natural or market hedge.

6. **Buoyant economic activity and high commodity prices contained the fiscal deficit in 2025 at 2.1 percent of GDP**. The deficit outturn was well below the 3 percent budget target, and about 0.9 ppts of GDP lower than in 2024. The improvement relative to 2024 was driven by higher revenue of 1.5 ppts of GDP, of which 1.4 ppts reflected higher mineral revenues—particularly from gold. While VAT receipts also contributed 0.2 ppts of GDP to increased tax revenue, a sizable portion reflected delayed VAT refunds.[5] Expenditure plus net lending rose by about 0.7 ppts of GDP, partly backloaded during the year and adding to demand pressures (Figure 3, Table 3).[6] Reflecting the fiscal position and the rapid nominal GDP growth, public and publicly guaranteed debt (PPG) declined from about 31 percent of GDP in 2024 to about 29 percent in 2025 and remains sustainable, with Uzbekistan facing low risk of debt distress (see Debt Sustainability Analysis).

7. **The current account deficit (CAD) narrowed by 0.8 percentage points of GDP to 3.9 percent in 2025.** This improvement was driven mainly by strong non-gold export growth,[7] which exceeded import growth, high gold prices, and continued robust remittance inflows. The CAD was financed by external borrowing and FDI. Gross international reserves increased by more than US$25 billion—largely reflecting valuation gains from higher gold prices—to over US$66 billion, equivalent to more than 3 times the ARA metric. Uzbekistan's

Administered (Regulated) Prices by Category
(Percent change, year-on-year)



Sources: Country authorities, and IMF staff estimates.

[4] The relatively low NPL rate reflects write-offs after one year under national regulations and differences in asset classification. The IFRS-based NPL ratio is nearly twice the regulatory figure. The provisioning ratio was 52.6 percent at end-2025, and its recent evolution is shown in Figure 6.

[5] Budget revenue and expenditure data are adjusted to make them GFS-compliant by removing financing operations, such as equity injections and policy lending.

[6] The rise in other expenditure reflects the Health Insurance Fund's (HIF) creation, adding about 1.1% of GDP, mostly reallocated from social spending on health.

[7] The steady rise in non-gold exports reflects both robust demand in trading partner countries and the effects of structural reforms, which, for example, have supported growth in the tourism sector. Nevertheless, Uzbekistan's per capita exports of non-hydrocarbon and non-mining products remain relatively low (see Annex IV of the 2024 Article IV).

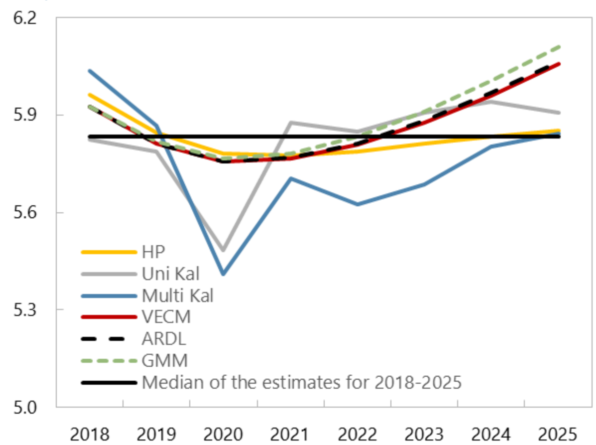
external position in 2025 is assessed as broadly in line with the level implied by fundamentals and desirable policies (Annex I, Figure 4, Table 4).

8. **Structural reforms continued, but progress was uneven.** Energy tariffs and other administered prices were raised in 2025, bringing them closer to cost-recovery levels. Bilateral WTO accession negotiations were concluded with all but three countries, and accession is expected in 2026. Privatization of state-owned enterprises (SOEs) advanced slowly in 2025, with a power plant and an automobile plant privatized; however, progress on the privatization of state-owned commercial banks (SOCBs) and larger SOEs has been limited, and state dominance and weak competition continue to constrain private-sector growth. In May 2026, privatization gained momentum with the initial public offering of Uzbekistan's National Investment Fund (UzNIF), in which a stake exceeding the planned 30 percent was sold to local and international investors[8]. On governance, the implementation of the Conflict-of-Interest Law has begun, and a new decree on combating corruption was adopted in December 2025. The draft Whistleblower Protection and Asset Declaration laws remain under preparation (Annex II).

B. Outlook and Risks

9. **The economic outlook remains positive, despite the increasing clouds over the global economy from the impact of the war in the Middle East.** The output gap is likely positive, though considerable uncertainty surrounds its magnitude given the significant structural changes in the economy. The war's effects have so far been limited and are expected to remain contained under the baseline, reflecting relatively modest trade and remittance linkages with Iran and the Gulf Cooperation Council (GCC) countries, as well as limited spillovers via Uzbekistan's main trading partners, global commodity prices, and financial conditions (see also ¶33). Against this backdrop, real GDP growth is projected to moderate but remain strong at 6.8 percent in 2026, supported by ongoing reforms, sustained investment growth, resilient remittances, and higher gold prices. Growth is expected to ease to 6.0 percent in 2027 and

Potential Output Growth Estimates
(In percent)



Note: Estimation methods are HP filtering (HP), univariate and multivariate Kalman filtering (Uni Kal, Multi Kal), vector error correction model (VECM), autoregressive distributed lag model (ARDL), and generalized method of moments (GMM).
Source: IMF staff estimates (based on "The Shifting Growth Frontier: Potential Output in the Caucasus and Central Asia" by N. Rao, S. Wang, F. Zaidi, T. Zhang (2026), forthcoming).

[8] UzNIF was established in 2024 to support the privatization process. It is managed by the international investment manager Franklin Templeton and was allocated 25–40 percent shareholdings in 12 large SOEs and 1 SOCB. The fund aims to strengthen corporate governance, improve operational efficiency, enhance transparency, establish market-based valuations, and attract institutional investors for the companies under its management.

then gradually converge to potential, as domestic demand softens amid slower remittance inflows and stabilizing gold prices.[9] The same forces, together with robust import demand, are expected to keep the CAD in the 3½-4½ percent of GDP range over the medium term. The CAD is expected to be financed primarily by stable, long-term sources, with reserves remaining adequate (Table 1). Despite some upside pressures in 2026 from higher oil and food prices and increased logistics costs, inflation is forecast to decline to the CBU's 5 percent target by 2027, supported by a restrictive monetary policy stance (¶17), more gradual increases in administered prices, continued structural reforms, and other mitigating factors—including temporary and targeted transportation subsidies to alleviate higher food import costs (e.g., meat) arising from the Middle East war (see ¶11).

10. Uncertainty remains elevated, with downside risks and limited scope for further upside surprises. External risks mainly stem from heightened geopolitical tensions and trade disruptions, commodity price volatility—including declines in gold prices—and an uncertain global outlook (see also ¶33). Domestic risks include pressures to boost demand through procyclical fiscal spending and directed and preferential lending programs, as well as potential weakening of bank balance sheets and contingent liabilities from SOEs, SOCBs, and public-private partnerships (PPPs). On the upside, faster implementation of structural reforms could further strengthen the outlook. Stronger capital and remittance inflows and higher gold prices could provide additional upside, but the scope for such gains appears more limited given the already favorable current levels (Annex III).

Authorities' Views

11. The authorities broadly agreed with staff on the outlook and risks but were more optimistic about growth prospects. They project real GDP growth at 7.0–7.5 percent in 2026 and expect growth to remain in the 6.5–7.0 percent range over the medium term, reflecting higher estimates of potential growth. They also noted that elevated gold prices are expected to continue supporting the external current account this year. While acknowledging elevated near-term inflation risks stemming from heightened geopolitical and regional tensions, the authorities nevertheless expect inflationary pressures to be contained, reflecting a tight monetary policy stance; temporary and targeted transportation subsidies; a slower pace of administrative price increases, combined with better coordination with local governments; existing gas and oil import contracts; and adequate fuel reserves. Against this backdrop, they project inflation to ease to 6.5 percent by end-2026 and to reach the CBU's 5 percent target in 2027.

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[9] Numerical estimates of potential output growth should be treated with caution, given significant uncertainty arising from the ongoing structural transformation toward a market economy.

POLICY DISCUSSIONS: BUILDING BUFFERS AND ADVANCING REFORMS TO ENHANCE RESILIENCE TO SHOCKS

Discussions focused on calibrating the appropriate policy mix in the context of a strong economy, leveraging currently favorable domestic conditions to advance structural reforms and build buffers, and formulating contingency policy responses to potential downside risks from the war in the Middle East.

A. Fiscal Policy

12. The fiscal policy stance should be at least neutral to limit overheating risks, and institutional reforms should continue to advance to build buffers against shocks.

- **2026 budget.** The budget targets a fiscal deficit of 3 percent of GDP. However, given the budget's conservative revenue assumptions, particularly for gold prices ($3,050 per troy ounce), a sizable revenue overperformance is likely. In light of the significant mid-year spending increases in response to revenue overperformance in 2025, the authorities plan to limit such increases this year. Any spending to mitigate the impact of the war in the Middle East, such as transportation subsidies on foodstuffs, is expected to be temporary and targeted and would, as such, be appropriate. These plans are consistent with expenditures growing broadly in line with GDP in 2026 and imply a fiscal deficit of 1.5 percent of GDP (text table). Staff welcomed the authorities' intention to exercise spending restraint and encouraged them to minimize above-budget spending and aim for at least a neutral fiscal stance to avoid exacerbating inflationary pressures, broadly consistent with a deficit not exceeding 1.5 percent of GDP. Staff also advised that any spending recalibration should prioritize well-targeted social programs and avoid generalized subsidies and price controls, which are costly, distortionary, and difficult to unwind.

Selected Fiscal Indicators, 2024-2026

	2024	2025	2026 Proj.
Adjusted revenues 1/	24.2	25.7	26.7
Adjusted expenditures 1/	26.3	27.4	27.4
Adjusted fiscal balance	-2.1	-1.6	-0.7
Policy lending 2/	0.9	0.5	0.8
Overall fiscal balance	-3.0	-2.1	-1.5

Sources: Country authorities; and IMF staff estimates.
1/ Adjusted fiscal data are budget data GFS-adjusted for financing operations, such as equity injections and policy lending.
2/ Policy lending declined in 2025 due to higher loan recoveries from the Fund for Reconstruction and Development and is higher in 2026 and 2027 due to an expansion of the coverage of government social loan programs.

- **Managing revenue windfalls.** Looking beyond 2026, staff discussed options to complement the 3-percent deficit anchor—given its design shortcomings—to better manage revenue windfalls. Options for the 2027 budget include (i) a nominal primary expenditure ceiling set at the budgeted nominal primary spending envelope; or (ii) a ceiling on the nominal non-mineral primary deficit. While the first option is preferable from a macroeconomic stabilization perspective, it would not allow for within-year spending responses to revenue overperformance, making its implementation more challenging from a political-economy perspective. The second option, which mirrors the non-oil primary balance for large oil exporters, would instead allow a limited within-year response to stronger non-mineral revenue performance, thereby strengthening incentives to mobilize non-mineral revenues while avoiding procyclical spending responses to mineral price fluctuations (Annex IV).

13. Efforts should continue to advance a medium-term revenue strategy to finance the health, education, and infrastructure needs of a rapidly growing population. The revenue strategy needs to address the decline in the tax-to-GDP ratio since 2020 through a balanced mix of tax policy and revenue administration measures. On tax policy, staff recommended increasing specific excise tax rates (e.g., on alcohol, fossil fuels, vehicles, and sugar-sweetened beverages) (yielding up to 1.1 percent of GDP), alongside base-broadening reforms, including phasing out—and refraining from granting new—income-based tax incentives (such as tax holidays and reduced corporate income tax (CIT) rates), revisiting CIT exemptions (yielding up to 1.1 percent of GDP), and eliminating ineffective customs duty exemptions (with a yield up to 3.2 percent of GDP). These measures are to be complemented by stronger revenue administration, including government approval and implementation of the *Tax Administration Reform Strategy 2025-2030* and a customs reform strategy prepared with IMF capacity development (CD) support (Annex VII). Staff also stressed the importance of preventing the accumulation of VAT refund arrears and resolving the existing stock, notably through the rollout of the welcome new VAT invoice risk-assessment system, which will facilitate the prompt and automatic payment of validated claims.

14. Ongoing efficiency-enhancing expenditure reforms should continue while protecting the vulnerable, with further strengthening in several key areas. Staff welcomed recent improvements in the design of social-assistance programs to mitigate adverse labor-market effects and advised continuing the consolidation of such programs. To reduce procurement costs and strengthen incentives for SOE reform, staff urged the authorities to accelerate the reduction of non-competitive procedures and the introduction of framework agreements following World Bank CD advice, and to gradually phase out budgetary support to SOEs, making any remaining support conditional on credible restructuring progress. To further advance the rationalization of compensation costs, staff recommended:

- Introducing a limited transition civil service pay scale in the near term to support proper costing of the envisaged civil service wage bill reform. While the reform is needed to address inequities in compensation across comparable civil servant positions, implementation without careful ex-ante costing of reform options risks generating large, unintended, and difficult-to-reverse increases in the wage bill. For the same reason, final adoption of a permanent civil service pay scale should be deferred until 2027 to allow adequate costing during 2026 of pay reforms in large public employment sectors (e.g., health and education) and of pension reforms. To help contain costs, staff also suggested exploring personnel reductions.

- Avoiding increases in mandatory funded-pillar contribution rates, given higher wage-bill costs, adverse labor-market effects, and underdeveloped financial markets. More generally, staff stressed that any pension reform package should be subject to actuarial assessment prior to implementation.

15. Strengthening fiscal institutions remains essential to improving expenditure efficiency, fiscal-risk management, and debt management over time.

- **Public financial management (PFM).** Staff recommended improving the preparation and quality of medium-term frameworks (MTFs), unifying the public investment process regardless of financing source, and integrating recurrent and investment budgeting.

- **Treasury and MOEF reform.** Staff advised accelerating the automation of treasury processes to enable the treasury to validate and compile budget execution reports, freeing budget department staff to strengthen the challenge function and enhance budget execution analysis. Staff also recommended strengthening the macroeconomic forecasting and analysis function further to improve MTFs.

- **Fiscal risk management.** While quantification of fiscal costs and contingent liabilities from PPPs has improved, the annual PPP commitments ceiling was kept unchanged at its high 2025 level (US$6.5 billion, 4 percent of GDP). Staff advised reducing the ceiling to align it with existing capacity to adequately assess PPP projects, while continuing to strengthen that capacity over time; standardizing contract provisions; ensuring that the ceiling covers all new projects and is supported by credible enforcement mechanisms; and strengthening the MOEF's information base and authority over PPPs. Regarding SOEs, while the authorities have tightened risk-based oversight, risk disclosure in budget documents and the quality of information in the State Asset Management Agency's SOE database could be further enhanced (see selected issues paper).

- **Debt management and fiscal transparency.** Staff welcomed the publication of the debt management strategy and the annual borrowing plan, as well as the authorities' agreement with an international bank to facilitate the settlement of government securities for foreign investors in the local debt market. On fiscal transparency, staff welcomed the expanded budget coverage to include all social loan programs previously excluded from policy-based lending and progress toward publishing fiscal statistics consistent with IMF Government Finance Statistics (GFS) standards in 2026. At the same time, further progress is needed. Publishing tax expenditures alongside the budget would enhance transparency around their fiscal cost and support their rationalization.

Authorities' Views

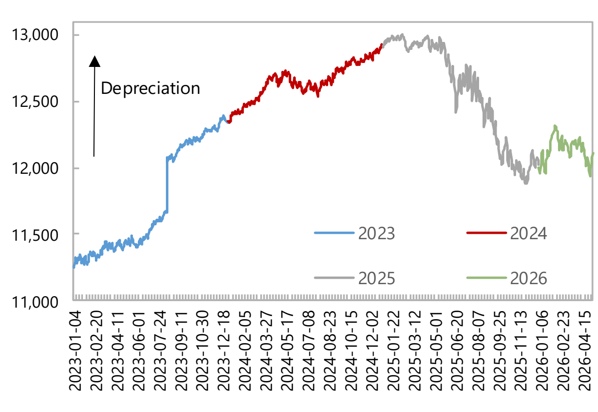
16. The authorities largely concurred with staff's assessment and advice. While recognizing the importance of avoiding procyclical increases in expenditure, they pointed to sizable infrastructure and other pressing spending needs and accordingly plan some targeted increases in budget allocations. Nevertheless, they expect the consolidated fiscal deficit to decline in 2026 relative to 2025, to around 1.5–2.0 percent of GDP, under a prudent gold price assumption of about $4,300 per troy ounce. The authorities also expressed readiness to explore fiscal rule options with staff to strengthen the management of volatile mineral revenues, complementing the 3-percent overall deficit target. Regarding VAT refunds, the authorities expect the process to become automatic once the risk-assessment system for both input and output VAT is fully tested and rolled out.

B. Monetary Policy

17. Monetary policy should remain firmly focused on reducing inflation to the CBU's target. The CBU has appropriately held the policy rate at 14 percent since March 2025 as inflation and inflation expectations declined, maintaining strongly positive real interest rates above the CBU's neutral rate estimates. Keeping the policy stance sufficiently tight is critical given ongoing inflationary pressures from strong domestic demand and rising oil, food, and logistics costs stemming from the war in the Middle East. Monetary policy calibration therefore needs to remain data dependent, with further tightening warranted if core inflation and inflation expectations fail to resume a downward trend.

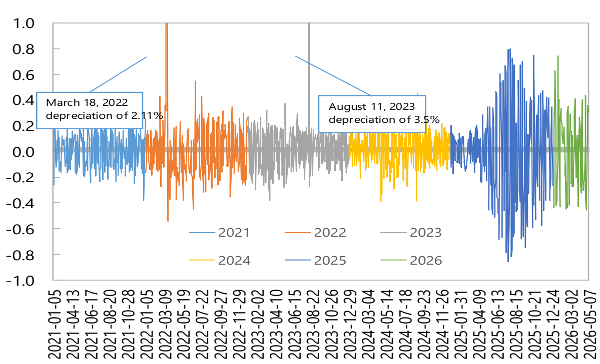
18. The welcome increase in exchange rate flexibility needs to be preserved and supported by improvements in FX market operations. Reflecting increased exchange rate flexibility since April 2025, the IMF has reclassified Uzbekistan's de facto exchange rate arrangement from crawl-like to floating. Staff advised maintaining this increased flexibility to strengthen the economy's shock-absorption capacity, safeguard international reserves, encourage FX hedging, and support the effective functioning of the inflation targeting framework. In line with this objective, staff encouraged the implementation of the IMF Monetary and Capital Markets Department (MCM) CD recommendations to improve FX market functioning, including the establishment of a clear, risk-based FX intervention strategy to reduce discretionary interventions. Deepening FX-market liquidity would facilitate more effective liquidity management and reduce sterilization costs[10]. Its importance will increase over time as capital mobility rises, in line with capital account liberalization plans supported by MCM CD (¶24).

Nominal Exchange Rate
(UZS per USD)



Sources: Country authorities, and IMF staff estimates.

Nominal Exchange Rate
(Percent change, day-on-day)



Note: A positive change denotes depreciation of sum.
Sources: Country authorities, and IMF staff estimates.

[10] For example, in 2025, the CBU used domestic currency interest-bearing instruments in addition to foreign exchange sales to sterilize liquidity generated by gold purchases, because of limited FX market capacity to absorb large FX volumes without excessive appreciation.

19. Strengthening monetary policy transmission remains a key priority. The CBU has made progress in strengthening monetary operations, the reserve requirement framework, and liquidity management; nonetheless, challenges remain. The significant state footprint in the banking system—through both ownership and the provision of directed and preferential lending—continues to distort interest rates and weaken monetary transmission. This raises the cost of anchoring inflation expectations in the face of cost pressures and increases the risk of resorting to distortive non-price instruments. Reducing the state footprint and phasing out directed and preferential lending are therefore critical. Further improvements in liquidity management—including more effective absorption of excess liquidity through a mix of central bank instruments and enhanced liquidity forecasting—and completion of outstanding reforms to the reserve requirement framework, such as remunerating required reserves and allowing them to be held in the same currency as the associated deposits, would further strengthen transmission.

20. The remaining 2022 safeguards recommendations should be implemented to strengthen central bank governance, independence, and transparency. Staff advised enhancing the CBU's functional, institutional, personal, and financial autonomy, including by eliminating requirements to get pre-approval by other state bodies for its regulations and publications, strengthening safeguards for the tenure of key officials, and improving the profit distribution framework. Enhanced autonomy should be balanced by independent oversight, including by ensuring a majority of non-executive members on the Governing Board. In addition, staff advised the CBU to publish its audited financial statements, in line with the safeguards policy, to further strengthen transparency and accountability.

Authorities' Views

21. The CBU reiterated its commitment to bringing inflation down to its 5-percent target. It expressed readiness to maintain a sufficiently tight monetary policy stance until there are clear signs that the target is within reach, and to raise the policy rate if circumstances warrant. The CBU also highlighted businesses' concerns about high borrowing costs and called for more granular analytical work on the underlying causes and possible solutions, including jointly with staff. The CBU intends to maintain the enhanced exchange rate flexibility introduced in April 2025 and is taking the necessary steps to support this objective, including improving liquidity management, facilitating further the deepening of the FX market, and strengthening FX market operations. Regarding safeguards, the authorities noted that most recommendations have been implemented, with the remaining measures— including publication of the CBU's audited financial statements—expected to be completed over the medium term.

C. Financial Sector Policies

22. The state continues to play a dominant role in the financial system. As of end-2025, nine SOCBs accounted for about two-thirds of banking assets and loans (63 percent and 67 percent, respectively) and just over half of deposits. SOCBs continue to engage extensively in directed and preferential lending at below-market rates. These practices weaken underwriting standards and credit risk management, leading to higher NPLs, lower profitability, and recurring recapitalizations—estimated at 0.4–2.0 percent of GDP annually since 2017—while crowding out private financial intermediation.

23. Accelerating reform and privatization of SOCBs in the near term is essential to safeguard financial stability and improve the efficiency of resource allocation. Privatization efforts need to adhere to international best practices, with preparatory steps focused on accurate asset quality reporting and strengthening corporate governance and risk-management frameworks. Transparent procedures and competitive bidding are essential to attract qualified strategic investors. Clear key performance indicators, robust performance monitoring, and a full accounting- and risk-based separation of commercial and non-commercial lending—with the latter explicitly compensated from the budget—are needed to strengthen accountability. Staff welcomed the recent appointments of independent board members but stressed the need for boards and senior management to be granted operational autonomy and held accountable for performance, while the government refrains from involvement in day-to-day operations. Persistent underperformance by SOCBs calls for timely corrective actions, including management changes where appropriate, while non-viable banks should be restructured or resolved. Staff underscored that plans to retain systemic SOCBs as policy banks could increase financial stability risks and budgetary costs and thus merit reconsideration. Staff also noted that policy bank objectives could be achieved through alternative instruments, such as well-designed social protection programs and appropriate compensation to private financial institutions for the provision of targeted financial services.

24. Staff discussed with the authorities the risks of premature capital account liberalization (CAL) and underscored the importance of proper reform sequencing. While calls to accelerate CAL are understandable given high borrowing costs, poorly sequenced CAL would heighten overheating and exchange rate appreciation pressures,[11] exacerbate resource misallocation amid incomplete price liberalization and banking sector reforms—thereby creating financial stability risks—and magnify macroeconomic volatility, as limited financial development would also make macroeconomic management (e.g., sterilization operations) more challenging. Staff therefore recommended the preparation of a CAL strategy, with clearly defined milestones informed by MCM CD, to ensure appropriate sequencing and effective risk management. The strategy would also help account for short-term trade-offs and related mitigation measures, including the need to accompany liberalization with stronger fiscal discipline and larger buffers to safeguard macro-financial stability.

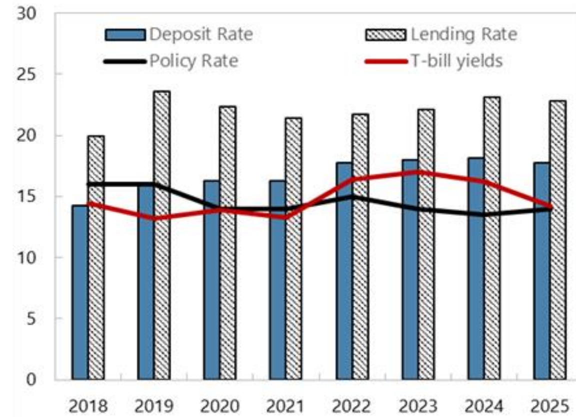
25. Financial inclusion should be pursued in ways that do not compromise financial stability. Over one-third of firms surveyed by the World Bank in 2024[12] reported being fully credit-constrained, with an additional 15 percent partially constrained. At over 15 percent, real lending rates remain elevated, largely reflecting a history of persistent and volatile inflation, weak

[11] The appreciation of the sum since early 2024 underscores the need to accelerate structural reforms to boost productivity to offset competitiveness losses from exchange rate movements.

[12] See World Bank Enterprise Surveys at https://www.enterprisesurveys.org/en/data.

competition due to SOCB dominance, extensive direct and preferential lending, legacy distressed assets, and limited credit information for many borrowers. Staff cautioned against government lending programs that explicitly or implicitly impose quantitative lending targets, as such targets risk directing credit to unviable borrowers. Staff also urged the authorities to continue to avoid interest rate ceilings, which can restrict access to finance—particularly for riskier and underserved borrowers—and encourage informality. More effective approaches to advancing financial inclusion include strengthening banking sector competition, expanding access to credit information (e.g., by extending credit registry coverage to utility payments), improving banks' credit screening models and tools, modernizing payment systems and digital infrastructure, fostering economies of scale, and enhancing financial literacy and consumer protection. Over time, these measures—supported by macroeconomic stability and broader banking sector reforms under the FSAP—would help lower borrowing costs durably.

Deposit and Lending Rates
(In percent)



Sources: Country authorities, Haver, and IMF staff estimates.

26. Timely Implementation of the 2025 FSAP recommendations will help safeguard financial stability and foster a more competitive banking sector over time.

- The authorities have already taken several important steps in this area (Annex V). They strengthened stress testing frameworks; introduced Basel III-consistent bank capital buffers; enhanced borrower-based measures by extending debt-service-to-income requirements to buy-now-pay-later transactions and introducing debt-to-income limits for individual borrowers, including those without formal income; imposed a 25-percent concentration limit on microloans; and brought liquidity requirements into conformity with Basel III standards. In parallel, the authorities prepared legislative amendments to strengthen the CBU's operational independence; decided to broaden asset quality reviews to all SOCBs, irrespective of privatization status; and committed to aligning the measurement of NPLs with international standards by end-2026, while requiring loans to meet mandatory cure periods before being upgraded from nonperforming to performing status. A comprehensive diagnostic assessment of directed and preferential lending programs is also under way, with a view to phasing them out, alongside the development of a roadmap for transitioning toward market-based financing for micro, small, and medium-sized enterprises.

- Staff welcomed the progress achieved to date and the macroprudential measures adopted to contain risks, including from microlending. They advised phasing out exemptions from borrower-based measures (currently covering about 15 percent of loans) and extending such measures to loans issued under government programs. Staff also stressed the importance of ensuring that SOCBs have credible restructuring plans in place before any potential capital support is extended and urged the authorities to address risks from FX lending to unhedged borrowers, particularly in light of the recent increase in exchange rate flexibility.

Authorities' Views

27. The authorities remain focused on maintaining financial stability and have started implementing FSAP recommendations. Recent steps toward the transformation of SOCBs include the transfer of 40 percent of SQB shares to UzNIF, which is expected to further enhance the bank's performance and corporate governance; an agreement to sell a 15-percent equity stake in Asaka Bank to the EBRD; efforts to privatize two small SOCBs; and broader steps to strengthen governance arrangements, including the appointment of majority-independent boards at three SOCBs and independent CEOs at two SOCBs. The authorities are anchoring their financial sector strategy through 2030 on FSAP recommendations and are finalizing a comprehensive roadmap to implement them.

D. Structural Reforms

28. Accelerating SOE sector reform is a near-term priority that would boost total factor productivity and investment, supporting growth and private sector development.[13] A clear and transparent ownership policy—subject to periodic review—should be adopted to define which entities will remain under state ownership and to inform decisions on which SOEs should be privatized or liquidated. In particular:

- *The role of SOEs in the economy should be substantially reduced.* More than 80 percent operate in competitive sectors. SOEs should be privatized, if profitable, following best practices, or liquidated otherwise, with the process supported by targeted social protection measures and appropriate compensation for retrenched workers as needed. This would reduce the burden of SOEs on the budget, facilitate a more efficient reallocation of resources toward more productive private firms, and help remove barriers to market entry, thereby supporting new investment.

- For SOEs in strategic or non-competitive sectors that remain under state ownership, corporate governance weaknesses and soft budget constraints should be addressed. Government influence over supervisory boards and multiple forms of SOE support weaken reform incentives. Priority reforms should include: establishing well-defined commercial objectives requiring market-based rates of return; clearly defining and fully compensating public service obligations (PSOs) through the budget; eliminating overlaps in ownership functions among the state asset management company, line ministries, and local governments, with a view to further centralization; ensuring merit-based and transparent supervisory board (SB) appointments; conducting regular SB performance evaluations against a robust performance framework;

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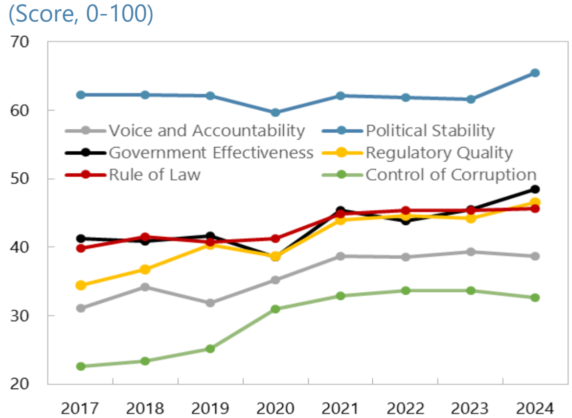
[13] The advice in this section builds on the 2025 Article IV SIP paper, *"The Sequencing and Speed of Reforms in Transition Economies: Implications for the Case of Uzbekistan,"* which examined how Uzbekistan should prioritize and sequence its transition reforms and identified reform of large SOEs and SOCBs as a key priority.

safeguarding SB autonomy; prohibiting non-commercial activities without full budget compensation; and increasing private sector participation to enhance efficiency.

- *All SOEs should comply with international standards on auditing, financial reporting, and disclosure.* This includes the timely publication of IFRS-compliant financial statements audited in line with international standards.

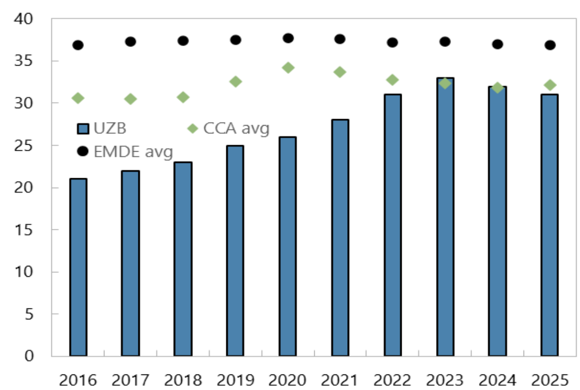
29. Finalizing ongoing governance reforms expeditiously is essential to strengthen transparency and accountability, reduce corruption, and improve the business climate. While governance indicators show sizable improvement since 2017, progress has been uneven over the last two years, despite new reform efforts, including a recent presidential decree on combating corruption and ongoing work on a new National Anti-Corruption Strategy. Key legislation on whistleblower protection and asset declaration has been under preparation for two and five years, respectively. Prioritizing their adoption, enactment, and effective implementation, together with finalizing and implementing the National Anti-Corruption Strategy, would enhance public spending efficiency, strengthen public administration, and improve investor confidence.

World Governance Indicators
(Score, 0-100)



Note: Higher scores indicate better outcomes.
Source: Worldwide Governance Indicators database, World Bank.

Corruption Perception Index
(Score, 0-100)



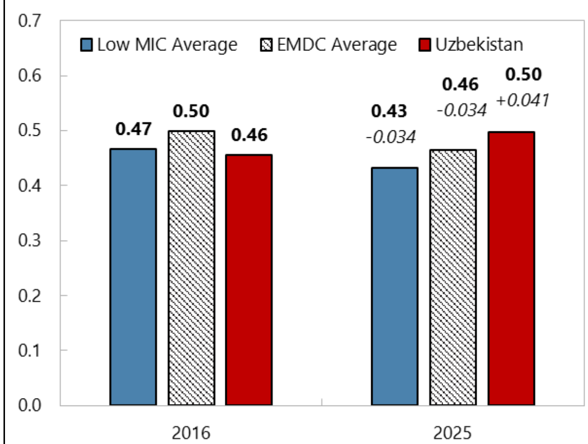
Note: Higher scores indicate better outcomes.
Source: Corruption Perceptions Index, Transparency International.

30. These reforms should be complemented by measures to strengthen market regulation and competition, thereby enhancing efficiency over time. Competition has been strengthened through the revocation of exclusive rights in 24 sectors; the expansion of the competition authority's powers, including prior review of draft legal acts and state aid; and unbundling in the energy, aviation, and airport service sectors.[14] Building on these reforms, the authorities are preparing a *Competition Promotion Strategy 2030* to guide the implementation of additional pro-competition measures, including dismantling 16 state monopolies; completing unbundling in the railway sector and enabling private entry into both freight and passenger transport; eliminating exclusive rights in at least 10 service sectors; liberalizing import markets by removing restrictions on parallel imports;

[14] As a result, the number of domestic air carriers increased from 1 in 2017 to 15 in 2025.

introducing non-discrimination rules for dominant firms; and deploying AI-based tools to detect collusion in public procurement. To further support private investment, staff advised establishing a robust state aid control framework, including enforceable notification and assessment procedures that constrain discretionary allocation, and a publicly accessible state aid registry to strengthen transparency and support oversight and enforcement. Staff also emphasized that activating sector regulators—including the newly established independent energy and telecommunications regulators—requires operational independence, clear mandates, and effective coordination with competition and state aid frameworks. Completing WTO-related reforms will reinforce these efforts by anchoring them in binding transparency and non-discrimination disciplines, thereby strengthening the credibility and predictability of the investment climate.

World Justice Project Rule of Law Index
(Score, 0-1)



Note: Bold numbers = index score; Italicized numbers = change 2016 to 2025; EMDC = emerging market and developing country; MIC = middle income country. Higher scores indicate better outcomes.
Source: World Justic Project Rule of Law Index, 2025.

31. Labor market and climate reforms should continue. Annex II documents recent progress, which is essential to fostering more resilient private-sector growth, enhancing energy efficiency, and advancing decarbonization and climate adaptation objectives. Staff reiterated earlier staff report recommendations, which remain broadly appropriate. In addition, they encouraged the authorities to implement Climate-PIMA (Public Investment Management Assessment) recommendations, including integrating climate objectives into public investment management, improving budget tagging of climate-related spending, strengthening ex-post assessment of climate outcomes, and expanding the analysis of fiscal risks arising from climate change.

Authorities' Views

32. The authorities largely concurred with recommendations to accelerate governance and structural reforms. They highlighted a December 2025 presidential decree that expands the Anti-Corruption Agency's (ACA) preventive mandate, establishes an anti-corruption "cluster" to strengthen coordination across relevant agencies, and accelerates digitalization. A Risk Analysis Center is being established at the ACA to integrate government databases and systems and provide real-time access to data for the early detection of corruption risks. Draft whistleblower protection and asset declaration laws are being finalized for submission to Parliament, while the conflict-of-interest law is under implementation. The anti-corruption strategy is expected to be approved by August 2026. The authorities also intend to accelerate the transformation of SOEs through UzNIF, supported by corporate governance reforms. WTO accession negotiations are well advanced, with legal and regulatory frameworks being aligned with WTO requirements. Efforts are ongoing to make the new independent energy and telecommunication regulators fully operational.

E. Policy Advice under Alternative Scenarios

33. Staff discussed with the authorities the potential impact of the Middle East war on Uzbekistan.[15] The global impact of the war is still unfolding and will depend on its duration and intensity. Spillovers on Uzbekistan are expected to materialize mainly through global commodity prices and weaker growth in key trading partners, as the financial conditions channel is less active. As a major gold exporter, Uzbekistan is likely to benefit from higher gold prices amid heightened global uncertainty, while higher oil prices would transmit with a lag as contracts with Russia and other suppliers are renewed. In most plausible scenarios, higher gold prices would largely offset adverse effects on growth, the fiscal deficit, and the current account, except under a tailored downside scenario in which gold prices decline (see below). At the same time, the temporary closure of an important trade route through Iran has raised logistics costs, which—together with potentially higher energy prices—would put upward pressure on inflation. Additional effects could include diversion of capital flows from the war region toward Uzbekistan and, to a lesser degree, increased migration.

34. Under a tailored downside scenario, the impact of the Middle East War on Uzbekistan could be more pronounced. Such a scenario broadly in line with the severe scenario discussed in the *World Economic Outlook*[16] but tailored to Uzbekistan's circumstances entails a sharp increase in oil and gas prices, which would remain elevated through most of 2027, alongside rising global food prices. Inflation expectations would increase, and a significant risk-off episode would push up corporate and sovereign risk premia through 2027. Central banks would tighten monetary policy to contain inflation, resulting in higher global interest rates and a stronger U.S. dollar. In this environment, gold prices could decline substantially, consistent with recent price movements in response to expectations of tighter monetary policy. For Uzbekistan, this would translate into lower growth, higher inflation, and wider fiscal and current account deficits relative to the baseline (text table).

Uzbekistan: Selected Economic Indicators, 2025-2027

	2025	2026 Proj.	2027 Proj.
Real GDP growth (y/y, %)			
Baseline scenario	7.7	6.8	6.0
Severe scenario	7.7	5.8	4.9
Inflation (e.o.p., y/y, %)			
Baseline scenario	7.3	6.8	5.0
Severe scenario	7.3	8.5	6.6
Overall fiscal balance (% of GDP)			
Baseline scenario	-2.1	-1.5	-2.0
Severe scenario	-2.1	-1.8	-3.1
Current account balance (% of GDP)			
Baseline scenario	-3.9	-3.2	-3.6
Severe scenario	-3.9	-4.1	-4.4

Sources: Country authorities; and IMF staff estimates.

35. Given Uzbekistan's strong economic position, the impact of this alternative scenario would remain manageable with appropriate policy responses. Reflecting the scenario's more protracted and intense nature, the policy response should prioritize macroeconomic adjustment. This would include exchange rate flexibility as the first line of defense, supported by tighter

[15] For a broader discussion of shocks and appropriate policy responses, see Annex III, Risk Assessment Matrix.

[16] See World Economic Outlook, April 2026; Global Economy in the Shadow of War; April 14, 2026 for a detailed discussion of the severe scenario and its global implications.

monetary policy to contain inflationary pressures. With growth expected to remain relatively resilient, fiscal policy should support disinflation while ensuring that the deficit remains within the 3-percent-of-GDP target. Accordingly, consolidation may be warranted, including by accelerating expenditure rationalization measures (¶14), while preserving targeted safety net support for the vulnerable. Financial sector policies should activate contingency plans to safeguard stability. Structural reforms that do not amplify short-term adverse effects should be accelerated to support economic activity.

Authorities' Views

36. **The authorities agreed with staff that the impact of the Middle East war would remain contained under most plausible scenarios but acknowledged the risks associated with the tailored downside scenario.** They noted that gold prices typically behave countercyclically with respect to the global economy, helping to buffer shocks, but concurred that this pattern could change if global monetary policy were tightened in response to inflationary pressures arising from the war. The authorities emphasized that they are already taking steps to build buffers, including containing the growth of public spending, maintaining sufficiently tight monetary policy to curb inflation, implementing FSAP recommendations to strengthen financial sector resilience, and accelerating privatization efforts to help sustain the strong growth momentum. They are closely monitoring developments and stand ready to act as needed.

DATA ADEQUACY ASSESSMENT

37. **Data are broadly adequate for surveillance, though some shortcomings remain; the authorities are making efforts to improve statistics, and further progress is needed.** The authorities have conducted population and agriculture censuses and have significantly improved CPI methodology. Institutional sectorization to better distinguish public and private sector entities has advanced and should be applied consistently across datasets, including the national accounts. While progress has been made in compiling the reserve adequacy template, its completion and publication are needed to support subscription to the SDDS. Similarly, the compilation of financial soundness indicators is not yet aligned with international best practices. To further support the authorities' reform efforts, staff advised requesting a Report on the Observance of Standards and Codes (ROSC) on statistics (see Annex VI for details).

Authorities' Views

38. **The authorities emphasized ongoing efforts to strengthen macroeconomic and financial statistics and welcomed continued technical assistance.** Population and agriculture censuses—conducted for the first time in 37 years—have been completed using a novel, internet-based approach that substantially reduced costs. Analysis of the results is underway, and the authorities expect that, together with a forthcoming business census, the newly collected data will enable a significant upgrade in the quality of Uzbekistan's statistics. For example, the household budget survey will be updated using the census results, as the current survey is still based on outdated information. Improvements to CPI methodology have also been implemented, including

an updated consumption basket, greater use of web-scraped prices, and revised weights, while sectorization work is nearing completion. SDDS-related reporting, including the reserves template, is under review with a view to publication in the near term.

STAFF APPRAISAL

39. Uzbekistan's economy continues to perform strongly. Growth has remained buoyant, supported by the authorities' efforts to transform the economy and advance market-oriented reforms; fiscal and external positions have improved further, and inflation has been on a downward trend. At the same time, economic activity is likely running above potential amid strong domestic demand, and global uncertainty and risks loom large. This underscores the importance of prudently managing the current juncture while advancing supply-side reforms to sustain durable and inclusive growth.

40. Fiscal policy should prioritize limiting overheating risks and rebuilding buffers. It should avoid adding to demand pressures in 2026, particularly in the context of likely revenue overperformance. Containing within-year expenditure adjustments would help support disinflation and reinforce policy credibility. Looking ahead, enhancing the fiscal framework to better insulate spending from volatile mineral revenues would strengthen macroeconomic stabilization and intertemporal discipline. Introducing a complementary operational anchor—such as a ceiling on the non-mineral primary deficit—would help address procyclicality while preserving flexibility to respond to genuine spending needs.

41. Sustained progress on revenue mobilization and fiscal institutions remains essential to meet Uzbekistan's large development needs. Increasing specific excise taxes, reducing exemptions and tax holidays, and strengthening tax and customs administration would help reverse the decline in the tax-to-GDP ratio over recent years. In parallel, further upgrades to medium-term budgeting, public investment management, treasury operations, and fiscal risk oversight—especially for SOEs and PPPs—would improve spending quality, efficiency, and transparency.

42. Monetary policy should remain firmly oriented toward durably anchoring inflation at the CBU's target. With domestic demand still strong, the output gap likely positive, and potential inflationary pressures stemming from the Middle East war, maintaining a sufficiently restrictive stance is warranted, with readiness to tighten further if disinflation stalls. Preserving the recent increase in exchange rate flexibility is critical to shock absorption, international reserve protection, and the effective functioning of the inflation-targeting framework. Continued efforts to deepen FX markets, strengthen liquidity management, and phase out directed and preferential lending would enhance monetary transmission over time.

43. Safeguarding financial stability in a rapidly evolving economy requires decisive implementation of the FSAP recommendations. Progress to date on capital buffers, borrower-based measures, and supervisory frameworks is welcome, but momentum needs to be sustained. Accelerating the restructuring and privatization of SOCBs, strengthening asset quality recognition, and safeguarding central bank autonomy are central to improving resource allocation and limiting fiscal risks. Financial inclusion initiatives should rely on competition, transparency, and sound risk management, rather than directed and preferential lending and administrative controls that could weaken balance sheets.

44. Reducing the state's footprint and strengthening market institutions remain key to lifting productivity and private-sector dynamism. Advancing SOE reform—through privatization where feasible and stronger governance where state ownership remains—would help level the playing field and crowd in private investment. Accelerating governance reforms, including the adoption and effective implementation of whistleblower protection and asset declaration frameworks, would enhance accountability and investor confidence. Further strengthening competition policy, operationalizing sector regulators, and completing WTO accession would support market efficiency and export diversification.

45. Continued reform of labor markets and climate-related policies will be important to sustain inclusive growth and resilience. Addressing structural impediments to labor force participation—particularly among women and youth—alongside tackling skill mismatches and reducing informality would help meet the economy's growing labor demand. Better integration of climate considerations into public investment planning would improve energy efficiency and resilience while supporting decarbonization objectives.

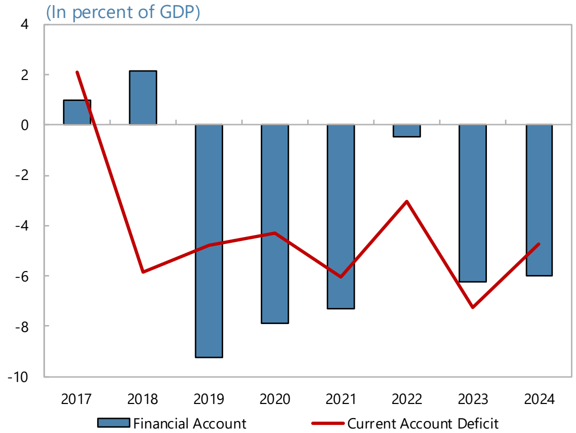
46. Data are broadly adequate for surveillance, but further improvements are needed. Applying institutional sectorization consistently across macroeconomic datasets, producing quarterly GDP, and aligning financial soundness indicators with international standards would strengthen policy analysis and transparency. The authorities' strong commitment to statistical modernization, supported by continued capacity development, is encouraging.

47. Staff proposes the next Article IV consultation with Uzbekistan take place on the standard 12-month cycle.

Figure 1. Uzbekistan: Selected Economic Indicators 2017-2024

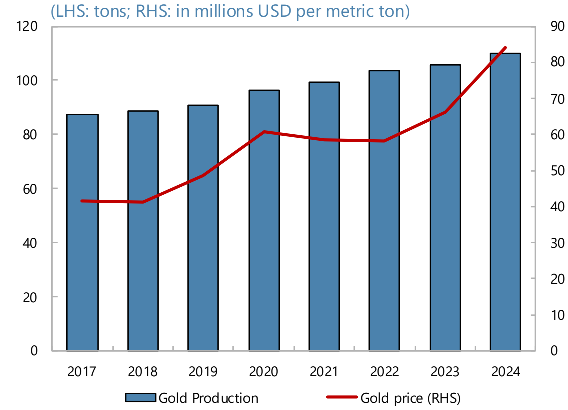
Economic reforms attracted significant capital inflows, triggering a virtuous economic cycle…

Current Account and Capital Flows
(In percent of GDP)



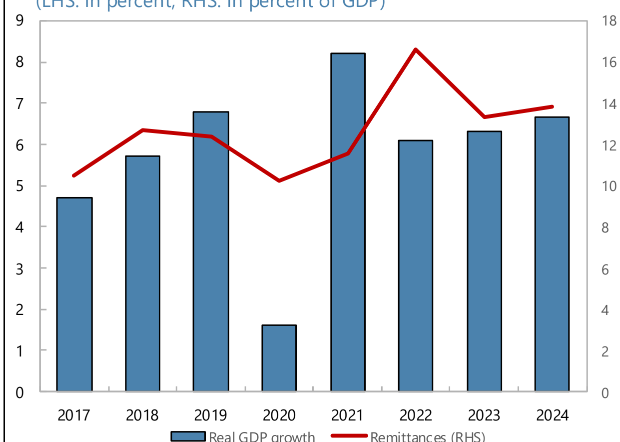
…supported by favorable commodity prices…

Gold Price and Gold Production
(LHS: tons; RHS: in millions USD per metric ton)



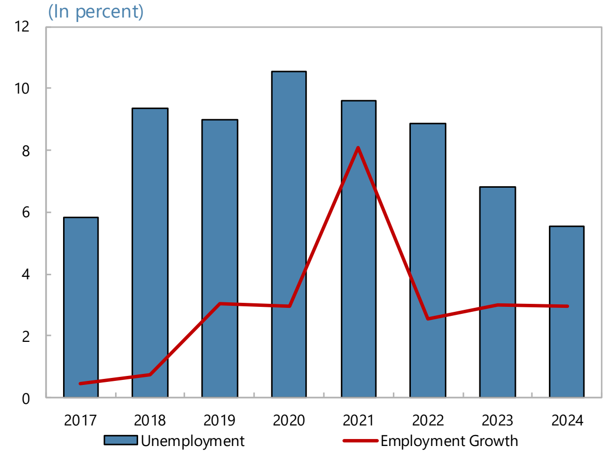
…and strong remittances, resulting in average annual growth of 5.9 percent over 2018-2024.

Real GDP Growth and Remittances
(LHS: In percent; RHS: In percent of GDP)



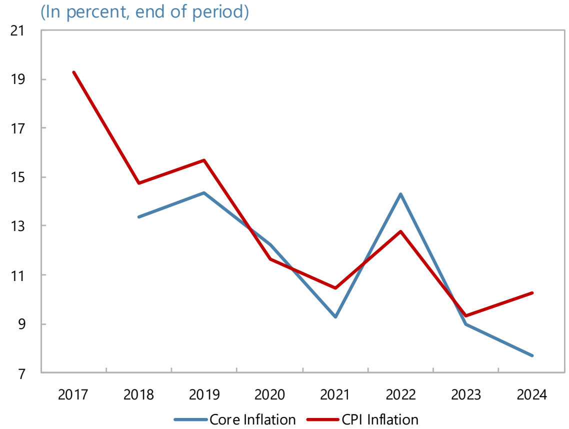
Employment growth strengthened and unemployment fell from its peak during the COVID-19 pandemic.

Employment Growth and Unemployment Rate
(In percent)



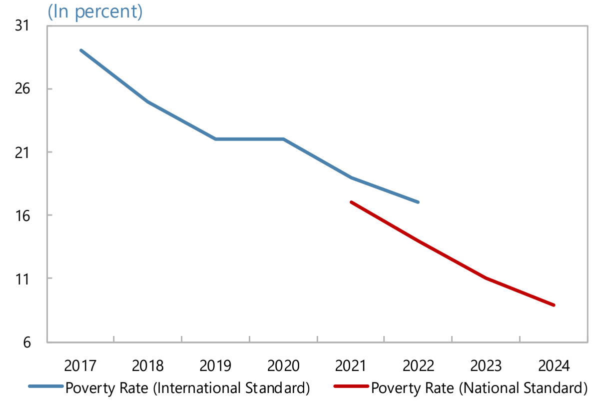
CPI Inflation has been trending downwards from high double digits in 2017.

Inflation and Core Inflation
(In percent, end of period)



These favorable macroeconomic developments facilitated a sizable decline in the poverty rate.

Poverty Rate
(In percent)



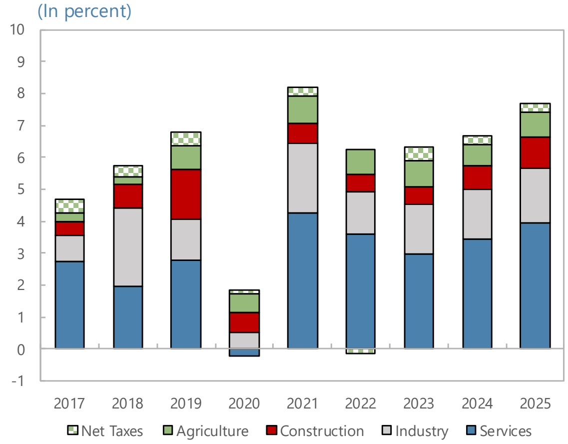
Notes: The World Bank calculation is based on international standard (2017PP). Latest available data point is for 2022. For national standard of poverty rate calculations started in 2021.

Sources: National Statistics Committee and Central Bank of Uzbekistan, and the World Bank.

Figure 2. Uzbekistan: Real Sector

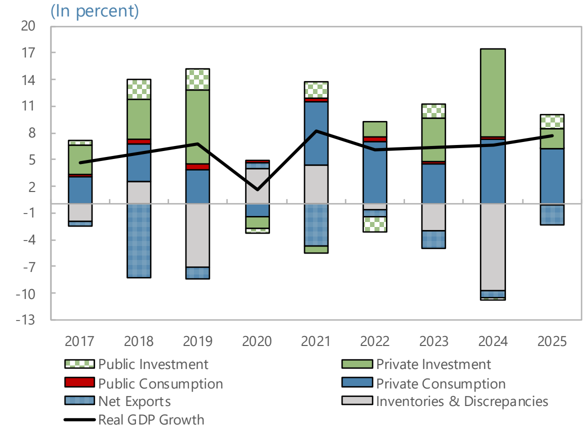
Growth in 2025 was the strongest in recent years …

Contributions to Real GDP Growth(Production Side)
(In percent)



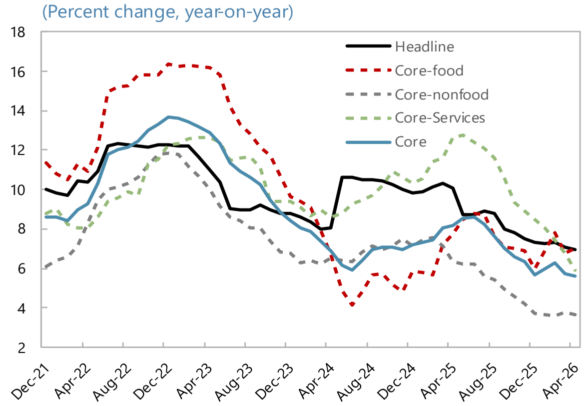
…driven by consumption and investment.

Contributions to Real GDP Growth (Expenditure Side)
(In percent)



Disinflation has resumed, but headline and core inflation continue to exceed the target.

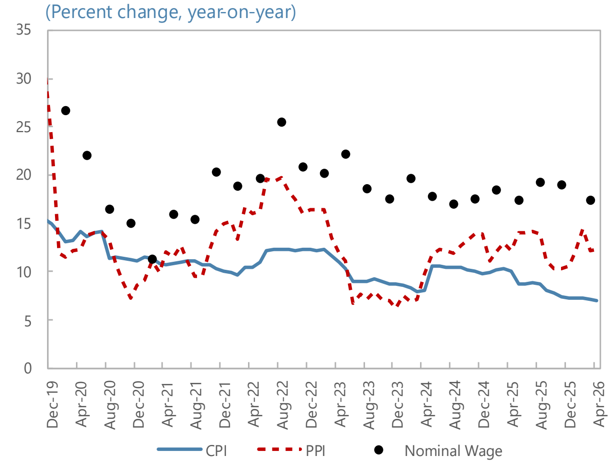
Core Consumer Price Index
(Percent change, year-on-year)



Note: Inflation is on endof-period basis. Core inflation excludes fruits, vegetables, and regulated (energy and utilities) prices.

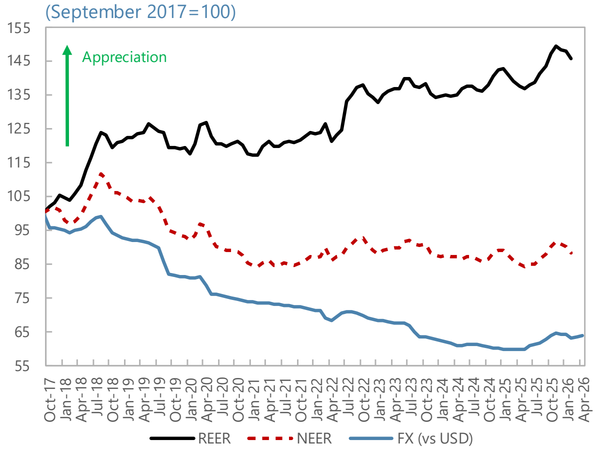
Wage growth remains strong.

Prices and Wages
(Percent change, year-on-year)



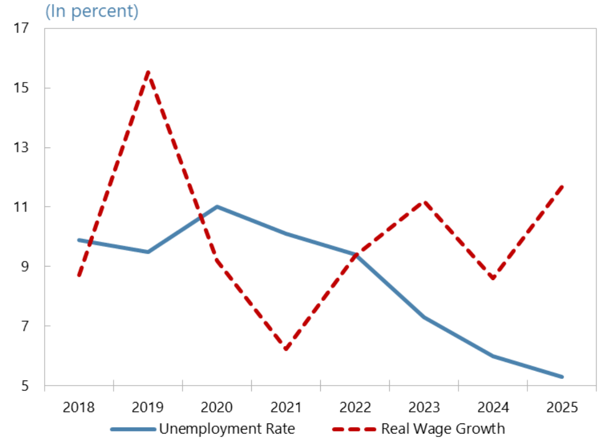
The exchange rate has become more flexible.

Exchange Rate
(September 2017=100)



The unemployment rate declined while real wages accelerated.

Unemployment and Real Wage Growth
(In percent)

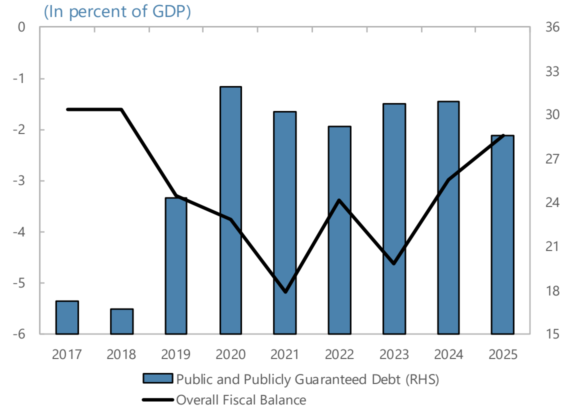


Sources: National Statistics Committee and Central Bank of Uzbekistan.

Figure 3. Uzbekistan: Fiscal Sector

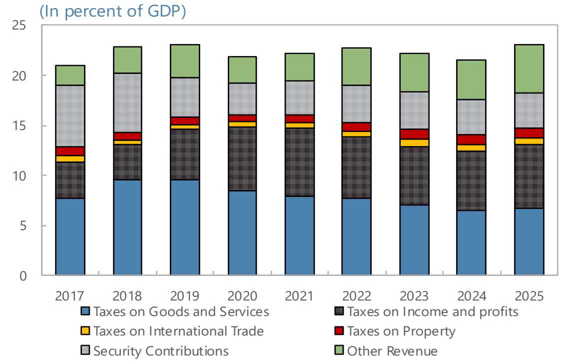
The overall fiscal deficit narrowed—and PPG debt declined—in 2025…

Overall Balance and Public Debt
(In percent of GDP)



…as revenue was buoyed by strong economic activity and high gold prices…

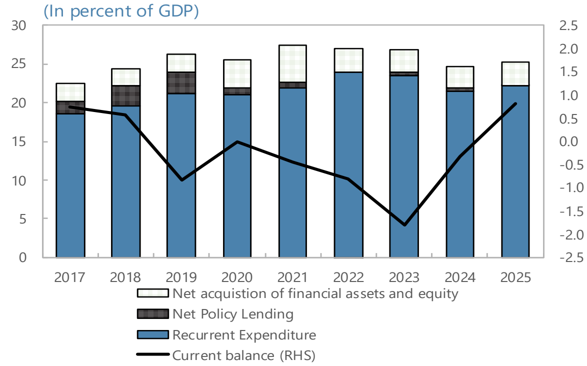
Revenue Composition
(In percent of GDP)



Notes: Revenue composition = adjusted revenue (Table 3) revenue from non-budget accounts of entities (NBAE)

…generating an improvement in the current fiscal balance despite higher recurrent expenditure…

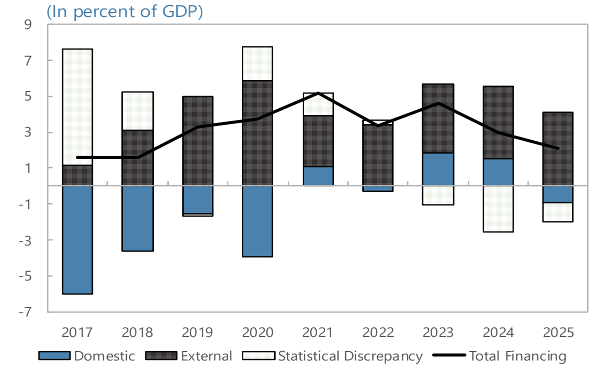
Expenditure Composition
(In percent of GDP)



Notes: Recurrent expenditure =adjusted revenue (Table3) + net equity investment and political lending - expenditure from NBAE.

…and a decline in total financing, which remains mainly provided by multilateral and official lenders.

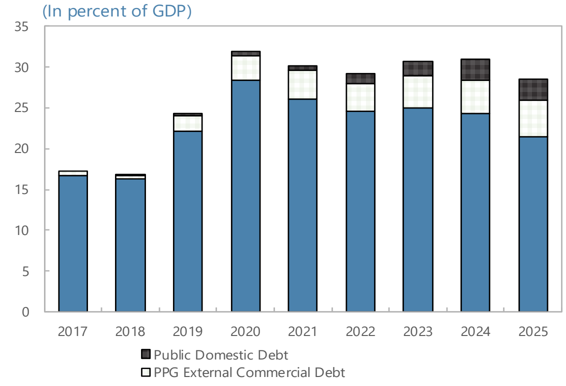
Financing Composition
(In percent of GDP)



Notes: Domestic includes the financial system, privatization receipts, and domestic debt issuance; External includes multilateral institutions, bilateral official lenders, and commercial borrowing.

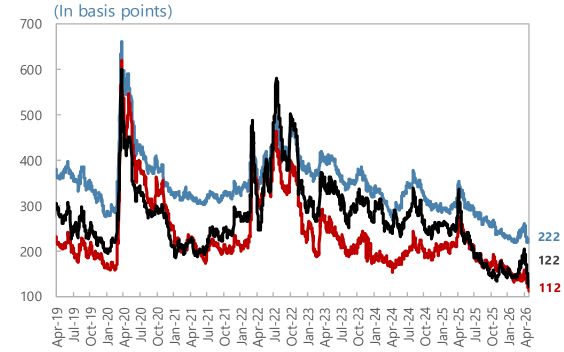
PPG multilateral and official external debt accounts for most of the PPG debt stock but the importance of domestic and external commercial debt is growing.

PPG Debt Composition
(In percent of GDP)



Given the favorable overall economic performance, Uzbek spreads have declined and the sovereign bond ratings were upgraded to BB from BB- with a stable outlook by S&P and Fitch.

Selected Sovereign Spreads
(In basis points)

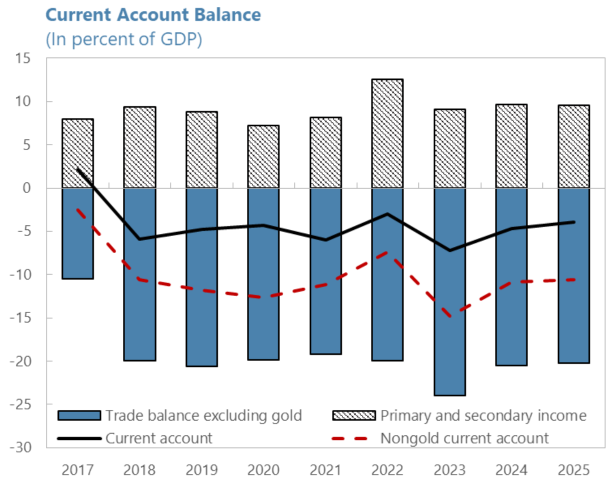


Sources: Bloomberg LP, and IMF staff calculations.
Note: CCA includes ARM, AZE, GEO and KAZ.

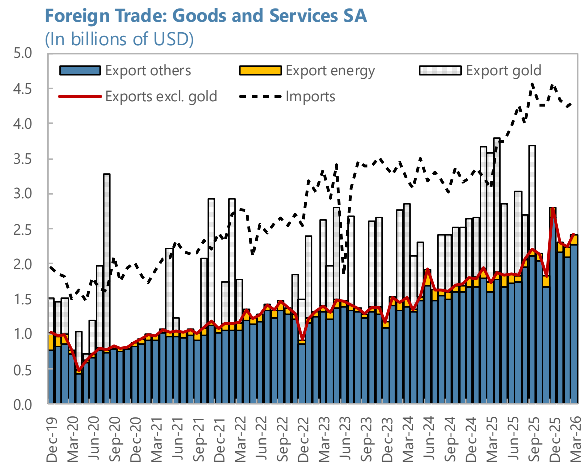
Sources: Ministry of Economy and Finance and Central Bank of Uzbekistan unless otherwise noted.

Figure 4. Uzbekistan: External Sector

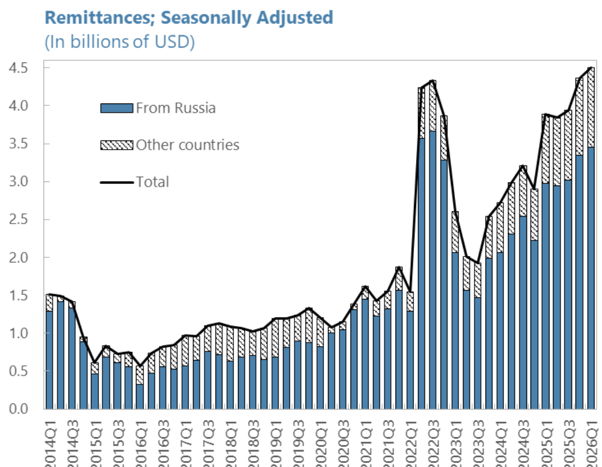
The current account deficit narrowed further in 2025…



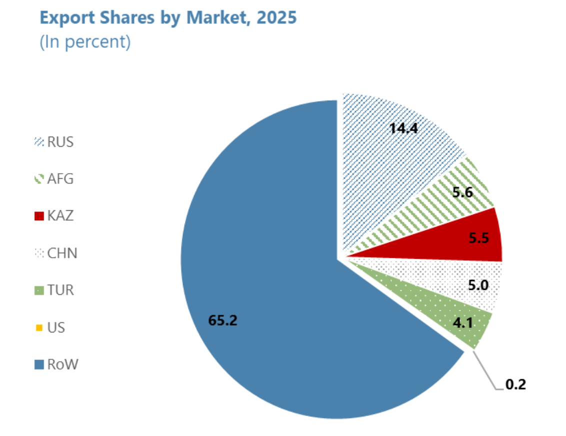
… reflecting high gold prices and strong non-gold exports…



…as well as continued robust remittances.

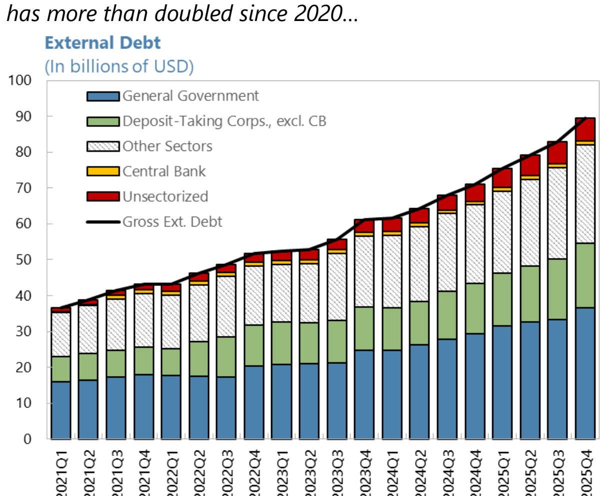


Russia and China account for about one fifth of exports.

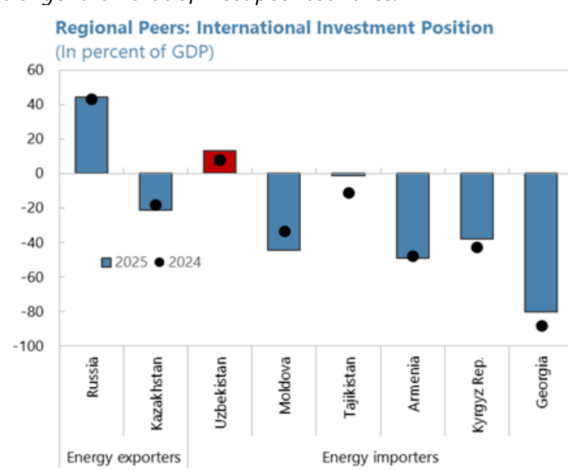


Sources: National Statistics Committee and IMF staff estimates.

The level of external debt has more than doubled since 2020…



… but Uzbekistan's international investment position remains stronger than that of most peer countries.



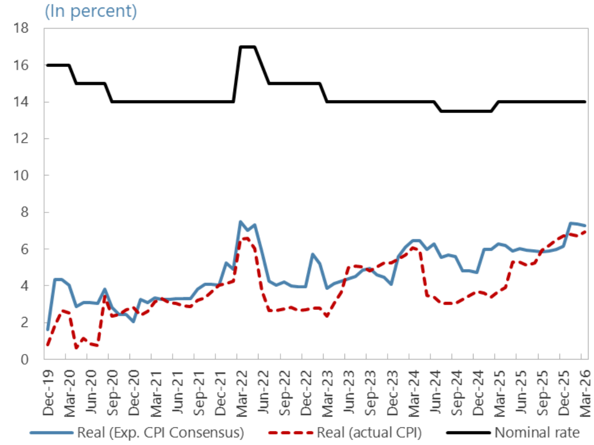
Source: World Economic Outlook, IMF.

Sources: Central Bank of Uzbekistan unless otherwise noted.

Figure 5. Uzbekistan: Monetary Sector

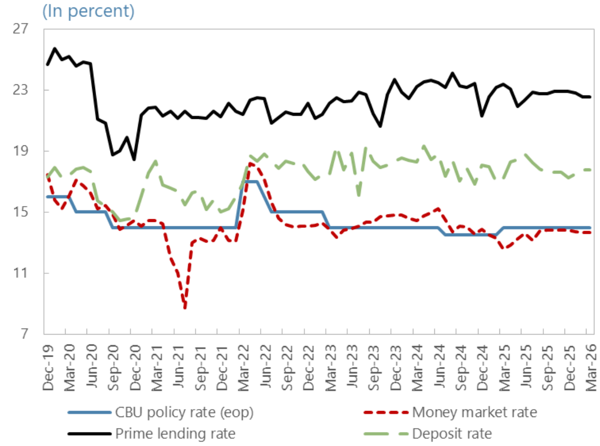
The real policy interest rate remains positive and sizable…

Monetary Policy Rate
(In percent)



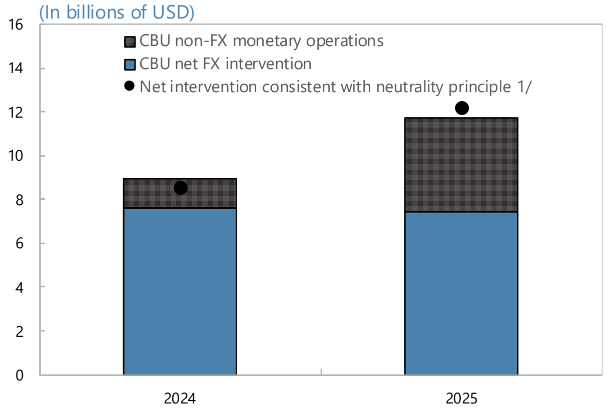
… while bank lending and deposit rates continue to show constrained monetary transmission.

Key Interest Rates
(In percent)



The CBU used a mix of sum-based instruments and FX sales to sterilize gold purchases in 2025.

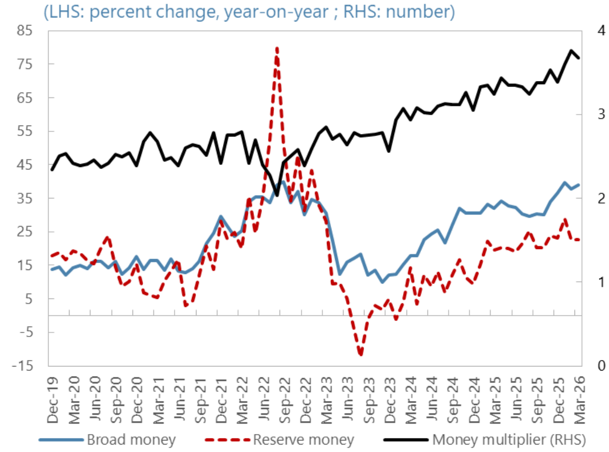
CBU Total Sterilization of Liquidity from Gold Purchases
(In billions of USD)



1/ Represents the amount of CBU gold purchases that needs to be sterilized.
Sources: Country authorities and IMF staff estimates.

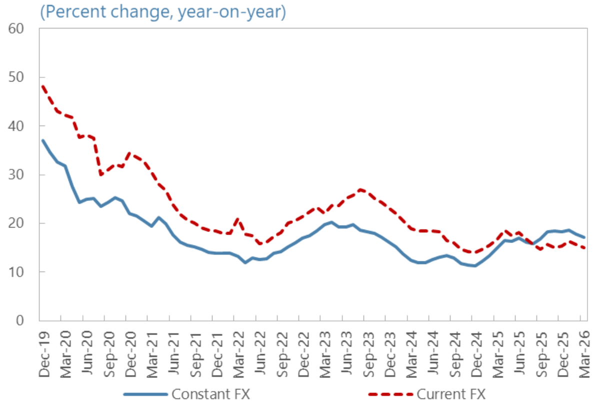
Broad money growth increased in the second half of 2025.

Broad and Reserve Money
(LHS: percent change, year-on-year ; RHS: number)



Credit to the economy has expanded below nominal GDP growth…

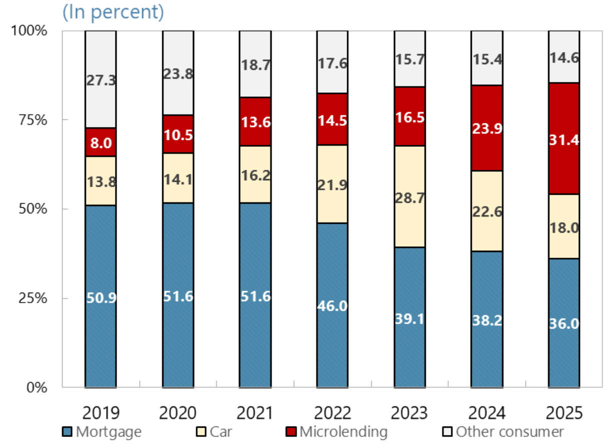
Credit to the Economy (excluding Government)
(Percent change, year-on-year)



Notes: The Current and Constant FX credit to the economy series were adjusted for loans transferred to the UFRD from January to November 2020.

… but aggregate credit developments mask the continued rapid increase of the share of microlending in household lending.

Composition of Household Lending
(In percent)



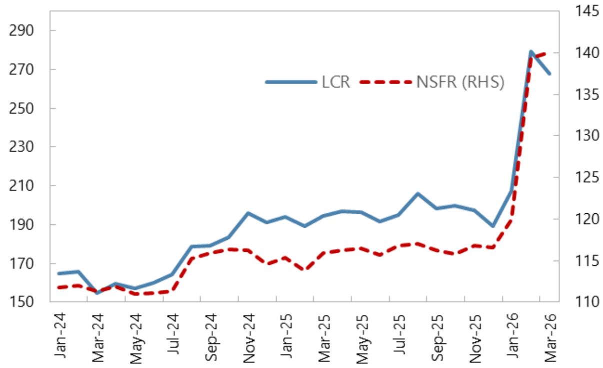
Sources: Central Bank of Uzbekistan unless otherwise noted.

Figure 6. Uzbekistan: Financial Soundness Indicators

Liquidity indicators have improved, with the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) well above the regulatory minimum of 100 percent…

LCR and NSFR

(In percent)

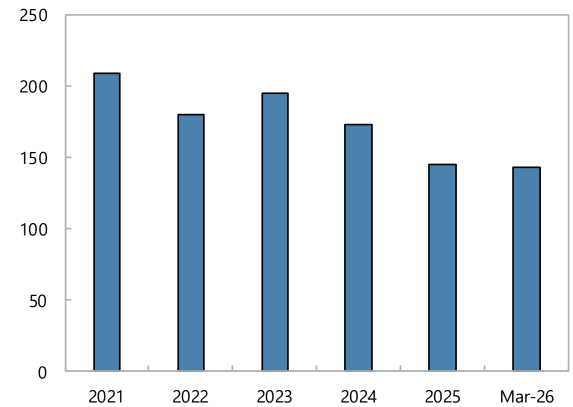


Note: The increase in these ratios in January 2026 partly reflects methodological changes in their calculation.

…and the loan-to-deposit ratio decreasing in recent years.

Loan-to-Deposits Ratio

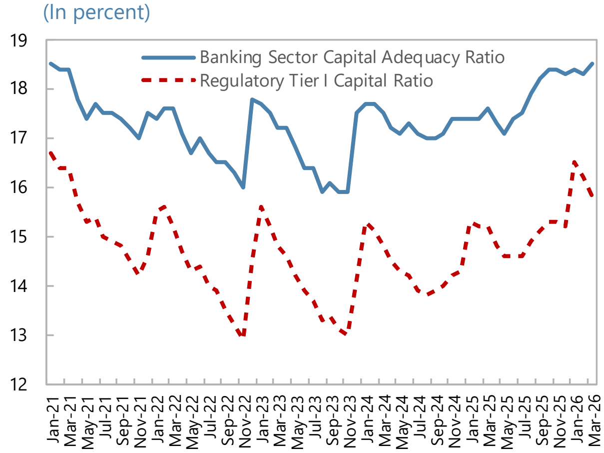
(In percent)



Reported capital adequacy ratios have improved…

Banking Sector Capital Adequacy

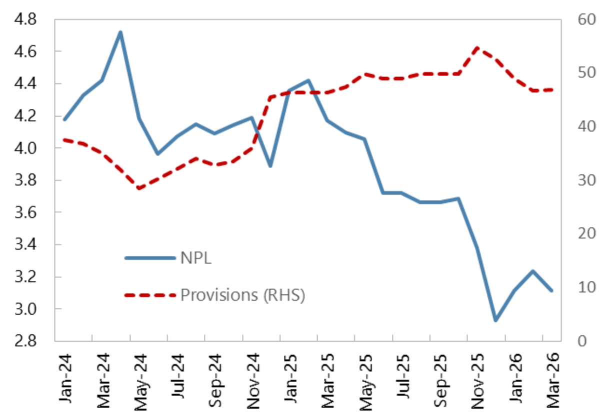
(In percent)



…alongside downward trends in nonperforming loan (NPL) ratios and upward trends in provisioning.

NPLs and Provisioning

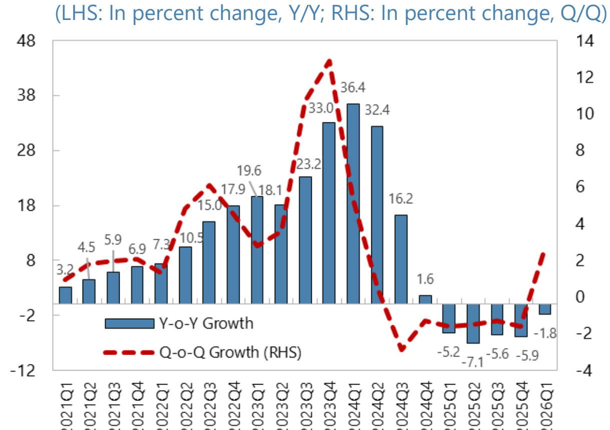
(LHS: in percent of total; RHS: in percent of NPL)



Housing-related risks have abated, with housing prices stabilizing…

Housing Prices (excl. New Builds)

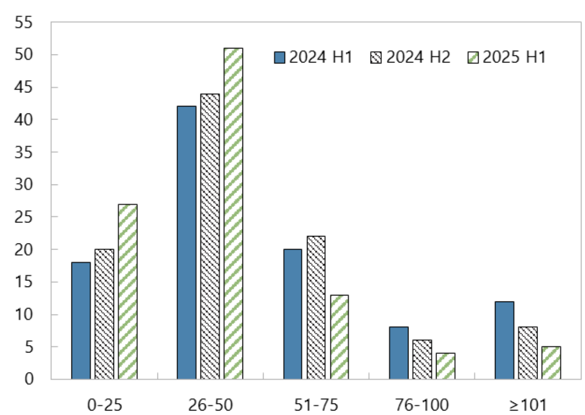
(LHS: In percent change, Y/Y; RHS: In percent change, Q/Q)



… and the share of borrowers with high debt service-to-income ratios (DSTIs) declining.

Debt Service-to-Income Ratio Distribution

(In percent of loans)



Sources: National Statistics Committee and Central Bank of Uzbekistan.

Table 1. Uzbekistan: Selected Economic Indicators, 2022-2031 1/

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
National income 1/										
Nominal GDP (in trillions of Sum)	1,042	1,262	1,535	1,850	2,154	2,465	2,801	3,162	3,560	4,005
Population (in millions)	36.0	36.8	37.5	38.2	38.9	39.7	40.4	41.1	41.9	42.7
GDP per capita (in U.S. dollars)	2,618	2,922	3,232	3,846	4,528	4,957	5,415	5,875	6,363	6,881
Real sector 2/					(Annual percent change)					
GDP at current prices	21.0	21.1	21.7	20.5	16.4	14.4	13.7	12.9	12.6	12.5
GDP at constant prices	6.1	6.3	6.7	7.7	6.8	6.0	5.8	5.8	5.7	5.7
GDP deflator	14.0	13.9	14.1	11.9	9.0	8.0	7.4	6.7	6.5	6.4
Consumer price index (eop)	12.3	8.8	9.8	7.3	6.8	5.0	5.0	5.0	5.0	5.0
Consumer price index (average)	11.4	10.0	9.6	8.8	7.0	5.6	5.0	5.0	5.0	5.0
Money and credit					(Annual percent change)					
Reserve money	31.4	4.9	9.5	23.2	11.9	11.0	10.4	9.5	8.9	8.9
Broad money	30.2	12.2	30.6	36.6	18.4	15.4	14.4	13.6	13.3	13.2
Credit to the economy	21.4	23.2	14.0	15.3	16.7	15.7	14.2	13.5	13.5	13.3
Credit to the economy (adjusted for FRD transfers) 1/	21.4	23.2	14.0	15.3	16.7	15.7	14.2	13.5	13.5	13.3
Velocity (in levels)	5.5	5.9	5.5	4.9	4.8	4.8	4.7	4.7	4.7	4.6
					(Percent of GDP)					
Broad money	18.1	16.8	18.0	20.5	20.8	21.0	21.1	21.3	21.4	21.5
Credit to the economy	38.7	39.4	36.9	35.3	35.4	35.8	35.9	36.1	36.4	36.7
External sector					(Percent of GDP)					
Current account	-3.0	-7.3	-4.7	-3.9	-3.2	-3.6	-3.9	-4.1	-4.3	-4.5
External debt	46.7	50.8	53.1	54.2	51.8	49.5	48.6	47.9	47.3	47.1
External debt service ratio (percent of G&S exports)	35.3	34.4	44.3	42.7	30.8	28.1	26.2	27.5	29.6	29.1
					(Annual percent change)					
Exports of goods and services	27.5	19.5	4.5	23.4	25.6	13.3	9.4	8.7	8.6	8.5
Imports of goods and services	27.6	19.6	2.3	19.6	19.4	11.0	9.2	8.4	8.2	7.8
Exchange rate (in Sums per U.S. dollar; eop)	11,225	12,339	12,920	12,025	...	...	...	...	...	...
Exchange rate (in Sums per U.S. dollar; ave)	11,047	11,736	12,653	12,577	...	...	...	...	...	...
Real effective exchange rate CPI based (2015=100, - = dep)	62.3	59.9	56.9	58.7	61.4	60.3	59.3	58.6	57.9	57.3
Gross international reserves (in billions of U.S. dollars)	35.8	34.6	41.2	66.3	69.8	70.6	71.9	71.9	71.9	71.9
Gross international reserves (months of imports)	10.1	9.5	9.5	12.8	12.1	11.2	10.5	9.7	9.0	8.4
Gross international reserves excl FRD (in billions of US dollars) 1/	27.8	28.5	35.7	60.5	64.0	64.9	66.1	66.1	66.1	66.1
Gross international reserves excl. FRD (months of imports) 1/	7.8	7.8	8.2	11.7	11.1	10.3	9.7	9.0	8.3	7.7
Government finance					(Percent of GDP)					
Consolidated budget revenues	27.5	25.6	25.2	27.2	28.2	27.7	27.8	27.8	27.8	27.8
Consolidated budget expenditures	30.9	30.2	28.1	29.3	29.7	29.7	30.8	30.8	30.8	30.8
Consolidated budget balance	-3.4	-4.6	-3.0	-2.1	-1.5	-2.0	-3.0	-3.0	-3.0	-3.0
Adjusted revenues 2/ 3/	26.5	24.8	24.2	25.7	26.7	26.3	26.6	26.6	26.6	26.6
Adjusted expenditures 2/ 3/	30.0	28.6	26.3	27.4	27.4	27.5	28.7	28.7	28.7	28.7
Adjusted fiscal balance	-3.5	-3.8	-2.1	-1.6	-0.7	-1.1	-2.1	-2.1	-2.1	-2.1
Policy lending 3/	-0.1	0.8	0.9	0.5	0.8	0.9	0.9	0.9	0.9	0.9
Overall fiscal balance	-3.4	-4.6	-3.0	-2.1	-1.5	-2.0	-3.0	-3.0	-3.0	-3.0
Total public & publicly guaranteed debt	29.2	30.7	30.9	28.6	28.2	27.2	26.4	25.7	25.7	25.7
Labor market										
Formal sector employment growth (percent)	2.5	3.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Working-age population growth (percent)	0.9	1.1	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Unemployment rate (percent)	8.9	6.8	5.5	4.8	4.3	3.8	3.5	3.2	3.0	3.0
Labor migrants (millions)	1.9	2.0	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6

Sources: Country authorities; and IMF staff estimates.

1/ Incorporates the November 2025 revision to national accounts data.

2/ Adjusted fiscal data are budget data adjusted for financing operations, such as equity injections and policy lending.

3/The coverage of government social loan programs was expanded in the 2026 budget resulting in larger adjustments to consolidated revenue and expenditure and higher net lending.

Table 2. Uzbekistan: National Accounts, 2022-2031

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
(Share of GDP)										
GDP	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Final consumption expenditures	81.2	79.3	80.0	80.1	79.3	78.4	77.8	76.9	75.9	74.8
Private	65.4	64.0	65.2	64.1	62.5	61.5	60.1	59.1	58.0	57.0
Public	15.8	15.3	14.8	15.9	16.8	16.9	17.7	17.8	17.8	17.8
Gross investment	34.4	37.2	34.4	33.3	32.8	33.2	33.6	34.2	34.9	35.6
Gross fixed capital formation	28.0	30.9	35.3	34.0	34.4	34.6	34.8	35.3	35.8	36.5
Investories and stat. discrepancy	6.4	6.2	-0.9	-0.7	-1.6	-1.4	-1.2	-1.1	-1.0	-0.9
Net exports	-15.6	-16.5	-14.4	-13.3	-12.1	-11.6	-11.3	-11.0	-10.7	-10.4
Exports of goods and services	22.2	23.3	21.6	22.0	23.1	23.5	23.1	22.7	22.3	22.0
Imports of goods and services	37.8	39.8	36.0	35.4	35.2	35.1	34.4	33.7	33.1	32.4
Gross national savings	31.4	29.9	29.7	29.3	29.6	29.6	29.6	30.1	30.6	31.1
Savings-investment balance	-3.0	-7.3	-4.7	-3.9	-3.2	-3.6	-3.9	-4.1	-4.3	-4.5
(Annual percent change)										
GDP at constant prices	**6.1**	**6.3**	**6.7**	**7.7**	**6.8**	**6.0**	**5.8**	**5.8**	**5.7**	**5.7**
Domestic demand	9.7	5.8	9.5	7.9	9.3	7.0	6.8	6.2	6.0	5.8
Final consumption expenditures	9.7	5.8	9.5	7.9	8.2	5.8	5.6	4.9	4.5	4.3
Private	11.5	7.0	11.5	9.5	5.0	5.7	4.7	4.7	4.4	4.3
Public	3.5	1.1	1.2	0.7	12.5	6.4	11.2	6.1	5.5	4.6
Gross investment	-1.3	13.8	12.5	-2.6	11.8	9.5	9.1	9.0	8.8	8.7
Gross fixed capital formation	-0.3	23.4	31.3	10.5	9.8	8.0	7.8	7.8	7.7	7.7
Exports of goods and services	19.0	17.3	-5.9	2.5	8.3	11.2	7.2	7.6	7.1	6.9
Imports of goods and services	13.6	15.3	-1.5	7.7	15.0	11.6	9.1	7.9	7.1	6.7
(Contribution to real growth)										
GDP at constant prices (contributions)	6.1	6.3	6.7	7.7	6.8	6.0	5.8	5.8	5.7	5.7
Domestic demand	6.9	8.2	7.5	9.9	10.3	7.5	7.3	6.8	6.5	6.4
Final consumption expenditures	7.6	4.7	7.5	6.3	5.2	4.7	4.8	3.9	3.6	3.3
Gross fixed capital formation	-0.1	6.6	9.7	3.7	3.3	2.8	2.7	2.7	2.7	2.8
Inventories and stat. discrepancy	-0.6	-3.0	-9.7	-0.1	1.7	0.1	-0.2	0.2	0.2	0.3
Net exports	-0.8	-1.9	-0.8	-2.2	-3.5	-1.5	-1.5	-1.0	-0.8	-0.7
Deflators										
GDP	14.0	13.9	14.1	11.9	9.0	8.0	7.4	6.7	6.5	6.4
Domestic demand	15.5	14.0	12.1	9.7	5.4	6.5	6.2	6.0	6.0	5.9
Final consumption expenditures	14.7	11.8	12.2	11.8	6.7	6.9	6.7	6.4	6.3	6.3
Private	13.3	10.3	11.2	8.2	8.0	6.6	6.0	6.0	6.0	6.0
Public	21.0	16.1	16.5	28.6	9.5	7.9	7.1	7.0	7.0	7.0
Gross investment	13.7	5.5	27.8	5.4	2.7	5.7	5.3	5.5	5.6	5.6
Gross fixed capital formation	10.9	8.4	5.7	5.0	7.4	6.5	6.0	6.1	6.2	6.2
Exports of goods and services	11.3	8.3	19.7	20.1	12.7	4.5	4.2	3.2	3.5	3.6
Imports of goods and services	16.9	10.5	11.6	10.0	0.9	2.1	2.2	2.6	3.1	3.2
Prices										
CPI (average, in percent)	11.4	10.0	9.6	8.8	7.0	5.6	5.0	5.0	5.0	5.0
CPI (end-of-period, in percent)	12.3	8.8	9.8	7.3	6.8	5.0	5.0	5.0	5.0	5.0
Minimum wage (in thousands of Sum)	889	1,045	1,228	1,461	1,620	1,770	1,917	2,071	2,237	2,416
Average formal sector wage (in thousands of Sum)	2,442	2,869	3,372	4,011	4,448	4,861	5,264	5,686	6,142	6,633
Growth (percent)	20.8	17.5	17.5	18.9	10.9	9.3	8.3	8.0	8.0	8.0
Average government wage (in thousands of Sum)	2,772	3,258	3,828	4,554	5,050	5,519	5,976	6,455	6,973	7,531
Growth (percent)	16.0	17.5	17.5	18.9	10.9	9.3	8.3	8.0	8.0	8.0
Employment										
Formal sector employment growth (percent)	2.5	3.0	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Working-age population growth (percent)	0.9	1.1	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Unemployment rate (percent)	8.9	6.8	5.5	4.8	4.3	3.8	3.5	3.2	3.0	3.0
Labor migrants (millions)	1.9	2.0	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6

Sources: Country authorities; and IMF staff estimates.

Table 3a. Uzbekistan: General Government, 2022-2031

(Billions of sums)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Consolidated budget revenues	**286,504**	**322,400**	**386,251**	**502,591**	**607,541**	**682,817**	**779,901**	**880,022**	**990,792**	**1,114,440**
Tax revenues	159,750	184,509	215,592	272,394	327,702	369,706	424,972	479,749	540,617	608,807
Taxes on incomes and profits	64,447	73,104	90,886	117,808	143,705	159,561	186,190	211,433	239,406	270,696
Taxes on property	9,321	11,988	15,021	18,055	21,697	25,985	30,742	36,135	42,370	49,624
Taxes on goods and services	80,236	89,811	99,685	124,784	149,080	169,372	191,676	214,233	239,172	267,012
Value added tax	52,189	57,885	59,283	76,028	89,171	103,415	119,498	136,644	155,686	176,916
Excises	13,455	15,834	19,060	21,862	23,447	27,013	31,127	35,626	40,657	46,334
Mining tax	13,887	15,300	20,170	25,826	35,275	37,667	39,692	40,530	41,325	42,184
Taxes on international trade	5,746	9,606	10,001	11,746	13,220	14,788	16,364	17,948	19,669	21,475
Other revenues	88,529	90,855	115,602	164,706	200,089	221,937	251,534	283,551	318,725	357,762
Funds	38,225	47,036	55,057	65,492	79,749	91,175	103,395	116,723	131,450	147,871
Social security contributions	33,264	39,961	47,327	56,737	66,050	75,597	85,926	97,004	109,245	122,895
Other	4,961	7,076	7,730	8,755	13,699	15,578	17,469	19,719	22,204	24,976
					22,980					
Consolidated budget expenditures	**321,733**	**380,674**	**432,030**	**541,659**	**639,770**	**732,113**	**863,955**	**974,920**	**1,097,621**	**1,234,150**
Social	81,165	98,145	112,345	118,816	133,541	153,231	182,407	205,607	231,254	259,774
Social safety net	64,167	71,084	79,323	91,219	102,103	117,375	140,062	158,101	178,054	200,250
Economy	31,703	42,241	36,972	40,033	55,331	63,505	75,431	85,146	95,892	107,846
Public administration	12,608	17,002	19,251	22,573	22,957	26,391	31,492	35,548	40,034	45,025
Public investment	29,853	39,984	41,161	56,798	59,791	66,189	75,406	85,102	95,823	107,757
Interest expenditure	3,529	8,221	14,537	20,593	25,779	29,954	31,880	32,870	35,831	43,876
Other expenditure	92,975	94,711	113,338	169,010	217,904	249,875	298,190	339,711	383,759	428,035
Externally Financed Expenditure	5,733	9,286	15,103	22,617	22,364	25,593	29,087	32,834	36,973	41,588
Consolidated budget balance	**-35,229**	**-58,274**	**-45,779**	**-39,068**	**-32,230**	**-49,296**	**-84,054**	**-94,898**	**-106,829**	**-119,710**
Adjustments to revenues	-10,782	-9,738	-14,682	-26,821	-32,933	-33,467	-35,677	-39,583	-43,821	-48,473
Adjusted revenues 1/ 2/	275,722	312,662	371,569	475,770	574,607	649,350	744,225	840,439	946,970	1,065,967
Adjustments to Expenditures	-9,652	-19,989	-28,091	-35,432	-50,737	-55,307	-61,211	-68,604	-76,739	-85,780
Adjusted expenditures 1/ 2/	312,081	360,685	403,939	506,227	589,033	676,806	802,744	906,316	1,020,882	1,148,370
Adjusted fiscal balance	**-36,359**	**-48,023**	**-32,370**	**-30,457**	**-14,426**	**-27,456**	**-58,519**	**-65,877**	**-73,911**	**-82,403**
Policy-based lending operations 2/	-1,130	10,252	13,409	8,610	17,804	21,840	25,535	29,021	32,918	37,307
Overall fiscal balance	**-35,229**	**-58,274**	**-45,779**	**-39,068**	**-32,230**	**-49,296**	**-84,054**	**-94,898**	**-106,829**	**-119,710**
Statistical Discrepancy	-2,596	13,518	39,618	20,278	0	0	0	0	0	0
Financing	**32,633**	**71,792**	**85,397**	**59,346**	**32,230**	**49,296**	**84,054**	**94,898**	**106,829**	**119,710**
Domestic	-2,818	23,301	23,559	-16,569	-19,715	7,683	36,427	51,243	41,688	50,362
Domestic banking system	-16,134	8,758	870	-32,527	-36,151	-9,373	14,692	23,244	5,904	13,652
Deposits at the central bank	4,618	28,649	9,219	-19,003	3,619	3,714	3,794	3,876	3,957	4,041
Deposit money banks	-20,751	-19,891	-8,348	-13,524	-39,770	-13,087	10,897	19,368	1,947	9,611
Treasury bills & bonds	8,296	8,878	17,324	10,625	11,258	11,740	16,306	22,453	30,121	30,927
Privatization proceeds	5,019	5,666	5,365	5,333	5,179	5,315	5,430	5,546	5,663	5,783
External	35,451	48,491	61,837	75,915	51,944	41,613	47,627	43,655	65,141	69,348
Multilateral	33,068	33,207	32,797	38,584	28,522	28,064	34,411	35,907	38,175	44,315
of which: IMF	…	5,833	…	…	…	…	…	…	…	…
Bilateral	2,288	4,737	17,935	18,267	15,402	13,016	12,671	11,842	12,014	12,117
Commercial	95	10,547	11,105	19,063	8,020	532	545	-4,094	14,952	12,915
Memorandum items										
GDP	1,041,878	1,261,806	1,535,432	1,849,650	2,153,642	2,464,648	2,801,120	3,161,890	3,560,493	4,004,901
Primary Balance	-31,700	-50,054	-31,241	-18,475	-6,451	-19,342	-52,174	-62,028	-70,999	-75,834

Sources: Country authorities; and IMF staff estimates.

1/ Adjusted fiscal data are budget data adjusted for financing operations, such as equity injections, and policy lending.

2/The coverage of government social loan programs was expanded in the 2026 budget resulting in larger adjustments to consolidated revenue and expenditure and higher net lending.

Table 3b. Uzbekistan: General Government, 2022-2031 (Percent of GDP)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Consolidated budget revenues	**27.5**	**25.6**	**25.2**	**27.2**	**28.2**	**27.7**	**27.8**	**27.8**	**27.8**	**27.8**
Tax revenues	15.3	14.6	14.0	14.7	15.2	15.0	15.2	15.2	15.2	15.2
Taxes on incomes and profits	6.2	5.8	5.9	6.4	6.7	6.5	6.6	6.7	6.7	6.8
Taxes on property	0.9	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2
Taxes on goods and services	7.7	7.1	6.5	6.7	6.9	6.9	6.8	6.8	6.7	6.7
Value added tax	5.0	4.6	3.9	4.1	4.1	4.2	4.3	4.3	4.4	4.4
Excises	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.2
Mining tax	1.3	1.2	1.3	1.4	1.6	1.5	1.4	1.3	1.2	1.1
Taxes on international trade	0.6	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5
Other revenues	8.5	7.2	7.5	8.9	9.3	9.0	9.0	9.0	9.0	8.9
Funds	3.7	3.7	3.6	3.5	3.7	3.7	3.7	3.7	3.7	3.7
Social security contributions	3.2	3.2	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Other	0.5	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
Consolidated budget expenditures	**30.9**	**30.2**	**28.1**	**29.3**	**29.7**	**29.7**	**30.8**	**30.8**	**30.8**	**30.8**
Social	7.8	7.8	7.3	6.4	6.2	6.2	6.5	6.5	6.5	6.5
Social safety net	6.2	5.6	5.2	4.9	4.7	4.8	5.0	5.0	5.0	5.0
Public administration	1.2	1.3	1.3	1.2	1.1	1.1	1.1	1.1	1.1	1.1
Economy	3.0	3.3	2.4	2.2	2.6	2.6	2.7	2.7	2.7	2.7
Public investment	2.9	3.2	2.7	3.1	2.8	2.7	2.7	2.7	2.7	2.7
Interest expenditure	0.3	0.7	0.9	1.1	1.2	1.2	1.1	1.0	1.0	1.1
Other expenditures	8.9	7.5	7.4	9.1	10.1	10.1	10.6	10.7	10.8	10.7
Externally financed expenditure	0.6	0.7	1.0	1.2	1.0	1.0	1.0	1.0	1.0	1.0
Consolidated budget balance	**-3.4**	**-4.6**	**-3.0**	**-2.1**	**-1.5**	**-2.0**	**-3.0**	**-3.0**	**-3.0**	**-3.0**
Adjustments to revenues	-1.0	-0.8	-1.0	-1.5	-1.5	-1.4	-1.3	-1.3	-1.2	-1.2
Adjusted revenues 1/ 2/	26.5	24.8	24.2	25.7	26.7	26.3	26.6	26.6	26.6	26.6
Adjustments to Expenditures	-0.9	-1.6	-1.8	-1.9	-2.4	-2.2	-2.2	-2.2	-2.2	-2.1
Adjusted expenditures 1/ 2/	30.0	28.6	26.3	27.4	27.4	27.5	28.7	28.7	28.7	28.7
Adjusted fiscal balance	**-3.5**	**-3.8**	**-2.1**	**-1.6**	**-0.7**	**-1.1**	**-2.1**	**-2.1**	**-2.1**	**-2.1**
Policy-based lending operations 2/	-0.1	0.8	0.9	0.5	0.8	0.9	0.9	0.9	0.9	0.9
Overall fiscal balance	**-3.4**	**-4.6**	**-3.0**	**-2.1**	**-1.5**	**-2.0**	**-3.0**	**-3.0**	**-3.0**	**-3.0**
Statistical Discrepancy	-0.2	1.1	2.6	1.1	0.0	0.0	0.0	0.0	0.0	0.0
Financing	**3.1**	**5.7**	**5.6**	**3.2**	**1.5**	**2.0**	**3.0**	**3.0**	**3.0**	**3.0**
Domestic	**-0.3**	**1.8**	**1.5**	**-0.9**	**-0.9**	**0.3**	**1.3**	**1.6**	**1.2**	**1.3**
Domestic banking system	-1.5	0.7	0.1	-1.8	-1.7	-0.4	0.5	0.7	0.2	0.3
Deposits at the central bank	0.4	2.3	0.6	-1.0	0.2	0.2	0.1	0.1	0.1	0.1
Deposit money banks	-2.0	-1.6	-0.5	-0.7	-1.8	-0.5	0.4	0.6	0.1	0.2
Treasury bills & bonds	0.8	0.7	1.1	0.6	0.5	0.5	0.6	0.7	0.8	0.8
Privatization proceeds	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1
External	**3.4**	**3.8**	**4.0**	**4.1**	**2.4**	**1.7**	**1.7**	**1.4**	**1.8**	**1.7**
Multilateral	3.2	2.6	2.1	2.1	1.3	1.1	1.2	1.1	1.1	1.1
of which: IMF	...	0.5	...	...	...	...	...	...	...	...
Bilateral	0.2	0.4	1.2	1.0	0.7	0.5	0.5	0.4	0.3	0.3
Commercial	0.0	0.8	0.7	1.0	0.4	0.0	0.0	-0.1	0.4	0.3
Memorandum items										
Primary Balance	-3.0	-4.0	-2.0	-1.0	-0.3	-0.8	-1.9	-2.0	-2.0	-1.9

Sources: Country authorities; and IMF staff estimates.

1/ Adjusted fiscal data are budget data adjusted for financing operations, such as equity transactions, and policy lending.

2/The coverage of government social loan programs was expanded in the 2026 budget resulting in larger adjustments to consolidated revenue and expenditure and higher net lending.

Table 4a. Uzbekistan: Balance of Payments, 2022-2031

(Millions of U.S. dollars, unless otherwise indicated)

	2022	2023	2024	2025	2026 Proj.	2027 Proj.	2028 Proj.	2029 Proj.	2030 Proj.	2031 Proj.
I. Current account balance	**-2,846**	**-7,797**	**-5,723**	**-5,784**	**-5,660**	**-7,013**	**-8,620**	**-9,915**	**-11,438**	**-13,286**
Balance of goods and services	-14,677	-17,597	-17,451	-19,883	-21,735	-23,193	-25,223	-27,153	-29,140	-31,037
Merchandise trade balance	-11,660	-14,859	-13,534	-15,522	-16,692	-17,506	-19,489	-21,636	-23,785	-25,827
Exports of goods	**16,649**	**19,617**	**19,626**	**23,025**	**28,660**	**31,926**	**34,056**	**35,857**	**37,926**	**40,154**
Cotton fiber	4	0	0	0	0	0	0	0	0	0
Energy	1,224	940	1,315	1,476	1,697	1,681	1,665	1,701	1,758	1,820
Gold	4,110	8,154	7,481	9,800	13,923	15,910	16,470	16,470	16,470	16,470
Food Products	1,824	1,962	2,417	2,593	2,996	3,317	3,642	3,948	4,344	4,778
Other exports of goods	9,487	8,560	8,413	9,155	10,044	11,017	12,279	13,738	15,354	17,085
Imports of goods	**28,309**	**34,476**	**33,160**	**38,546**	**45,352**	**49,432**	**53,545**	**57,493**	**61,712**	**65,980**
Food Products	3,557	3,728	3,884	4,745	5,694	6,245	6,725	7,138	7,289	7,456
Energy products	1,615	2,370	3,558	3,599	4,777	4,811	4,888	5,166	5,522	5,949
Machinery and equipment	9,876	14,861	13,506	14,031	16,348	18,156	19,849	21,467	23,637	25,989
Other imports of goods	13,261	13,516	12,212	16,172	18,533	20,219	22,083	23,723	25,263	26,586
Balance of services	**-3,018**	**-2,738**	**-3,917**	**-4,361**	**-5,043**	**-5,686**	**-5,733**	**-5,516**	**-5,355**	**-5,211**
Credit	4,317	5,433	6,547	9,274	11,920	14,043	16,245	18,826	21,453	24,261
Debit	7,334	8,171	10,464	13,635	16,964	19,730	21,979	24,343	26,808	29,471
Primary income (net)	**1,014**	**995**	**1,149**	**371**	**-382**	**-112**	**-307**	**-617**	**-1,193**	**-2,277**
Primary income: Credit	4,321	5,318	5,667	6,429	7,553	7,736	7,831	8,120	8,231	8,482
Primary income: Debit	3,307	4,323	4,519	6,057	7,935	7,848	8,139	8,737	9,425	10,759
Secondary income (net)	**10,817**	**8,805**	**10,579**	**13,727**	**16,458**	**16,293**	**16,910**	**17,855**	**18,896**	**20,028**
Secondary income: Credit	11,685	9,685	11,595	15,143	17,869	17,866	18,760	19,788	21,029	22,278
Secondary income: Debit	867	880	1,016	1,416	1,411	1,573	1,850	1,934	2,133	2,249
II. Capital transfers	**22**	**8**	**8**	**13**	**53**	**59**	**66**	**73**	**80**	**88**
III. Financial account balance 1/	**-450**	**-6,694**	**-7,263**	**-11,312**	**-7,740**	**-5,627**	**-7,791**	**-9,847**	**-11,368**	**-13,237**
Direct investment	**-2,653**	**-2,145**	**-2,938**	**-4,240**	**-4,811**	**-4,920**	**-5,542**	**-5,884**	**-5,993**	**-6,738**
Portfolio investment	**-27**	**-994**	**-3,121**	**-4,381**	**-3,657**	**-1,142**	**-3,473**	**-605**	**-1,730**	**-1,697**
Other investment	**2,221**	**-3,556**	**-1,204**	**-2,691**	**728**	**435**	**1,223**	**-3,358**	**-3,645**	**-4,802**
Loans, net (- = net inflow)	-4,365	-7,073	-6,567	-11,600	-5,489	-4,928	-5,488	-9,487	-9,618	-11,119
Public and publ. guaranteed debt	-2,853	-3,166	-3,731	-3,850	-3,477	-3,143	-3,044	-3,077	-3,318	-3,868
Commercial nonguaranteed	-1,511	-3,907	-2,837	-7,750	-2,012	-1,786	-2,444	-6,410	-6,300	-7,251
Others	6,586	3,516	5,364	8,908	6,217	5,363	6,711	6,129	5,972	6,317
IV. Errors and omissions	**1,050**	**-1,596**	**-2,160**	**-3,518**	**0**	**0**	**0**	**0**	**0**	**0**
Overall balance (I + II - III + IV)	**-1,324**	**-2,691**	**-611**	**2,023**	**2,133**	**-1,326**	**-763**	**5**	**10**	**39**
V. Financing	**1,324**	**2,691**	**611**	**-2,023**	**-2,133**	**1,326**	**763**	**-5**	**-10**	**-39**
Use of reserves (- = increase/accumulation)	1,324	2,752	732	-1,948	-2,108	1,352	788	21	15	-39
Use of IMF credit (net)	0	-61	-120	-75	-25	-25	-25	-25	-26	0
VI. Gold purchases not exported & valuation changes	1,952	1,549	7,349	23,181	1,369	2,192	2,066	0	0	0
Change in reserves (- V + VI ; + = increase)	**628**	**-1,203**	**6,617**	**25,128**	**3,477**	**841**	**1,278**	**-21**	**-15**	**39**
Memorandum items:										
Current account balance (in percent of GDP)	**-3.0**	**-7.3**	**-4.7**	**-3.9**	**-3.2**	**-3.6**	**-3.9**	**-4.1**	**-4.3**	**-4.5**
Underlying current account (in percent of GDP) 2/	-0.9	-8.7	-4.1	-3.3	-2.3	-3.5	-3.8	-4.0	-4.2	-4.4
Gross international reserves (billions of U.S. dollars)	**35.8**	**34.6**	**41.2**	**66.3**	**69.8**	**70.6**	**71.9**	**71.9**	**71.9**	**71.9**
Gross international reserves (months of imports)	10.1	9.5	9.5	12.8	12.1	11.2	10.5	9.7	9.0	8.4
Gross international reserves excl. FRD (billions of U.S. dollars)	**27.8**	**28.5**	**35.7**	**60.5**	**64.0**	**64.9**	**66.1**	**66.1**	**66.1**	**66.1**
Gross international reserves excl. FRD (months of imports)	7.8	7.8	8.2	11.7	11.1	10.3	9.7	9.0	8.3	7.7
Real exchange rate CPI based (2015=100)	62.3	59.9	56.9	58.7	61.4	60.3	59.3	58.6	57.9	57.3
Remittances (billions of U.S dollars)	15.7	14.4	16.7	21.1	24.4	24.5	25.3	26.2	27.4	28.8
Total debt service payment (billions of U.S. dollars)	7.4	8.6	11.6	13.8	12.5	12.9	13.2	15.0	17.6	18.8

Sources: Country authorities; and IMF staff estimates.

1/ Positive values means outflows.

2/ Underlying current account assumes the annual gold production is exported.

Table 4b. Uzbekistan: Balance of Payments, 2022-2031
(Percent of GDP, unless otherwise indicated)

	2022	2023	2024	2025	2026 Proj.	2027 Proj.	2028 Proj.	2029 Proj.	2030 Proj.	2031 Proj.
I. Current account balance	**-3.0**	**-7.3**	**-4.7**	**-3.9**	**-3.2**	**-3.6**	**-3.9**	**-4.1**	**-4.3**	**-4.5**
Balance of goods and services	-15.6	-16.4	-14.4	-13.5	-12.3	-11.8	-11.5	-11.2	-10.9	-10.6
Merchandise trade balance	-12.4	-13.8	-11.2	-10.6	-9.5	-8.9	-8.9	-9.0	-8.9	-8.8
Exports of goods	**17.7**	**18.2**	**16.2**	**15.7**	**16.3**	**16.2**	**15.6**	**14.8**	**14.2**	**13.7**
Cotton fiber	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Energy	1.3	0.9	1.1	1.0	1.0	0.9	0.8	0.7	0.7	0.6
Gold	4.4	7.6	6.2	6.7	7.9	8.1	7.5	6.8	6.2	5.6
Food Products	1.9	1.8	2.0	1.8	1.7	1.7	1.7	1.6	1.6	1.6
Other exports of goods	10.1	8.0	6.9	6.2	5.7	5.6	5.6	5.7	5.8	5.8
Imports of goods	**30.0**	**32.1**	**27.3**	**26.2**	**25.7**	**25.1**	**24.5**	**23.8**	**23.1**	**22.5**
Food Products	3.8	3.5	3.2	3.2	3.2	3.2	3.1	3.0	2.7	2.5
Energy products	1.7	2.2	2.9	2.4	2.7	2.4	2.2	2.1	2.1	2.0
Machinery and equipment	10.5	13.8	11.1	9.5	9.3	9.2	9.1	8.9	8.9	8.9
Other imports of goods	14.1	12.6	10.1	11.0	10.5	10.3	10.1	9.8	9.5	9.1
Balance of services	**-3.2**	**-2.5**	**-3.2**	**-3.0**	**-2.9**	**-2.9**	**-2.6**	**-2.3**	**-2.0**	**-1.8**
Credit	4.6	5.1	5.4	6.3	6.8	7.1	7.4	7.8	8.0	8.3
Debit	7.8	7.6	8.6	9.3	9.6	10.0	10.0	10.1	10.1	10.0
Primary income (net)	**1.1**	**0.9**	**0.9**	**0.3**	**-0.2**	**-0.1**	**-0.1**	**-0.3**	**-0.4**	**-0.8**
Primary income: Credit	4.6	4.9	4.7	4.4	4.3	3.9	3.6	3.4	3.1	2.9
Primary income: Debit	3.5	4.0	3.7	4.1	4.5	4.0	3.7	3.6	3.5	3.7
Secondary income (net)	**11.5**	**8.2**	**8.7**	**9.3**	**9.3**	**8.3**	**7.7**	**7.4**	**7.1**	**6.8**
Secondary income: Credit	12.4	9.0	9.6	10.3	10.1	9.1	8.6	8.2	7.9	7.6
Secondary income: Debit	0.9	0.8	0.8	1.0	0.8	0.8	0.8	0.8	0.8	0.8
II. Capital transfers	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
III. Financial account balance 1/	**-0.5**	**-6.2**	**-6.0**	**-7.7**	**-4.4**	**-2.9**	**-3.6**	**-4.1**	**-4.3**	**-4.5**
Direct investment	**-2.8**	**-2.0**	**-2.4**	**-2.9**	**-2.7**	**-2.5**	**-2.5**	**-2.4**	**-2.2**	**-2.3**
Portfolio investment	**0.0**	**-0.9**	**-2.6**	**-3.0**	**-2.1**	**-0.6**	**-1.6**	**-0.3**	**-0.6**	**-0.6**
Other investment	**2.4**	**-3.3**	**-1.0**	**-1.8**	**0.4**	**0.2**	**0.6**	**-1.4**	**-1.4**	**-1.6**
Loans, net (- = net inflow)	-4.6	-6.6	-5.4	-7.9	-3.1	-2.5	-2.5	-3.9	-3.6	-3.8
Public and publ. guaranteed debt	-3.0	-2.9	-3.1	-2.6	-2.0	-1.6	-1.4	-1.3	-1.2	-1.3
Commercial nonguaranteed	-1.6	-3.6	-2.3	-5.3	-1.1	-0.9	-1.1	-2.7	-2.4	-2.5
Others	7.0	3.3	4.4	6.1	3.5	2.7	3.1	2.5	2.2	2.2
IV. Errors and omissions	**1.1**	**-1.5**	**-1.8**	**-2.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Overall balance (I + II - III + IV)	**-1.4**	**-2.5**	**-0.5**	**1.4**	**1.2**	**-0.7**	**-0.3**	**0.0**	**0.0**	**0.0**
V. Financing	**1.4**	**2.5**	**0.5**	**-1.4**	**-1.2**	**0.7**	**0.3**	**0.0**	**0.0**	**0.0**
Use of reserves	1.4	2.6	0.6	-1.3	-1.2	0.7	0.4	0.0	0.0	0.0
Use of IMF credit (net)	0.0	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
VI. Gold purchases not exported & valuation changes	2.1	1.4	6.1	15.8	0.8	1.1	0.9	0.0	0.0	0.0
Change in reserves (V + VI ; + = increase**)**	**0.7**	**-1.1**	**5.5**	**17.1**	**2.0**	**0.4**	**0.6**	**0.0**	**0.0**	**0.0**
Memorandum items:										
Current account balance (percent of GDP)	**-3.0**	**-7.3**	**-4.7**	**-3.9**	**-3.2**	**-3.6**	**-3.9**	**-4.1**	**-4.3**	**-4.5**
Underlying current account (percent of GDP) 2/	-0.9	-8.7	-4.1	-3.3	-2.3	-3.5	-3.8	-4.0	-4.2	-4.4
Gross international reserves (billions of U.S. dollars)	**35.8**	**34.6**	**41.2**	**66.3**	**69.8**	**70.6**	**71.9**	**71.9**	**71.9**	**71.9**
Gross international reserves excl. FRD (billions of U.S. dollars)	**27.8**	**28.5**	**35.7**	**60.5**	**64.0**	**64.9**	**66.1**	**66.1**	**66.1**	**66.1**
Real exchange rate CPI based (2015=100)	62.3	59.9	56.9	58.7	61.4	60.3	59.3	58.6	57.9	57.3
Remittances (percent of GDP)	16.6	13.3	13.8	14.4	13.8	12.4	11.6	10.8	10.3	9.8
Gross external debt (percent of GDP)	46.7	50.8	53.1	54.2	51.8	49.5	48.6	47.9	47.3	47.1
PPG external debt (percent of GDP)	27.9	29.0	28.4	25.9	25.3	24.2	23.2	22.2	21.8	21.4
Total debt service payment (percent of GDP)	7.8	8.0	9.6	9.4	7.1	6.6	6.0	6.2	6.6	6.4

Sources: Country authorities; and IMF staff estimates.

1/ Positive values means outflows.

2/ Underlying current account assumes the annual gold production is exported.

Table 5. Uzbekistan: Depository Corporations Survey, 2022-2031
(in billions of sums, unless otherwise indicated)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Net foreign assets (billions of U.S. dollars)	41.0	38.3	45.6	72.2	75.8	76.7	77.9	77.7	77.7	77.7
Official exchange rate (Sum/U.S. dollar, eop)	11,225	12,339	12,920	12,025	12,402	12,667	12,943	13,218	13,492	13,783
Net foreign assets	**276,353**	**274,440**	**361,650**	**616,228**	**672,502**	**692,149**	**695,691**	**676,965**	**668,371**	**648,054**
Foreign assets	460,038	472,757	588,741	868,252	936,346	967,007	1,004,618	1,022,978	1,044,038	1,067,076
Foreign liabilities	183,685	198,317	227,091	252,024	263,844	274,858	308,927	346,013	375,667	419,021
Net domestic assets 1/	**-87,268**	**-62,354**	**-84,586**	**-237,649**	**-224,364**	**-174,991**	**-104,209**	**-5,046**	**93,108**	**214,001**
Net domestic credit	177,066	277,659	356,967	429,229	521,309	612,884	737,597	885,106	1,037,536	1,213,059
Government, net	-226,030	-219,127	-209,206	-223,793	-244,161	-268,385	-268,448	-256,936	-258,503	-255,860
Local government	0	0	0	0	0	0	0	0	0	0
Nonfinancial public corporations	74,358	78,081	76,950	66,898	73,210	78,657	83,889	88,821	93,801	98,943
Private sector	325,645	413,809	482,910	577,258	678,436	790,796	908,728	1,038,063	1,185,169	1,350,777
Other financial corporations	3,093	4,896	6,312	8,867	10,324	11,815	13,428	15,158	17,069	19,199
Rest of economy	403,096	496,786	566,173	653,022	761,970	881,269	1,006,046	1,142,043	1,296,039	1,468,919
Other items, net	-264,334	-340,012	-441,553	-666,878	-745,674	-787,875	-841,806	-890,152	-944,428	-999,059
Deposits excl. from broad money	-199	-235	-290	-725	-844	-966	-1,098	-1,240	-1,396	-1,570
Other securities than shares excl. from broad money	-45	-46	-284	-254	-296	-339	-385	-435	-490	-551
Loans	-13,963	-20,045	-21,757	-30,466	-35,473	-40,596	-46,138	-52,080	-58,646	-65,966
Fin. derivates	0	0	0	0	0	0	0	0	0	0
Insurance technical reserves	0	0	0	0	0	0	0	0	0	0
Shares and other equity	-249,865	-328,306	-439,642	-659,028	-736,533	-777,415	-829,918	-876,733	-929,318	-982,062
Others	-262	8,619	20,421	23,596	27,474	31,441	35,734	40,336	45,421	51,090
Broad Money	**189,085**	**212,086**	**277,065**	**378,580**	**448,138**	**517,157**	**591,482**	**671,919**	**761,479**	**862,055**
Currency outside depository corporations	42,206	45,608	53,329	68,450	78,562	90,662	101,326	110,939	121,614	131,642
Transferable deposits	44,776	50,946	66,471	82,199	101,783	122,631	146,170	172,767	203,410	238,896
Quasi-money	102,103	115,533	157,265	227,931	267,793	303,865	343,987	388,213	436,455	491,516
Memorandum items:										
FRD (in billions of U.S. dollars)	9.5	7.7	7.1	7.0	6.9	6.9	7.0	7.0	7.0	7.1
FRD in reserves at CBU	8.5	6.5	5.9	5.8	5.8	5.8	5.8	5.8	5.8	5.8
FRD Loans to banks	0.9	1.2	1.2	1.3	1.1	1.2	1.2	1.2	1.2	1.3
Deposits in Broad Money (Billions of sum) 1/	146,879	166,478	223,736	310,130	371,592	433,994	502,282	577,308	661,872	757,912
Growth Rates										
Broad money	30.2	12.2	30.6	36.6	18.4	15.4	14.4	13.6	13.3	13.2
Net foreign assets	0.2	-0.7	31.8	70.4	9.1	2.9	0.5	-2.7	-1.3	-3.0
Net domestic assets	-33.2	-28.5	35.7	181.0	-5.6	-22.0	-40.4	-95.2	-1945.3	129.8
Domestic bank credit to government	6.2	-3.1	-4.5	7.0	9.1	9.9	0.0	-4.3	0.6	-1.0
Domestic credit to rest of economy	21.4	23.2	14.0	15.3	16.7	15.7	14.2	13.5	13.5	13.3
Domestic credit to the private sector	23.8	27.1	16.7	19.5	17.5	16.6	14.9	14.2	14.2	14.0
Memorandum Items										
Velocity (in levels) 2/	5.5	5.9	5.5	4.9	4.8	4.8	4.7	4.7	4.7	4.6
Ratio of currency outside banks to deposits (in percent)	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Ratio of currency outside banks to broad money (in percent)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Credit to the economy (percent of GDP)	38.7	39.4	36.9	35.3	35.4	35.8	35.9	36.1	36.4	36.7
Credit to the private sector (percent of GDP)	31.3	32.8	31.5	31.2	31.5	32.1	32.4	32.8	33.3	33.7

Sources: Uzbekistan authorities and IMF staff estimates and projections.
1/ Includes Securities
2/ Velocity is calculated using nominal GDP over end of period money supply.

Table 6. Uzbekistan: Central Bank Survey: 2022-2031

(in billions of sums, unless otherwise indicated)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
					Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
Gross international reserves (billions of U.S. dollars)	35.8	34.6	41.2	66.3	69.8	70.6	71.9	71.9	71.9	71.9
Official exchange rate (Sum/U.S. dollar, eop)	11,225	12,339	12,920	12,025	12,402	12,667	12,943	13,218	13,492	13,783
Net foreign assets	**396,663**	**424,315**	**529,828**	**794,626**	**860,036**	**889,387**	**925,636**	**945,303**	**965,093**	**986,429**
Foreign Assets	408,482	431,204	536,840	801,485	865,519	894,666	930,701	950,138	969,684	991,119
Foreign liabilities	11,819	6,889	7,012	6,859	5,483	5,278	5,064	4,835	4,592	4,691
Net domestic assets	**-317,677**	**-341,439**	**-439,088**	**-682,710**	**-734,904**	**-750,535**	**-772,307**	**-777,445**	**-782,287**	**-787,372**
Net domestic credit	-148,317	-114,666	-121,542	-162,691	-162,225	-160,637	-159,006	-157,228	-155,323	-153,403
Government, net	-132,570	-113,746	-108,709	-121,789	-121,324	-119,736	-118,105	-116,327	-114,422	-112,501
Local government, net	0	0	0	0	0	0	0	0	0	0
Public nonfinancial corporations, net	419	738	819	1,188	1,188	1,188	1,188	1,188	1,188	1,188
Private sector, net	0	0	0	0	0	0	0	0	0	0
Other financial corporations, net	0	0	0	0	0	0	0	0	0	0
Banks	-16,166	-1,658	-13,653	-42,089	-42,089	-42,089	-42,089	-42,089	-42,089	-42,089
Other items, net	-169,360	-226,773	-317,546	-520,019	-572,678	-589,898	-613,301	-620,217	-626,964	-633,969
Deposits excl. from broad money	0	0	0	0	0	0	0	0	0	0
Securities other than shares excl. from broad money	0	0	0	0	0	0	0	0	0	0
Loans	0	0	0	0	0	0	0	0	0	0
Fin. derivates	0	0	0	0	0	0	0	0	0	0
Shares and other equity	-170,299	-231,227	-324,853	-523,703	-576,968	-594,807	-618,881	-626,515	-634,056	-641,947
Other items (net)	939	4,454	7,307	3,684	4,290	4,909	5,580	6,298	7,092	7,978
Monetary base	**78,986**	**82,875**	**90,740**	**111,813**	**125,132**	**138,852**	**153,329**	**167,859**	**182,806**	**199,057**
Currency in circulation	48,843	54,628	64,915	81,670	96,990	111,928	125,093	136,962	150,141	162,522
Liabilities to other depository corporations	29,914	27,898	22,734	29,461	27,349	26,016	27,204	29,732	31,353	35,060
Other liabilities (incl in monetary base)	229	349	3,090	681	793	908	1,032	1,165	1,312	1,475
Growth rates										
Reserve money	31.4	4.9	9.5	23.2	11.9	11.0	10.4	9.5	8.9	8.9
Net foreign assets	7.5	7.0	24.9	50.0	8.2	3.4	4.1	2.1	2.1	2.2
Net domestic assets	2.9	7.5	28.6	55.5	7.6	2.1	2.9	0.7	0.6	0.7
Net credit to government	-0.5	-14.2	-4.4	12.0	-0.4	-1.3	-1.4	-1.5	-1.6	-1.7
Nominal GDP	21.0	21.1	21.7	20.5	16.4	14.4	13.7	12.9	12.6	12.5
Money multiplier (in levels)	2.4	2.6	3.1	3.4	3.6	3.7	3.9	4.0	4.2	4.3

Sources: Uzbekistan authorities and IMF staff estimates and projections.

Table 7. Uzbekistan: Financial Soundness Indicators for the Banking Sector, 2016-2025

(End of period, in percent, unless otherwise indicated)

	2016	2017	2018	2019 [1]	2020	2021	2022	2023	2024	2025
Capital adequacy										
Regulatory capital to risk-weighted assets	14.7	18.8	15.6	23.5	18.4	17.5	17.8	17.5	17.4	18.3
Regulatory tier 1 capital to risk-weighted assets	12.5	16.5	14.3	20.4	15.2	14.6	14.5	14.1	14.3	15.2
Tier 1 capital to total assets	9.8	14.5	11.7	16.7	13.2	13.2	12.2	13.0	13.3	13.5
Asset quality										
Non-performing loans to total gross loans	0.7	1.2	1.3	1.5	2.1	5.1	3.5	3.5	3.9	2.9
Non-performing loans net of provisions to capital	2.3	3.0	4.7	2.7	3.6	13.1	9.0	9.9	9.3	5.7
Provisions/NPLs	50.2	54.0	46.7	56.7	63.7	45.9	46.6	36.7	45.4	52.6
Large exposure/tier 1 capital	...	...	...	165	224	221	223	184	181	126
Profitability										
Interest margin to gross income	39.5	32.5	48.4	50.7	54.3	49.0	42.1	40.8	38.3	34.2
Non-interest expenses to gross income	64.8	59.3	54.4	49.5	45.1	47.1	46.5	46.2	51.9	52.3
Return on assets	2.0	1.9	2.0	2.2	2.2	1.3	2.5	2.6	1.4	2.2
Return on equity	17.9	17.1	16.2	13.0	10.3	6.1	13.3	14.2	6.6	12.4
Liquidity										
Liquid assets to total assets (Liquid asset ratio)	25.4	23.6	13.6	13.9	15.4	18.6	21.5	16.2	18.7	19.1
Liquid assets to short-term liabilities	48.4	55.7	41.2	40.3	39.9	46.9	47.3	37.1	42.6	44.2
FX Vulnerabiliteis										
Net FX open position in foreign exchange to capital	12.6	14.0	2.3	11.3	4.0	6.0	1.7	2.8	-0.4	2.7
Ratio FX loans to total loans	44.1	63.2	56.6	47.1	49.2	49.2	46.7	44.1	42.0	38.4
Ratio FX liabilities to total liabilities	44.8	67.6	62.1	56.9	59.7	57.5	55.4	52.5	48.3	42.6

Sources: Country authorities; and IMF staff estimates.

[1] In December 2019, loans to SOEs valued at Sum 41 trillion were transferred from state banks to the Fund for Reconstruction and Development, improving

Table 8. Uzbekistan: Sustainable Development Goals, 2000-Latest

	2000	2005	2010	2015	2020	Latest
No Poverty						
Poverty headcount ratio at $3.65/day (2017 PPP, %)	77.5	73.4	65.0	50.2	43.4	29.9
Zero Hunger						
Prevalence of undernourishment (percent of population)	18.0	14.8	5.8	2.5	2.5	2.5
Good Health and Well-Being						
Maternal mortality ratio (modeled estimate, per 100,000 live births)	43	45	38	31	30	26
Mortality rate, under-5 (per 1,000 live births)	62	46	30	20	15	13
Incidence of tuberculosis (per 100,000 people)	107	120	97	79	66	57
Life expectancy at birth (years)	66	67	69	70	70	72
Quality Education						
Primary completion rate, total (percent of relevant age group)	96	97	92	98	106	84
Lower secondary completion rate, total (percent of relevant age group)	64	95	96	93	95	98
Literacy rate, adult total (percent of people ages 15 and above)	99	...	...	100	100	100
Gender Equality						
Ratio of female-to-male mean yesrs of education received	95	96	96	97	97	97
Ratio of female-to-male labor force participation rate	64	62	58	56	55	56
School enrollment, secondary (gross), gender parity index (GPI)	0.97	0.97	1.00	0.99	1.00	1.00
Proportion of seats held by women in national parliaments (percent)	7	18	22	16	32	38
Clean Water and Sanitation						
People using at least basic drinking water services (percent of population)	87	90	92	94	96	97
People using at least basic sanitation services (percent of population)	93	94	95	95	96	96
Affordable and Clean Energy						
Access to electricity (percent of population)	100	99	100	100	100	100
Renewable electricity output (percent of total electricity output)	13	13	18	21	...	...
Decent Work and Economic Growth						
Employment in agriculture (percent of total employment) (modeled ILO estimate)	39	34	27	28	27	25
Wage and salaried workers, total (percent of total employment) (modeled ILO estimate)	53	52	57	62	53	55
Industry, Innovation, and Infrastructure						
CO2 emissions from production (metric tons per capita)	5.0	4.6	3.8	3.4	3.3	3.6
Researchers in R&D (per million people)	662	633	545	497	424	542
Sustainable Cities and Communities						
PM2.5 air pollution, mean annual exposure (micrograms per cubic meter)	29	29	32	31	31	33
Responsible Consumption and Production						
Production-based air pollution (DALYs per 1,000 population)	3.4	3.2	3.5	3.8	4.0	3.5
Life on Land						
Forest area (percent of land area)	7.0	7.4	7.9	8.1	8.4	8.6
Technology						
Individuals using the Internet (percent of population)	0.5	3.3	16	43	71	89

Source: The World Bank and United Nations

Annex I. External Sector Assessment

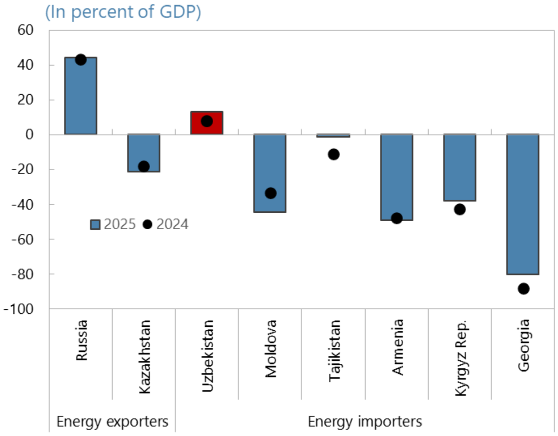
Overall Assessment: *Based on staff's estimates, the external position of Uzbekistan in 2025 was broadly in line with the level implied by fundamentals and desirable policies. External risks remain high due to an uncertain geopolitical and global trade environment, but these risks are mitigated by sizable foreign exchange (FX) reserves, stable access to IFI and bilateral official funding, and the long maturity of external debt. Moreover, significant gold exports tend to provide a degree of protection against potential declines in other commodity prices.*

Potential Policy Responses: *The ongoing structural reforms and high investment level are expected to help sustain robust export growth, while prudent monetary and fiscal policies would keep import growth in check, partly offsetting moderating remittances and thus maintaining the current account (CA) broadly in line with fundamentals and desirable policies. Continued exchange rate flexibility would provide additional protection against external risks.*

Foreign Assets and Liabilities: Position and Trajectory

Background. From 2018 to 2025, Uzbekistan's international investment position (IIP) as a share of GDP declined considerably (by about 23 percentage points of GDP). This reflects increases in reserve assets (mostly due to revaluation of gold reserves) and FX held by the public that were offset by fast rising external borrowing, FDI, and portfolio inflows, while GDP (the denominator of the ratio) was growing fast. Nevertheless, Uzbekistan's IIP has remained stronger than most of its regional peers and is characterized by large foreign reserves, FX cash held by the public, moderate external debt, and relatively small FDI liabilities.

Regional Peers: International Investment Position
(In percent of GDP)



Source: World Economic Outlook, IMF.

International Investment Position
(In billions of USD unless otherwise specified)

	2018	2025
Assets	**49.1**	**128.4**
Direct investment	0.2	0.4
Other invest.: Deposits and FX cash	19.7	56.1
Other invest.: Others	2.2	5.6
Reserve assets	27.1	66.3
Liabilities	**27.1**	**109.3**
Direct investment	9.0	26.0
Other investment and portfolio	18.1	83.3
of which: Gov.	7.8	36.6
of which other sectors (incl. SOEs)	9.9	45.4
IIP	**22.1**	**19.1**
IIP (in percent of GDP)	**36.0**	**13.0**

Sources: Country authorities; and IMF estimates.

The external balance sheet is partially insulated from global financial market volatility. This is because foreign assets mainly comprise FX reserves and private FX cash holdings while liabilities are largely official multilateral and bilateral loans with concessional and semi-concessional rates and long maturities.

Assessment. Uzbekistan's external balance sheet offers significant protection against external shocks, reflecting an assets-liabilities structure with limited exposure to global financial market fluctuations. Liabilities carry limited rollover risk in the short term, and assets are primarily invested in safe instruments. However, the rapid growth of external borrowing (including by state-owned banks and enterprises) poses medium-term risks if sustained.

2025 (% GDP)	NIIP: 13.0	Gross Assets: 87.3	Res. Assets: 45.1	Gross Liab.: 74.3	Debt Liab.: 55.8

Current Account

Background. Significant structural reforms, including liberalization of the foreign exchange market and the removal of trade restrictions, attracted sizable investments, leading to a shift in the current account balance from an average surplus of 3.9 percent of GDP over 2000-2017 to an average deficit of 5 percent of GDP over 2018-25. Significant CA deficits such as these have been a common feature of transitions from planned to market-based economies like Uzbekistan. A surge in remittance inflows following the start of the war in Ukraine in 2022 had the opposite effect, primarily reducing the CA deficit. In 2023, the CA deficit widened to 7.3 percent of GDP because of a partial reversal in remittances to the pre-2022 trend, an unplanned fiscal expansion, an investment surge, a temporary increase in some imports (airplanes, buses and cars, and gasoline), higher foreign debt interest payments, and repatriation of earnings by foreign companies. The CA deficit gradually narrowed to 3.9 percent of GDP in 2025, reflecting continuing robust growth in remittances, high gold prices, and a strong increase in exports of services and non-gold goods. Import growth has been strong, averaging 17.4 percent during 2018-2025—slightly outpacing non-gold export growth, which averaged 14 percent over the same period. Excluding gold, and relative to 2024, the CA deficit widened by $2.4 billion in 2025, but, as a share of GDP, narrowed by 0.3 percentage points due to fast denominator growth. Over the medium term, the CA deficit is expected to stabilize around 4.5 percent of GDP.

Assessment. The model-based 2025 CA norm is estimated at -4.5 percent of GDP (table), reflecting Uzbekistan's labor productivity gap relative to the rest of the world—which requires increased investment to boost capital per worker and, thereby, investment levels that surpass domestic savings—and its favorable demographics. The EBA-CA model estimates the overall CA gap at 0.2 percent of GDP and points to an external position in 2025 that is broadly in line with the level implied by fundamentals and desirable policy settings. The policy gap, estimated at 1.4 percent of GDP, can be attributed to lower fiscal deficit and health spending relative to the rest of the world. This leaves a non-policy gap of -1.2 percent of GDP. Staff are of the view that this non-policy gap reflects uncertainty around the econometric estimates and does not capture fully some Uzbekistan specifications and structural challenges related to the country's transition to a market economy, including large investment needs.

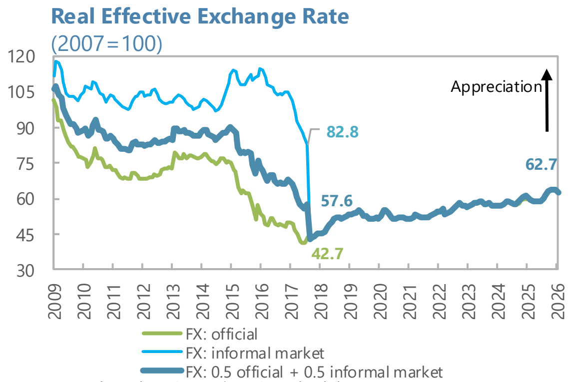
Uzbekistan: EBA-lite Model Results, 2025

	CA model 1/	REER model
	(in percent of GDP)	
CA-Actual	**-3.9**	
Cyclical contributions (from model) (-)	0.4	
Adjusted CA	**-4.3**	
CA Norm (from model) 2/	**-4.5**	
Adjustments to the norm (+)	0.0	
Adjusted CA Norm	**-4.5**	
CA Gap	**0.2**	**9.1**
o/w Relative policy gap	1.4	
Elasticity	-0.2	
REER Gap (in percent)	**-1.0**	**-49.1**

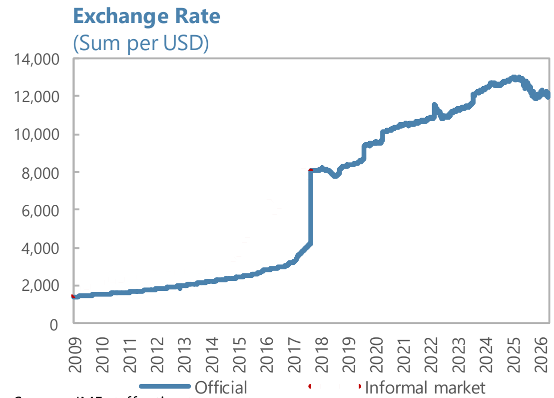
1/ Based on the EBA-lite 3.0 methodology
2/ Cyclically adjusted, including multilateral consistency adjustments.

Real Exchange Rate

Background. According to the Uzbek authorities, the de jure exchange arrangement is floating. Given the recent move by the authorities towards more exchange rate flexibility, the de facto regime was reclassified from a crawl-like arrangement to floating, effective May 8, 2025. The strong capital, remittance, and gold related inflows led to a real effective exchange rate (REER) appreciation in 2025, underscoring the need to accelerate structural reforms to increase productivity to counter competitiveness losses driven by the appreciation.



Notes: REER based on CPI (as in INS methodology).
Sources: IMF staff estimates.

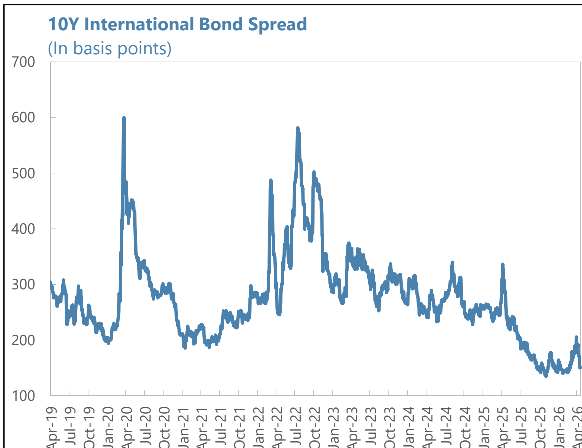


Sources: IMF staff estimates.

Assessment. The EBA-REER results suggest that the sum is significantly undervalued. The EBA-CA approach, however, indicates that the sum is broadly in line with fundamentals and desirable policies. Staff believe the EBA-CA approach gives more reliable results than the EBA-REER approach. This is because the EBA-REER model results depend on the historical trend of the real exchange rate, and the sharp structural break in 2017 complicates the assessment and makes it less informative for Uzbekistan. Thus, anchoring their judgement on the EBA-CA approach, staff are of the view that the real exchange rate is broadly in line with the level implied by fundamentals and desirable policies.

Capital and Financial Accounts: Flows and Policy Measures

Background Growing financial inflows have covered the current account deficits observed in recent years. Long-term loans, FDI, and portfolio inflows represent the main inflows. During 2022–25, the ratio of net loan changes to GDP averaged about 6.1 percent, compared with average net FDI and net portfolio investment inflow ratios of about 2.5 percent and 1.6 percent of GDP, respectively. Since 2018, the government, SOEs, and SOCBs have significantly increased long-term external borrowing from low initial levels. While official borrowing at concessional and semi-concessional rates still dominates external borrowing, Uzbekistan is increasing its borrowing at market terms to gradually increase its access to financial markets. For example, the government placed about $1.5 billion in February 2025 ($500 million, €500 million, and UZS6 trillion) and UZS12.2 trillion (about $1 billion) in April 2026. In addition, enterprises and banks placed $3.4 billion in bonds on international markets in 2025. Spreads on 10-year Uzbekistan's Eurobonds declined from a peak of close to 500 bps in 2022 due to the war in Ukraine to an average of 287 bps in 2023, 270 bps in 2024, 205 bps in 2025, and averaged around 159 bps so far in 2026. In the near and medium term, long-term private sector borrowing is expected to increase while official external borrowing is foreseen to moderate.



Sources: Bloomberg LP, and IMF staff calculations.

Assessment. Over the forecast horizon, the government will continue to fund itself primarily from multilateral institutions and official sources but will also likely gradually increase its use of the sovereign bond market to build market presence, consistent with its longer-term objective of greater market-based financing. At the same time, the rapid increase in external borrowing—particularly by SOCBs and SOEs—calls for heightened vigilance to effectively mitigate associated risks.

FX Intervention and Reserves Level

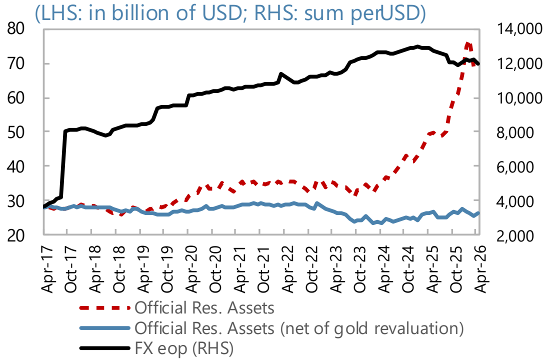
Background. At $66.3 billion at end-2025, Uzbekistan's FX reserves were equivalent to about 45.1 percent of GDP, or more than twelve months of projected imports of goods and services in 2026.

In its FX interventions, the CBU seeks to broadly adhere to the so-called "neutrality principle," whereby the CBU sells FX to withdraw liquidity generated from its gold purchases (within a given year) so that these purchases do not affect the economy. In recent years, however, the CBU has increasingly relied on instruments other than FX to sterilize this liquidity, voicing concerns about the limited capacity of markets to absorb large FX sales without triggering excessive appreciation. At the same time, deposits of the Fund for Reconstruction and Development (FRD) at the central bank declined markedly in 2023-2025. Taken together, reserves net of gold revaluation increased by only $2.2 billion in 2025, despite a $25.1 billion increase in total reserves, driven mainly by higher gold prices and, to some extent, increased holdings of physical gold. The CBU also made efforts to diversify reserve assets by investing $1.5 billion in foreign bonds.

Uzbekistan: Calculation ARA Metric 2025

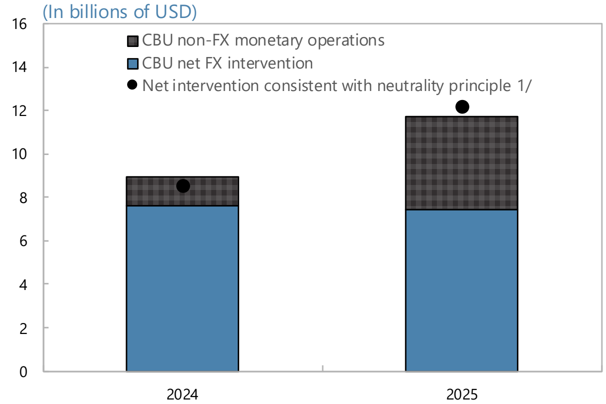
	(In USD Billions)	Weights Floating FX
Reserves (end 2025)	66.3	
of which UFRD (end 2025)	5.8	
of which other (end 2025)	60.5	
Nominal GDP (2025)	147.1	
Exports of G& S (2026)	40.6	5.0%
Imports of G&S (2026)	62.3	
ST Debt (proxied with 2025 amortiza	10.8	30.0%
Broad Money (2025)	31.5	5.0%
Other Portfolio Liabilities (2025)	82.0	15.0%
Metric UZB (In USD Billions)		19.1
(In percent of ARA metric)		
Uzbekistan Reserves		347%
Uzbekistan Reserves excl FRD		316%

FX Reserves
(LHS: in billion of USD; RHS: sum perUSD)

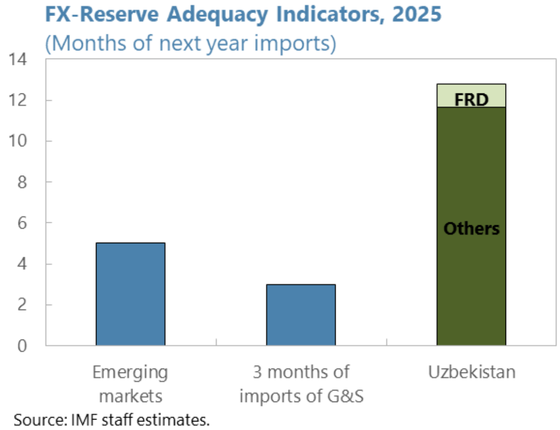


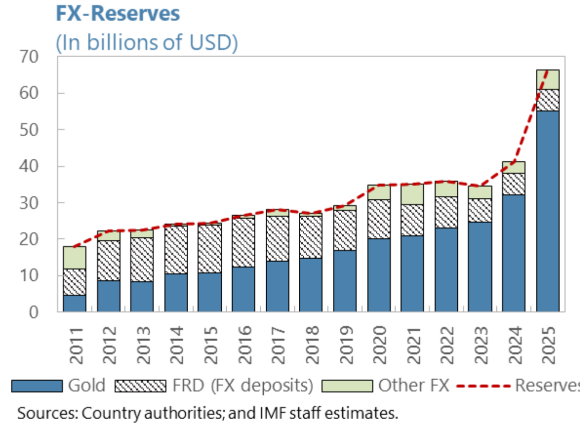
Sources: Country authorities and IMF staff estimates.

CBU Total Sterilization of Liquidity from Gold Purchases
(In billions of USD)



1/ Represents the amount of CBU gold purchases that needs to be sterilized.
Sources: Country authorities and IMF staff estimates.





Assessment. Uzbekistan's international reserve coverage remains strong and well above standard adequacy metrics. At end-2025, reserves stood at about 347 percent of the ARA metric for floating exchange rate regimes, and about 316 percent excluding FRD deposits, significantly exceeding the recommended 100-150 percent range. This buffer provides substantial protection against external shocks, including commodity price volatility and fluctuations in demand for Uzbekistan's exports. Sterilizing gold purchases remains appropriate. The increased exchange rate flexibility since early 2025 is welcome and will enhance the economy's ability to absorb external shocks.

Annex II. Implementation of 2025 Article IV Recommendations

Recommendations	Current Status
FISCAL POLICY	
Budget Policy	
Near term: *Commit to a 3-percent-of-GDP CGD in 2025, minimize responses of government spending to gold price changes,* and adhere to external borrowing limits in line with debt sustainability objectives.	Stronger revenues, stemming from better-than-anticipated economic activity and gold prices, helped reduce the consolidated general government deficit to 2.1 percent of GDP in 2025, from 3.0 percent of GDP in 2024. External borrowing was kept within the ceiling approved under the 2025 budget. However, the budget expenditure ceiling was revised substantially up in response to the better-than-expected revenue.
Medium term: *Maintain a 3-percent-of-GDP CGD in 2026 and the medium term, and* resist pressure to increase government spending when gold prices are high to reduce aggregate demand pressures and support monetary policy in reducing inflation.	The government committed to a consolidated budget deficit of 3 percent over the medium term and expects a narrower deficit in 2026. The 2026 budget envisages an overall reduction in the level of borrowing reflected in a lower external borrowing ceiling than in 2025. This will help contain expenditure in the broader public sector, reducing aggregate demand and supporting monetary policy in reducing inflation.
Revenue Administration and Tax Policy	
Broaden the tax base and reverse the decline in the tax revenue-to-GDP ratio. Develop a medium-term revenue strategy to recoup the 2 percentage points of GDP loss in the tax-to-GDP ratio since 2020 over the next three years and make the tax system more equitable.	While the government issued a decree to combat the shadow economy, which included cashless payment requirements for a range of transactions, the impact is expected to be limited. Moreover, the strategy to reform the Tax Administration for 2025–30, which envisages implementation of TADAT assessment recommendations, has yet to be approved by the government. Progress with reducing tax incentives and exemptions was mixed. While the authorities abolished several tax exemptions, some new tax incentives for high-tech manufacturers and exporters were granted, effective from 2026. More generally, progress with tax system reform was limited as tax policy for major taxes, such as the personal and

Recommendations	Current Status
	corporate income tax, remained broadly unchanged in the 2026 budget.
Public Financial Management	
Budget Framework: *Maintain strict adherence to the budget calendar and limit within year changes to the budget.*	The budget calendar was broadly adhered to and the Fiscal Strategy paper linking the medium-term fiscal framework (MTFF) with the budget was published on time. The Fiscal Risk Statement was published with the budget documents. The 2025 Budget was amended in December 2025 to reflect sizable within-year changes.
Debt Management: *Publish a debt management strategy and an annual borrowing plan in line with the public debt law to strengthen fiscal transparency and facilitate investor relations.*	The 2026-2028 debt management strategy was published in March 2026. The strategy also includes an annual borrowing plan for 2026 and a calendar of planned auctions of government securities in the domestic market.
Public Investment Management (PIM): *Further reforms fiscal institutions to reorganize the Ministry of Economy and Finance for more effective policy making. Unify the public investment process irrespective of the financing source.*	The authorities have started a reorganization of MOEF with technical assistance from the IMF. The PIM system remains fragmented across institutional responsibilities and sources of financing, and there is no unified project pipeline that includes PPPs and externally financed projects. Implementation of the February 2025 public investment management assessment (PIMA) recommendations is ongoing.
Fiscal Risks *Improve the monitoring and management of fiscal risks from SOEs and PPPs.*	The authorities adopted an annual cap of $6.5 billion on new PPP commitments in the 2026 Budget, maintaining a similar ceiling introduced in the 2025 budget. The high-level risk-based oversight mechanism for systemically important enterprises (including SOEs) was revised with the intention of tightening it. The impact remains to be established as it will depend on how the mechanism is implemented. UZAssets is implementing a system that would allow improving the monitoring of liabilities of all SOEs under its purview—including the largest entities in the country—to better assess borrowing requests.

Recommendations	**Current Status**
	The ex-ante assessment of PPP fiscal risks was strengthened by improving the quantification of fiscal costs and contingent liabilities and by enhancing capacity within the MOEF's Fiscal Risk Assessment Department with IMF CD support. However, monitoring of the existing PPP portfolio remains constrained by data gaps, limited staffing, lack of standardized contracts, and the absence of a fully operational system for regularly updating and tracking fiscal risks.
Expenditure Management	
Improve expenditure efficiency to create fiscal space to address Uzbekistan's development and social needs. Continue to consolidate social assistance programs and reform the current pension system to ensure its medium-term sustainability while providing adequate pensions.	The transfer of most social assistance programs to the National Agency for Social Protection is well advanced, and the authorities are continuing efforts to consolidate programs to improve targeting and reduce administrative costs. Steps toward pension reform have begun. A concept note of Pension System Reform has been drafted, including preparatory analytical work and consultations, but comprehensive reforms to ensure the system's medium-term sustainability remain at an early stage, as the necessary actuarial analysis has yet to be undertaken. The process of rationalizing the wage bill has started, but the underlying analytical work to reform the civil service pay scale and assess its cost implications is still ongoing. Progress remains to be made in reducing the cost of goods and services purchased, building on recent procurement reforms and phasing out support to inefficient SOEs.
Fiscal Transparency	
Strengthen fiscal transparency by publishing GFS-compliant fiscal statistics on a timely basis. *Broaden the budget institutional coverage above-the-line to match that of the PPG debt, so that the fiscal balance is reconciled with financing.*	The compilation of GFS-compliant fiscal data has advanced. The authorities completed a comprehensive review of over 3,000 State-Owned Enterprises (SOEs) and the first set of monthly GFS compilations for the General Government sector. They are refining the data to meet GFSM 2014 requirements by properly reflecting tax-sharing arrangements, disaggregating externally financed expenditures, and performing specific tax revenue reclassifications. They expect to complete the refinements in 2026. However, the timely and regular

Recommendations	Current Status
	public dissemination of GFS-compliant data remains uneven, and reconciliation issues remain outstanding.
MONETARY AND EXCHANGE RATE POLICIES	
Monetary Policy: *Monetary policy should remain tight until inflation converges to the CBU's 5 percent target.*	The CBU has appropriately maintained the policy rate at 14 percent since March 2025, keeping it strongly positive in real terms. The authorities have also taken several steps to strengthen communication to enhance the effectiveness of inflation targeting. In particular, the CBU expanded the publication of detailed analyses of headline and core inflation and continued to organize targeted dialogues with journalists and bloggers on specific topics.
Exchange Rate Policy: *Adopt greater exchange rate flexibility to boost the resilience of the economy to shocks. Gradually allow the exchange rate to fluctuate in wider ranges.* Limit CBU FX interventions to instances that require adherence to the neutrality principle or exceptional circumstances that would otherwise lead to excessive exchange rate volatility.	The authorities made significant progress in this area. The exchange rate has shown increased flexibility since April 2025, with movements becoming more reflective of market forces. In 2025, the sum appreciated against the US dollar by 6.9 percent, while depreciating against the Euro by 5.4 percent and against the Russian ruble by 19 percent. In recent years, the CBU has increasingly relied on instruments other than FX sales to sterilize liquidity created by gold purchases, citing concerns that the required volumes would exceed the absorption capacity of FX markets.
Central Bank Operations: *Implement outstanding safeguards assessment recommendations.* Particularly, adopt legal reforms to introduce a majority of non-executives to the CBU Governing Board and to improve the financial and personal autonomy safeguards. Publish the CBU's audited financial statements.	Further efforts supported by IMF CD are needed to strengthen the CBU's governance and independence, including by ensuring a majority of non-executive members on the Governing Board, in line with international best practice. The CBU's audited financial statements have not been published yet.

Recommendations	Current Status
FINANCIAL SECTOR POLICY	
Reducing State's footprint: *Reduce the state's footprint while improving efficiency by bolstering the commercial orientation of state-owned commercial banks, modernizing their governance, phasing out directed and preferential lending, and expediting and expanding privatization efforts.*	The financial sector continues to be dominated by SOCBs (9 of 34 banks), which account for 63 percent of total banking system assets. The privatization of two large banks has been delayed. Although improvements in SOCBs' governance are underway, additional reforms are needed to curb their dominance and foster greater competition, financial intermediation, and access to finance.
FSAP recommendations: Strengthen the regulatory and supervisory frameworks by aligning them with international standards, following FSAP recommendations: Enhance bank regulation. Implement robust risk-based supervision. Enhance systemic risk analysis and stress testing. Strengthen the capital requirements framework. Align asset classification and bank-by-bank NPL resolution with international best practices. Establish adequate bank resolution, crisis management, and financial safety net arrangements. Improve payment system oversight.	The CBU has approved a "Roadmap for Improving Banking Regulation and Supervision (2025–2028)," which sets out a plan to implement FSAP recommendations and align the banking sector with Basel III standards. It envisages to fully align capital adequacy regulations with Basel III standards, improve asset classification and provisioning in line with the IFRS 9, implement fully risk-based supervision, introduce consolidated supervision for banking groups; and establish a robust bank resolution regime. They have also made progress in implementing FSAP recommendations (see Annex V). In addition, the authorities are working to broaden the roadmap to include FSAP recommendations in areas of responsibility that go beyond those of the CBU, such as those of the MOEF, to ensure a more comprehensive, well sequenced, and coordinated implementation. This broader Roadmap is in the final stages of preparation.
Macroprudential Policy *CBU should continue to closely monitor developments and stand ready to address emerging financial stability risks.*	Effective January 1, 2026, the CBU significantly strengthened capital adequacy requirements to better align them with the Basel III framework. Quantitative and qualitative criteria for regulatory capital components were revised, placing greater emphasis on high-quality capital with strong loss-absorbing capacity. New capital buffers were introduced to enhance resilience to economic and financial stress, including the capital

Recommendations	Current Status
	conservation buffer, the countercyclical capital buffer, and buffers for systemically important banks. The revised framework also grants the CBU the discretion to apply a systemic risk buffer to systemically important banks. New Borrower-based measures were implemented. The CBU tightened risk weights on mortgage and car loans with high loan-to-value (LTV) and debt-service-to-income (DSTI) ratios and extended the DSTI limit to all loans to individuals, lowering the cap from 60 percent to 50 percent in July 2025. These measures have helped moderate credit growth. Effective in 2026, the CBU introduced a new debt-to-Income (DTI) limit for consumer loans, microloans, and credit cards (including overdrafts) aimed at keeping household debt burdens at acceptable levels. Liquidity regulation has been aligned with Basel III standards. A regulation harmonizing the calculation of the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) with Basel III was adopted in July 2025 and applied on a pilot basis. As of January 1, 2026, compliance with the revised LCR and NSFR requirements has become mandatory for all banks.
STRUCTURAL AND GOVERNANCE REFORMS	
Pace of Structural Reforms: *Accelerate further the structural and institutional reforms agenda as it remains substantial.* Bring to completion price and trade liberalization so that prices fully reflect market forces. Replace discretionary direct controls and intervention with effective regulation and market institutions. Facilitate firm entry and exit to stimulate a competitive environment for the private sector.	The gradual implementation of energy tariff reforms continued in 2025, alongside substantial increases in several other administered prices for utilities and public transport, helping move prices for these services closer to cost-recovery levels. The authorities have also made progress in preparatory work on SOE governance reforms, including tightening regulations on exclusive rights, continuing efforts to attract more independent board members, and establishing a National Investment Fund (UzNIF) to improve SOE governance and oversight. An initial public offering (IPO) of UzNIF was completed in May 2026, raising $603.6 million through the sale of shares and global depositary receipts (GDRs) to local and international investors. Depending on the exercise of an over-allotment option for GDRs, the total stake sold

Recommendations	Current Status
	could reach 35 percent (up from 30 percent initially planned), with total proceeds rising to $692 million. Based on the offering price, UzNIF's market capitalization is now valued at $1.95 billion (1.1 percent of GDP).
State Footprint in the Economy: *Reduce state intervention in the economy.* Make support for SOEs transparent, conditional on restructuring, and gradually phase out to level the playing field with the private sector. Continue to reduce state involvement in the economy and accelerate and carry out the privatization of large SOEs according to international best practices.	UzNIF was established as a holding company encompassing 12 SOEs and 1 SOCB and is managed by Franklin Templeton. This initiative forms part of the authorities' efforts to accelerate SOE transformation and the privatization of large SOEs in 2026 and beyond. However, privatization of large SOEs remained limited in 2025. Significant progress has been made toward WTO accession. Bilateral negotiations are very advanced with negotiations still ongoing with three countries. The authorities expect accession to take place in 2026. WTO-related reforms are expected to help gradually level the playing field between SOEs and private sector firms.
Anticorruption Framework: *Further address corruption vulnerabilities and improve transparency and accountability.* Expedite adoption of the Whistleblower Protection and Asset Declaration laws and approve the National Anti-Corruption Strategy.	The draft Whistleblower Protection Law is under review by the Cabinet of Ministers, and the revised Asset Declaration Law is under consideration at the Presidential Administration, after which it will be submitted to Parliament. However, these laws have been under preparation for the past two and five years, respectively. A new National Anti-Corruption Strategy is at the approval stage within the Presidential Administration. To accelerate reforms, a recent presidential decree declared a state emergency and introduced new operational measures. The scope, effectiveness, and consistency of the decree's implementation remain to be assessed.
Labor Market: *Accelerate labor market reforms to address low female labor participation, high informality, and skill mismatches.*	Policy support for women's employment and entrepreneurship was expanded, including through the adoption of Presidential resolutions and a decree establishing targets, financing, and institutional arrangements to promote women's labor market participation and skills development. These measures

Recommendations	**Current Status**
	rely primarily on access to credit, training, and entrepreneurship programs. However, broader labor market reforms to reduce informality, address skill mismatches, and sustainably raise female labor force participation remain limited.
Climate: *Complete energy price reform accompanied by targeted support to the vulnerable. Promote green technologies and investments.* Enhance water use efficiency, diversify crops, improve waste management, strengthen early warning systems for hydro-meteorological hazards, and further expand reforestation efforts. Encourage private funding for the green transition, while ensuring adequate climate-related public expenditure.	• Energy tariffs were increased as planned in 2025 and further adjustments were announced for 2026. • The authorities launched A State Program entitled "Year of Environmental Protection and Green Economy," which mandates a carbon-neutrality strategy, and updated NDCs, while setting renewable-energy targets of 26 percent of electricity generation and 40 percent of capacity. The program also introduces a Green Building certification, establishes water-sector objectives, and includes urban air-quality measures, such as bans on highly polluting projects and plans to relocate and modernize polluting industries. • An updated NDC was published, committing to a 50 percent reduction in the carbon intensity of GDP by 2035, relative to 2010 levels. The updated NDC also places greater emphasis on climate adaptation, particularly in water management, agriculture, infrastructure, and public health. • To reduce air pollution in Tashkent, the authorities closed 100 facilities and relocated 87 enterprises outside the capital. In parallel, air-quality monitoring networks are being expanded. • A new Water Code was adopted, introducing an integrated water-resource management, clarifying institutional responsibilities, establishing Republican and basin Water Councils, and streamlining water-use permits.
Data Adequacy: *Improve sectorizing institutions as public/private and establish production of discrete quarterly GDP.* *The timeliness, periodicity, and publication frequency of certain*	An institutional sectorization exercise has been completed at the level of the Ministry of Economy and Finance to facilitate the compilation of government finance statistics. The work will also help better distinguish between public and private units. However, the results of the sectorization exercise remain to be

Recommendations	Current Status
variables on the National Summary Data Page website should be enhanced and the reserves adequacy template compiled to meet SDDS standards. *Improve financial soundness indicators to bring them fully in line with international standards.*	incorporated into other economic statistics such as the national accounts, which is essential for accurately measuring the size of the public and private sectors and assessing their economic performance. Discrete quarterly GDP series have not yet been published. While work on the reserves adequacy template is ongoing, it has not yet been compiled or disseminated in a manner consistent with SDDS requirements. The authorities have announced plans to ensure that the measurement of non-performing loans conforms with IFRS9 by the end of 2026. However, financial soundness indicators are not fully aligned with international standards, reflecting gaps in coverage, consistency, and cross-country comparability.

Annex III. Risk Assessment Matrix

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
External Risks and Spillovers				
Geopolitical Tensions	Intensification of conflicts (i.e., escalation of the war in Ukraine) could damage key infrastructure, disrupt major shipping routes and supply chains, increase migration pressures, reignite inflation, and weigh on growth.	**High** **Short to Medium-Term**	**High** An intensification of the war in Ukraine could have a significant impact on trade, tourism, remittances, capital flows, migrant flows, and gold prices. While most of these effects benefited Uzbekistan after the war broke out in 2022 (surging remittances, migrant flows, capital flows, and gold prices but with a negative impact on trade due to disruption of trade routes), it remains unclear whether the effects of any further	In the event of such shock, allow the exchange rate to act as a shock absorber and address any potential disorderly market conditions in the FX market, as needed. Should the shock lead to inflationary pressures, tighten monetary policy to avoid adverse impacts on core inflation. Given the existence of fiscal space, use fiscal policy to smooth output fluctuations viewed as temporary: Limit spending responses to any windfalls (e.g., from higher gold prices) if the shock is favorable to the economy overall or provide targeted support to vulnerable groups if it has an adverse effect instead.

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
			intensification of the conflict will continue to be favorable overall.	Deploy a tailored policy response that ensures macro-financial stability should the overall shock impact be more mixed. Further intensify efforts to open alternative trade routes.
Fiscal Vulnerabilities and Higher Interest Rates.	Higher public debt and deficit levels in major economies put further upward pressure on long-term interest rates, sharply tightening global financial conditions and increasing the risk of sovereign bond market stress. Disruptions are amplified by increased role of price-sensitive and leveraged NBFIs in sovereign debt markets, limited market absorption capacity, higher roll-over needs on shorter sovereign debt maturities, and strong sovereign-financial nexus. Concurrently, foreign aid cuts add to fiscal	**High** **Short to Medium Term**	**High** Given the importance of concessional and semi-concessional loans in financing the consolidated government and the broader public sector (about 55 percent of total gross government borrowing in 2025), and a still nascent market access, a significant reduction in the availability of these loans would force	In the event of such shock, allow the exchange rate to act as a shock absorber and address any potential disorderly market conditions in the FX market, as needed. Given the likely more durable nature of this shock, a permanent fiscal adjustment will be needed to address a tighter financing constraint, either by increasing revenue or reducing expenditure while supporting the vulnerable with improved spending composition. While inflation pressures are likely to be reduced in this

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
	challenges in low-income countries.		sizable expenditure adjustment, triggering a growth slowdown. Gold prices will likely fall in such a scenario, given higher interest rates, a more appreciated US dollar, and weaker global growth and gold demand, further exacerbating the shock.	scenario given the growth slowdown, the room to use monetary policy to cushion the impact of the shock will depend on the extent of capital mobility and the extent to which inflation is below the CBU target. Step up structural reforms that increase potential growth.
Protectionism and Trade Disruptions	Tariff and nontariff measures disrupt global supply chains and inflict an outsized impact on economic activity and prices. Trade diversion spurs protectionist measures by more countries amplifying inflation from profit margin decompression or strategic complementarities.	**High** **Short to Medium Term**	**Medium** As a double landlocked country suffering from trade disruptions since the war in Ukraine started, Uzbekistan would suffer from further increases in already high trade costs. Impacts would be further magnified by	In the event of such shock, allow the exchange rate to act as a shock absorber and address any potential disorderly market conditions in the FX market, as needed. Given the likely inflationary pressures, monetary policy may need to be tightened to avoid adverse impacts on core inflation. Given the availability of fiscal space and to the extent the shock

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
			lower external demand from key trading partners. In such a scenario, given high global uncertainty, gold prices may remain higher for longer, benefiting the country as an offset to other possible negative terms of trade effects. Moreover, imported global inflation may complicate efforts to get inflation to the CBU 5 percent target.	is temporary, use fiscal policy to smooth output fluctuations and provide targeted and temporary support to the most vulnerable groups. Any windfalls from high gold prices not needed for fiscal support to the economy should not trigger additional expenditure. A permanent shock would need to be addressed by increasing revenue or reducing expenditure or both permanently. Continue with trade openness and structural reforms to promote export diversification and improve competitiveness.
Commodity price volatility	Shifts in supply and demand—triggered by geopolitical tensions and conflicts, OPEC+ actions, or the green transition—may fuel commodity price swings, amplifying external and fiscal pressures, social unrest,	**High** **Short to Medium-Term**	**Medium** Uzbekistan's economy is sensitive to changes in the prices of gold it exports, and the price of natural	Allow the exchange rate to adjust and act as an absorber to a commodity price shock. Meanwhile, address any potential disorderly conditions in the FX market, as needed.

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
	and macroeconomic instability.		gas and oil it imports. Adverse commodity price movements could worsen the trade balance, fiscal revenues, and contribute to uncertainty which would dampen investment. There may be some capital account offset to higher oil prices since that benefits some FDI investors that may have more resources to invest.	Given fiscal space, fiscal policy can support the economy if necessary and if the shock is viewed as temporary, potentially helped by higher gold prices should this materialize as a result of the shock. Continue with trade openness and structural reforms to promote export diversification and improve competitiveness.
Domestic Risks				
Weakening of bank balance sheets	Failure to address poor lending practices of SOCBs and phase out policy lending, including due to delays in privatizing large banks, leads returns on lending and bank profits to decline and non-performing loans	**Medium** **Short Term to Medium Term**	**High** Insufficient attention to borrower repayment capacity in the context of ongoing and new policy lending	Implement FSAP recommendations. In particular, continue to improve banks' corporate governance, bank supervision, crisis preparedness, and the emergency liquidity framework.

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
	(NPLs) to rise. In such context, bank balance sheets weaken, credit availability diminishes and the cost of borrowing increases. The authorities need to provide more capital to banks.		initiatives would lead to an increase in NPLs and a decline in the capital adequacy of the SOCBs that dominate the system. The need to provide capital to state owned banks to prevent a reduction in the availability of credit would worsen government finances.	Continue to reduce the share of policy loans so that banks finance projects with the highest returns. Accelerate privatization of state banks with the assistance of IFIs to the extent possible to increase the commercial orientation of the system. Establish sound levels of provisioning. Further develop macro-prudential policy tools to protect and monitor emerging risks.
Premature Capital Account Liberalization	Eagerness to boost demand to increase growth and reduce borrowing costs leads to opening the capital account without having implemented other reforms to reduce the risk of adverse impacts.	**Medium** **Short to Medium Term**	**High** A surge in capital inflows may increase overheating risks, intensify real exchange rate appreciation pressures, and magnify resource misallocation if prices do not fully reflect market	Complete price liberalization, significantly advance financial sector and financial market reforms to better manage capital flows before opening up the capital account. Prepare a capital account liberalization strategy with specific milestones that need to be achieved before proceeding with capital account

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
			conditions and the financial sector is not ready to intermediate capital flows. Insufficient financial development would also make the management of capital inflows and outflows harder (e.g., sterilization) and increase the risk of boom-and-bust cycles. Capital outflows may magnify the impact of uncertainty or policy credibility increasing macroeconomic volatility.	liberalization informed by capacity development.
Increased Ad Hoc State Intervention	State intervention increases, preventing market forces from allocating resources efficiently. Reliance on ad-hoc measures on specific issues results in less coherent and	**Medium** **Short to Medium Term**	**High** An increase in uncertainty regarding economic policies and lack of a level	Focus on comprehensive approaches that do not single out particular groups or industries and that increase and improve the role of market

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
	certain policy making and special treatment of some groups or industries with unintended consequences.		playing field deter investment. The accumulation over time of impacts from ad hoc measures could significantly lower GDP growth.	forces in allocating resources. Have ministries develop and implement policies after appropriate consultation and analysis of implications.
Reform Fatigue	Lack of implementation capacity, disappointment, or impatience with reforms results in frustration and a counter-productive ad-hoc state intervention increase.	**Low** **Short Term** **Medium** **Medium Term**	**High** Structural reform implementation is becoming more challenging as the focus shifts from economic reforms to institutional reforms. These reforms require careful preparation, proper sequencing, and time to bear fruit. This increases the risk of reform fatigue. If reform fatigue materializes and	Reiterate the government's commitment and communicate that reforms are needed to address current shortcomings (e.g., misallocation of resources, lack of sufficient investment in health, education, and infrastructure). Focus on the highest priority reforms including completing price and trade liberalization, reforming and privatizing state enterprises, increasing the commercial orientation of the banking system, and improving governance and the

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
			a slowdown in reforms occurs, this could result in lower investment and productivity, and slower growth. Impatience and frustration with results could lead to increased ad-hoc state intervention (see above) magnifying the negative impacts.	business environment more broadly.
Materialization of contingent liabilities from State Owned Enterprises and PPPs	Many state enterprises remain unprofitable or must provide public services below cost. PPPs signing is accelerated without carefully considering the fiscal risks they create. The government needs to take over debt service and/or face unexpected budget shocks from SOEs and PPPs.	**Medium** **Medium-Term**	**Medium** Taking on state enterprise debt or having to face unexpected budget shocks from PPPs would increase the fiscal deficit and raise the debt to GDP ratio. This would squeeze out other needed spending or raise borrowing	Continue restructuring and privatizing SOEs, phase out policy lending, and tighten SOE budget constraints by phasing out all forms of support to them. Have the government take over public services provided by SOEs—those that are needed— to increase SOE commercial orientation. Continue to refine the analysis of the medium-term

Risk 1/	Description of Potential Shock	Likelihood / Timeframe	Possible Impact *(if realized)* / Transmission Channels	Policy Advice
			costs and tighten external financing availability.	fiscal implications of the existing PPP portfolio and impose a stock ceiling on PPPs. Tighten the flow cap in line with the current limited capacity to implement PPPs.

[1] The Risk Assessment Matrix (RAM) shows events that could materially alter the baseline path. The relative likelihood is the staff's subjective assessment of the risks surrounding the baseline ("low" is meant to indicate a probability below 10 percent, "medium" a probability between 10 and 30 percent, and "high" a probability between 30 and 50 percent). The RAM reflects staff views on the source of risks and overall level of concern as of the time of discussions with the authorities. Non-mutually exclusive risks may interact and materialize jointly. The conjunctural shocks and scenarios highlight risks that may materialize over a shorter horizon (between 12 to 18 months) given the current baseline. Structural risks are those that are likely to remain salient over a longer horizon.

Annex IV. Fiscal Rule Options to Address Spending Procyclicality

1. **Uzbekistan has a fiscal rules system (FRS) to help guide fiscal policy, manage fiscal risks, and demonstrate its commitment to fiscal discipline.** A formal public and publicly guaranteed (PPG) debt ceiling of 60 percent of GDP is enshrined in the Public Debt Law, alongside an obligation to take corrective measures if PPG debt reaches 50 percent of GDP, thereby reducing the risk of breaching the ceiling. In addition, the debt rule is complemented annually in the budget law with an overall consolidated deficit target of 3 percent of GDP, an annual ceiling on borrowing—including new guaranteed loans—to operationalize the debt anchor, which is currently not binding given relatively low debt levels, and an annual ceiling on public-private partnership (PPP) commitments to manage fiscal risks.

2. **The recent surge in gold prices highlights a key weakness of the current FRS—procyclicality.** Overall balance targets, such as the 3-percent-of-GDP deficit ceiling, are well known to be procyclical, as revenue windfalls (for example, from higher gold prices), can be fully spent, while revenue shortfalls would require expenditure cuts, thereby amplifying adverse macroeconomic shocks and exacerbating output volatility. This concern is particularly relevant for large commodity exporters such as Uzbekistan, where fiscal revenues are subject to significant fluctuations driven by commodity price volatility. In 2025, a sharp increase in gold prices, together with stronger-than-expected economic activity, generated significant revenue overperformance. Consistent with the 3-percent overall deficit target, a large mid-year spending increase was approved, at a time when the economy was likely operating above potential.

3. **The procyclicality inherent in overall balance targets can be mitigated by combining them with complementary targets that perform better along this dimension.** Such a combination should avoid excessive complexity or over-determination and be informed by a careful assessment of the associated trade-offs. The literature on fiscal rules identifies a set of core principles to guide this assessment. As discussed in Eyraud and others (2018) and Acalin and others (2025)[1], these include: *Sustainability* (rules should ensure long-term debt sustainability); *Stabilization* (rules should not increase, and ideally should reduce, macroeconomic volatility); *Simplicity* (rules should be easy to understand by policymakers and the public); *Operational guidance* (rules should translate into clear guidance for the

Budget Balance Rules	
Overall Balance	**Golden**
+ Easy to communicate/monitor	+ Protect public investment
+ Clear operational guidance	+ Intergenerational equity
– Can lead to procyclicality	– Weak link to debt sustainability
– Could lead to changes in composition	– Creative Accounting
Cyclically Adjusted and Structural	**Over the Cycle**
+ Foster economic stabilization	+ Good stabilization properties
+ Good operational guidance	– May entail too loose/tight stance
– Difficult to compute and monitor	– Difficult to monitor and enforce
Expenditure Rules	**Revenue Rules**
+ Easy to communicate/monitor	+ Raise revenues or limit tax burden
+ Allow macroeconomic stabilization	– No direct link to debt sustainability
+ Clear operational guidance	– Can lead to procyclicality
+ Can ensure debt sustainability if well designed	
– Could lead to changes in composition	
– May reduce incentive to mobilize revenues	

Note: + refers to advantages and – flags disadvantages.
Source: IMF How-To Note 18/09, "How to Select Fiscal Rules: A Primer," 2018.

[1] See, for example, Eyraud, Luc and others (2018), "How to Select Fiscal Rules: A Primer", Fiscal Affairs Department, IMF, and Acalin, Julien and others (2025), "Fiscal Guardrails against High Debt and Looming Spending Pressures" *Staff Discussion Note*. International Monetary Fund, Washington, DC.

annual budget process and target aggregates largely under the control of policymakers); *Resilience* (rules should not be easily abandoned after shocks); and *Ease of monitoring and enforcement* (rules should be easy to verify and enforce). The key design advantages and disadvantages of alternative rule types across these dimensions are summarized in the text table. In addition, for resource-rich countries such as Uzbekistan, two further criteria are particularly relevant: (i) the ability to provide insurance against large and persistent commodity price shocks—by saving during periods of high prices to build buffers that can be drawn down during downturns to safeguard spending plans—and (ii) intergenerational equity, by facilitating the sharing of resource revenues across generations.

4. An expenditure target is best suited to complement Uzbekistan's current overall balance rule in addressing procyclicality[2]. Expenditure targets score strongly against several principles discussed above and are particularly effective in mitigating spending procyclicality, as they delink expenditure decisions from fluctuations in commodity prices and cyclical revenue surprises. They are especially appropriate in a context where the authorities aim to reduce the size of the public sector. Moreover, expenditure targets are preferable to the main alternative—rules based on cyclical adjustment—as they do not require reliable estimates of potential output, which are particularly difficult to produce in a transition economy. The main drawbacks of expenditure targets—weaker incentives for revenue mobilization, as spending cannot respond to revenue overperformance, and potential distortions in spending composition, as adjustment may fall disproportionately on the most easily compressible items—can be mitigated through complementary revenue administration and public financial management reforms. From a political-economy perspective, however, the very feature that underpins the strong stabilization properties of expenditure targets—the absence of within-year spending flexibility—may pose challenges in the current Uzbek context, potentially undermining the rule's resilience in the face of spending pressures.

5. A non-mineral budget balance target could represent a viable second-best option to limit procyclicality while complementing the current overall deficit target. Such a target would mirror frameworks commonly recommended for large oil exporters, where fiscal revenues are highly volatile due to commodity price fluctuations—a logic that is equally applicable to Uzbekistan as a major mineral exporter, primarily of gold[3]. By excluding mineral revenues from the balance target, the rule would eliminate spending responses to mineral price swings, while allowing limited within-year spending adjustments in response to stronger-than-expected non-mineral revenues. This flexibility could help strengthen revenue-collection incentives and ease political-economy constraints, thereby enhancing the rule's resilience. These advantages, however, come at the cost of

[2] The expenditure target would be defined on the sum of the nominal level of adjusted expenditure and policy lending.

[3] See, for example, Fiscal Policy Formulation and Implementation in Oil-Producing Countries | IMF eLibrary for a classic treatment of the subject and Fiscal Frameworks for Resource Rich Developing Countries; Staff Discussion Note SDN/12/04; May 16, 2012. for more recent IMF work on fiscal policy formulation in such countries.

allowing procyclical spending responses to cyclical shocks to economic activity[4]. As budget institutions strengthen, mid-year budget revisions become more tightly circumscribed, and political-economy pressures diminish, the authorities could subsequently transition to an expenditure target.

6. Irrespective of the type of complementary target chosen, fiscal targets should be defined in terms of nominal primary budget aggregates. Setting targets in nominal terms—rather than as a share of GDP—helps avoid procyclicality arising from GDP growth surprises and facilitates enforcement. Targeting primary balances is also appropriate, given that policymakers do not directly control interest expenditures within a given year, as these largely reflect past decisions and market-determined interest rates.

7. Adequate public financial management remains a necessary condition for expenditure discipline and for the effectiveness of any of the proposed target types. Strengthening adherence to medium-term expenditure ceilings—supported by credible expenditure baselines, robust costing of new policy measures, and more structured processes for in-year adjustments to approved budgets—is critical to achieving sustained expenditure discipline. Further development of the macro-fiscal policy analysis function at the Ministry of Economy and Finance (MOEF) is also essential to inform the macroeconomic parameters underpinning the setting of the overall level of budget expenditure and to ensure its realism.

[4] In terms of the trade-off assessment criteria for resource rich countries, in the case of Uzbekistan, the ability to provide insurance against large and persistent commodity shocks is the most relevant criteria. With mines having an estimated life of around 60 years and pressing development needs, possible inter-generational equity concerns for the use of gold revenues are not on the top of the agenda. Both the expenditure and non-mineral balance target options perform well in terms of insurance against large and persistent commodity shocks.

Annex V. Progress Toward Implementing Key FSAP Recommendations[1,2]

	Recommendation	Agency	Timing[1]	Progress Update
	Systemic risk analysis and stress testing			
1	Augment solvency stress tests by adjusting the data to address regulatory gaps (¶16)	CBU	I	Subordinated debt was subtracted from the initial capital adequacy ratio (CAR) in the latest solvency stress tests. The results were published in the Financial Stability Report (FSR, H1 2025). Solvency stress tests will use NPLs according to the IFRS 9 standard once it is adopted (expected to be implemented by the end of 2026).
2	Conduct stress tests for currency induced credit risk for corporate lending (¶16)	CBU	ST	A macro stress test considering FX credit risk has been prepared. Forecasts of loan interest rates in both national currency and FX were developed under the macroeconomic scenarios. Credit risk models for bank portfolios were built using probability of default (PD) aligned with international standards. NII models were developed to assess dynamics under baseline and adverse scenarios, considering currency and macroeconomic risks. Satellite models were integrated into the macro stress testing tool.
3	Complement existing liquidity stress tests with depositor concentration analysis (¶17)	CBU	ST	The liquidity stress test was complemented with a depositor concentration analysis. A database of the largest depositors was compiled. Using repayment schedules of the largest depositors in the banking sector, an additional shock was calibrated under the adverse scenario to cover the risk of an outflow of funds from large depositors. This was incorporated into the liquidity stress testing tool, and the results were published in the FSR.
	Macroprudential framework and policies			
4	Constitute the Financial Stability Board as an interagency body for coordination, with crisis prevention separated from crisis management (¶19)	MoEF, CBU, NAPP, DGA	ST	Under a draft Presidential Decree "On Measures to Organize the Activities of the Financial Stability Board" (submitted to the Cabinet of Ministers on 21 January 2026), the Financial Stability Board will be established as an inter-agency advisory body accountable to the President of the Republic of Uzbekistan. It will consist of 8 representatives from the Presidential Administration, the Central Bank, the Ministry of Economy and Finance, the National Agency for Perspective Projects, and the Deposit Insurance Agency. The Board will have a dual mandate: crisis prevention and crisis management. These functions will be kept separately. The Board will operate in its respective format

[1] Based on information provided by the Uzbekistan authorities.

[2] Paragraph numbers here refer to the FSSA paragraph numbers, which can be found at https://www.imf.org/-/media/files/publications/cr/2025/english/1uzbea2025003-print-pdf.pdf

	Recommendation	Agency	Timing[1]	Progress Update
				depending on whether it addresses financial stability issues or responds to a financial crisis.
5	Introduce bank capital buffers, and strengthen and broaden the scope of borrower-based measures, and improve liquidity requirements to better account for existing risks (¶20)	CBU	MT	**Capital Buffers.** The new Regulation "On Requirements for the Capital Adequacy of Banks" was issued on October 28, 2025, and entered into force on January 1, 2026. Under the revised capital adequacy framework, the following Basel III-aligned capital buffers were introduced: • Capital Conservation buffer (CCoB) : 2.5%; • Systemically important bank buffers (D-SIBs) : 1%; and • Countercyclical capital buffer (CCyB) : 0 – 2,5% (set by the CBU). Additionally, under a CBU Board Resolution, the CBU set the CCyB rate at 1.5% of risk-weighted assets (RWA), effective January 1, 2026. All mentioned capital buffers must be formed using capital elements that meet the requirements for Common Equity Tier 1 (CET1) capital. **Borrower-Based Measures.** The CBU have taken several measures to strengthen and broaden the scope of borrower-based measures. Specifically, • The CBU introduced a concentration limit on microloans of 25 percent of a bank's loan portfolio, with transitional arrangements for banks significantly exceeding this threshold, in addition to similar limits introduced for car loans and credit cards; • Under Regulation №3618, the CBU extended the coverage of the debt-service-to-income ratio to include also borrowers' obligations to providers of installment credits, such as BNPL services, effective from July 24, 2025. Up to 15% of the bank's number of outstanding loans (microloans) may be issued to borrowers with a DSTI ratio of up to 100%; • As a complementary tool to DSTI, the CBU introduced a debt-to-income (DTI) ratio for retail consumer loans and microloans (including car loans and credit cards; 8 times for borrowers with formal income and 5 times for borrowers without formal income), effective March 1, 2026. **Liquidity Requirements.** Liquidity requirements have been aligned with Basel III. A Central Bank Board Resolution updated the methodology for calculating the Liquidity Coverage Ratio (inflow and outflow rates) and the Net Stable Funding Ratio (available stable funding and required stable funding). From January 1, 2026, compliance is mandatory for all banks.
6	Improve communication on systemic risk (¶22)	CBU	ST	The financial stability communication practices have been strengthened, reflecting significant efforts to enhance transparency and outreach. Particularly:

	Recommendation	Agency	Timing[1]	Progress Update
				(a) The Financial Stability section of the CBU's website was upgraded, including new pages on macroprudential tools and related topics. (b) Financial Stability Reports and related press releases were improved and published on the CBU's website with English translations. Macro stress tests are discussed in detail, including macroeconomic scenarios, underlying methodology, satellite models, and results. Methodologies for other models, indexes, and analytical tools are also discussed in dedicated boxes and annexes and in the Research and Analysis part of the Financial Stability section on the CBU's website (e.g., dynamic ΔCoVaR, Uzbekistan's Financial Condition Index, Uzbekistan's Financial Stress Index, among others). (c) Communication was made more structured and audience-segmented. For the Financial Stability Report H1 2025, tailored materials were developed for different audiences. Clear and visually accessible content was prepared for the general public, while detailed analytical briefs and reference materials were provided for investors, businesses, and financial analysts. (d) Systemic risk materials are actively disseminated through multiple communication channels, including social media (Telegram, LinkedIn, Twitter, Instagram, among others). A new "Bankcast" podcast was launched on YouTube. Its first episode focused on the Financial Stability Report H1 2025, where experts explain key findings, clarify complex concepts, and discuss current risks in an accessible manner. Short videos based on the podcast were produced and shared across platforms to expand outreach. (e) A methodology for identifying D-SIBs was developed and disclosed on the CBU website, together with the list of D-SIBs, and related press releases. (f) A framework for calibrating the CCyB rate for banks was established and published (with a press release) on the CBU's website.
	Banking regulation and supervision			
7	Safeguard CBU's operational independence (¶23)	CBU	I	The Presidential Decree "On Measures to Further Improve the Activities of the Central Bank of the Republic of Uzbekistan" was adopted on June 23, 2025. To implement it, the CBU prepared a draft law on related legislative amendments, and submitted it to the Cabinet of Ministers. Key proposed changes include: 1. Abolish the mandatory external approval procedure for the Central Bank's regulatory legal acts (by the Chamber of Commerce and Industry and the Authorized Representative for the Protection of the Rights and Legitimate Interests of Business Entities under the President of the Republic of Uzbekistan);

	Recommendation	Agency	Timing[1]	Progress Update
				2. Limit the Ministry of Justice registration review of CBU acts to compliance with the Constitution and laws of the Republic of Uzbekistan; 3. Allow simplified registration of selected CBU acts based on a positive CBU legal opinion; 4. Allow CBU legal acts to be enacted within the timeframes specified in the acts and remove the three-month lead time for new obligations; 5. Restrict inspections of the CBU (including regional offices and subordinate organizations) to decisions of the Senate of the Oliy Majlis of the Republic of Uzbekistan or cases specified by law.
8	Enhance the evaluation of banks' risk profiles and internal controls during off-site supervision and on-site inspections, and improve supervisory reporting (¶24, 26)	CBU	MT	Risk profile of all 35 banks was assessed in 2025, covering inherent risks, risk management, and governance. Following the alignment of capital adequacy and liquidity requirements with the Basel III framework in 2025, supervisory reporting templates were revised to ensure full consistency with the updated prudential standards. Work has commenced to integrate climate change-related financial risks into the banking supervision framework (a relevant Strategy was adopted and practical guidelines for banks were approved in 2025), with reporting templates on climate risks to be developed and the guidelines implemented by end-2026. The "Roadmap for further improving the system of regulating and supervising banking activities for 2025–2028" prioritizes strengthening supervisory reporting, consolidated reporting, strengthening data management, and alignment with IFRS reporting, development of data on climate-related financial risks, and preparation of supervisory reports based on the principles of proportionality.
9	Accelerate the implementation of consolidated supervision (¶25)	CBU, NAPP	ST	To accelerate the implementation of consolidated supervision, a Memorandum was signed in March 2026 between the CBU and the NAPP. The CBU is developing a consolidated supervision framework for banks and banking groups, including a draft regulation on its implementation, with support from the World Bank. The following steps are planned: Preparing targeted amendments to the Laws on the CBU and on Banks and Banking Activities to establish a clear and adequate legal basis for consolidated supervision; Exploring regulatory approach and key design principles for consolidated supervision; and Drafting secondary regulation on consolidated supervision.
10	Ensure accurate asset classification (¶28)	CBU	I	The CBU has drafted a Regulation "On the Requirements for Asset Classification and the Creation of Provisions to Cover Potential Losses in Commercial Banks", submitted to the CCAMTAC for review, and has received their initial comments.

	Recommendation	Agency	Timing[1]	Progress Update
				The regulation is expected to be adopted by the end of April 2026. Key changes include (i) aligning the NPL definition with the Basel requirements (defaulted exposures) and IFRS 9 (impaired-assets) standards (including unlikely-to-pay criteria); (ii) introducing a forbearance framework, incorporating the concepts of "financial difficulty" and "concession," while eliminating the currently applicable exemptions; (iii) requiring mandatory cure periods for upgrading loans from NPL to performing status. Moreover, the conservative write-off policy applicable to assets classified in the "loss" category will be revised.
	Bank resolution, crisis management and financial safety net			
11	Adopt guidelines for recovery planning and establish a supervisory framework for validation of recovery plan; define an early warning framework for the activation of supervisory measures (¶34-35)	CBU	MT	A draft Regulation "On Requirements for Banks' Financial Recovery Plans" has been prepared based on Financial Stability Board recommendations and other best international practices. The CBU submitted the draft regulation to the World Bank for review and has received their initial comments. The Regulation is expected to be approved by the CBU Board by the end of April. The CBU has requested IMF TA to develop early-warning system (EWS) and prompt corrective action (PCA) framework.
12	Establish a fully-fledged resolution regime by (i) enacting the BRLL (ST), harmonizing the legal powers provided in law for bank resolution and liquidation and (ii) operationalizing the framework (¶35-36)	CBU	ST, MT	The Law on "Bank Resolution and Liquidation" was adopted on June 23, 2025, establishing a legal basis for the bank resolution framework. The CBU set up a dedicated Bank Resolution Unit in August 2025. Secondary legislative acts to operationalize the framework are being drafted with technical support from the World Bank.
13	Operationalize the new deposit insurance framework (¶37)	MoEF CBU, DGA	MT	The Roadmap to implement the FSAP recommendations includes measures: To remove the representative of the Banking Association currently holding a position at the Association from the DGA Board; and To sign a Memorandum of Understanding between the DGA, CBU, and MoEF to establish a formal backstop funding arrangement, under which the CBU and the MoEF may provide financial support to the DGA. A draft is currently under preparation.
14	Complete the ELA arrangements by developing the collateral framework and clarifying the potential use of government guarantees (¶38)	CBU	ST	To implement this recommendation, the Central Bank has engaged technical assistance from the Swiss National Bank (SNB). Online consultations were held on January 23 and February 27, and a preliminary agreement was reached for an in-person TA (II-III quarter of 2026). The proposed framework will establish eligibility criteria for collateral, introduce an asset classification (including HQLA and other eligible domestic assets), and develop a risk-based haircut methodology and valuation principles. It will also define operational and legal procedures for collateral registration, pledge arrangements, and enforcement in the event of counterparty default.

	Recommendation	Agency	Timing[1]	Progress Update
	Developmental Issues			
15	Expedite privatization of SOCBs (¶39)	MoEF	MT	The Roadmap for Implementation of the FSAP Recommendations envisages expediting the privatization of state-owned commercial banks (SOCBs). The Ministry of Economy and Finance and the Central Bank are preparing a new Banking Sector Development Strategy, which will update the approaches and mechanisms for the privatization of SOCBs. Meanwhile, 40 percent of SQB shares have been transferred to UzNIF, the EBRD agreed to buy 15 percent of Asaka (by converting its loan), and work is underway to privatize two small banks.
16	Gradually phase out directed and preferential lending, improve transparency of such lending, and address its systemic risks through stringent capital requirements. (¶40)	MoEF	MT	A comprehensive diagnostic assessment of subsidized lending programs and the development of a roadmap for transitioning MSME financing toward a market-based model is being carried out with the support from the ADB. At the current stage, recent trends as well as key policy priorities are being analyzed in depth. At the same time, the targeting, effectiveness, and impact of subsidized lending programs on financial stability are being assessed across major government programs. Lending practices in commercial banks, risk management systems, and their alignment with international best practices are also being reviewed. Based on these reviews, specific recommendations will be developed to support a gradual transition from subsidized lending to market-based mechanisms and to ensure more efficient allocation of financial resources.
17	Strengthen NAPP's capacity and enforcement powers in capital markets and insurance supervision (¶41)	Pres. Office, NAPP	ST	On 18 December 2025, the President of Uzbekistan signed Decree No. PD-254 "On additional measures to improve the investment climate in the capital market." The Decree sets out a gradual increase in capital requirements for professional market participants, introduces a rating-based supervisory framework for issuers, and expands the NAPP's powers to impose sanctions, restrict activities, and suspend market operations. It also strengthens enforcement for disclosure breaches, market manipulation, and insider trading, advances the use of automated surveillance systems, and embeds a risk-based, judgment-driven approach to supervision. In the insurance sector, (pursuant to the Decree of the President of Republic of Uzbekistan No. DP-22 dated February 16, 2026) a draft of Presidential Decree "On additional comprehensive measures to expand insurance protection for the population and business entities, as well as to strengthen the stability of the insurance market" is being prepared. The draft provides for: • Improving licensing requirements and conditions for insurers; • Aligning authorized capital requirements and capital adequacy and solvency standards for insurers with modern international standards;

	Recommendation	Agency	Timing[1]	Progress Update
				• Enhancing regulation of the reinsurance sector and digitalizing reinsurance operations; • Introducing, in cooperation with the Central Bank, mechanisms to verify and reconcile information reported by commercial banks with the data in insurers' (reinsurers') financial statements
18	Develop insurance specific regulations on corporate governance, internal controls, consumer protection, conduct of business and risk-based capital and supervision (¶42)	NAPP	MT	The following regulatory steps have been taken in 2025: • Law No. LRU-1057 amended the Law "On Insurance Activity" to introduce business-reputation requirements for managers and owners of insurance organizations; • Presidential Resolution PR-191 introduced measures to further improve the reinsurance system; • Cabinet of Ministers Resolution No. 458 (July 23, 2025) required mandatory registration of insurance (reinsurance) contracts and issuance of insurance policies via a unified automated information system; • Cabinet of Ministers Resolution No. 678 (October 27, 2025) adopted measures to establish the national reinsurance organization "O'zbekiston Qayta Sug'urta Kompaniyasi." • A regulation on determining and maintaining insurers' ratings (reg. No. 3601, January 20, 2025) was adopted. To further strengthen the insurance regulatory framework, the Agency has prepared the following draft legal acts, which are being adopted: • Draft regulations on insurers' reserves and the solvency of insurers and reinsurers, aligned with Solvency II standards. The regulations introduce risk-based capital requirements as well measures to strengthen corporate governance, internal control systems, and consumer protection. • A draft regulatory legal act establishing minimum requirements for how insurance organizations should interact with consumers, and a draft Regulation "On Insurance Agents," which introduces modern approaches to regulating insurance agents' activities.
19	Strengthen and expand supervision to all nonbank credit providers and ensure microfinance banks are subject to adequate oversight (¶43)	CBU	ST	**Expanding supervision to all nonbank credit providers** In cooperation with the ADB, the CBU is working to strengthen supervision of non-bank credit organizations (NBCO) based on advanced international practices and by embedding risk-based supervision system for NBCOs into the "Inclusive Financial Sector Development" (Subprogram 3). Remote consultations and review of related documents by international experts have started with in-person work expected shortly.

	Recommendation	Agency	Timing[1]	Progress Update
				Starting from the second half of 2024, the CBU operationalized a framework for remote (off-site) supervision of microfinance institutions (MFIs). Under this framework, monthly assessments of MFIs' compliance with prudential requirements and lending-related regulatory provisions are conducted and systematically submitted to the Bank Supervision Committee for review. From December 1, 2024, microfinance institutions and pawnshops were required to report loan application data and credit information to the CBU's State Register of Credit Information. This measure enabled a comprehensive consolidation of credit portfolios of MFIs and pawnshops by December 2025 and ongoing monitoring of compliance with debt-to-income (DTI) ratio requirements for lending to individuals by MFIs and pawnshops. **Supervision of microfinance banks** With technical assistance from the ADB, the CBU adopted a Resolution "Framework for Risk-Based Supervision of Microfinance Banks' Activities" (14/14 dated June 26, 2025). This framework covers the general aspects of risk-based controls and the processes for evaluating risk profile components, setting the risk-based supervision process and processes for evaluating microfinance banks' risk profile, business model, capital (credit, market, interest and operational risks), corporate governance, and liquidity risk management system. In addition, amendments have been made to the Regulation on bank capital adequacy requirement was amended (No. 3697, dated 28.10.2025)
20	Finalize and operationalize the payment systems oversight framework and expedite the PFMI self-assessment of the most important systems (¶44)	CBU, MoEF	ST	A detailed technical study of the PFMI international standards has been conducted, including requirements related to risk management, corporate governance, operational resilience of payment and settlement systems, and transparency and accountability requirements for financial market infrastructures. A number of key documents related to the PFMI standards have been translated from English into Uzbek and are being studied. Also, the risk-based supervisory frameworks and the PFMI standards of the payment systems of around 10 countries (Kyrgyzstan, Russia, Kazakhstan, Azerbaijan, Georgia, Singapore, Malaysia, Turkey, Belarus, and Armenia) have been studied with a view to strengthening the national regulatory framework. Work is ongoing to develop procedures to identify and assess key risks arising from activities of payment system participants. The authorities have requested TA from the ADB to develop a risk-based supervision manual and support PFMI implementation.
	Financial Integrity			
21	Strengthen the AML/CFT regime, including through imposition of sanctions for legal persons, greater transparency of	CBU	MT	The Financial Monitoring Department reviewed supervisory measures in the field of anti-money laundering and countering the financing of terrorism (AML/CFT) to better reflect risks, improve enforcement, and strengthen sanctions for violations,

	Recommendation	Agency	Timing[1]	Progress Update
	beneficial ownership, and tracking and responding to emerging risks related to virtual assets (¶31)			including those for legal persons. It proposed amendments and additions to the draft Resolution of the Board of the Central Bank "On Amendments and Additions to the Regulation on the Procedure for Applying Measures and Sanctions to Banks and Non-Bank Credit Organizations" (No. 3492 of 23 January 2024) aiming to strengthen the enforcement framework and improve the effectiveness of sanctions for breaches of AML/CFT requirements. These amendments were approved by Resolution of the Board of the Central Bank of the Republic of Uzbekistan No. 6/6 dated 27 March 2026, and submitted to the Ministry of Justice for review. A draft joint Resolution of the CBU Board and the Department under the General Prosecutor's Office of the Republic of Uzbekistan "On Amendments and Additions to the Internal Control Rules for Combating Money Laundering and the Financing of Terrorism in Commercial Banks" (No. 2886 of 23 May 2017) proposes amendments aimed at strengthening internal control mechanisms, improving transparency of beneficial ownership information, and enhancing risk-based monitoring. The Central Bank continues to monitor emerging risks related to virtual assets and is taking steps to strengthen the regulatory and supervisory framework in this area.

[1] I: Immediately; ST: short term= less than 1 year; MT: medium term= 1-5 years.

Annex VI. Data Adequacy Assessment for Surveillance

Table 1. Uzbekistan: Data Adequacy Assessment Rating 1/

B							
Questionnaire Results 2/							
Assessment	National Accounts	Prices	Government Finance Statistics	External Sector Statistics	Monetary and Financial Statistics	Inter-sectoral Consistency	Median Rating
	C	B	C	B	B	B	B
Detailed Questionnaire Results							
Data Quality Characteristics							
Coverage	C	B	C	A	B		
Granularity 3/	D		C	B	A		
			B		D		
Consistency			D	B		B	
Frequency and Timeliness	B	B	B	B	A		

Note: When the questionnaire does not include a question on a specific dimension of data quality for a sector, the corresponding cell is blank.
1/ The overall data adequacy assessment is based on staff's assessment of the adequacy of the country's data for conducting analysis and formulating policy advice, and takes into consideration country-specific characteristics.
2/ The overall questionnaire assessment and the assessments for individual sectors reported in the heatmap are based on a standardized questionnaire and scoring system (see IMF *Review of the Framework for Data Adequacy Assessment for Surveillance*, January 2024, Appendix I).
3/ The top cell for "Granularity" of Government Finance Statistics shows staff's assessment of the granularity of the reported government operations data, while the bottom cell shows that of public debt statistics. The top cell for "Granularity" of Monetary and Financial Statistics shows staff's assessment of the granularity of the reported Monetary and Financial Statistics data, while the bottom cell shows that of the Financial Soundness indicators.

A	The data provided to the Fund are adequate for surveillance.
B	The data provided to the Fund have some shortcomings but are broadly adequate for surveillance.
C	The data provided to the Fund have some shortcomings that somewhat hamper surveillance.
D	The data provided to the Fund have serious shortcomings that significantly hamper surveillance.

Rationale for staff assessment. While there are significant weaknesses in a few areas, staff judges that Uzbekistan's official statistics are broadly adequate for surveillance. The coverage of fiscal statistics has improved in recent years and most recently with the inclusion of all the remaining social loan programs in the 2026 budget. The coverage of GDP statistics continues to be broadened to better measure economic activity and steps are being taken to improve coordination among institutions producing statistics. The authorities completed population and agricultural censuses in 2026, 37 years after the last ones were carried out which will allow to improve statistics quality.

Changes since the last Article IV consultation.
Government Finance Statistics (GFS): The authorities completed a comprehensive review of over 3,000 State-Owned Enterprises (SOEs) and the first set of monthly GFS for the General Government sector with history going back to 2021 were compiled.
External Statistics: The National Statistics Committee discontinued the publication of FDI statistics which were not in line with international standards. The Central Bank of Uzbekistan, which was already publishing FDI information meeting balance of payments statistics international standards, is now the only official source of this data.
Price Statistics: The CPI weights reflect expenditure made by the entire population throughout Uzbekistan.
National Accounts : The National Statistics Committee (NSC) revised GDP statistics in November 2025 to better capture public sector activity.
Special Data Dissemination Standard (SDDS). The authorities' progress towards re-establishing GFS reporting is welcome since it is an important stumbling block for achieving SDDS. Substantial work was also carried out to compile the reserve template.

Corrective actions and capacity development priorities. Overall, greater interagency coordination and additional staff in several areas to improve the quality of economic statistics remain important issues. Undertaking an IMF Report on the Observance of Standards and Codes (ROSC) to assess statistics would help further guide the authorities' capacity development priorities in their efforts to align statistics in Uzbekistan with international standards.
Government Finance Statistics : Further refinements to the general government data are needed to meet GFSM 2014 requirements by properly reflecting tax-sharing arrangements, disaggregating externally financed expenditures, and performing specific tax revenue reclassifications. Once general government GFS data are finalized and published regularly, expansion in the coverage of the fiscal accounts to cover the public sector would be appropriate given the importance of SOEs and SOCBs in Uzbekistan.
External Sector Statistics : Following up on previous efforts, the authorities could reconcile trade in goods with partner countries and improve statistics on travel, remittances, and direct investment. The timeliness of publication of balance of payment statistics remains to be improved.
Monetary and Financial Statistics : The CBU could improve Financial Sector Indicators (FSIs), by reporting FSIs with definitions that are more aligned with international standards, especially in the area of asset quality, other financial institutions, and nonfinancial sectors.
National Accounts : The NSC should continue to work on improving the discrete monthly Industrial and Production Index, review the sectorization of institutional units in the context of national accounts to delineate clearly private and public activity, and ensure that value added of SOEs in GDP is correctly measured. The recently completed sectorization of institutional units should be used consistently across all economic sectors.
Price Statistics: The publication of data on core inflation, fruits and vegetables, and administered prices could be improved.
Special Data Dissemination Standard (SDDS). To participate in the SDDS, the authorities need to finalize the compilation of the reserves template and improve the timeliness and periodicity of several data categories while ensuring this data is published on a timely basis in the National Data Summary Page.

Use of data and/or estimates in Article IV consultations in lieu of official statistics available to staff.
Staff use official statistics for all sectors. Government budget statistics are adjusted to ensure that the definition of revenue, expenditure, and policy lending are in line with GFS.

Other data gaps.

Table 2. Uzbekistan: Data Standards Initiatives

Uzbekistan participates in the Enhanced General Data Dissemination System (e-GDDS) and publishes the data on its National Summary Data Page since May 2018.

Table 3. Uzbekistan: Table of Common Indicators for Surveillance

As of May 28, 2026

	Data Provision to the Fund				Publication under the Data Standards Initiatives through the National Summary Data Page			
	Date of Latest Observation	Date Received	Frequency of Data[7]	Frequency of Reporting[7]	Expected Frequency[7,8]	Announced Frequency[9]	Expected Timeliness[7,8]	Announced Timeliness[9]
Exchange Rates	28-May-26	28-May-26	D	D	D	M	...	1M
International Reserve Assets and Reserve Liabilities of the Monetary Authorities[1]	Apr-26	May-26	M	M	M	M	1W	1M
Reserve/Base Money	Apr-26	May-26	M	M	M	M	2W	2M
Broad Money	Apr-26	May-26	M	M	M	M	1M	1Q
Central Bank Balance Sheet	Apr-26	May-26	M	M	M	M	2W	2M
Consolidated Balance Sheet of the Banking System	Apr-26	May-26	M	M	M	M	1M	1Q
Total Assets of Other Depository Corporations[2]	Apr-26	May-26	M	M	M	M	1M	1Q
Total Credit of Other Depository Corporations[2]	Apr-26	May-26	M	M	M	M	1M	1Q
Interest Rates[3]	Apr-26	May-26	M	M	D	M	...	1M
Consumer Price Index	Apr-26	May-26	M	M	M	M	1M	5D
Revenue, Expenditure, Balance and Composition of Financing[4]–General Government[5]	2026 Q1	May-26	Q	Q	A	Q	2Q	40D
Revenue, Expenditure, Balance and Composition of Financing[4]–Central Government	2026 Q1	May-26	Q	Q	M	Q	1M	1Q
Stocks of Central Government and Central Government-Guaranteed Debt[6]	2026 Q1	May-26	Q	Q	Q	Q	1Q	2Q
Total Stock of General Government Debt[5]	2026 Q1	May-26	Q	Q	Q	...	4M	...
External Current Account Balance	2025 Q4	Mar-26	Q	Q	Q	Q	1Q	1Q
Exports and Imports of Goods and Services	Mar-26	Apr-26	M	M	M	M	8W	20D
GDP/GNP	2026 Q1	Apr-26	Q	Q	Q	...	1Q	...
Gross External Debt	2025 Q4	Mar-26	Q	Q	Q	Q	1Q	2Q
International Investment Position	2025 Q4	Mar-26	Q	Q	Q	Q	1Q	1Q

[1] Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

[2] Other depository corporations include all deposit-taking corporations (except for the central bank) and money market funds.

[3] Both market-based and officially determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

[4] Foreign, domestic bank, and domestic non-bank financing.

[5] The general government consists of the central government (budgetary funds, extra-budgetary funds, and social security funds) and state and local governments. The total stock of general government debt is required for SDDS Plus countries and encouraged for SDDS and e-GDDS countries.

[6] Including currency and maturity composition.

[7] Frequency and timeliness: ("D") daily; ("W") weekly or with a lag of no more than one week after the reference date; ("M") monthly or with lag of no more than one month after the reference date; ("Q") quarterly or with lag of no more than one quarter after the reference date; ("A") annual; ("SA") semi-annual; ("I") irregular; ("NA") not available or not applicable; and ("NLT") not later

[8] Encouraged frequency of data and timeliness of reporting under the e-GDDS and required frequency of data and timeliness of reporting under the SDDS and SDDS Plus. Any flexibility options or transition plans used under the SDDS or SDDS Plus are not reflected. For those countries that do not participate in the IMF Data Standards Initiatives, the required frequency and timeliness under the SDDS are shown for New Zealand, and the encouraged frequency and timeliness under the e-GDDS are shown for Eritrea, Nauru, South Sudan, and Turkmenistan. Indicators that are not in the IMF Data Standards Initiatives are shown as "...".

[9] Based on the information from the Summary of Observance for SDDS and SDDS Plus participants, and the Summary of Dissemination Practices for e-GDDS participants, available from the IMF Dissemination Standards Bulletin Board (https://dsbb.imf.org/). For those countries that do not participate in the Data Standards Initiatives, as well as those that do have a National Data Summary Page, the entries are shown as "...".

Annex VII. Capacity Development

Context

1. Uzbekistan continues to receive substantial capacity development (CD) assistance from international and bilateral donors and was the seventh largest recipient of IMF CD in FY25. Uzbekistan's authorities are highly engaged and have demonstrated strong ownership of their CD agenda. Challenges remain, including capacity to absorb CD, staff turnover, and coordination among donors.

Ongoing Capacity Development

2. The IMF provides CD assistance via missions by headquarters staff and short-term experts, periodic visits by experts from the Caucasus and Central Asia Technical Assistance Center (CCAMTAC), and resident advisors (revenue administration and public financial management). Areas include:

- **Fiscal**: Delivered CD covered *tax policy, revenue and customs administration, pension reform*, *public financial management*, *public investment management* (including through a PIMA update with a climate module), *fiscal risk management* (including monitoring and management of risks related to PPPs and SOEs), *and macro-fiscal monitoring and forecasting*.

- **Monetary Policy and Central Bank Operations:** CD provided focused on *strengthening the monetary policy framework and transmission, foreign exchange and monetary operations,* and *central bank internal audit;* and *fully aligning financial statements with IFRS*.

- **Financial Sector Stability:** In 2025, Uzbekistan had its first Financial Sector Stability Program (FSAP). Technical notes covered *the role of the state* in the banking system, *bank stress testing*, *macroprudential policies*, the *financial safety net* and *emergency liquidity assistance*, and *local capital market development*, among others. CD provided focused on *stress testing*.

- **Statistics:** CD was delivered on *sectorization*, *national accounts*, and the consumer, producer, and real estate *price indices*.

3. Priorities over the next year

- **Fiscal:** Continued CD on expenditure policy, PFM reforms, government finance statistics, and macroeconomic forecasting.

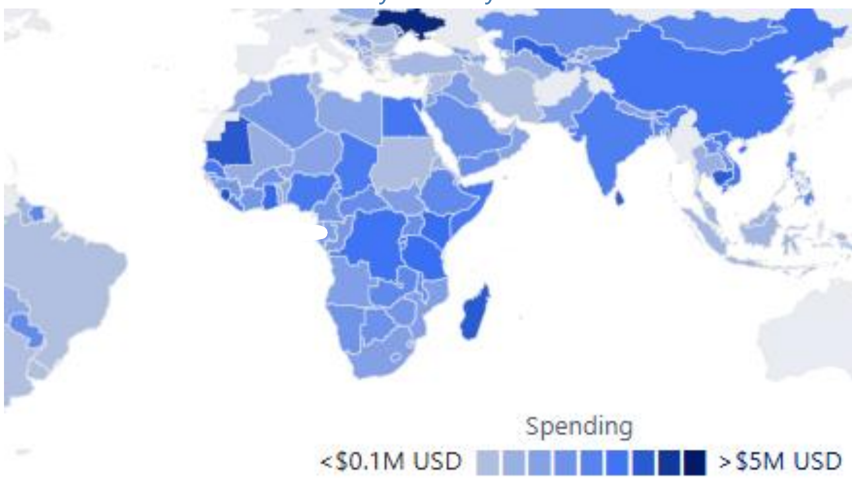
- **Monetary:** Continued CD on exchange rate flexibility; central bank transparency, governance, communication, and risk management; and macroeconomic forecasting.

- **Financial System:** CD will focus on Implementation of FSAP recommendations, especially on improving monitoring of the banking system through stress testing, enhancing supervision and macroprudential policy frameworks, and reforming the financial safety net. CD will also support work on licensing, bank resolution, IFRS 9 adoption, and capital account liberalization.

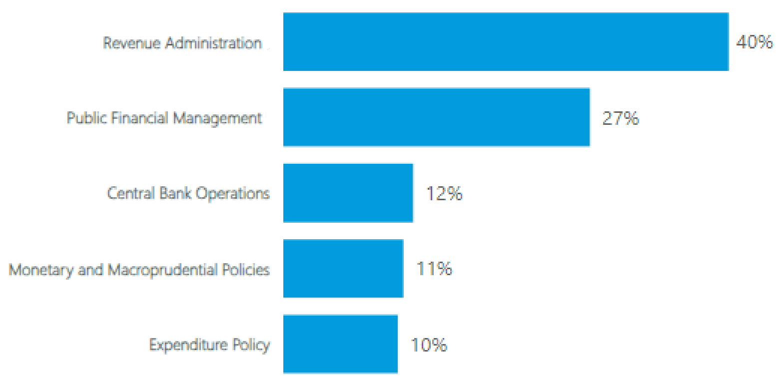
- **Statistics.** Continued CD on government finance statistics, national accounts, prices indices, and analysis of the results of the recent population and agriculture censuses. New CD on improving financial soundness indicators and assessing Uzbekistan's statistical system (ROSC).

Figure 1. Expenditure on Capacity Development by Country and, for Uzbekistan, by Capacity Development Area
May 2024 – Apr 2025

By Country



By Capacity Development Area
(in USD thousands)



INTERNATIONAL MONETARY FUND

REPUBLIC OF UZBEKISTAN

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

May 28, 2026

Prepared By: Middle East and Central Asia Department

CONTENTS

FUND RELATIONS

(As of April 30, 2026)

The latest data may be found on the IMF Members' Financial Data by Country website by selecting Uzbekistan and the date.

Membership Status:

Joined:	September 21, 1992
Status:	Article VIII

General Resources Account:	**SDR Million**	**Percent of Quota**
Quota:	551.20	100.00
IMF Holdings of Currency	551.20	100.00
Reserve Tranche Position	0.01	0.00

SDR Department:	**SDR Million**	**Percent of Quota**
Net Cumulative Allocation	791.09	100.00
Holdings	419.73	53.06

Outstanding Purchases and Loans:		
RCF Loans	82.85	15.03

Latest Financial Commitments:

Arrangements:

Type	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
Stand-By	Dec 18, 1995	Mar 17, 1997	124.70	65.45

Outright Loans:

Type	Date of Commitment	Date Drawn/Expired	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
RFI	May 18, 2020	May 19, 2020	183.55	183.55
RCF	May 18, 2020	May 20, 2020	92.05	92.05

Undrawn outright disbursements (RFI and RCF) expire automatically 60 days following the date of commitment, i.e., Board approval date.

Projected Payments to Fund [1]

(SDR Million; based on existing use of resources and present holdings of SDRs):

	2026	2027	2028	2029	2030
Principal	18.41	18.41	18.41	18.41	9.21
Charges/Interest	7.57	10.14	10.14	10.13	10.14
Total	25.98	28.55	28.55	28.54	19.34

[1] When a member has overdue financial obligations outstanding for more than three months, the amount of such arrears will be shown in this section.

Implementation of HIPC Initiative:	Not Applicable
Implementation of Multilateral Debt Relief Initiative (MDRI):	Not Applicable
Implementation of Catastrophe Containment and Relief (CCR):	Not Applicable

Exchange Rate Arrangements

Uzbekistan accepted the obligations of Article VIII Sections 2, 3, and 4 of the IMF Articles of Agreement and maintains an exchange system free of restrictions on the making of payments and transfers for current international transactions and of multiple currency practices.

Uzbekistan’s de jure and de facto exchange rate arrangement is floating. The exchange rate is determined based on foreign currency supply and demand on Uzbekistan’s currency exchange. The Central Bank of the Republic of Uzbekistan (CBU) has a priority right to directly buy gold produced in Uzbekistan. It sterilizes gold-purchase-related local currency injections using both foreign exchange sales and other instruments (mostly, CBU notes and overnight deposits). The CBU also intervenes in the foreign exchange market to smooth out undue short-term volatility. Foreign exchange sales by the CBU in the foreign exchange market are not directed at affecting the fundamental trend of the exchange rate.

Safeguards Assessment

A first-time safeguards assessment of the CBU was completed in March 2022 in connection with the Rapid Credit Facility and Rapid Financing Instrument approved by the IMF Executive Board on May 18, 2020. While the assessment found significant vulnerabilities in the safeguards framework at the CBU, including in the areas of governance, financial reporting, and key functions such as internal audit, reserves management, lender of last resort, and risk management, the CBU has made notable progress in implementing most of the safeguards recommendations. Nevertheless, additional efforts are needed to address the remaining recommendations regarding the publication of the CBU’s audited financial statements and legal amendments: to strengthen the CBU's internal oversight by ensuring a majority of non-executives on the CBU's Board, to introduce collegial decision-making for the executive management, to align the CBU's functions with leading practices, and to improve the financial and personal autonomy safeguards.

Article IV Consultation

The Republic of Uzbekistan is on the standard 12-month Article IV consultation cycle. The previous Article IV consultation was concluded on June 16, 2025.

Resident Representative

The IMF has had a resident representative in Uzbekistan since December 2020. Previously, a resident representative office was open in Tashkent from September 1993 to April 2011.

RELATIONS WITH OTHER INTERNATIONAL INSTITUTIONS

Asian Infrastructure Investment Bank (AIIB):
AIIB - Project List - Uzbekistan

Asian Development Bank (ADB):
Uzbekistan and ADB

European Bank for Reconstruction and Development (EBRD):
The EBRD in Uzbekistan

Organization for Economic Cooperation in Europe (OECD):
OECD - Uzbekistan - Sustainable Infrastructure Programme in Asia

World Bank Group:
The World Bank in Uzbekistan

REPUBLIC OF UZBEKISTAN

May 28, 2026

STAFF REPORT FOR THE 2026 ARTICLE IV CONSULTATION—DEBT SUSTAINABILITY ANALYSIS

Approved By
Thanos Arvanitis and Jarkko Turunen (IMF) and Abebe Adugna and Manuela Francisco (IDA)

Prepared by the International Monetary Fund and the International Development Association.

Risk of External Debt Distress	Low
Overall Risk of Debt Distress	Low
Granularity in the Risk Rating	Not Applicable
Application of Judgement	No

The Debt Sustainability Analysis (DSA) finds Uzbekistan's risk of external debt distress is low[1] and debt carrying capacity is strong.[2] Under the baseline scenario, public and publicly guaranteed (PPG) external debt and total external debt gradually fall from their 2025 levels of 26 and 54 percent of GDP, respectively.[3] Compared to the previous June 2025 DSA, the paths of the PPG external and total external debt-to-GDP ratios are modestly lower over the medium term[4].

Under stress scenarios, the indicators for PPG external debt remain below relevant thresholds. The realization of contingent liabilities from state enterprises, public-private partnerships (PPPs), and financial markets remains the greatest potential shock to the PV of PPG external debt-to-GDP ratio. A large negative shock to exports and a one-time depreciation would have the largest potential impacts on other external debt indicators.

[1] This DSA was prepared jointly by IMF and World Bank staff and is based on the Joint Bank-Fund Low-Income Country Debt Sustainability Analysis (LIC-DSA) methodology.

[2] Uzbekistan's Composite Indicator score is 3.31 based on data from the October 2025 World Economic Outlook and the 2024 World Bank Country Policy and Institutional Assessment.

[3] In 2025, the government revised GDP statistics to more accurately reflect general government activity. Reported GDP rose by about 5.5 percent on average since 2017 and indicators expressed as a ratio to GDP fell by a corresponding amount. Thus, the indicators expressed as a percent of GDP in this DSA are not comparable to those in the 2025 DSA.

[4] The medium term in this DSA refers to 2026-2031 compared to 2025-2030 in the 2025 DSA.

Overall, the probability that risks will materialize is higher than in the 2025 DSA due to higher external risks. Risks arising from geopolitical tensions, protectionism, and trade policy shocks have risen and upside risks from higher gold prices, capital flow, and remittances seem more limited given recent favorable conditions. Risks are mitigated by Uzbekistan's strong macroeconomic performance, relatively high foreign exchange reserves (13 months of imports and 45 percent of GDP at end-2025), and a large share of official borrowing—76 percent of total PPG debt—at long maturities and relatively low interest rates.

Government policies also contribute to risk mitigation. These include government limits on the annual fiscal deficit, new domestic and external borrowing (including guarantees for state enterprise debt), and on the stock of public debt. The annual budget law also sets ceilings on the overall fiscal deficit, new commitments of PPG external debt, and new PPPs commitments. The authorities are working to further reduce fiscal risks from SOEs and PPPs and are advised to strengthen the disclosure of SOE risks in the fiscal risks statement, tighten the annual PPP cap, advance the standardization of PPP contract provisions, and impose a stock ceiling on PPPs.

PUBLIC DEBT COVERAGE AND BACKGROUND

1. **The coverage of public debt is broad** (Text table 1). Public debt coverage comprises public and publicly guaranteed debt (PPG) of the central, regional, and local governments; extra-budgetary funds (including the pension fund); and explicitly guaranteed debt of state-owned enterprises (SOEs). At end-2025, total PPG debt amounted to 28.6 percent of GDP with its breakdown shown in text Table 2. As of end-2025, official debt (i.e., multilateral and bilateral) accounted for 76 percent of total debt while commercial external and domestic debt accounted for the remaining 24 percent. Public debt accounts for 89 percent of PPG debt with publicly guaranteed debt accounting for the remaining 11 percent. PPG debt excludes non-guaranteed debt of SOEs and direct and contingent liabilities from public-private partnerships (PPPs). The government does not have outstanding debt to the central bank.

Text Table 1. Uzbekistan: Coverage of Public Sector Debt

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	X
3	Other elements in the general government	X
4	o/w: Social security fund	X
5	o/w: Extra budgetary funds (EBFs)	X
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	

Text Table 2. Uzbekistan: Total Public and Publicly Guaranteed Debt Stock
(As of end-December 2025)

	USD Blns	% of GDP	% of Total
By Creditor Type	**$44.0**	**28.6%**	**100%**
External	**$39.8**	**25.9%**	**91%**
Multilateral	$22.3	14.5%	51%
Bilateral	$10.8	7.0%	25%
Commercial	$6.7	4.4%	15%
Domestic	**$4.1**	**2.7%**	**9%**
Domestic (in UZS trillions)	49.9		
By Public & Guaranteed	**$44.0**	**28.6%**	**100%**
Public	$39.2	25.5%	89%
External	$35.0	22.8%	80%
Domestic	$4.1	2.7%	9%
Publicly Guaranteed	$4.8	3.1%	11%

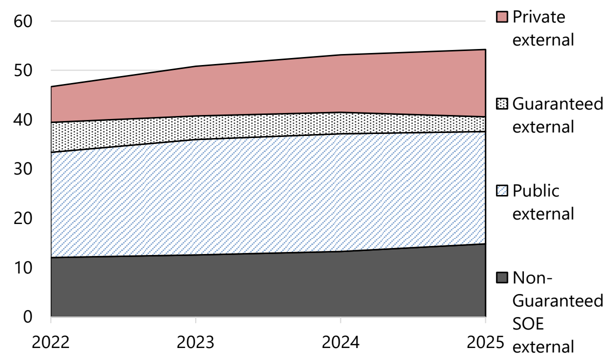
Sources: Authorities data.

2. **Uzbekistan's PPG and total external debt rose rapidly prior to 2020 from a low base but have remained broadly stable since then.**

- ***Total PPG debt*** rose steadily from 6 percent of GDP in 2015 to 32 percent of GDP in 2020. The rise in the stock of PPG debt can be attributed in part to the large exchange rate depreciation in 2017 following the unification of the official and parallel market exchange rates and to government borrowing to finance reform efforts. From 2021 to 2025, the stock of total PPG remained broadly stable averaging around 30 percent of GDP. In terms of debt composition, while official debt largely denominated in US$ continues to dominate the PPG debt portfolio, the share of commercial debt has been growing. This reflects the authorities' goal to strengthen their access to international financial markets (with the successful issuance of Eurobonds in multiple currencies US$, Euro, and UZS) and develop and deepen domestic debt markets to be able to finance the public sector fully from domestic and external sources in the future. Domestic debt has grown rapidly but from a low base, as Uzbekistan had no domestic debt in 2018. By 2025, it has accounted for 27 percent of gross borrowing.

- ***Total external debt,*** defined as the sum of PPG external debt, non-guaranteed SOE external debt, and private external debt, rose from 13.5 percent of GDP in 2015 to 49 percent of GDP in 2020. PPG external debt accounted for about 25 percentage points of GDP of this increase while the combination of SOE and private sector borrowing accounted for the remaining 10.5 percentage points[5]. Since 2022, PPG external debt has declined by about 2 percentage points of GDP. The increase in total external debt has been largely driven by private sector external borrowing. Private external debt increased by about 6.5 percentage points of GDP from 2022 to 2025 while non-guaranteed SOE debt increased by a more limited 2.8 percentage points of GDP over the same period. The increase in private external debt was largely driven by oil, gas, and energy sector firms (60 percent) and to a much smaller extent private banks (8 percent) while the remainder is distributed across all other sectors. The smaller increase in the non-guaranteed external debt of SOEs reflects authorities' measures to tighten the criteria for authorizing SOE borrowing—reflected in declining guaranteed external debt—and bring SOEs that can borrow on the strength of their balance sheets to international markets.

Evolution and Composition Total External Debt, 2022-2025 /1
(Percent of GDP)



Source: Authorities data
1/Non-Guaranteed SOE External Debt is as of end 2025.

3. The composition of external debt reduces Uzbekistan's exposure to shocks (Text Table 2). Uzbekistan primarily borrows from official creditors, largely in US dollars at long maturities. While dollar debt denomination creates exposure to exchange rate depreciation, this risk is more than offset by low rollover and market risks, as well as favorable interest rates reflecting the semi-concessional nature of the loans. The Asian Development Bank and the World Bank are Uzbekistan's largest multilateral creditors. China and Japan are the largest bilateral creditors. Commercial debt is comprised primarily of Eurobonds, although commercial banks have also extended credit to the government.

[5] Historical data for non-government guaranteed SOE external debt include data for state owned banks and are available from 2022.

4. The authorities have been lengthening the maturities of domestic debt in line with their goal to develop longer-term domestic debt markets. As of end-2020, about 40 percent of the stock of public domestic debt had a maturity of less than a year and about 60 percent maturities of a year or longer. This compares to 9.5 percent and 90.5 percent, respectively, as of end-2025. In 2025, issuance of debt with a maturity of a year or longer accounted for 100 percent of gross issuance. Interest rates on domestic bonds were between 14 and 15 percent, compared to the current central bank policy rate of 14 percent, and consumer inflation of 7.3 percent. More recently, interest rates on longer-dated domestic bond issuances have declined, following the successful issuance of 1 billion US dollar equivalent Soum Eurobonds at 12.25 percent in line with Uzbekistan's improving sovereign credit ratings.

RECENT DEVELOPMENTS AND UNDERLYING ASSUMPTIONS

A. Assumptions for the Macroeconomic Forecast

5. The impact of the Middle East war on Uzbekistan has been modest thus far. The full extent will depend on the duration and intensity of the war, with spillovers likely to operate mainly through global commodity prices and growth in key trading partners, given limited trade and remittance linkages with countries directly affected. As a major gold exporter[6], Uzbekistan is likely to benefit from higher gold prices amid heightened global uncertainty, while higher oil prices would feed through with a lag as contracts with Russia and other suppliers are renewed. In most plausible scenarios, higher gold prices would largely cushion adverse effects on growth, the fiscal deficit, and the current account—except under a tailored downside scenario in which gold prices fall[7]. Higher logistics costs from the temporary closure of a key trade route through Iran—together with potentially higher energy prices—could put upward pressure on inflation, while secondary effects may include some diversion of capital flows toward Uzbekistan and, to a lesser extent, increased migration.

6. Against this backdrop, Uzbekistan's economic performance has remained robust since the 2025 DSA. In particular:

- **Growth:** Real GDP growth strengthened, rising from 6.7 percent in 2024 to 7.7 percent in 2025. It is projected to remain strong at 6.8 percent in 2026, underpinned by continued reforms, strong investment and remittance inflows, and elevated gold prices. Growth is expected to moderate to 6 percent in 2027 and gradually converge toward its estimated potential, as domestic demand softens amid slowing remittance inflows and stabilizing gold prices.

- **Inflation:** Headline end-of-period CPI inflation eased to 7.3 percent year-on-year (y/y) at end-December 2025, from 9.8 percent a year earlier, despite strong domestic demand. This disinflation reflects the waning effects of the May 2024 administered energy price increases, an

[6] In 2025, the share of gold in total exports was 30.3 percent.

[7] See the 2026 Article IV Consultation Staff Report for a discussion of the tailored downside scenario.

appreciation of the sum against the U.S. dollar (around 6.9 percent in 2025), and a tight monetary policy stance. Over the medium term, restrictive monetary policy and supportive fiscal policy and structural reforms are expected to bring inflation down to the central bank's target of 5 percent.

- **Fiscal outlook:** High commodity prices and strong economic activity contained the fiscal deficit in 2025 at 2.1 percent of GDP, well below the 3 percent budget target. This deficit was also about 1 percentage point of GDP lower than in 2024, largely due to higher revenue (1.5 percentage points of GDP), of which 1.4 percentage points of GDP reflected higher mineral revenues—particularly from gold. The fiscal deficit is projected to decline in 2026 to 1.5 percent of GDP, given that the budget's conservative revenue assumptions, particularly for gold prices, will lead to sizable revenue overperformance. In 2027 and over the medium term, the overall fiscal deficit is projected to be 2 percent of GDP and 3 percent of GDP, respectively, remaining in line with the government's target of 3 percent of GDP. This will result in primary deficits between 1 and 2 percent of GDP over the projection period.

- **External Outlook.** The non-interest current account deficit (NICAD) fell from 2.3 percent of GDP in 2024 to 1.5 percent of GDP in 2025, reflecting strong export performance, as well as continued robust remittance inflows. With higher gold exports in 2026, the NICAD is projected to remain broadly constant, before widening gradually from 2027 onwards as gold price increases moderate, remittance growth slows, and import demand remains robust. The non-interest current account deficit is expected to range between 2 and 3 percent of GDP over the projection period.

7. The outlook remains subject to elevated uncertainty, with downside risks and limited potential for additional upside surprises. External risks stem from geopolitical tensions, protectionism, trade disruptions, commodity price volatility, lower gold prices, and an uncertain global outlook. Domestically, risks include pressures for procyclical spending, expanded directed and preferential lending, potential weakening of bank balance sheets, and contingent liabilities from SOEs, state owned commercial banks(SOCBs), and public-private partnerships (PPPs). On the upside, faster structural reform implementation could further strengthen the outlook, though additional gains from capital inflows, remittances, or higher gold prices appear limited given already favorable conditions.

8. The outlook is also subject to climate-related risks. These include water scarcity, rising temperatures, and land degradation. While the baseline macroeconomic framework does not explicitly quantify the long-term impact of climate change, these risks are partly mitigated by ongoing public investment and structural reforms. The authorities are advancing adaptation and mitigation efforts, including improving irrigation efficiency (such as expanding drip irrigation systems and upgrading pumping stations), developing renewable energy, and implementing broader reforms to strengthen water and energy management[8]

[8] See World Bank analytical work, including the Country Climate and Development Report (CCDR), for a more detailed assessment of climate-related vulnerabilities and policy priorities.

Text Table 3. Uzbekistan: Comparison of Key Macroeconomic Assumptions
(Percent of GDP unless otherwise indicated)

DSA Vintage:	Actual	2025 Art IV		Current	
Key macroeconomic variables (annual averages)	2021-25	2025-2030	2031-45	2026-31	2032-46
		(percent change)			
Real GDP growth	7.0	5.8	5.5	6.0	5.7
GDP deflator (UZS)	13.3	8.3	7.0	7.3	7.0
Nominal GDP (UZS)	21.3	14.5	12.9	13.7	13.1
Exports of goods & services (USD)	17.3	9.5	10.0	12.2	10.2
Fiscal balance		**(percent of GDP)**			
Revenues & grants	24.7	25.6	27.6	26.6	28.4
Primary expenditure (including policy lending)	27.7	27.6	29.1	28.0	29.6
Primary deficit (incl policy lending)	3.0	1.9	1.5	1.5	1.2
External balance		**(percent of GDP)**			
Non-interest current account deficit	3.1	3.2	2.3	2.5	2.4
Current account deficit	5.0	4.8	4.8	3.9	4.8

Source: Authorities' data and IMF and World Bank staff estimates.

- **Financing needs and Financing Strategy**: Public gross financing needs are expected to rise from 4.7 percent of GDP in 2025 to about 6 percent of GDP in 2031, reflecting the maturity profile of public debt. The share of **external financing** over the period 2026-2031 is expected to remain high, averaging about 60 percent of total gross borrowing despite expected gradually increasing domestic debt financing. **Domestic financing** is projected to average about 40 percent of government gross borrowing, largely from the issuance of domestic bonds. The government is also expected to obtain financing from privatization. These trends are foreseen to broadly continue beyond 2031, with external financing gradually declining in importance as domestic financing takes a larger role. Within external financing, market Eurobond financing is expected to increase as official financing gradually declines as a share of GDP.

B. Realism Tools for the Baseline Scenario

9. The realism tools indicate that the historical drivers of PPG external debt and gross nominal public debt are expected to continue to underpin their medium-term projections.

- **Debt drivers**. Over the last 5 years, ***PPG external debt*** has decreased by about 5.5 percentage points of GDP, driven by price, exchange rate, and real GDP growth factors. Going forward, it is projected to continue to decline by about 4 percentage points of GDP, reflecting the continued influence of these drivers. However, price and exchange rate effects are expected to weaken as gold prices stabilize and real exchange rate appreciation moderates. (Figure 3 top middle panel). **Gross nominal public debt** has declined by 3.3 percentage points of GDP over the past 5 years, driven by real GDP growth and real exchange rate appreciation. These factors are expected to continue to support a further decline of about 3 percentage points of GDP over the next 5 years (Figure 3, middle bottom panel), although the contribution from real exchange rate appreciation is likely to be smaller.

- **Forecast Errors** for Uzbekistan's PPG external debt and gross nominal public debt have been outside the interquartile range for LICs, with actual debt being lower than previously projected. For PPG external debt, the largest unexpected change came from price and exchange rate factors, reflecting the large surge in gold prices and the appreciation of the Sum in 2025, which were difficult to predict. As for gross nominal public debt, while the combination of faster-than-expected real exchange rate appreciation and real GDP growth, and a lower than projected real interest rate accounts for most of the unexpected change, other debt creating flows also played a role.

10. Fiscal adjustment and investment realism charts indicate that GDP growth projections are conservative and that investment trends align with history.

- The top left panel of Figure 4 shows that the projected baseline fiscal expansion over the next three years—as the fiscal deficit returns to 3 percent GDP from its current lower levels—lies close to the center of the historical distribution of 3-year primary balance changes in low-income countries. The top right panel of Figure 4 suggests that the baseline growth projection is conservative given the fiscal expansion, regardless of the fiscal multiplier assumed.

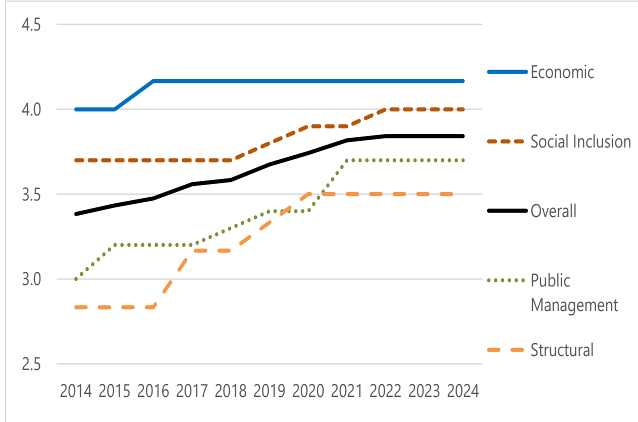
- The bottom left chart of Figure 4 shows that government investment has been stable over the last five years, averaging about 7.6 percent of GDP. In 2025, consolidated government investment increased to 7.9 percent of GDP, supported by elevated mineral revenue. With gold prices projected to remain high under the baseline and continued efforts to gradually increase tax revenue, the higher revenue to GDP ratio from 2026 onwards will allow funding of additional government investment, which would remain above historical levels, averaging around 9 percent of GDP over the medium term. Estimated private investment has risen over the last five years by about 12.5 percentage points of GDP reaching 35 percent of GDP in 2025 and is projected to rise further to 39 percent of GDP by 2031 as reforms support a gradual transition toward a more market-oriented economy[9].

[9] Figures of government and private investment need to be interpreted with caution. The sectorization of entities for the Uzbek economy is incomplete and is not applied consistently across sectors. It is therefore possible that public sector entities are counted as part of the private sector in the same way that private external debt as reported currently includes non-guaranteed debt of SOEs. In addition, private investment may include PPP projects that should be classified as government investment since private companies are implementing public investment projects.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

11. **Uzbekistan's debt-carrying capacity is assessed as strong**. The IMF-World Bank Composite Indicator (CI) score for Uzbekistan is 3.31, broadly unchanged from the 2025 DSA. CPIA scores across categories remained largely stable in 2024—the latest year available—also unchanged relative to the ones in the 2025 DSA, where the latest data were for 2023. The assessment of debt-carrying capacity determines the applicable debt burden thresholds (e.g., the present value of debt-to-GDP and debt service-to-exports ratios) used to signal debt distress risks; stronger debt-carrying capacity is associated with higher thresholds.

Country Policy & Institutional Assessment, 2014-2024
(Score out of 6)



Source: World Bank CPIA Databank

Text Table 4. Uzbekistan: Calculation of the Composite Index of Debt Carrying Capacity

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.4	3.8	1.47	45%
Real growth rate (in percent)	2.7	5.8	0.16	5%
Import coverage of reserves (in percent)	4.1	58.0	2.35	71%
Import coverage of reserves^2 (in percent)	-4.0	33.6	-1.34	-41%
Remittances (in percent)	2.0	12.7	0.26	8%
World economic growth (in percent)	13.5	3.0	0.41	12%
CI Score			**3.31**	100%
CI rating			**Strong**	

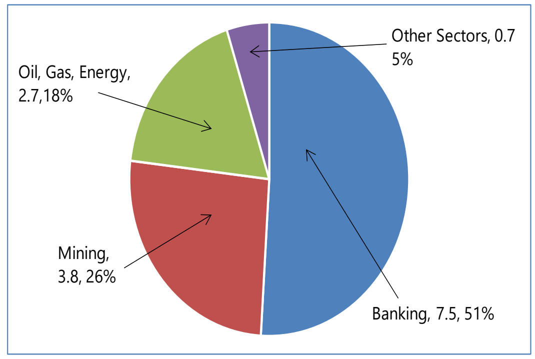
CI scores are used to classify a country's debt carrying capacity. Countries with CI scores below the 25th percentile (2.69) are classified as weak. Countries with CI scores above the 75th percentile (3.05) are classified as strong. Countries with CI scores in between are classified as medium.

12. **Contingent liabilities from SOEs and PPP represent important sources of fiscal risk in Uzbekistan and are therefore incorporated into the stress tests.** At end-2025, non-guaranteed SOE debt and the nominal value of outstanding PPPs is estimated to have amounted to about 15 percent and 24 percent of GDP, respectively. Given their sizable magnitudes, stress tests of the debt trajectory include the possibility that a portion of these contingent liabilities could be realized. In line with the DSA methodology, standard stress tests are also conducted for potential contingent liabilities arising from the financial sector, which has been a significant source of fiscal risk internationally. Text Table 5 summarizes the size of the shocks applied for each source of risk (e.g., a 4.6 percent of GDP shock for the realization of

PPP-related contingent liabilities) and the underlying assumptions used to calibrate them (e.g., applying the template default shock for PPPs of 35 percent to the stock of direct and contingent liabilities of PPPs estimated by the authorities[10]). The table also reports the magnitude of a combined shock assuming the simultaneous materialization of risks from SOEs, PPPs, and the financial sector, amounting to 14.8 percent of GDP.

Non Guaranteed SOE External Debt, 2025

(Percent of GDP, Percent of Total Stock)



Source: Authorities Data and IMF and World Bank Staff Estimates

Text Table 5. Uzbekistan: Magnitude of Contingent Liability Stress Test 1/

The country's coverage of public debt	The general government, central bank, government-guaranteed debt		
	Default	**Used for the analysis**	**Reasons for deviations from the default settings**
Other elements of the general government not captured in 1.	0 percent of GDP	0.0	
SoE's debt (guaranteed and not guaranteed by the government) 1/	2 percent of GDP	5.3	Non-guaranteed SoE debt stock (15% of GDP) * shock (35%)
PPP	35 percent of PPP stock	4.6	Direct and contingent liabilities of PPPs (13.1% of GDP) * shock (35%)
Financial market (the default value of 5 percent of GDP is the minimum value)	5 percent of GDP	5.0	
Total (2+3+4+5) (in percent of GDP)		**14.8**	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

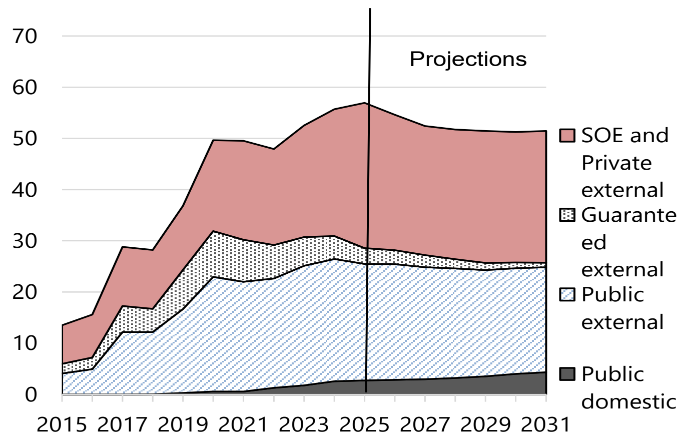
13. Stress tests also assess the impact of other standard shocks on the trajectories of PPG debt and PPG external debt. For both debt concepts, the analysis considers shocks to real GDP growth, the primary balance, exports, other flows (current transfers and FDI), and the nominal exchange rate, as well as a combined shock incorporating all of these factors on key debt indicators, including the PV of the debt-to-GDP ratio and the PV of the debt-to-exports ratio. The results are shown in Tables 3 and 4 and Figures 1 and 2. Figures 1 and 2 report, for each debt indicator, the shock that generates the highest ratio (i.e., the most extreme outcome), illustrating the sensitivity of each indicator to different shocks.

[10] The LIC DSF Guidance Note (GN) recommends calculating the default PPP shock as 35 percent of the PPP capital stock which would amount to 8.4 percent of GDP (35 percent shock times 24 percent of GDP PPP stock). At the same time, the authorities estimated the size of direct and contingent liabilities of PPPs at 13.1 percent of GDP. However, both values seem high given that PPPs are relatively new in Uzbekistan and that contingent liabilities usually materialize later in the lives of the projects. Therefore, as the LIC DSF allows using a tailored stress test, a value that combines the default shock of 35 percent with the authorities' estimate of direct and contingent liabilities of PPPs was determined to be more appropriate. For SOEs, given the lack of information on the realization of contingent liabilities, a similar shock is applied on the non-guaranteed SOE debt stock.

EXTERNAL DEBT SUSTAINABILITY ANALYSIS

14. Uzbekistan's risk of external debt distress is low as PPG external debt burden indicators decline under the baseline scenario and remain below the applicable thresholds under all stress scenarios. Stress tests presented in Table 3 and Figure 1 show that all external debt indicators remain comfortably below their respective thresholds across a range of shocks. The PV of the debt-to-GDP ratio is most sensitive to a contingent liabilities shock, while the PV of the debt-to-exports and debt service-to-exports ratios are most affected by an exports shock. The debt service-to-revenue ratio is most sensitive to an exchange rate depreciation shock.

Projected Evolution of Debt by Type under the Baseline Scenario, 2015-2031
(Percent of GDP)



Source: Authorities' data; IMF-World Bank staff estimates.

15. Beyond PPG external debt, total external debt is vulnerable to contingent liability shocks.

- **SOEs.** Non-guaranteed SOE debt accounted for 27 percent of total external debt in 2025. If some SOEs were unable to service their obligations, government intervention could be required. To minimize this risk, the authorities have strengthened the assessment of SOE finances through a risk-based classification system, under which SOEs in higher risk categories are subject to stricter borrowing approval requirements. More recently, oversight has been further tightened through the restructuring of the high-level committee responsible for approving SOE borrowing requests and the implementation by UzAssets[11] of a system that would allow improving the monitoring of liabilities of all SOEs under its purview—the largest in the country— to better assess borrowing requests.

- **PPPs.** Within the private sector portion of total external debt, some borrowing by private firms is undertaken in part to carry out PPP projects financed by the government, thereby generating contingent liabilities. The PPP portfolio has expanded rapidly in recent years and is very large by international standards and compared to peers (24 percent of GDP), with energy-sector projects accounting for about 93 percent of the total. To address these risks, the authorities have been strengthening the institutional framework to manage fiscal risks from PPPs at the Ministry of Economy and Finance and introduced in the 2025 budget an annual cap on new PPP commitments (US$6.5 billion, 4 percent of GDP). The value of the cap was kept unchanged in

[11] UzAssets Investment Company (UzAssets) is an agency overseen by the Ministry of Economy and Finance that manages the shares of the largest SOEs in Uzbekistan. UzAssets aims to improve the operational efficiency, transparency, and corporate governance practices of the SOEs under its management.

dollar terms in the 2026 budget and remains relatively high compared to the authorities' capacity to adequately assess and manage PPP projects.[12]

OVERALL RISK OF PUBLIC DEBT DISTRESS

16. Uzbekistan's risk of overall public debt distress is assessed as low, as PV of the PPG debt-to-GDP ratio declines modestly under the baseline scenario and remains below the applicable benchmark under all stress scenarios[13] (Figure 2, Table 4). Stress tests indicate that debt indicators are most sensitive to the realization of contingent liabilities from SOEs and PPPs. A combined shock involving the realization of 35 percent of contingent liabilities together with a 5 percent of GDP financial market shock—amounting to about 15 percent of GDP—would cause the PV of PPG debt-to-GDP ratio to peak in 2027 and would significantly worsen the PV of debt-to-revenue and debt service-to-revenue ratios, reflecting the need for government borrowing to cover SOE and PPP obligations.

17. Other indicators also support the assessment of a low risk of PPG debt distress. The maximum projected gross financing need over the period 2026-2028 under the baseline is 6.5 percent of GDP, well below the benchmark of 14 percent of GDP. In addition, the average spread on Uzbekistan's U.S. dollar-denominated Eurobonds in 2026 was 159 basis points, significantly below the DSA benchmark of 570 basis points (Figure 5). Sovereign bond ratings were also upgraded to BB from BB-, with a stable outlook, by Fitch and S&P in June and November 2025, respectively.

18. The authorities rely on a combination of formal and informal fiscal rules to maintain public debt at prudent levels. In addition to the policies governing SOEs and PPPs discussed above (¶15), the Public Debt Law sets an explicit ceiling on total PPG debt at 60 percent of GDP. If public debt reaches 50 percent of GDP, the law requires the government to submit proposals to reduce debt. Given that current PPG debt levels remain well below these statutory thresholds, the annual budget law establishes a cap on total PPG borrowing to preserve a prudent buffer against shocks. Moreover, annual budgets target an overall budget deficit of no higher than 3 percent of GDP.

RISK RATING AND VULNERABILITIES

19. Uzbekistan is assessed to be at low risk of external and overall public debt distress. Under the baseline scenario, external and public debt indicators are projected to decline modestly over the medium term, reflecting stronger growth and smaller deficits in some years than in the previous DSA. Financing needs are expected to remain well below relevant risk thresholds. The levels of PV of PPG debt-to GDP and PV of PPG external debt to GDP are relatively low and remain below applicable thresholds/benchmark under all stress scenarios. Public debt is predominantly composed of official borrowing with long maturities and concessional or semi-concessional interest rates, which helps limit

[12] See Uzbekistan and Public-Private Partnerships: Country Lessons, Republic of Uzbekistan for additional details.

[13] A climate shock could also cause the government to have to borrow to mitigate the shock. The contingent liability shock can therefore also be used as a measure of impact of a similar sized climate shock.

rollover and interest rate risks. High international reserve buffers and a relatively strong CPIA score for policies and institutions provide additional sources of resilience.

20. Nevertheless, the analysis suggests that further efforts to mitigate risks from the potential realization of contingent liabilities from SOEs and PPPs would be beneficial. The authorities have taken important steps in this area, including limits on the annual fiscal deficit, new domestic and external borrowing (including guarantees for state enterprise debt), and on the overall stock of public debt, as well as the strengthening of risk-based oversight of SOEs. Additional progress could be made by further enhancing the disclosure of SOE-related risks in fiscal risk statements. In the area of PPPs, and in light of international experience[14], the authorities are encouraged to tighten the annual PPP commitment cap in the budget to better align it with institutional capacity to assess, manage, and implement PPP projects, and to introduce a ceiling on the overall stock of PPPs as soon as feasible. Further risk mitigation would also benefit from advancing the standardization of PPP contract provisions, ensuring comprehensive coverage and effective enforcement of the annual PPP cap across all new projects, and continuing to strengthen the information base, mandate, and authority of the Ministry of Economy and Finance on PPPs.

Authorities' Views

21. The authorities broadly agreed with staff's baseline projections. They welcomed staff's assessment that the risk of debt distress—both overall and external—is low and that public and external debt ratios would remain below DSA thresholds under standard and tailored contingent-liability shocks. They underscored ongoing measures to strengthen the monitoring and management of fiscal risks, including enhanced oversight of state-owned enterprises and public-private partnerships (PPPs), as well as tighter scrutiny by a high-level borrowing committee. Regarding PPPs, the authorities argued that headline nominal values overstate the government's exposure and noted that direct and contingent PPP liabilities are estimated to be lower, at around 13 percent of GDP as of end 2025. They also emphasized the high returns on energy projects—which comprise the bulk of the existing portfolio—and continued progress in the selection, tracking, and monitoring of PPPs. Looking ahead, they reiterated that several large pipeline projects will be implemented in tranches, helping to spread execution risks over time.

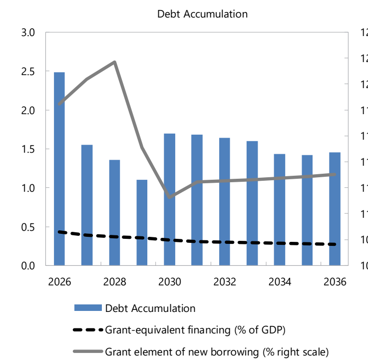
[14] See Uzbekistan and Public-Private Partnerships: Country Lessons, Republic of Uzbekistan.

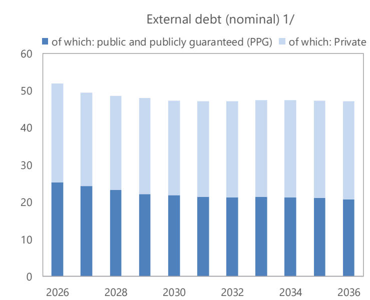
Table 1. Uzbekistan: External Debt Sustainability Framework, Baseline Scenario, 2023-2046

(in percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
External debt (nominal) 1/	50.8	53.1	54.2	51.8	49.5	48.6	47.9	47.3	47.1	47.1	46.8	41.2	48.0
of which: public and publicly guaranteed (PPG)	29.0	28.4	25.9	25.3	24.2	23.2	22.2	21.8	21.4	20.7	18.6	23.7	22.2
Change in external debt	4.1	2.3	1.1	-2.4	-2.4	-0.9	-0.6	-0.7	-0.1	-0.2	0.1		
Identified net debt-creating flows	-0.5	-3.5	-8.2	-2.6	-1.7	-1.2	-0.9	-0.4	-0.2	0.1	0.1	-1.4	-0.6
Non-interest current account deficit	5.1	2.3	1.5	1.5	1.9	2.5	2.8	3.0	3.0	2.4	2.4	2.4	2.4
Deficit in balance of goods and services	16.4	14.4	13.5	12.3	11.8	11.5	11.2	10.9	10.6	9.2	9.2		
Exports	23.3	21.6	22.0	23.0	23.4	23.0	22.6	22.3	21.9	23.3	23.3		
Imports	39.7	35.9	35.5	35.3	35.2	34.5	33.9	33.2	32.5	32.5	32.5		
Net current transfers (negative = inflow)	-8.2	-8.7	-9.3	-9.3	-8.3	-7.7	-7.4	-7.1	-6.8	-4.7	-1.8		
of which: official	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other current account flows (negative = net inflow)	-3.0	-3.4	-2.6	-1.4	-1.6	-1.3	-1.1	-0.9	-0.7	-2.1	-5.0		
Net FDI (negative = inflow)	-2.0	-2.4	-2.9	-2.7	-2.5	-2.5	-2.4	-2.2	-2.3	-2.3	-2.3	-2.4	-2.4
Endogenous debt dynamics 2/	-3.6	-3.4	-6.9	-1.4	-1.2	-1.2	-1.2	-1.2	-0.9	-0.1	0.0	-1.4	-0.6
Contribution from nominal interest rate	2.1	2.4	2.4	1.7	1.6	1.4	1.3	1.3	1.5	2.4	2.4		
Contribution from real GDP growth	-2.6	-3.0	-3.4	-3.1	-2.8	-2.6	-2.5	-2.5	-2.5	-2.5	-2.4		
Contribution from price and exchange rate changes	-3.1	-2.8	-5.9	...	...	...	...	...	...	...	...		
Residual 3/	4.6	5.8	9.3	0.2	-0.6	0.3	0.2	-0.2	0.1	-0.2	0.0	5.5	0.0
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	...	...	25.0	22.9	21.9	20.9	19.9	19.6	19.3	17.8	16.3		
PV of PPG external debt-to-exports ratio	...	...	114	100	94	91	88	88	88	77	70		
PPG debt service-to-exports ratio	11.2	15.5	11.4	10.1	11.3	11.2	12.7	9.6	8.9	7.6	7.5		
PPG debt service-to-revenue ratio	10.5	13.8	9.8	8.7	10.0	9.7	10.8	8.0	7.3	6.3	5.8		
Gross external financing need (Million of U.S. dollars)	13,619	14,166	14,478	14,137	16,535	18,301	22,246	25,320	27,260	52,577	140,780		
Key macroeconomic assumptions													
Real GDP growth (in percent)	6.3	6.7	7.7	6.8	6.0	5.8	5.8	5.7	5.7	5.7	5.7		
GDP deflator in US dollar terms (change in percent)	7.2	5.8	12.5	12.3	5.2	5.2	4.5	4.3	4.2	3.9	3.9		
Effective interest rate (percent) 4/	5.2	5.3	5.4	3.7	3.5	3.1	3.0	3.0	3.5	5.6	5.7		
Growth of exports of G&S (US dollar terms, in percent)	19.5	4.5	23.4	25.6	13.3	9.4	8.7	8.6	8.5	9.8	9.8		
Growth of imports of G&S (US dollar terms, in percent)	19.6	2.3	19.6	19.4	11.0	9.2	8.4	8.2	7.8	9.8	9.8		
Grant element of new public sector borrowing (in percent)	...	...	...	11.4	11.6	11.8	11.1	10.7	10.8	10.9	8.4		
Government revenues (excluding grants, in percent of GDP)	24.8	24.2	25.7	26.7	26.3	26.6	26.6	26.6	26.6	27.7	29.9		
Aid flows (in Million of US dollars) 5/	0.0	0.0	0	0	0	0	0	0	0	0	0		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2		
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	11.4	11.6	11.8	11.1	10.7	10.8	10.9	8.4		
Nominal GDP (Million of US dollars)	107,518	121,352	147,069	...	...	...	...	...	...	... ...	...		
Nominal dollar GDP growth	14.0	12.9	21.2	19.9	11.5	11.3	10.5	10.3	10.1	9.8	9.8		
Memorandum items:													
PV of external debt 7/	...	...	53.3	49.4	47.2	46.3	45.7	45.1	45.1	44.2	44.5		
In percent of exports	...	...	243	215	202	201	202	203	205	190	191		
Total external debt service-to-exports ratio	40.9	54.6	50.9	40.0	38.4	36.4	39.2	39.3	39.1	47.7	50.2		
PV of PPG external debt (in Million of US dollars)			36,726	40,381	43,122	45,787	48,204	52,310	56,790	83,572	194,737		
(PVt-PVt-1)/GDPt-1 (in percent)				2.5	1.6	1.4	1.1	1.7	1.7	1.5	1.5		
Non-interest current account deficit that stabilizes debt ratio	1.0	0.0	0.5	4.0	4.3	3.4	3.4	3.6	3.1	2.6	2.3		

Definition of external/domestic debt	**Currency-based**
Is there a material difference between the two criteria?	**Yes**





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, and ρ = growth rate of GDP deflator in U.S. dollar terms.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

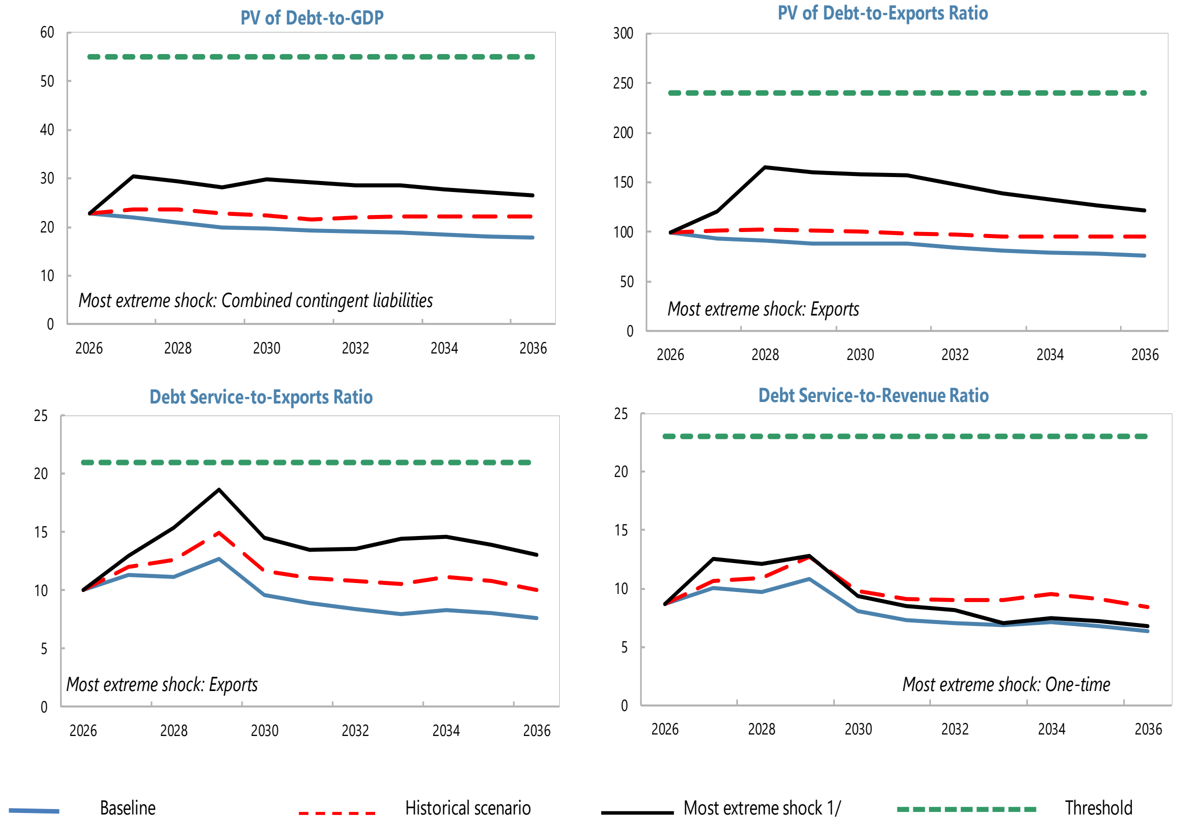
5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Figure 1. Uzbekistan: Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2026-2036



Customization of Default Settings		
Tailored Stress	**Size**	**Interactions**
Standardized Tests	Yes	
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price 2/	n.a.	n.a.
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	**User defined**
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	4.6%	4.5%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	19	16
Avg. grace period	4	4

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

Table 2. Uzbekistan: Public Sector Debt Sustainability Framework, Baseline Scenario, 2023-2046

(in percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2036	2046	Historical	Projections
Public sector debt 1/	30.7	30.9	28.6	28.2	27.2	26.4	25.7	25.7	25.7	25.7	25.7	24.7	26.1
of which: external debt	29.0	28.4	25.9	25.3	24.2	23.2	22.2	21.8	21.4	20.7	18.6	23.7	22.2
Change in public sector debt	1.5	0.2	-2.4	-0.4	-1.0	-0.8	-0.7	0.1	0.0	0.0	0.0		
Identified debt-creating flows	1.8	-1.2	-4.9	-1.6	-0.6	0.8	0.9	1.0	0.9	0.5	-0.4	0.7	0.5
Primary deficit	4.0	2.0	1.0	0.3	0.8	1.9	2.0	2.0	1.9	1.5	0.5	2.5	1.5
Revenue and grants	24.8	24.2	25.7	26.7	26.3	26.6	26.6	26.6	26.6	27.7	29.9	23.3	26.9
of which: grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Primary (noninterest) expenditure	28.7	26.2	26.7	27.0	27.1	28.4	28.5	28.6	28.5	29.2	30.4	25.8	28.5
Automatic debt dynamics	-1.7	-2.9	-5.6	-1.7	-1.1	-0.9	-0.9	-0.9	-0.9	-0.8	-0.8	-1.6	-0.9
Contribution from interest rate/growth differential	-1.7	-1.3	-1.7	-1.7	-1.1	-0.9	-0.9	-0.9	-0.9	-0.8	-0.8		
of which: contribution from average real interest rate	0.0	0.6	0.5	0.1	0.5	0.6	0.5	0.5	0.5	0.6	0.6		
of which: contribution from real GDP growth	-1.7	-1.9	-2.2	-1.8	-1.6	-1.5	-1.4	-1.4	-1.4	-1.4	-1.4		
Contribution from real exchange rate depreciation	0.0	-1.6	-3.9	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1	-0.2	-0.2
Privatization receipts (negative)	-0.4	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.1	-0.1	-0.1		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	-0.3	1.5	2.6	1.2	-0.4	-1.6	-1.6	-0.9	-0.9	-0.5	0.4	1.6	-0.8
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	26.6	26.1	25.1	24.3	23.7	23.8	23.9	23.1	23.7		
PV of public debt-to-revenue and grants ratio	...	...	103	98	95	92	89	89	90	83	79		
Debt service-to-revenue and grants ratio 3/	10.5	19.1	15.5	13.4	15.6	18.2	18.7	16.4	16.5	16.3	14.4		
Gross financing need 4/	6.1	6.3	4.7	3.6	4.7	6.5	6.7	6.2	6.1	5.9	4.7		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	6.3	6.7	7.7	6.8	6.0	5.8	5.8	5.7	5.7	5.7	5.7	6.1	5.8
Average nominal interest rate on external debt (in percent)	4.3	4.9	4.8	3.7	3.8	3.9	3.7	3.7	3.8	4.3	4.3	3.0	4.4
Average real interest rate on domestic debt (in percent)	-12.2	-0.5	-1.4	-2.6	3.0	3.0	3.2	3.4	3.4	2.5	2.4	-10.3	2.4
Real exchange rate depreciation (in percent, + indicates depreciation)	0.1	-5.9	-14.4	...	...	...	...	...	...	...	...	7.6	...
Inflation rate (GDP deflator, in percent)	13.9	14.1	11.9	9.0	8.0	7.4	6.7	6.5	6.4	7.0	7.0	15.3	7.1
Growth of real primary spending (deflated by GDP deflator, in percent)	3.6	-2.6	9.7	7.8	6.6	10.9	6.2	5.9	5.4	6.1	6.1	8.2	6.7
Primary deficit that stabilizes the debt-to-GDP ratio 5/	2.4	1.8	3.3	0.7	1.7	2.7	2.7	1.9	1.9	1.4	0.5	2.5	1.8
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The general government, central bank, government-guaranteed debt . Definition of external debt is Currency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

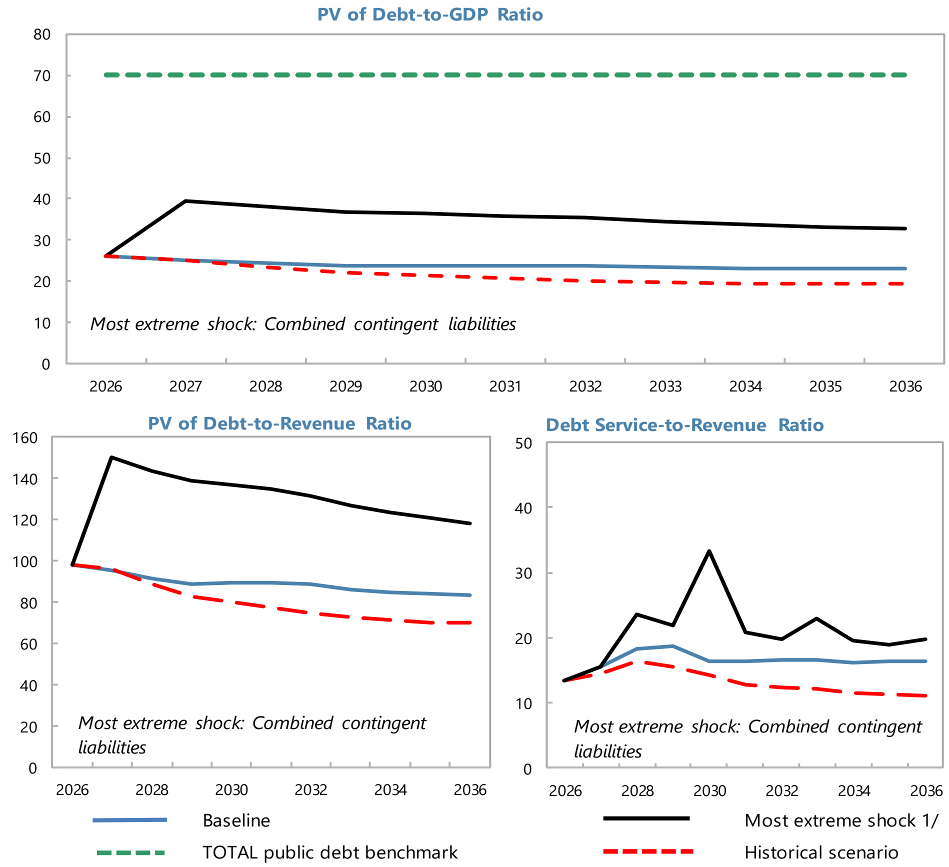
3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

Figure 2. Uzbekistan: Indicators of Public Debt Under Alternative Scenarios, 2026-2036



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	53%	60%
Domestic medium and long-term	16%	36%
Domestic short-term	30%	4%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	4.6%	4.6%
Avg. maturity (incl. grace period)	19	19
Avg. grace period	4	4
Domestic MLT debt		
Avg. real interest rate on new borrowing	2.8%	2.8%
Avg. maturity (incl. grace period)	3	3
Avg. grace period	2	2
Domestic short-term debt		
Avg. real interest rate	2.7%	2.7%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2036. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

Table 3. Uzbekistan: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2026-2036

(In percent)

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
PV of Debt-to GDP Ratio											
Baseline	23	22	21	20	20	19	19	19	18	18	18
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	23	24	24	23	22	22	22	22	22	22	22
B. Bound Tests											
B1. Real GDP growth	23	23	22	21	21	20	20	20	20	19	19
B2. Primary balance	23	24	25	24	24	24	23	23	22	22	21
B3. Exports	23	25	29	28	27	26	26	25	24	23	22
B4. Other flows 3/	23	25	27	26	25	25	24	23	22	21	21
B5. Depreciation	23	27	21	20	20	20	20	20	20	20	20
B6. Combination of B1-B5	23	27	27	26	25	25	24	24	23	22	21
C. Tailored Tests											
C1. Combined contingent liabilities	23	31	29	28	30	29	29	29	28	27	27
C4. Market Financing	23	24	23	22	22	22	21	21	20	20	20
Threshold	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Exports Ratio											
Baseline	100	94	91	88	88	88	85	81	79	78	77
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	100	101	103	101	100	99	97	95	95	95	95
B. Bound Tests											
B1. Real GDP growth	100	94	91	88	88	88	85	81	79	78	77
B2. Primary balance	100	102	109	106	107	108	103	99	96	94	92
B3. Exports	100	121	165	160	158	157	148	138	133	127	122
B4. Other flows 3/	100	108	117	113	113	112	106	99	95	92	89
B5. Depreciation	100	94	75	72	73	73	71	69	69	69	69
B6. Combination of B1-B5	100	121	111	123	122	121	115	108	104	101	98
C. Tailored Tests											
C1. Combined contingent liabilities	100	130	128	125	133	133	127	123	120	116	114
C4. Market Financing	100	94	91	88	88	89	84	81	79	78	76
Threshold	240	240	240	240	240	240	240	240	240	240	240
Debt Service-to-Exports Ratio											
Baseline	10	11	11	13	10	9	8	8	8	8	8
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	10	12	13	15	12	11	11	11	11	11	10
B. Bound Tests											
B1. Real GDP growth	10	11	11	13	10	9	8	8	8	8	8
B2. Primary balance	10	11	12	14	11	10	10	9	10	9	9
B3. Exports	10	13	15	19	14	13	14	14	15	14	13
B4. Other flows 3/	10	11	12	14	11	10	10	10	10	10	9
B5. Depreciation	10	11	11	12	9	8	8	7	7	7	6
B6. Combination of B1-B5	10	12	14	16	12	11	12	11	11	11	10
C. Tailored Tests											
C1. Combined contingent liabilities	10	11	13	14	11	11	10	10	10	10	9
C4. Market Financing	10	11	11	14	10	9	9	9	9	7	6
Threshold	21	21	21	21	21	21	21	21	21	21	21
Debt Service-to-Revenue Ratio											
Baseline	9	10	10	11	8	7	7	7	7	7	6
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	9	11	11	13	10	9	9	9	10	9	8
B. Bound Tests											
B1. Real GDP growth	9	10	10	11	8	8	7	7	7	7	7
B2. Primary balance	9	10	10	12	9	8	8	8	8	8	8
B3. Exports	9	10	10	12	9	9	9	9	10	9	8
B4. Other flows 3/	9	10	10	12	9	8	9	9	9	8	8
B5. Depreciation	9	13	12	13	9	8	8	7	7	7	7
B6. Combination of B1-B5	9	11	11	12	9	9	9	9	9	9	8
C. Tailored Tests											
C1. Combined contingent liabilities	9	10	11	12	9	9	9	8	9	8	8
C4. Market Financing	9	10	10	12	8	8	8	8	8	6	5
Threshold	23	23	23	23	23	23	23	23	23	23	23

Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the threshold.

2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.

3/ Includes official and private transfers and FDI.

Table 4. Uzbekistan: Sensitivity Analysis for Key Indicators of Public Debt, 2026-2036

	Projections 1/										
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
						PV of Debt-to-GDP Ratio					
Baseline	26	25	24	24	24	24	24	23	23	23	23
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	26	25	24	22	21	21	20	20	19	19	19
B. Bound Tests											
B1. Real GDP growth	26	27	28	29	30	31	33	33	34	35	36
B2. Primary balance	26	28	30	30	29	29	29	28	28	28	27
B3. Exports	26	28	32	31	31	31	30	29	28	28	27
B4. Other flows 3/	26	29	30	29	29	29	29	28	27	26	26
B5. Depreciation	26	29	26	23	21	19	18	16	14	12	10
B6. Combination of B1-B5	26	27	28	26	26	25	25	24	23	22	22
C. Tailored Tests											
C1. Combined contingent liabilities	26	40	38	37	36	36	35	34	34	33	33
C4. Market Financing	26	25	24	24	24	24	24	23	23	23	23
TOTAL public debt benchmark	70	70	70	70	70	70	70	70	70	70	70
						PV of Debt-to-Revenue Ratio					
Baseline	98	95	92	89	89	90	88	86	85	84	83
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	98	96	89	83	80	78	75	73	71	70	70
B. Bound Tests											
B1. Real GDP growth	98	101	105	108	113	118	121	123	126	128	131
B2. Primary balance	98	107	115	111	110	110	107	104	102	100	99
B3. Exports	98	106	122	118	117	116	112	108	103	100	97
B4. Other flows 3/	98	108	115	111	110	109	106	102	99	96	94
B5. Depreciation	98	111	98	88	80	73	66	57	50	43	37
B6. Combination of B1-B5	98	101	104	99	97	95	92	88	84	81	79
C. Tailored Tests											
C1. Combined contingent liabilities	98	150	144	139	137	135	131	127	124	121	118
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	98	95	92	89	90	90	88	86	85	84	83
						Debt Service-to-Revenue Ratio					
Baseline	13	16	18	19	16	16	17	17	16	16	16
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2026-2036 2/	13	15	16	16	14	13	12	12	12	11	11
B. Bound Tests											
B1. Real GDP growth	13	16	20	20	19	20	21	21	22	22	23
B2. Primary balance	13	16	20	21	21	20	19	19	19	18	19
B3. Exports	13	16	19	20	18	18	18	19	19	18	18
B4. Other flows 3/	13	16	19	20	17	17	18	18	18	18	18
B5. Depreciation	13	16	20	20	17	16	16	16	15	15	14
B6. Combination of B1-B5	13	15	19	20	17	19	17	17	16	16	16
C. Tailored Tests											
C1. Combined contingent liabilities	13	16	24	22	33	21	20	23	19	19	20
C4. Market Financing	13	16	18	19	17	17	17	17	17	16	15

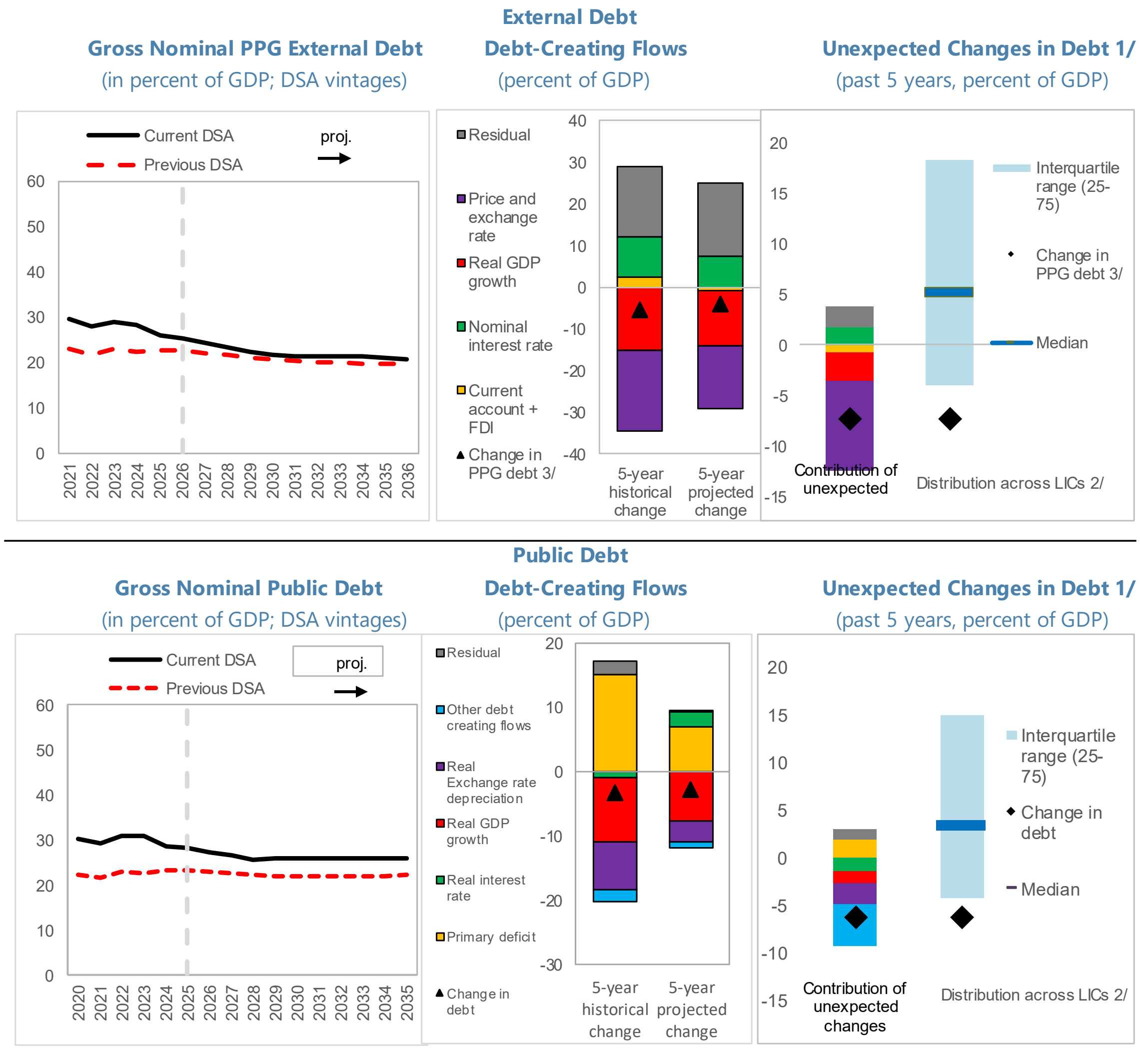
Sources: Country authorities; and staff estimates and projections.

1/ A bold value indicates a breach of the benchmark.

2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.

3/ Includes official and private transfers and FDI.

Figure 3. Uzbekistan: Drivers of Debt Dynamics – Baseline Scenario



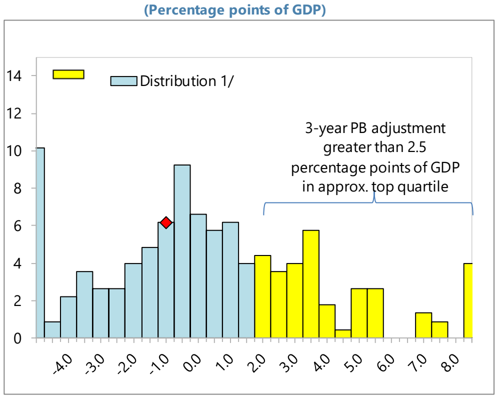
1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

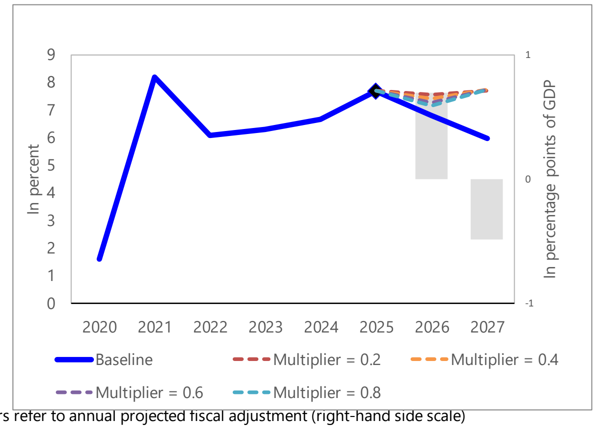
Figure 4. Uzbekistan: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



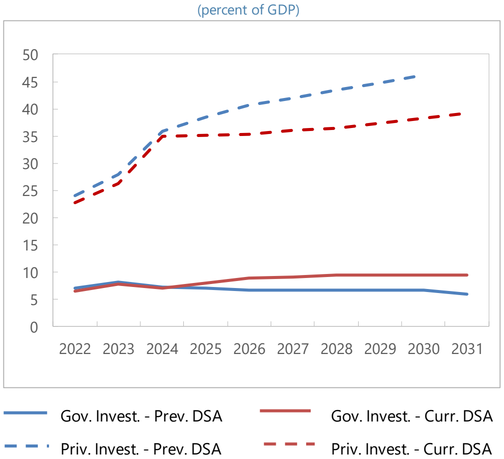
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP growth
(percent, 5-year average)

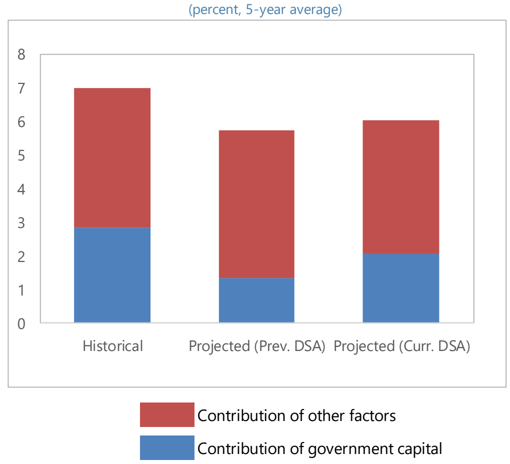
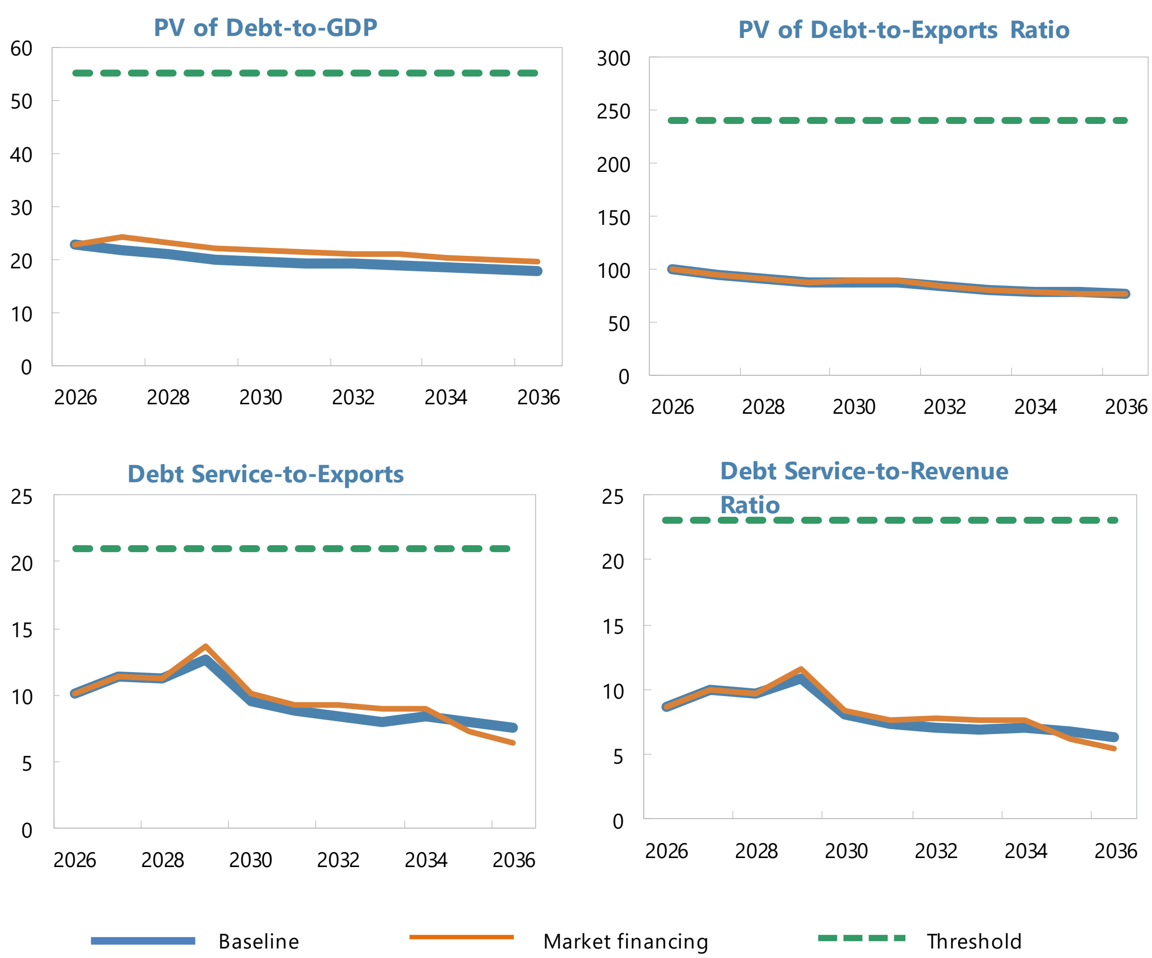


Figure 5. Uzbekistan: Market – Financing Risk Indicators

	GFN 1/	EMBI 2/
Benchmarks	14	570
Values	6.5	159
Breach of benchmark	No	No
Potential heightened liquidity needs	Low	

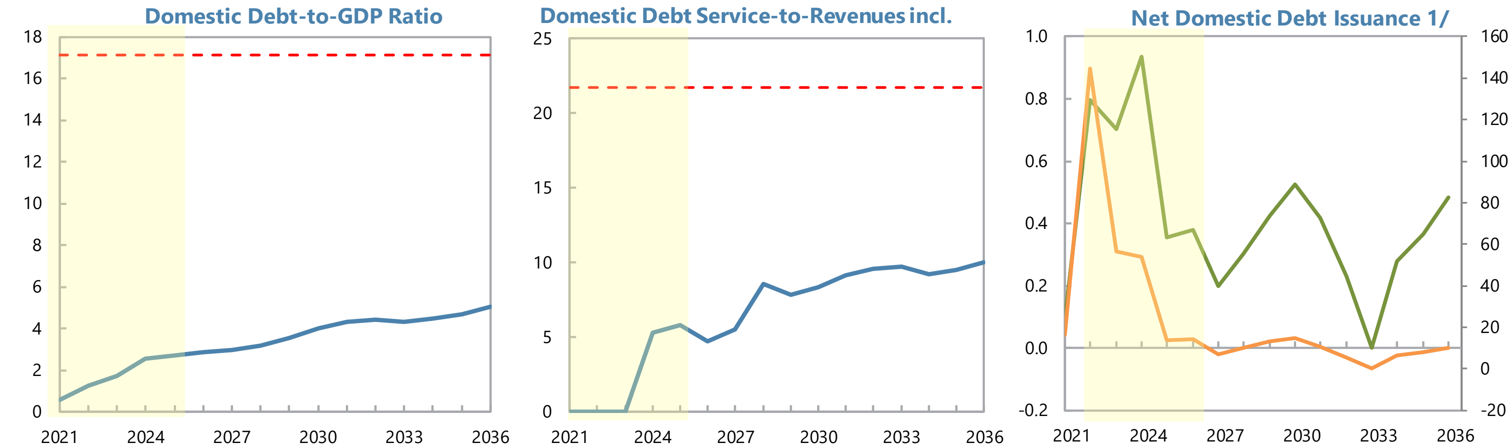
1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.
2/ EMBI spreads correspond to the latest available data.



Sources: Country authorities; and staff estimates and projections.

Figure 6. Uzbekistan: Indicators of Public Domestic Debt, 2021-2036

(Percent)



Historical realizations

Median of average projected values over the first five years of the forecast period across countries using the LIC DSF with non-zero domestic debt, end-2023

As a ratio to GDP (LHS)

As a ratio to domestic debt stock in prev. year (RHS)

Borrowing Assumptions (average over 10-year projection)	Value
Shares in new domestic debt issuance	
Medium and long-term	35%
Short-term	65%
Borrowing terms	
Domestic MLT debt	
Avg. real interest rate on new borrowing	2.8%
Avg. maturity (incl. grace period)	3
Avg. grace period	2
Domestic short-term debt	
Avg. real interest rate	2.7%

Sources: Country authorities; and staff estimates and projections.

1/ Net domestic debt issuance is an estimate based on the calculated public gross financing need net of gross external financing, drawdown of assets, other adjustments and domestic debt amortization. It excludes short-term debt that was issued and matured within the calendar year.