

## UZBEKISTAN'S ECONOMIC TRANSFORMATION IN 2025: GROWTH, SUSTAINABILITY, AND INVESTMENT OPPORTUNITIES

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### ABSTRACT

*In 2025, Uzbekistan is undergoing a significant economic transformation characterized by robust GDP growth, ambitious privatization initiatives, substantial investments in renewable energy, and strategic international partnerships. This article examines the key developments driving Uzbekistan's economic progress, including the management of state assets by Franklin Templeton, the construction of waste-to-energy plants, and the country's commitment to doubling its GDP by 2030. The analysis also provides recommendations for investors seeking opportunities in Uzbekistan's evolving economic landscape.*

**Keywords:** *Uzbekistan, economic growth, privatization, renewable energy, investment, Central Asia*

### INTRODUCTION

Uzbekistan, a landlocked nation in Central Asia, has embarked on a comprehensive economic reform agenda aimed at liberalizing its economy, attracting foreign investment, and promoting sustainable development. Under the leadership of President Shavkat Mirziyoyev, the country has implemented policies to reduce state ownership, invest in renewable energy, and strengthen international partnerships. These efforts have positioned Uzbekistan as a dynamic and emerging market in the region.

#### ***Economic Growth and Fiscal Performance***

In the first quarter of 2025, Uzbekistan's GDP is projected to grow by 6.2% year-on-year, driven by increased tax revenues, customs revenues, and exports. The World Bank and the International Monetary Fund (IMF) forecast growth rates of 5.8% and 5.7%, respectively, for the year. The government aims to double the country's GDP to \$200 billion by 2030, focusing on sectors such as energy, infrastructure, and technology.

#### ***Privatization and Investment Reform***

A significant milestone in Uzbekistan's economic reform is the appointment of Franklin Templeton to manage the Uzbekistan National Investment Fund (UzNIF). The fund, valued at approximately \$1.5 billion, holds minority stakes in 18 major state-owned enterprises, including Uzbekistan Airways, Halq Bank, and Uzbektelecom. The plan is to list \$1.7 billion worth of these assets on international

markets by early 2026, with at least 25% of the fund to be sold through IPOs over the next three years. This initiative aligns with the national Vision 2030 roadmap, seeking to reduce the state's share in the economy by 75%.

### ***Renewable Energy and Environmental Sustainability***

Uzbekistan is making significant strides in renewable energy, with plans to invest approximately \$1.28 billion in constructing eight waste-to-energy plants across 11 regions, including Tashkent, Andijan, and Samarkand. These facilities aim to process over 4.7 million tons of waste annually, generating 2.1 billion kilowatt-hours of electricity by 2027. The initiative is expected to reduce landfill usage by a factor of five, save 152 million cubic meters of natural gas, cut greenhouse gas emissions by 2.4 million tons, and create 1,200 new jobs. Additionally, Uzbekistan plans to increase its renewable energy capacity to 19,000 megawatts by 2030, raising the share of green energy to 54% of the total energy mix.

### ***International Engagement and Strategic Partnerships***

On April 4, 2025, Uzbekistan hosted the first-ever summit between the European Union and five Central Asian nations in Samarkand. The summit marked the beginning of a new strategic partnership aimed at strengthening cooperation in various sectors, including trade, transport, energy, critical raw materials, digital connectivity, and water management. European Commission President Ursula von der Leyen announced a €12 billion (\$13.2 billion) Gateway Investment Package to support these initiatives. Furthermore, Uzbekistan has signed agreements with China and the UAE to construct waste-to-energy plants, reflecting the country's commitment to environmental sustainability and international collaboration.

## **CONCLUSION**

Uzbekistan's proactive reforms, commitment to sustainability, and strategic international partnerships are driving its economic transformation, setting the stage for continued growth and development in the region. The country's focus on privatization, renewable energy, and international cooperation positions it as an attractive destination for investors seeking opportunities in emerging markets.

### ***Recommendations for Investors***

- Explore IPOs: The upcoming privatization of major state assets provides unique investment opportunities in banking, telecommunications, and aviation.
- Invest in Green Projects: Uzbekistan's energy transition opens avenues in waste-to-energy, solar, and infrastructure development.
- Establish Local Partnerships: Joint ventures with Uzbek firms, especially in logistics, fintech, and construction, may ease market entry.

- Monitor Regulatory Reforms: Investors should stay informed about Uzbekistan's evolving regulatory environment and tax reforms to maximize long-term gains.

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