

UZBEKISTAN



HIGHLIGHTS

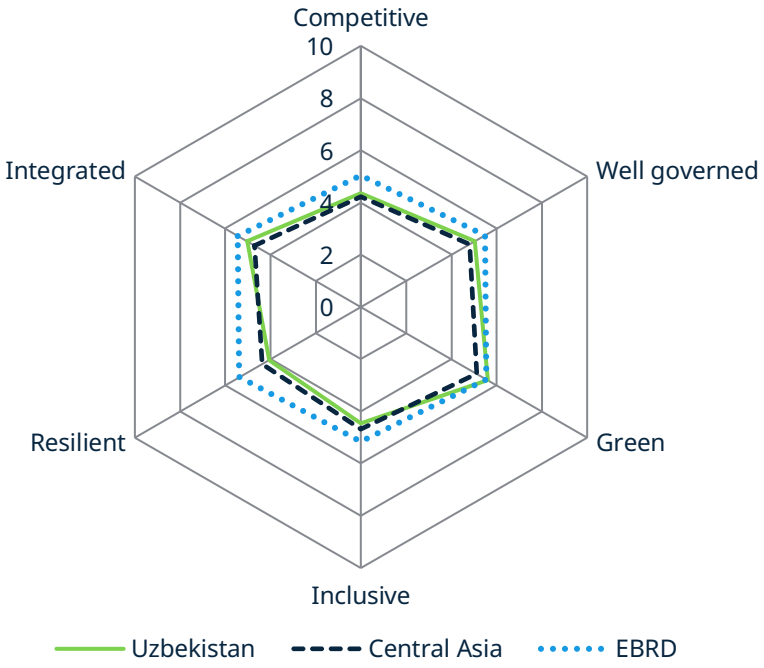
- **The economy continues to grow strongly.** Real gross domestic product (GDP) growth accelerated to 8.5 per cent year on year in the first half of 2026, driven by robust domestic demand and the continued expansion of the services sector.
- **Capital market and financial sector reforms gained momentum.** The country completed its first dual London-Tashkent listing with the initial public offering (IPO) of the National Investment Fund of Uzbekistan (UzNIF). Capital market and banking sector reforms were also advanced with a view to supporting financial-market development, diversifying financing instruments and improving the investment environment.
- **Energy sector reforms and investments have progressed.** The country adopted a more ambitious climate target in its updated Nationally Determined Contribution (NDC 3.0) and introduced a new tariff-setting framework for electricity and gas.

For more information about country macroeconomic developments, please consult our latest Regional Economic Prospects report.

KEY PRIORITIES FOR 2027

- **Deliver the privatisation programme in line with the announced timetable.** The UzNIF IPO saw strong investor appetite. However, several planned privatisations have been delayed and state-owned banks continue to account for nearly two-thirds of banking-system assets. Strengthening sector regulation, reforming infrastructure monopolies and reducing directed lending would help to ensure that privatisation translated into greater competition and efficiency.
- **Carefully sequence the launch of the Tashkent International Financial Centre (TIFC).** Clear regulatory boundaries and effective coordination with domestic regulators will be essential to attract new international investment and avoid regulatory and tax arbitrage.
- **Reduce reliance on commodity revenues.** Fiscal revenues remain heavily influenced by commodity prices, leaving public finances exposed to volatility and raising the risk of procyclical spending. Strengthening fiscal buffers in periods of strong economic performance and better targeting of tax incentives would enhance resilience.

ASSESSMENT OF TRANSITION QUALITIES (1-10)



For more on reforms and transition qualities, see Chapter 5 of the Transition Report 2026-27.

KEY REFORMS AND POLICY DEVELOPMENTS[1]

UzNIF IPO

- In May 2026 the country completed its first dual listing on the London and Tashkent stock exchanges in the form of UzNIF's IPO, managed by Franklin Templeton. The state sold 31 per cent of the national fund for about US$ 600 million (€513.7 million), valuing it at almost US$ 2 billion (€1.7 billion).

1 From the fourth quarter of 2025 to October 2026.

Capital market and financial sector reforms

- In July 2026 a new Capital Market Law passed the first reading of the lower house of parliament. The draft law aims to strengthen investor protections, introduce new instruments and align key elements of the legal framework for capital markets with international standards.
- Effective June 2026, the country's Islamic Banking Law creates a legal framework for Islamic banking and Shariah-compliant finance. It also establishes an Islamic Finance Council under the central bank.

Tashkent International Financial Centre

- In July 2026 the government adopted the Constitutional Law "On the Tashkent International Financial Centre" establishing the TIFC, which will operate under English common law, with an independent commercial court, arbitration mechanisms and tax incentives that run to 2076.

Tax reform

- In May 2026 President Shavkat Mirziyoyev signed a decree to modernise the country's tax administration through greater digitalisation, including the use of artificial intelligence (AI), enhanced taxpayer services and a strengthened risk-based compliance management framework. The reform aims to improve voluntary compliance and tax-collection efficiency.
- The same month, the government adopted a separate decree to support small business growth by raising the value-added tax (VAT) threshold from UZS 1 billion (€71,240) to UZS 5 billion (€356,200), simplifying VAT administration and reducing the compliance burden for small and medium-sized enterprises.

Energy tariffs

- In 2026 the country transitioned to a regulatory asset base methodology for electricity and natural gas tariffs. The reform links tariffs to regulated assets, operating costs and investment requirements, aiming to improve pricing transparency, strengthen utility finances and attract investment**.**

Climate commitments

- In November 2025 the authorities submitted Uzbekistan's NDC 3.0. It sets a new target of cutting the intensity of the country's greenhouse gas emissions by 50 per cent by 2035, relative to 2010 levels – this is up from 35 per cent by 2030.

Agrifood investment platform

- In June 2026 the country launched the ANORA and national agrifood investment platform, developed with the EBRD and the Ministry of Agriculture of Uzbekistan, and based on a roadmap produced by the Food and Agriculture Organization. The platform aims to support implementation of agricultural reforms and mobilise up to US$1.5 billion (€1.3 billion) in sustainable investment by 2030. It is also designed to strengthen the sector's institutional and regulatory framework, improve access to finance and facilitate private investment in climate-resilient agriculture.