

UZBEKISTAN'S ECONOMY: MODERN DIRECTIONS OF STRUCTURAL  
TRANSFORMATIONS

**Rakhmonov Fakhridin Surkhanovich**

Assistant to the Hokim (Governor) of the Qurghontepa Mahalla, Shahrisabz District  
Administration, Student of the Human Resource Management program, Karshi State University

**Ganiev Shakhzod Shukhrat ugli**

Scientific Advisor, Intern-Lecturer at the Department of Economics,  
Karshi State University

**Abstract:** This article examines the modern directions of structural transformations in the economy of the Republic of Uzbekistan. It highlights recent reforms, structural shifts in the industrial, agricultural, and service sectors, as well as key trends in economic diversification, digitalization, and innovation implementation. The article provides an in-depth analysis of the impact of structural changes on macroeconomic stability, employment levels, and economic growth. It also offers prospective directions and practical recommendations for further development of Uzbekistan's economy, based on comparative analysis with the experiences of other developing countries.

**Keywords:** economic reforms, structural changes, sectoral transformation, digital economy, diversification, economic growth, stability

**Introduction.** As Uzbekistan gradually transitions to a market economy, comprehensive structural changes are being implemented. These changes aim to modernize the national economic system, develop competitive sectors, diversify the economy, and ensure sustainable growth based on modern technologies. Especially in recent years, the reforms have led to industry and services becoming the main drivers of economic growth. By 2030<sup>1</sup>, Uzbekistan aims to join the group of upper-middle-income countries, with 2024 marking the completion of important phases of market reforms. By 2025, the goal is to qualitatively elevate the economy to a new level and improve the population's standard of living.

Structural changes involve the reformation of economic sectors and the redistribution of production resources in response to current demands. This process enhances macroeconomic stability, boosts export capacity, creates new jobs, and fosters qualitative economic growth. This article examines the modern directions, causes, and sectoral status of structural changes in Uzbekistan<sup>2</sup>, comparing them with international experience. It also outlines promising reform areas and practical recommendations for their effective implementation.

**Relevance of the topic.** In a global context where economic processes are accelerating, digital technologies are rapidly advancing, and climate change is impacting economic policy, every nation must reconsider its economic structure. In Uzbekistan, too, structural modernization and the integration of innovation and digital solutions into the economy have become urgent.

<sup>1</sup> Uzbekistan Republic In the President's Strategy " Uzbekistan - 2030" dated 04.03.2024 designated main directions according to reforms done priority for the 2024 increase measures Resolution No. PQ-109 on "On" . Source : <https://lex.uz/docs/-6854841>

<sup>2</sup> Uzbekistan Republic In the President's Strategy " Uzbekistan - 2030" dated 04.03.2024 designated main directions according to reforms done priority for the 2024 increase measures Resolution No. PQ-109 on "On" . Source : <https://lex.uz/docs/-6854841>

Structural transformations are essential for sustainable economic growth, enhancing export potential, developing new sectors, creating modern jobs, and strengthening economic security. For instance, the share of high value-added industrial production is increasing, the service sector is expanding its share in GDP, and digitalization is being integrated throughout the economy. The "Digital Uzbekistan – 2030" strategy, various state programs focused on structural transformations, and policies to attract foreign investment significantly enhance the academic and practical importance of this topic.

**Research Methodology.** A comprehensive approach using scientific-analytical methods was applied to study the current directions of structural changes in Uzbekistan's economy. First, relevant legal documents, official statistics, strategic plans, and state decisions were analyzed. Inductive and deductive methods were used to examine causes and effects of the situation. Comparative methods were applied to benchmark Uzbekistan's experience against that of developing countries.

Statistical analysis was used to evaluate structural shifts, while trend and growth indicators helped identify dynamics. The strengths, weaknesses, opportunities, and risks of structural reforms were also assessed. Both classical economic theories and modern theories of structural transformation underpinned the methodological framework of the research.

**Literature Review.** Structural reforms and their modern directions are among the main priorities of Uzbekistan's economic policy. The Presidential Decree No. PQ-109 dated March 4, 2024, outlines strategic priorities for implementing the "Uzbekistan – 2030" strategy, highlighting diversification, technological innovation, and sustainable development.

Ochilov and Rahmonova, in their article "Sustainable Development of the Republic of Uzbekistan: Priority Areas of Investment Activity," emphasize the pivotal role of investments in ensuring economic stability, calling for increased foreign investment and an improved investment environment.

Data from the Statistics Agency under the President of Uzbekistan reveal clear structural shifts in the economy, particularly in terms of gross value added across sectors, supporting the scientific and graphical analysis presented in the article.

**Analysis and Results.** One of the government's primary objectives under the President's leadership is to position Uzbekistan among developed nations by rapidly enhancing the economy, which directly contributes to raising the population's welfare and overall national advancement<sup>3</sup>. Although significant economic reforms have been introduced in recent years with visible positive outcomes, challenges and shortcomings remain.

According to the Statistics Agency, the gross value added (GVA) of economic sectors has significantly increased. For example, the manufacturing industry's GVA rose from 13.4 trillion soums in 2010 to 191.7 trillion soums in 2024<sup>4</sup>, highlighting its leading role in economic growth. Similarly, the information and communication sector expanded from 1.2 trillion soums to 36.8 trillion soums over the same period.<sup>5</sup>. (1-,2-tables) ables 1 and 2 present detailed data on sectoral GVA from 2010 to 2024, showing consistent growth across various sectors such as construction, financial services, real estate, education, and health. Notably, the GVA of financial services

<sup>3</sup> A.Ochilov , D. Rakhmonova , Uzbekistan of the republic stable development : investment of activity priority directions , article , Green economy and development , issue No. 11, 2024. source : <https://yashil-iqtisodiyot-taraqqiyot.uz/journal/index.php/GED/article/view/3679>

<sup>4</sup> Uzbekistan Republic president under Statistics Agency " Statistics" integrated information system " data according to Source : <https://siat.stat.uz/reports-filed/548/table-data>

<sup>5</sup> O'zbekiston Respublikasi prezidenti huzuridagi Statistika agentligi "Statistika integrallashgan axborot tizimi" ma'lumotlariga ko'ra. Manba: <https://siat.stat.uz/reports-filed/548/table-data>

surged from 1.5 trillion soums in 2010 to 61.6 trillion soums in 2024, indicating a substantial expansion of the service economy. Graphs illustrate sharp growth trends in industry and ICT sectors post-2015, with notable acceleration from 2020 onward.

Classifier	2010	2011	2012	2013	2014	2015	2016	2017
Village , forest and fish farm	21251.3	30658.6	36954.7	42636.8	53613.2	64680.3	74779	90739.8
Mining industry and open mines work	3298.7	3511.6	4987.3	5463.8	5421.8	6449.1	5960	10192.6
Production release industry	8036.6	10576.3	13442.1	17806.4	23705.6	28353.9	34875.4	49912.7
With electricity , gas , steam supply and weather conditioning	1593.2	1770	1922.5	1968.2	2801	3391.6	4199.8	4662.8
Water with supply ; sewerage system , waste collection and utilization to do	68.8	93.9	110.7	150.4	208.3	272	362.8	490.7
Construction	3760.5	4465.5	5601.4	7258.2	9098.3	11382.6	13148	22875.8
Wholesale and retail trade ; motor transport tools and motorcycles repair	5551.5	7035.8	8228.2	10277	12717.6	14819.2	17094.5	22146.5
Transportation and storage	6090	7851.8	9871	12173.2	14052.3	15670.5	16693.7	21313.6
Living and feeding according to services	431.2	583.9	728	940.8	1118.7	1326.1	1660.9	15962.7
Information and contact	1247.8	1580.5	2039.9	2435.8	2951.5	3487.7	4419.3	6130.1
Financial and insurance activity	1555.3	2111.9	2655.4	3448.1	4092.5	5026.1	5577.4	9162.7
Immovable property with operations	6233.2	8221.1	9942.9	11982.1	13802.8	16288.9	18841.9	22472.1

Professional , scientific and technical activity	551.2	706.7	936.2	1126.4	1338.7	1577.5	1805.6	2416.1
Management according to activity and assistant services show	896	1161.9	1495.5	1831.3	2226.3	2677.7	3160.3	3783.1
State management and defense ; mandatory social supply	1653	2293.2	3141.7	4264.7	5151.4	6355.6	8130.4	9047.2
Education	4849.8	6002.7	7623.1	9225.7	11023.5	13388.6	14996.7	17756.3
Health storage and social services show	1819.9	2443.4	2921.2	3654.1	4369.2	5205.9	5862	6782.3
Art , soul open and rest to take	132.3	170.5	206.6	292.3	354.6	414.4	517.4	1519.9
Other of the kind services show	1035.9	1234.5	1552.5	1822.3	2316.2	2759.5	3451.9	4294.9

**Table 1. Gross value added of sectors of the economy of Uzbekistan (in current prices, annual, 2010-2017)**

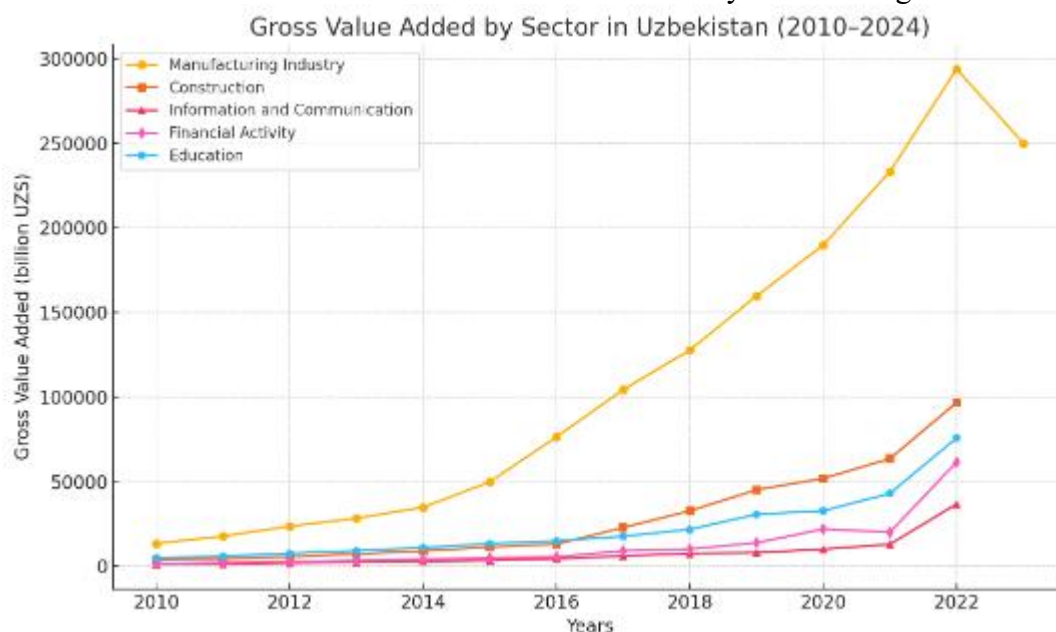
Classifier	2018	2019	2020	2021	2022	2023	2024
Village , forest and fish farm	113327.4	129885	150493.7	181787.7	208809.2	242916.4	266565
Mining industry and open mines work	19710.9	30865.6	22161.9	28649.4	33396.2	36366.8	44525.7
Production release industry	76509.9	104350.2	127781.3	159764.4	189871.5	233232.9	293734.8
With electricity , gas , steam supply and weather conditioning	5768.9	8921.8	10994	12322.9	15380.5	18093	25162.1
Water with supply ; sewerage system , waste collection and	889.9	946.3	1076.1	1482.6	1562.2	1678.7	2472

utilization to do							
Construction	32788.4	45202	51927.4	63608.5	73209.4	84313.1	96801.9
Wholesale and retail trade ; motor transport tools and motorcycles repair	27734.9	33502.7	38489.5	48910.9	57703.8	73224.6	86739.1
Transportation and storage	25537.7	32103.6	31088	39045.3	47055.1	59527.4	75464.6
Living and feeding according to services	18726.6	25110.9	25520.2	34017.4	50618.9	68224.3	86816.2
Information and contact	7608.7	8033	10110.3	13020.4	17955.9	25830.9	36864
Financial and insurance activity	10217.2	13860.9	22011.1	20157.4	33778	43946.3	61602.4
Immovable property with operations	27656.5	31597.1	35420.6	41364.1	48621.1	58594.8	81165.1
Professional , scientific and technical activity	3782	5481.8	6912.4	8615.2	10394.8	13094.3	16344.3
Management according to activity and assistant services show	5122.2	6283.7	6884.3	8559.6	11277.1	13920	17144.9
State management and defense ; mandatory social supply	15021.5	20081.5	23219.4	30863.2	43933.8	62455	63352.1
Education	21802.3	30742.2	32772	43098.1	53459.9	64211	75885
Health storage and social services show	8814.8	13409.3	18004.4	21196.2	24676.7	28545.8	33859.2
Art , soul open and rest to take	1906	2552.1	2622.5	3692.2	4568.3	5916.4	7238.7
Other of the kind	5151.5	6467.3	6187.4	8388.3	9522.5	11914.8	14872.9

services show

**Table 2. Gross value added of sectors of the economy of Uzbekistan (in current prices, annual, 2018-2024)**

The service sector, especially in financial activities, real estate services, education, healthcare, arts and entertainment, also has high growth rates. For example, in 2010, the volume of financial services GDP amounted to 1,553.5 billion soums, while in 2024 this figure reached 61,602.4 billion soums. At the same time, the change in the ratio between the industrial and services sectors indicates that the share of services in the economy is increasing.



**Chart 1. Gross value added of sectors of the economy of Uzbekistan (in current prices, annual, 2010-2024)<sup>6</sup>**

This indicates that Uzbekistan's economic model is moving from a traditional agrarian-industrial economy to an innovative and service-oriented economy. In the construction sector, the volume of GDP from 3,706.5 billion soums in 2010 reached 96,801.9 billion soums in 2024, confirming the scale of infrastructure projects and the high level of economic activity. Investments in this area increase the multiplier effect in the economy. In general, the results of the analysis show that the economy of Uzbekistan is undergoing significant structural diversification, the role of the services sector is increasing, and new directions based on digital technologies are gaining priority. This indicates that structural changes are being combined with modern directions. We can see that the above data is also reflected in the graph.

The graph also shows that while the sharp growth in the industrial sector began in 2015 and peaked in 2023, there is also a steady and rapid growth in the construction and education sectors, and the information and communication sector has also seen rapid growth, especially in recent years. The financial sector has shown strong growth progress since 2020.

The economy of Uzbekistan has been witnessing significant structural changes in recent years. Analysis shows that the volume of gross value added in various sectors of the country's economy

<sup>6</sup> Uzbekistan Republic president under Statistics Agency " Statistics" integrated information system " data according to author's chassis scientific creative development .

is increasing every year, which acts as an important factor in ensuring sustainable economic growth. In particular, such sectors as industry, construction, education, finance and information and communication technologies are developing rapidly, as a result of which these sectors are becoming the main directions of the modern economic model. Also, factors such as the expansion of production capabilities, the introduction of elements of the digital economy, and the increase in the potential of the service sector contribute to maintaining structural balance in the economy. In particular, the rapid growth of industrial production, the sustainable development of information technologies, and the increase in the potential of the financial sector help strengthen the domestic economic base. The above growth dynamics are also clearly visible in the graphical data: in the period from 2010 to 2024, the main sectors of the economy have consistently achieved growth rates. This clearly demonstrates the effectiveness of the republic's economic policy, the appropriateness of structural reforms and their practical effectiveness. In the future, the foundation is being laid for creating a more effective economic model by ensuring the stability of economic growth, increasing competitiveness and increasing the share of sectors with high added value.

**LIST OF REFERENCES USED:**

1. Resolution of the President of the Republic of Uzbekistan No. PQ-109 dated 04.03.2024 "On priority measures for the implementation of reforms in 2024 in the main areas established by the "Uzbekistan — 2030" strategy". Source: <https://lex.uz/docs/-6854841>
2. A.Ochilov, D. Rahmonova, Sustainable development of the Republic of Uzbekistan: priority areas of investment activity, article, Green Economy and Development, No. 11, 2024. source: <https://yashil-iqtisodiyot-taraqqiyot.uz/journal/index.php/GED/article/view/3679>
3. According to the "Integrated Statistical Information System" of the Statistical Agency under the President of the Republic of Uzbekistan. Source: <https://siat.stat.uz/reports-filed/548/table-data>