

**MODERN STRATEGIES FOR DEVELOPING INTERREGIONAL ECONOMICS IN
UZBEKISTAN**

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Abstract: This article examines contemporary approaches to the development of regional economies in Uzbekistan under the ongoing socio-economic reforms. It analyzes the spatial distribution of productive forces, the role of social infrastructure, and the functioning patterns of regional economic systems. The study further explores regional disparities, factors shaping interregional economic relations, and issues related to sectoral specialization, industrial placement, investment attractiveness, and infrastructure development. Particular attention is paid to sustainable development principles, including economic efficiency, social equity, and environmental balance. Drawing upon classical and modern theoretical frameworks, the study evaluates Uzbekistan's current regional development trajectory and proposes strategic directions for enhancing territorial competitiveness and reducing interregional inequalities.

Keywords: regional economy, infrastructure, sustainable development, industrial placement, interregional disparities, investment, Uzbekistan.

Ongoing wide-ranging reforms in Uzbekistan have transformed regional development into a national priority. Ensuring optimal use of territorial potential, strengthening social infrastructure, and improving the distribution of productive forces across regions are considered central to enhancing the country's socio-economic resilience. Contemporary regional economic theory underscores the importance of territorial advantages such as labor availability, infrastructure, market access, production costs, and demographic factors when determining industrial placement and regional specialization. In Uzbekistan, these factors have historically shaped the development of major economic centers, while also contributing to uneven patterns of regional growth.

The purpose of this paper is to analyze the theoretical and practical foundations of regional economic development in Uzbekistan, assess existing challenges, and identify strategic directions for sustainable and balanced territorial growth. The analysis draws from classical and modern theoretical models, empirical data from regional economic performance, and policy perspectives embedded in the national development strategies.

The development of regional economics is historically rooted in economic geography and industrial location theories. One of the foundational concepts is Alfred Weber's theory of industrial location, which identifies transportation costs, labor costs, and agglomeration effects as the key determinants of optimal industrial placement. These factors remain relevant today in Uzbekistan, where economic clusters have emerged around major urban and industrial hubs such as Tashkent, Fergana Valley, and Navoi.

Walter Christaller's Central Place Theory further illustrates how hierarchical urban structures shape economic interactions and the spatial distribution of services. Tashkent exemplifies this model, operating not only as Uzbekistan's primary economic center but also as an influential hub in Central Asia. August Lösch's theory extends this framework by emphasizing demand, profit maximization, and market conditions in shaping regional structures.

Modern theoretical approaches such as Michael Porter's Cluster Theory and Paul Krugman's New Economic Geography highlight the importance of innovation, economies of scale, and infrastructure in fostering territorial competitiveness. In the context of Uzbekistan, industrial

clusters in Navoi, Angren, Bukhara, and Samarkand reflect these principles, supporting the emergence of specialized production zones and attracting foreign investment.

The sustainable development model introduced in the Brundtland Report (1987) adds a multidimensional perspective, integrating economic, social, and environmental considerations. This approach is highly relevant for Uzbekistan, especially in regions experiencing ecological stress, such as Karakalpakstan and the Aral Sea basin.

Uzbekistan's regional economic landscape remains diverse, with notable differences in industrialization, resource availability, and infrastructure quality. According to the State Statistics Agency (2025), the national GDP reached USD 115 billion in 2024, with a growth rate of 6.5 percent. The largest contributions came from Tashkent city, Navoi, Fergana, and Andijan regions. In contrast, regions such as Surkhandarya, Jizzakh, Sirdarya, and Karakalpakstan lag behind due to weaker industrial bases and underdeveloped infrastructure.

Uzbekistan's rich natural resources—including gold, copper, natural gas, uranium, and rare metals—provide significant opportunities for regional development. The country ranks among the top 15 global producers of natural gas and gold. However, challenges persist in processing raw materials domestically and establishing value-added production chains. The government aims to transition from a raw-materials-focused export model toward manufacturing and high-value exports, as emphasized in national policy priorities.

Agricultural specialization also varies across regions. Surkhandarya and Kashkadarya excel in cotton and grain production, while the Fergana Valley is known for horticulture and vegetable production. Bukhara and Samarkand maintain longstanding traditions in viticulture. Developing agro-industrial clusters is seen as a strategic mechanism to improve efficiency, export capacity, and rural livelihoods.

Infrastructure remains a major constraint on balanced regional development. In several regions, deficiencies in energy supply, transportation networks, logistics facilities, and digital infrastructure hinder economic growth and investment attraction. Government programs such as “Obod Qishloq,” “Obod Mahalla,” and the “New Uzbekistan” development strategy aim to reduce these disparities through large-scale modernization initiatives.

At the same time, the establishment of free economic zones (FEZs) in Navoi, Angren, and Jizzakh has accelerated industrial diversification. In 2023–2024 alone, Uzbekistan attracted more than USD 39 billion in foreign direct investment, significantly contributing to regional industrialization.

The analysis demonstrates that Uzbekistan's regional economic potential is substantial but unevenly distributed. Structural disparities stem from historical industrial patterns, differences in resource endowments, and variations in infrastructure quality. While leading regions continue to expand their industrial and service capacities, lagging regions require targeted interventions to enhance competitiveness and improve living standards.

International experience suggests that cluster development, innovation-driven growth, and digital transformation are effective tools for strengthening regional economies. For Uzbekistan, integrating green technologies, enhancing logistical connectivity, and promoting diversified production structures are essential to achieving balanced regional development. Particular attention must also be paid to environmental risks, especially in ecologically vulnerable areas of the country.

The study concludes that sustainable regional development in Uzbekistan is vital for national economic stability, social welfare, and long-term competitiveness. Despite notable progress in recent years, significant disparities remain between regions. Reducing these disparities requires a comprehensive approach that includes industrial diversification, infrastructure modernization, investment incentives, job creation, and the development of environmentally responsible

production systems. Strengthening innovation ecosystems, expanding cluster networks, and enhancing regional governance will enable Uzbekistan to fully unlock its territorial potential and establish a more balanced and sustainable economic structure.

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