**Uzbekistan** Uzbekistans flagga

With its 30 million inhabitants Uzbekistan has the largest population of all countries in Central Asia. Since independence 1991 the country has pursued a relatively isolated policy with a high degree of state control in almost all areas of economy and society, and built up industry based on import-substitution. The former Gosplan-head, Islam Karimov, who has been President since 1991, is keeping a firm grip on power. The state interference in the economy continues to be significant and business climate is complicated with a lot of regulations, currency conversion restrictions and high import tariffs and controls. A very low level of foreign debt, limited the impact of the global financial crisis. The country has a relatively diversified export base and the world market prices for the country´s large export commodities like gas, gold, copper and cotton has not fallen as much as for instance oil. The international reserves are very high, covering about 24 months of import.

Uzbekistan is having a large programme for modernization and industrialization that will open up more business opportunities for foreign companies. The GDP-growth is expected to be impressive during the coming years. So far the level of foreign direct investments (FDI) has been low, but is now increasing in several sectors of the economy, primarily from Russia and China. Gradually, but from very low levels, the relations with both the EU and the USA, are improving, partly as a result of Uzbekistan engaging harder in combating drugs smuggled from Afghanistan and also previously allowing transit of supplies to US troops in Afghanistan.

Key facts (Sources: ADB, IMF, CIA, World Bank, The Economist, Business Monitor Int´l, www.stat.uz)

2014 2015e 2016f 2017f

Population (mn) 29,5 29,9 30,3 30,7

GDP (nom.; USD, bn) 61,2 64,2 69,1 75

GDP-growth, real (%, y-o-y) +7,8 +6,1 +6,2 +6

GDP/capita (USD) 2.087 2.160 2.300 2.500

Budget balance (% of GDP) +2,0 +1,7 +1,3 +1,0

Inflation (CPI; e-o-p, %) 10,9 13,0 13,0 12

Export (USD, bn) 13,3 13,5 14 15

Import (USD, bn) 12,9 13,4 15 16

Balance of trade (USD, bn) +0,4 +0,1 -1 -1

Current account (USD, bn) +1,7 +1,7 +1,3 +0,8

Current account (% of GDP) +2,8 +2,6 +1,8 +1,1

Foreign reserves (USD, bn) 24,3 26,8 29 32

Total external debt (USD, bn) 10,5 10,4 10,6 11

Total external debt (% of GDP) 17,1 16,1 15,3 14,7

Exchange rate (UZS/USD) 2.422 3.000 3.200 3.350