



INTERNATIONAL TRADE AND ECONOMIC
GROWTH IN UZBEKISTAN: TRENDS, DESCRIPTIVE
ANALYSIS, AND POLICY DIRECTIONS

O'taganov Javohirbek

Second-year student, Group 503-25, Faculty of Economics
and Management, Karshi State Technical University,
Uzbekistan javohirutaganov777@gmail.com

ARTICLE INFO:

Received: 08.10.2026

Revised: 09.10.2026

Accepted: 10.10.2026

KEY WORDS:

international trade;
economic growth; trade
openness; export
diversification;
Uzbekistan; capital
goods imports; foreign
direct investment; global
value chains.

ABSTRACT

International trade plays an important role in the development of developing countries by expanding export markets, transferring technology, attracting investment, and modernizing the economic structure. Uzbekistan is implementing reforms to liberalize foreign trade, improve the investment climate, and integrate local enterprises into global value chains. Using official data, this article provides a descriptive macroeconomic analysis of Uzbekistan's foreign trade in 2025 (volume, partners, and composition) and of its dynamics alongside real GDP growth and trade openness over 2022–2025.

In 2025, foreign trade turnover reached USD 81.2 billion and real GDP growth reached 7.7 percent. However, short-period descriptive data do not prove a causal relationship between trade and economic growth. The results show that the benefits of trade depend on export diversification, the functional composition of imports, logistics efficiency, human capital, and institutional reforms. The article offers recommendations on accelerating the WTO accession process, developing high-value-added production and services exports, digitalizing customs procedures, and improving transport corridors.



INTRODUCTION. International trade is an important component of the modern world economy. Countries participate in international trade in order to specialize in the production of goods and services, expand markets, generate foreign exchange earnings, attract investment, and acquire technology and knowledge. For developing economies, trade expansion can become a source of sustainable growth only when it is accompanied by diversification of the export structure, rising productivity, and stronger domestic competitiveness.

Since 2017, Uzbekistan has been carrying out reforms aimed at liberalizing the economy, strengthening the private sector, improving the investment climate, and deepening integration into international markets. In 2025, private consumption, investment, services, agriculture, and industry contributed to economic growth.

The aim of the study is to provide a descriptive analysis of the concurrent dynamics of international trade and economic growth in Uzbekistan, and to identify the opportunities and problems associated with deepening trade integration.

LITERATURE REVIEW. According to classical trade theory, countries can increase overall efficiency by specializing in activities in which they have a comparative advantage (Krugman, Obstfeld, and Melitz, 2018). Endogenous growth theories view technological change and knowledge accumulation as an important internal driver of growth (Romer, 1990); international trade, in turn, can support the diffusion of knowledge and innovation processes (Grossman and Helpman, 1991).

In the empirical literature, the relationships among trade, exports, imports, and economic growth have been studied using various methods. Frankel and Romer (1999) estimated the effect of trade on income levels, while Awokuse (2007; 2008) analyzed the causal directions among exports, imports, and growth, drawing on the Granger (1969) approach to causality. However, the outcome of trade is not automatic: the composition of exports, infrastructure, institutional quality, human capital, and the capacity to create local value added are important.

Studies on Uzbekistan are relatively limited. Existing research has examined the relationship between FDI, domestic investment, and economic growth using a VECM approach (Kobilov, 2020), the link between FDI and electricity consumption during the green transition (Khalimjonov, 2023), and the relationships among trade openness, growth, and carbon emissions using ARDL in the context of WTO accession (Yusupov et al., 2026). Abdujalilova (2025) provides a comparative statistical analysis of Uzbekistan's foreign trade indicators. This article, by contrast, focuses on trade dynamics and structure based on short-period official data; it does not aim to estimate causality.

THEORETICAL FRAMEWORK. International trade may be related to economic development through several channels: exports expand foreign exchange earnings and



market scale; imports of capital and intermediate goods can strengthen production capacity; participation in international markets facilitates access to technologies, quality standards, and management practices (Helpman, 2011); and competition encourages firms toward efficiency and innovation. Foreign direct investment (FDI) can likewise create opportunities for technology transfer and access to global value chains (Rodrik, 2018).

This relationship is expressed conceptually as follows:

$$GDP_t = f(EXP_t, CAPIMP_t, FDI_t, OPEN_t)$$

Here EXP is exports, CAPIMP is imports of capital and investment goods, FDI is foreign direct investment, and OPEN is trade openness. In this article the formula is presented as a theoretical framework; the parameters are not estimated econometrically.

RESEARCH METHODOLOGY. The article is based on descriptive macroeconomic analysis. Data on the volume and composition of foreign trade were taken from the foreign trade review for January–December 2025 of the National Statistics Committee of the Republic of Uzbekistan; data on real GDP growth and the shares of exports and imports in GDP were taken from the World Bank's World Development Indicators database and the Uzbekistan Macro Poverty Outlook materials. Because the methodologies of the data sources may differ, dollar values and share indicators are not directly compared with one another.

Trade openness is calculated using the following formula:

$$OPEN_t = [(EXP_t + IMP_t) / GDP_t] \times 100$$

The analysis covers foreign trade volume and composition for 2025, and trade openness and real GDP growth for 2022–2025. The shortness of the period requires that the results be interpreted as a description of trends; they are insufficient for drawing statistical or causal conclusions.

Future research could examine the relationship among trade, economic growth, and investment using econometric methods, such as the ARDL bounds-testing approach (Pesaran, Shin, and Smith, 2001; Narayan, 2005), on longer and higher-frequency data. Since annual series are limited, it is advisable to use quarterly data wherever possible.

According to the National Statistics Committee, Uzbekistan's foreign trade turnover in 2025 amounted to USD 81.2 billion. Exports were USD 33.8 billion and imports USD 47.4 billion. As a result, the trade balance recorded a negative balance of USD 13.6 billion, i.e., a trade deficit.

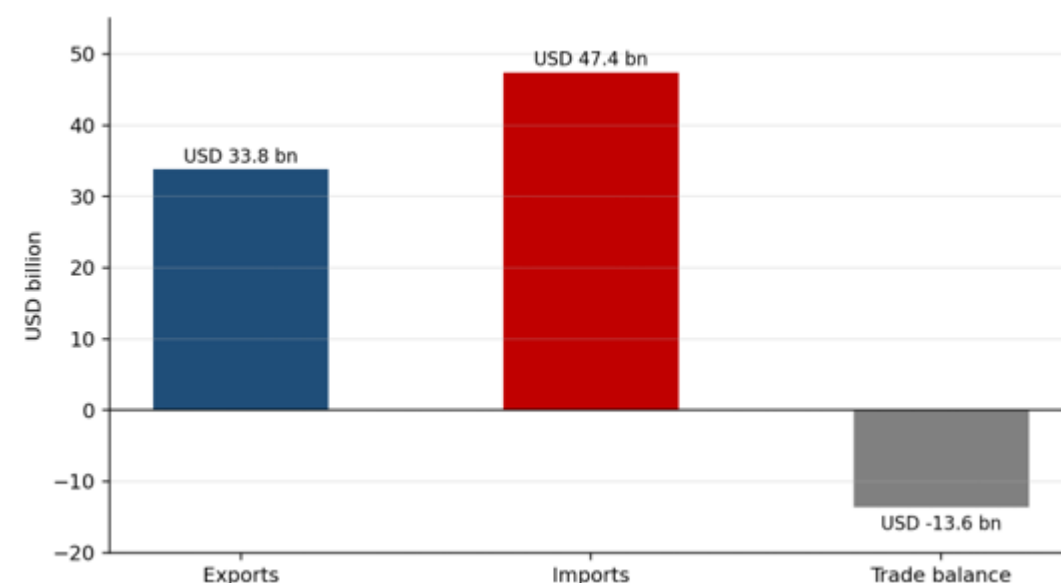
Table 1. Key foreign trade indicators, 2025

Indicator	2025 value
Foreign trade turnover	USD 81.2 billion
Exports	USD 33.8 billion
Imports	USD 47.4 billion



Trade balance	–USD 13.6 billion
Trade partners	210 countries
Largest partner	China — 21.2% of turnover

Source: compiled from data of the [National Statistics Committee of the Republic of Uzbekistan](#) (2026).



Source: author's calculations based on data of the [National Statistics Committee of the Republic of Uzbekistan](#)

In 2025, the main trade partners were China, Russia, Kazakhstan, Türkiye, and the Republic of Korea. Concentration in the composition of partners may increase sensitivity to external demand, logistics conditions, and changes in trade policy.

Trade and Economic Growth

In 2025, Uzbekistan's real GDP grew by 7.7 percent. In the short-period data presented, trade indicators and GDP growth are observed over the same period, but this does not prove a statistical relationship or a causal effect. Economic growth itself may also increase demand for capital goods and raw material imports.

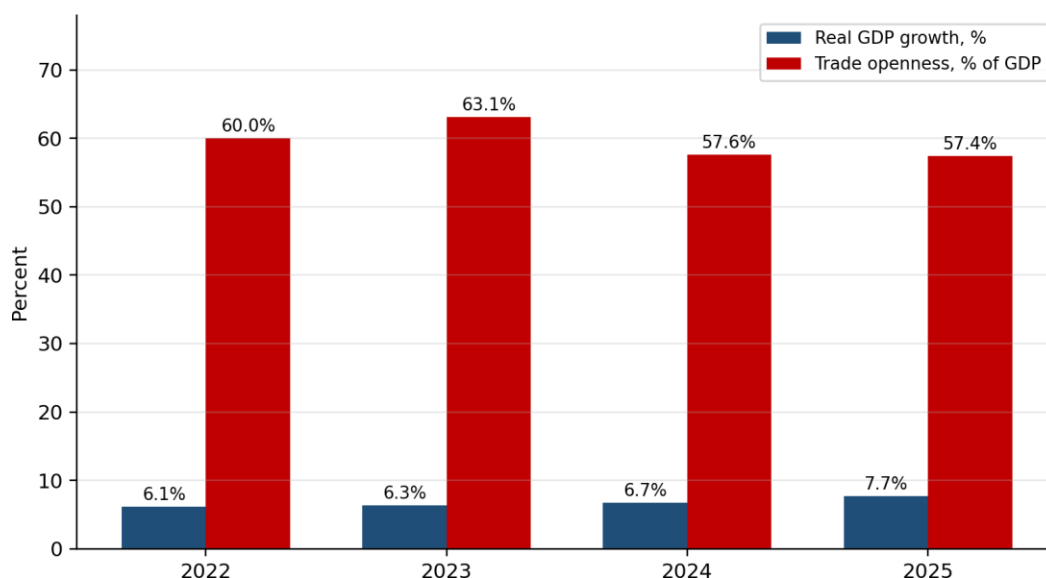
Table 2. Real GDP growth, trade shares in GDP, and trade openness, 2022–2025

Year	Real GDP growth	Exports GDP	Imports GDP	Openness (OPEN)
2022	6.1%	22.2%	37.8%	60.0%
2023	6.3%	23.3%	39.8%	63.1%
2024	6.7%	21.6%	36.0%	57.6%
2025	7.7%	22.0%	35.4%	57.4%



Source: author's calculations based on [World Bank](#) data. Note: $OPEN = (exports + imports) / GDP \times 100$.

Figure 2. Real GDP growth and trade openness, 2022–2025



Uzbekistan's exports, imports, and trade balance in 2025 (USD billion)

Source: author's calculations based on [World Bank — World Development Indicators: Uzbekistan](#) data.

Between 2023 and 2025, real GDP growth accelerated from 6.3 percent to 7.7 percent, while trade openness declined from 63.1 percent to 57.4 percent. This shows that the pace of growth cannot be explained solely by the expansion of trade relative to GDP, and that domestic demand, investment, services, and other factors in production are also important.

EXPORT DIVERSIFICATION. Export diversification is important for increasing resilience to external shocks. In 2025, non-monetary gold exports amounted to approximately USD 9.9 billion, or 29.3 percent of total exports. Non-monetary gold here means gold sold on the international market as a commodity, rather than held as a monetary reserve.

A high share of gold may increase the sensitivity of export earnings to fluctuations in world prices. For this reason, it is important to develop areas such as processed textiles, agricultural products, chemical products, metal processing, transport-logistics, and information technology services.

Services exports amounted to approximately USD 9.8 billion, equal to about 28.9 percent of total exports.



Imports should not be assessed solely as a source of the trade deficit. In 2025, machinery and transport equipment accounted for 33.8 percent of imports. A certain part of this category may include equipment, production machinery, and other investment goods; however, it would be methodologically incorrect to treat all of it as capital goods. Imports of capital, intermediate, and technological products can expand production capacity and help in absorbing technologies. The ultimate developmental effect of this depends on the composition of imports, the efficiency of their use, the degree of localization, and export opportunities.

Trade and FDI. Trade openness and FDI may reinforce each other. Foreign investment provides capital, technology, management experience, and access to international distribution networks. However, the effect of FDI depends on foreign enterprises' linkages with local suppliers, technology transfer, workforce training, and the degree of export orientation.

MAIN PROBLEMS

Trade deficit: in 2025, imports exceeded exports by USD 13.6 billion.

Export concentration: the high share of non-monetary gold may increase sensitivity to external price shocks.

Logistics costs: because Uzbekistan is doubly landlocked, access to international markets is sensitive to transit costs and time.

Quality and certification: adapting to international standards, certification, and traceability requirements is difficult for many small and medium-sized businesses.

Human capital: demand is growing for qualified specialists in international finance, digital trade, logistics, engineering, and data analytics.

Institutional barriers: non-tariff measures, customs procedures, and regulatory uncertainty may increase trade costs.

Policy Recommendations

WTO accession and tariff reform: accelerate WTO accession and tariff reforms, align domestic rules with international norms, and consistently reduce non-tariff barriers.

Export diversification: support high-value-added industry, processed agricultural products, chemicals, textiles, IT outsourcing, tourism, and transport services.

Transit and logistics: invest in multimodal hubs, digital customs systems, and economically justified international transport corridors.

“Single window” principle: reduce the number of documents, digitalize customs procedures, and increase the transparency of procedures.

Quality FDI: link investment incentives to technology transfer, local supplier development, staff training, and export performance.

Human capital: align educational programs with the needs of international business, logistics, analytics, engineering, and digital trade.



Conclusion

International trade plays an important role in Uzbekistan's economic modernization and integration into the world economy. In 2025, foreign trade turnover reached USD 81.2 billion and real GDP growth reached 7.7 percent. However, short-period descriptive data do not prove that trade expansion caused economic growth; the relationship between trade and GDP may run in both directions.

Long-term outcomes depend not only on trade volume, but also on export diversification, the contribution of imports to production and technological capacity, logistics, institutions, and human capital. In future research, it is advisable to conduct econometric analysis based on a longer period or quarterly series.

Data Availability Statement

The data used in this study were obtained from public sources of the National Statistics Committee of the Republic of Uzbekistan and the World Bank. The tables and calculation files used in the calculations may be provided by the corresponding author upon reasonable request.

Conflict of Interest

The author declares that there is no conflict of interest.

Funding

The research received no specific grant from public, commercial, or not-for-profit organizations.

Statement on the Use of Generative AI

Generative AI tools were used for assistance with language editing, structural improvement, and formatting. The author takes full responsibility for the accuracy of all data, interpretations, sources, and conclusions.

REFERENCES

1. Abdujalilova, B. B. (2025). Comparative statistical analysis of foreign trade indicators of the Republic of Uzbekistan. *Green Economy and Development*, 3(4). <https://doi.org/10.5281/zenodo.15235965>
2. Awokuse, T. O. (2007). Causality between exports, imports, and economic growth: Evidence from transition economies. *Economics Letters*, 94(3), 389–395. <https://doi.org/10.1016/j.econlet.2006.08.025>
3. Awokuse, T. O. (2008). Trade openness and economic growth: Is growth export-led or import-led? *Applied Economics*, 40(2), 161–173. <https://doi.org/10.1080/00036840600749490>
4. Frankel, J. A., & Romer, D. (1999). Does trade cause growth? *American Economic Review*, 89(3), 379–399. <https://doi.org/10.1257/aer.89.3.379>
5. Granger, C. W. J. (1969). Investigating causal relations by econometric models and cross-spectral methods.



6. Econometrica, 37(3), 424–438. <https://doi.org/10.2307/1912791>
7. Grossman, G. M., & Helpman, E. (1991). Innovation and growth in the global economy. MIT Press. <https://mitpress.mit.edu/9780262570977/innovation-and-growth-in-the-global-economy/>
8. Helpman, E. (2011). Understanding global trade. Harvard University Press. <https://www.hup.harvard.edu/books/9780674050832>
9. Khalimjonov, N. (2023). Foreign direct investment and electricity consumption during Uzbekistan's green transition. Green Economy and Development, 1(11–12). https://doi.org/10.55439/GED/vol1_iss11-12/a367
10. Kobilov, A. (2020). Foreign direct investment and domestic investment on the economic growth of Uzbekistan: A VECM analysis. Arxiv nauchnykh issledovaniy, 33(1). <https://ejournal.tsue.uz/index.php/archive/article/view/3753>
11. Krugman, P. R., Obstfeld, M., & Melitz, M. J. (2018). International economics: Theory and policy. Pearson. <https://www.pearson.com/en-us/subject-catalog/p/international-economics-theory-and-policy/P200000003559>
12. Narayan, P. K. (2005). The saving and investment nexus for China: Evidence from cointegration tests. Applied Economics, 37(17), 1979–1990. <https://doi.org/10.1080/00036840500215325>
13. National Statistics Committee of the Republic of Uzbekistan. (2026). Foreign trade turnover of the Republic of Uzbekistan for January–December 2025. <https://stat.uz/uz/rasmiy-statistika/merchandise-trade-2>
14. Pesaran, M. H., Shin, Y., & Smith, R. J. (2001). Bounds testing approaches to the analysis of level relationships.
15. Journal of Applied Econometrics, 16(3), 289–326. <https://doi.org/10.1002/jae.616>
16. Rodrik, D. (2018). New technologies, global value chains, and developing economies. NBER Working Paper No. 17.25364. <https://www.nber.org/papers/w25364>
18. Romer, P. M. (1990). Endogenous technological change. Journal of Political Economy, 98(5, Part 2), S71–S102. <https://doi.org/10.1086/261725>
19. World Bank. (2026). Uzbekistan macro poverty outlook. <https://www.worldbank.org/en/country/uzbekistan/publication/uzbekistan-macro-poverty-outlook>
20. World Bank. (n.d.). World Development Indicators: Uzbekistan. <https://data.worldbank.org/country/uzbekistan>
21. Yusupov, A., Tukhtaeva, Z., Xolmurotov, F., Ishmuradov, S., Umirov, A., Karshiev, F., & Xolmuratov, X. (2026).
22. Trade openness, economic growth, and carbon emissions in Uzbekistan: Evidence from ARDL and WTO accession context. Environmental Economics, 17(1), 182–199. [https://doi.org/10.21511/ee.17\(1\).2026.14](https://doi.org/10.21511/ee.17(1).2026.14)
23. Samiyeva G. T., Yuldashev S. E. Ways to Effectively Organize Employment of the Population in Ensuring Social and Economic Security of the Region. – 2023.