



Local Knowledge
for Global Business

The World Bank maintains a positive outlook for the economy of Uzbekistan

On October 7 this year, the World Bank published a new regional economic review. According to this review, Uzbekistan will be one of only two countries in the Europe and Central Asia region that will demonstrate economic growth in 2020.

Due to the coronavirus pandemic (COVID-19), Uzbekistan's GDP growth in the first half of 2020 was almost zero. At the same time, this figure for the same period in 2019 amounted to 5.8%. The volume of fixed asset investment decreased by 12.8%. The unemployment rate rose sharply from 9.4% in the first quarter to 15% in the second quarter.

As was noted by the head of the World Bank office in Uzbekistan, the crisis caused by the pandemic has almost completely slowed down GDP growth in Uzbekistan in 2020. Government measures during the pandemic also earned a special attention in the World Bank. These measures confirmed Uzbekistan's firm intention to continue reforms in key sectors of the economy.

According to the World Bank, the lifting of quarantine measures in the third quarter of 2020, the partial recovery of remittances and sustainable agricultural production will contribute to the strengthening of economic activity in the second half of 2020.

Uzbekistan's GDP growth for this year is expected to be from 0.4% to 0.8%. This figure is much lower than in 2019, when GDP growth reached 5.6%. Despite this, Uzbekistan and Tajikistan will be the only countries among the 23 countries in the Europe and Central Asia region that will have positive economic growth in 2020. GDP growth in 2021 in Uzbekistan may reach 4.8-5.0%, provided that the country will not re-introduce quarantine measures.

Industries

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