Factors of Uzbekistan's Sustainable Economic Development

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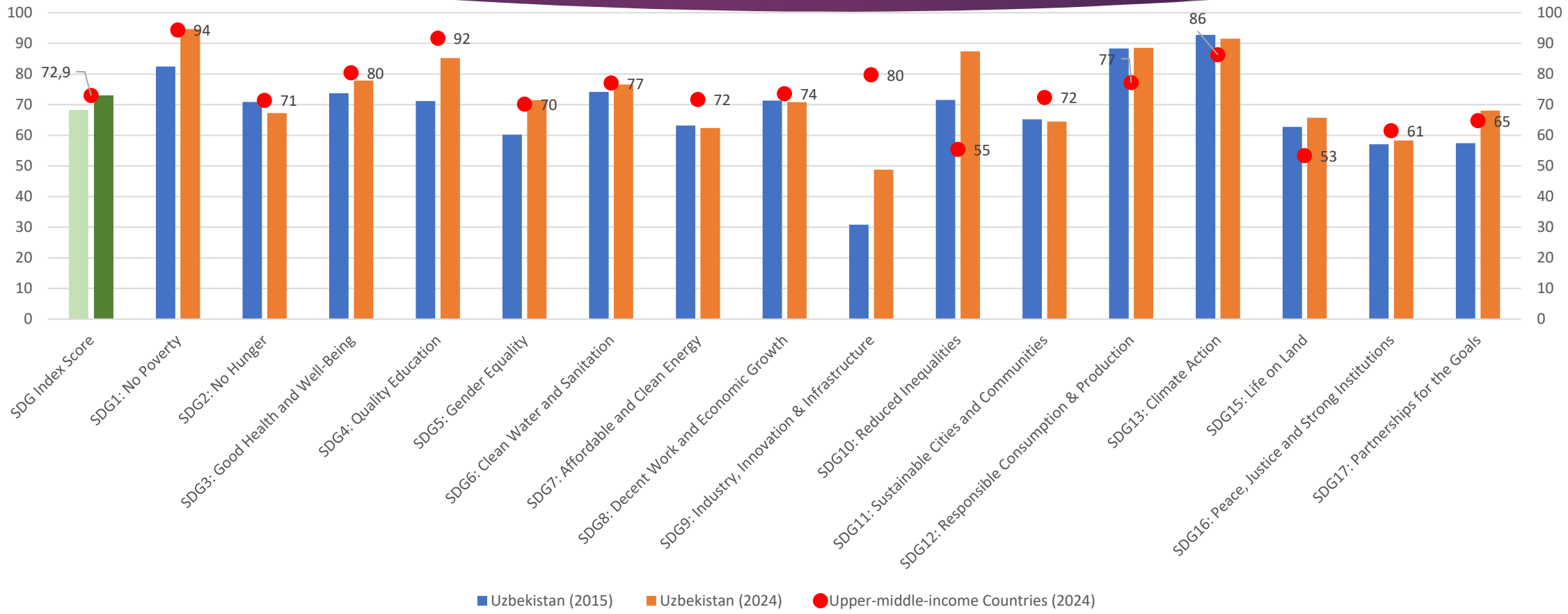
MAIN CHARACTERISTICS OF SDG 2015-2025 FOR UZBEKISTAN

- Over the past 25 years, Uzbekistan has demonstrated high economic growth rates (around 6.0% on average for the period from 2015 to 2024), significantly exceeding global average estimates (3.0-3.5%).
- The country ranked 62rd out of 167 countries and scored 73 points in the Sustainable Development Report 2025 (SDSN) (81st rank in 2024).
- Uzbekistan has either achieved or is on track to achieve nearly 45% of the SDGs (from 2015 to 2025).

MAIN CHARACTERISTICS OF SDGs 2015-2025 FOR UZBEKISTAN



ACHIEVEMENTS:

- SDG 1: No Poverty (from 82 to 95 points);
- SDG3: Good Health and Well-Being (from 74 to 78 points);
- SDG 4: Quality Education health and well-being for all (from 71 to 85 points);
- SDG10: Reduced Inequalities (from 72 to 87 points);
- SDG9: Industry, Innovation & Infrastructure (from 31 to 49 points).

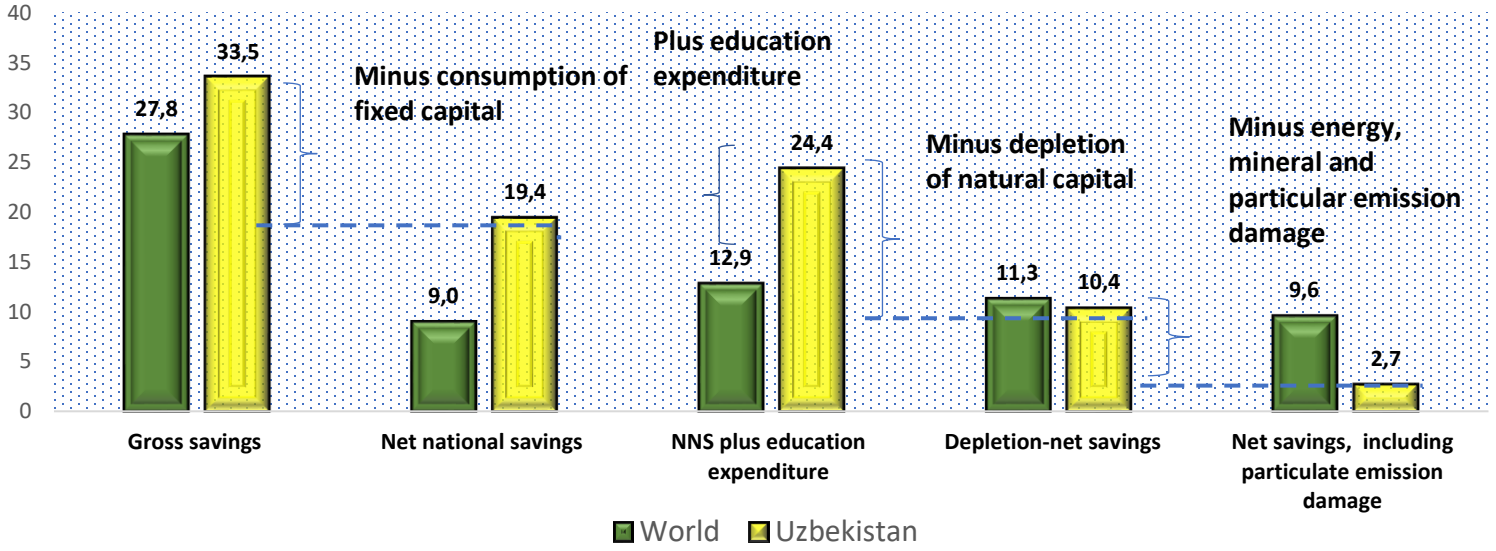
CHALLENGES :

- **Natural resource management, water and environmental sustainability (SDGs 6, 11, 12, 13, 15):**
- SDG 6: Clean Water and Sanitation (77 points) and SDG7: Affordable and Clean Energy (62 points) inefficient water use, freshwater withdrawal (122% of available freshwater resources), pollution from chemical fertilizers and intensive desiccation, especially in the Aral region.
- SDG 11: Sustainable Cities and Communities (one of the lowest sub-indexes 68 points) high levels of air pollution (PM2.5, heavy metals), particularly in cities, are a challenge for and public health.
- Although millions of trees have been planted, land degradation and desertification remain serious threats (SDG 13: Climate Action, SDG 15: Life on Land).
- SDG12: Responsible Consumption & Production: high percentage of nitrogen emissions in production (34.4 kg/capita), low efficiency of the control system at production;
- SDG13: Climate Action (- 1.1 from year 2017 or 91.5 points): relatively high levels of CO2 in export products released during fuel combustion and cement production (3,6tCO2/capita);

CHALLENGES :

- **Finance and economic sustainability SDGs 8: Decent Work and Economic Growth:**
- about an additional USD 6 billion per year to achieve the goals by 2030, plus USD 4 billion in external financing;
- Structural reforms in order to stimulate the structural reforms and increase rate of return of investment;
- **SDG9: Industry, Innovation & Infrastructure (lowest sub-index 48 points) and SDG16: Peace, Justice and Strong Institutions (58 points):**
- insufficient spending on research (0.13% of GDP), low positions of universities in world rankings;
- low level of high-speed Internet use by the population (71.1%), need to improve the efficiency of trade and transport logistics (2.57 out of 5);
- Low corruption Perceptions Index (25 points out of 100).

CHALLENGES:

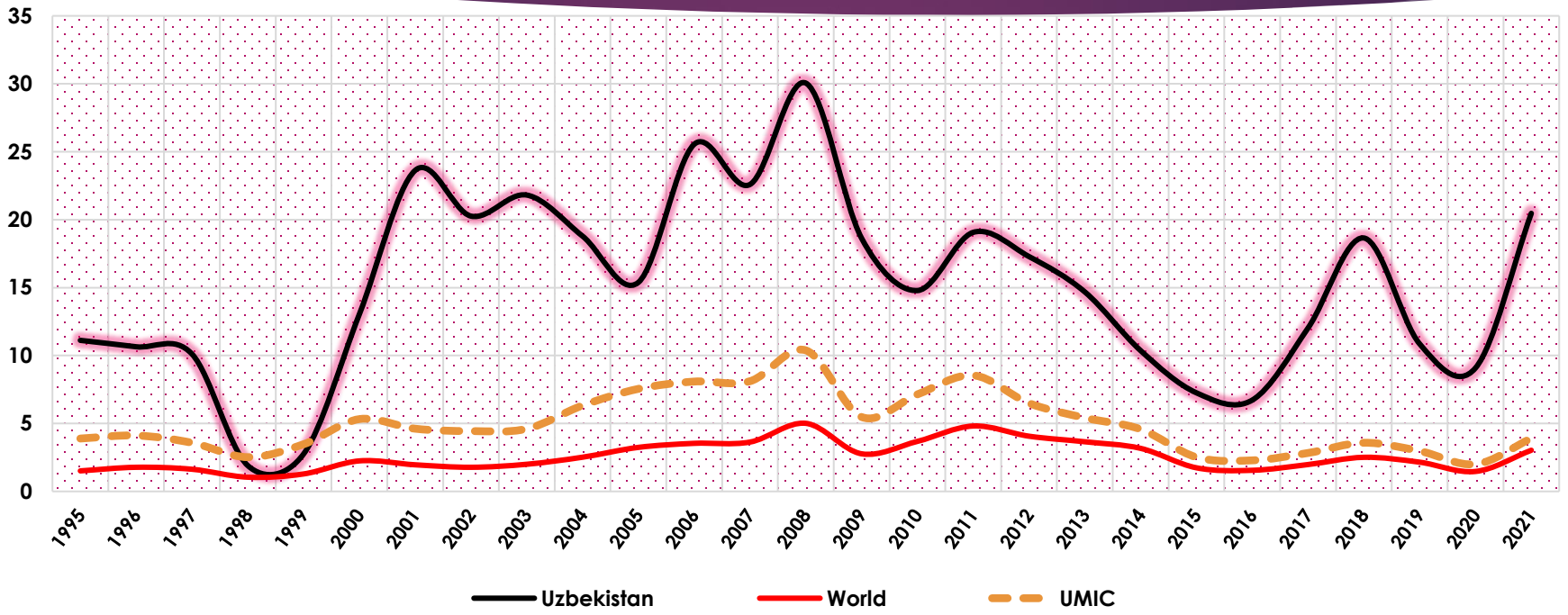


Hypothesis: the current growth model has not contributed to the accumulation of sustainable growth potential.

Adjusted Net Savings for Uzbekistan and the world in 2021 (% of **GDP**)

World bank's WDI (2025)

CHALLENGES :



The value (**100 - RENT**) reflects the potential for sustainable development

Total natural resources rents (% of GDP)

World bank's WDI (2025)

ASSESSING THE SUSTAINABILITY OF UZBEKISTAN'S DEVELOPMENT UNDER LIMITATIONS OF MACROECONOMIC DATA: AN ARDL–ECM APPROACH

ARDL long-run form

Dependent variable: **L_RENT**

Variable	Coefficient	Std. Dev.	t-statistic	P-value
L_FDI*	-1.002254	0.494088	-2.028491	0.0607
L_GDP**	2.187592	0.925636	2.363340	0.0320
L_GOLD	-0.763573	0.539758	-1.414659	0.1776
C	-9.206438	4.351156	-2.115860	0.0515

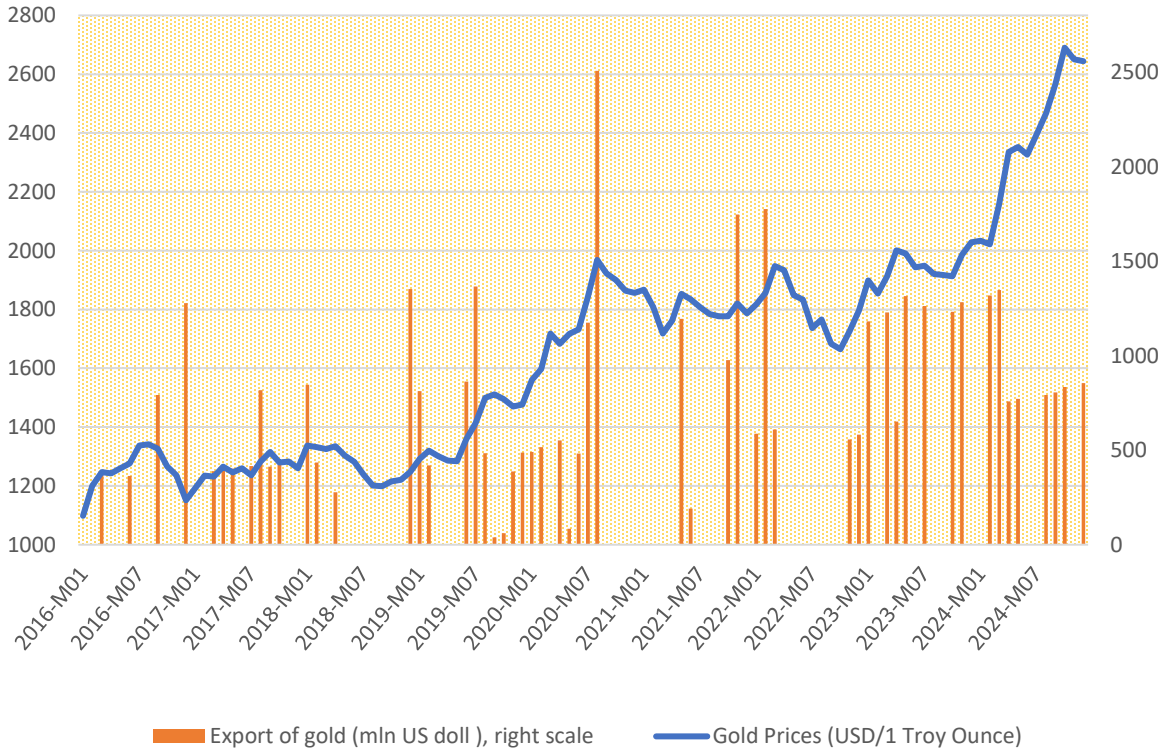
ARDL short-run form

Dependent variable: **D(L_RENT)**

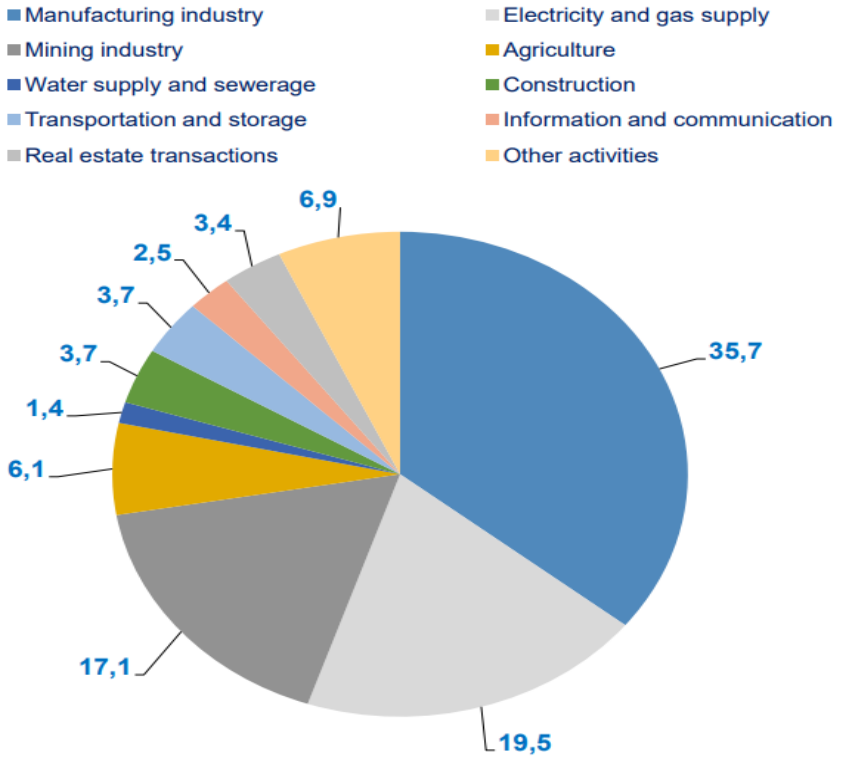
Variable	Coefficient	Stand. Dev.	t-statistic	P-value
D(L_FDI)***	-0.814410	0.149722	-5.439468	0.0001
D(L_FDI(-1))	-0.097701	0.136842	-0.713970	0.4862
D(L_FDI(-2))**	-0.482578	0.136496	-3.535475	0.0030
D(L_GDP)***	16.490346	4.050432	4.071256	0.0010
D(L_GDP(-1))***	-11.807851	3.973460	-2.971680	0.0095
D(L_GOLD)**	1.738993	0.648505	2.681540	0.0171
D(L_GOLD(-1))***	3.420327	0.759918	4.500914	0.0004
CointEq(-1)***	-0.778346	0.106888	-7.281890	0.0000

ASSESSING THE SUSTAINABILITY OF UZBEKISTAN'S DEVELOPMENT UNDER LIMITATIONS OF MACROECONOMIC DATA: AN ARDL–ECM APPROACH

Gold Prices Dynamics and Export of Gold



Foreign investments and loans in fixed capital, share in total investment, in %



ASSESSING THE SUSTAINABILITY OF UZBEKISTAN'S DEVELOPMENT UNDER LIMITATIONS OF MACROECONOMIC DATA: AN ARDL–ECM APPROACH

- The **growth of world gold prices** in the short term increases the instability in development.
- In a favorable global economic environment, the incentives of the government authorities to implement **unpopular reforms and invest additional revenues to strengthen the institutional and human capacity weakens**. It increases the risks of sharp economic destabilization during the transition to a period of less favorable economic conditions.
- When FDI is allocated to the manufacturing sector, it can rapidly decrease natural resource rents in the short term. The overall long-term impact of **FDI** on **RENT** will be also **negative**.
- **Higher economic growth** rates are associated with increased depletion of non-renewable natural capital.
- **Existing Uzbek growth model does not contribute to strengthening the potential for sustainable development**. The instability of the resource-oriented model of Uzbek economy over the past three decades exacerbate the pressure on natural capital and heighten the risks of future developmental instability.

POLICY RECOMMENDATIONS:

- The obtained results underscore the **importance of developing and transitioning to a new resource-efficient, socially-oriented growth model** that creates conditions and incentives for activating alternative sources of economic growth;

- The need to shift from quantitative growth to qualitative and institutionally embedded changes;

- Uzbekistan needs a strategic focus on narrow interconnected priorities: institutional effectiveness, environmental sustainability, human capital development and sustainable financing;

POLICY RECOMMENDATIONS:

- Develop a system to measure national wealth, following CWON 2025 guidelines and covering all key parts of the natural capital . This will provide government and research groups with data on existing assets and how they evolve, categorized by type (like natural, human, and produced capital, plus institutional and infrastructure effectiveness). It will also help better understand the potential and sustainability of current and future growth sources;

- Strengthen not only the role of the government, but also more active involvement of local communities, academia, civil society, and the private sector;

- Review efficiency of recent energy policies to suggesting new methods to promote energy saving, considering the growing role of renewable energy.

Thank you for your attention!