



**THE SIGNIFICANCE OF THE DEVELOPMENT STRATEGY IN THE ADVANCEMENT OF  
THE NATIONAL ECONOMY**

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**Abstract:**

This article highlights the significance of the "Development Strategy of New Uzbekistan" in the modernization of the national economy. It analyzes the strategy's key directions aimed at improving the investment climate, supporting the private sector, and fostering the digital economy. Furthermore, the role of ongoing economic reforms in ensuring sustainable macroeconomic growth is examined.

**Keywords:** Development Strategy, New Uzbekistan, economic reforms, investments, foreign direct investment, private sector, small business, digital economy, innovation, agriculture, export potential.

**INTRODUCTION**

In the context of increasing globalization, technological transformation, and growing economic competition, the implementation of long-term development strategies has become one of the key prerequisites for ensuring sustainable economic growth and improving national competitiveness. International experience demonstrates that countries achieving stable economic progress rely on comprehensive strategic programs aimed at modernizing economic sectors, attracting investment, fostering innovation, and improving public welfare. In this regard, the Development Strategy of New Uzbekistan serves as a fundamental framework for accelerating economic reforms and strengthening the country's position in the global economy [1].

The Development Strategy of New Uzbekistan for 2022–2026 outlines a wide range of priorities aimed at ensuring macroeconomic stability, improving the investment climate, supporting private entrepreneurship, developing the digital economy, strengthening industrial production, modernizing agriculture, and enhancing human capital development [4]. The implementation of these priorities contributes to the formation of a modern market economy and creates favorable conditions for sustainable socio-economic development.

Over the past few years, Uzbekistan has demonstrated significant economic progress through the implementation of structural reforms. The expansion of foreign direct investment, increasing export volumes, digital transformation initiatives, and improvements in the business environment have contributed to strengthening economic growth and increasing the competitiveness of the national economy [2]. At the same time, the effective implementation of strategic reforms remains an important factor in ensuring long-term economic sustainability.



The purpose of this study is to examine the significance of the Development Strategy of New Uzbekistan in advancing the national economy, assess its impact on key economic sectors, and identify the main directions contributing to sustainable economic growth and modernization.

## **LITERATURE REVIEW**

The issues of economic development, strategic planning, and structural reforms have been extensively studied by both domestic and international scholars and institutions.

Uzbek economist Bahodir Khodiyev emphasizes that sustainable economic growth largely depends on the effectiveness of state economic policy, the development of market institutions, and the improvement of investment mechanisms. According to the scholar, structural reforms play a decisive role in increasing economic efficiency and strengthening national competitiveness [8].

Research conducted by Shodmonqul Elmirzayev highlights the importance of improving financial mechanisms and creating favorable conditions for private sector development. The author argues that strengthening entrepreneurship and expanding market opportunities contribute significantly to long-term economic growth and modernization processes [9].

Oltaev Sh.S. analyzed the role of property valuation and investment activities in the development of the national economy. According to the author, efficient allocation of resources and the attraction of investment capital are essential factors for ensuring sustainable economic development and increasing production capacity [10].

The World Bank emphasizes that Uzbekistan's ongoing economic reforms have significantly improved the business environment and investment attractiveness of the country. The institution notes that further liberalization and private sector support are necessary to maintain stable economic growth [5]. According to the Asian Development Bank, infrastructure modernization, industrial diversification, and digital transformation are among the key factors contributing to economic development in Uzbekistan. The organization highlights the importance of innovation and technological advancement in achieving sustainable growth [6].

The International Monetary Fund stresses that maintaining macroeconomic stability, improving public sector efficiency, and attracting foreign investment remain critical priorities for ensuring long-term economic resilience and competitiveness [7].

Despite the substantial contributions of previous studies, the comprehensive impact of the Development Strategy of New Uzbekistan on various sectors of the national economy requires further investigation. Therefore, this study seeks to evaluate the strategic directions and economic significance of the Development Strategy in the context of sustainable national development.

## **METHODOLOGY**

This study employs both qualitative and quantitative research methods to examine the significance of the Development Strategy of New Uzbekistan in advancing the national economy. The research is based on the methods of comparative analysis, systematic analysis, scientific abstraction, logical reasoning, and statistical assessment.



Official data from the President of the Republic of Uzbekistan, the Ministry of Economy and Finance, the Statistics Agency, the World Bank, the Asian Development Bank, the International Monetary Fund, and other authoritative sources were utilized as the empirical basis of the study [1–8].

The comparative analysis method was applied to evaluate the impact of economic reforms on investment activity, private sector development, industrial growth, agricultural modernization, and digital transformation. Statistical and analytical approaches were used to assess economic trends and identify the main factors contributing to sustainable development.

The methodological framework of the study enables a comprehensive assessment of the role of the Development Strategy in strengthening economic stability, improving competitiveness, and supporting long-term national development.

## RESULTS AND DISCUSSION

In recent years, Uzbekistan has implemented large-scale economic reforms within the framework of the Development Strategy of New Uzbekistan. These reforms have focused on improving the investment climate, expanding private sector participation, accelerating digital transformation, modernizing industrial production, strengthening energy security, and enhancing human capital development. As a result, significant progress has been achieved in various sectors of the national economy.

According to official statistics and international financial institutions, Uzbekistan has maintained stable economic growth despite global economic uncertainties. Structural reforms have contributed to increasing foreign direct investment, expanding export potential, and improving the overall business environment [2; 5].

**Table 1. Key Economic Development Indicators of Uzbekistan (2021–2025)**

Indicators	2021	2022	2023	2024	2025
GDP Growth (%)	7.4	5.7	6.0	6.5	6.7
Foreign Direct Investment (USD billion)	8.1	10.0	11.8	13.0	14.2
Export Volume (USD billion)	16.6	19.3	24.4	27.0	30.1
Industrial Growth (%)	8.7	5.2	6.1	6.8	7.0
Share of Private Sector in GDP (%)	76.1	78.0	79.3	80.5	81.4

\*Compiled by the author based on data from the Ministry of Economy and Finance, Statistics Agency, World Bank, and IMF reports [2; 3; 5; 7].

Table 1 demonstrates the positive dynamics of Uzbekistan's economic development during 2021–2025. GDP growth remained stable throughout the analyzed period, while foreign direct investment increased from USD 8.1 billion to USD 14.2 billion. Export volumes also expanded significantly, reflecting the growing competitiveness of domestic producers and successful integration into international markets. Furthermore, the increasing share of the private sector in GDP confirms the effectiveness of reforms aimed at strengthening market mechanisms and entrepreneurial activity. Overall, the results indicate

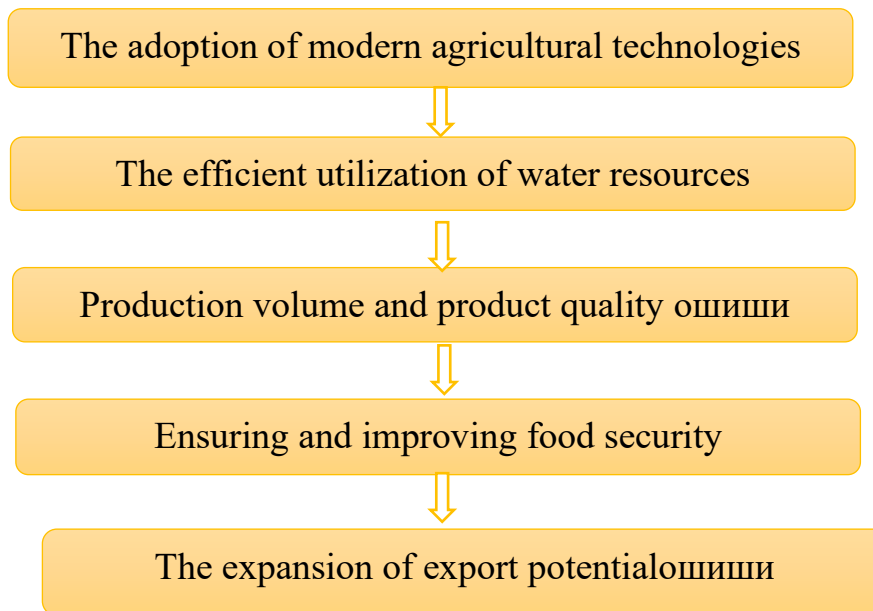


that the implementation of the Development Strategy has contributed substantially to sustainable economic growth and structural transformation of the national economy.

One of the key priorities of the Development Strategy is the modernization of the main economic sectors, including agriculture, industry, energy, and human capital development [3]. These sectors form the foundation of long-term sustainable development and national competitiveness.

Within this framework, the industrial sector plays a pivotal role in the development of the national economy [3]. In recent years, new industrial zones have been established, and production volumes have steadily increased. Significant transformations are observed in the automotive, textile, chemical, and construction materials industries. The expansion of export-oriented production has strengthened the country's industrial capacity and improved macroeconomic stability.

Similarly, the agricultural sector also constitutes one of the essential branches of the economy of Uzbekistan. In recent years, extensive initiatives have been implemented to modernize this sector and support farmers. Significant emphasis is being placed on the efficient utilization of water resources, the adoption of modern agricultural technologies, and the advancement of the cluster system in agriculture. These efforts contribute to increasing both the quality and volume of products. The progress of agriculture holds crucial significance in ensuring the country's food security. Concurrently, cultivating export-oriented products opens up opportunities to increase foreign currency earnings. The structural flow of this process is comprehensively illustrated as a functional mechanism in Figure 1 below.



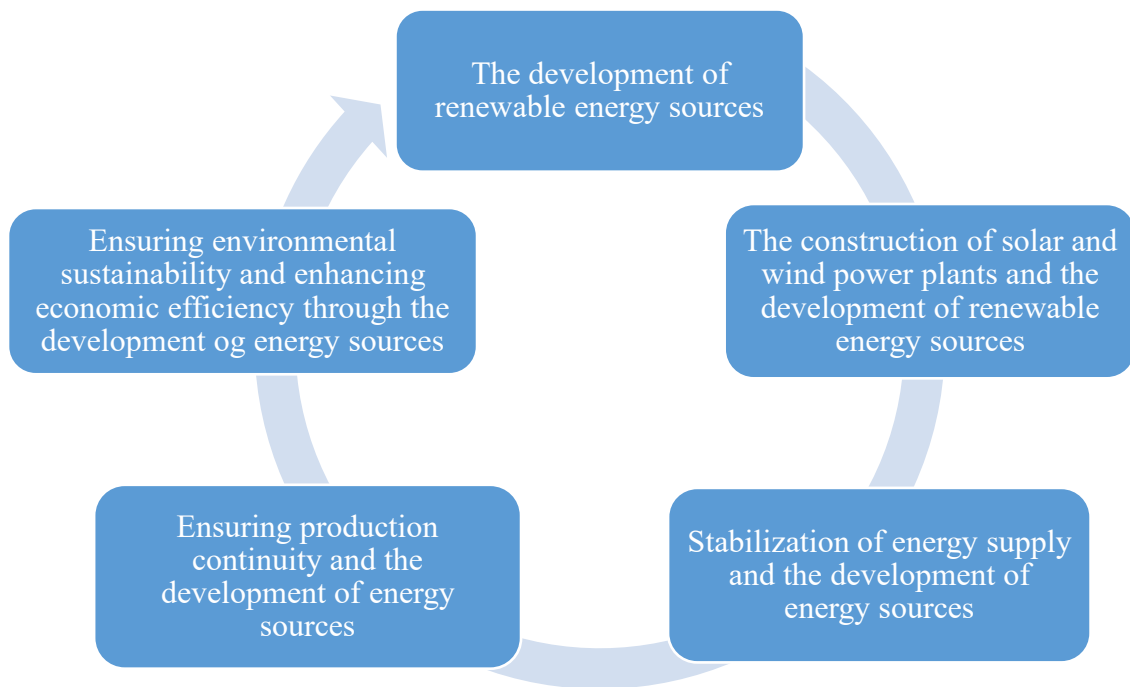
**Figure 1. The mechanism of agricultural sector development**

\*Compiled by the author based on research findings.



Figure 1 illustrates the mechanism of agricultural sector development within the framework of the Development Strategy. The analysis indicates that the integration of modern agricultural technologies, efficient utilization of water resources, and expansion of cluster-based production systems contribute significantly to increasing productivity and improving food security. Furthermore, government support programs stimulate rural entrepreneurship and create additional employment opportunities, thereby enhancing socio-economic development in rural areas.

The energy sector represents another strategic direction of economic modernization. The implementation of renewable energy projects and energy-efficiency initiatives is aimed at ensuring sustainable economic growth and reducing dependence on traditional energy sources.



**Figure 2. The mechanism of energy sector development**

\*Compiled by the author based on research findings.

Figure 2 presents the structural mechanism of energy sector development. The findings indicate that investments in renewable energy sources, including solar and wind power generation, contribute significantly to improving energy security and reducing dependence on traditional fossil fuels. The diversification of energy supply sources enhances the stability of the national energy system and minimizes risks associated with external energy shocks. Moreover, the introduction of modern energy technologies, smart grid systems, and energy-efficient production methods strengthens environmental sustainability, reduces greenhouse gas emissions, and creates favorable conditions for long-term economic growth. These processes also support the modernization of industrial infrastructure by



ensuring more reliable and cost-effective energy supply for enterprises. Consequently, energy sector reforms play an important role in enhancing the competitiveness of the national economy and supporting the transition toward a green and sustainable development model.

The Development Strategy also emphasizes the importance of education and human capital development as a fundamental pillar of long-term economic progress. In the modern knowledge-based economy, qualified human resources are considered one of the main drivers of innovation, productivity growth, and economic competitiveness. Investment in education, scientific research, and vocational training contributes to the formation of a highly skilled workforce capable of adapting to technological changes and global labor market demands. Furthermore, the development of international educational cooperation and the introduction of modern teaching standards improve the quality of higher education institutions. As a result, human capital development directly influences the country's ability to implement structural reforms and sustain innovation-driven economic growth.



**Figure 3. The mechanism of education and human capital**

\*Compiled by the author based on research findings.

Figure 3 demonstrates the relationship between educational reforms and national economic development. The analysis shows that investments in education, vocational training, scientific research, and innovation contribute directly to improving labor productivity and strengthening national competitiveness. The establishment of new universities and international educational partnerships



further enhances the quality of human capital and supports the country's transition toward an innovation-driven economy.

The findings of the study indicate that the Development Strategy of New Uzbekistan has become a comprehensive framework for economic modernization. Reforms implemented within the strategy have positively influenced investment activity, entrepreneurship development, industrial production, agricultural modernization, energy security, and human capital formation. At the same time, further efforts are required to strengthen innovation capacity, improve digital infrastructure, and increase the efficiency of public administration systems.

The analysis suggests that the successful implementation of strategic priorities will continue to contribute to sustainable economic growth, higher living standards, and greater international competitiveness of Uzbekistan in the coming years.

## **CONCLUSION AND SUGGESTIONS**

This study examined the significance of the Development Strategy of New Uzbekistan in advancing the national economy and promoting sustainable economic development. The findings revealed that the implementation of strategic reforms has positively influenced key sectors of the economy, including investment, industry, agriculture, energy, digital transformation, and human capital development. The analysis demonstrated that the strategy has contributed to improving the investment climate, increasing private sector participation, expanding export potential, and strengthening the overall competitiveness of the national economy.

Furthermore, the research indicated that the Development Strategy serves as a comprehensive framework for ensuring long-term economic stability and modernization. The successful implementation of structural reforms has accelerated economic growth, enhanced the country's attractiveness for foreign investors, and created favorable conditions for innovation-driven development. Nevertheless, further efforts are required to improve institutional efficiency, strengthen digital infrastructure, and enhance the effectiveness of economic governance mechanisms. Therefore, the continuous implementation and improvement of strategic priorities remain essential for achieving sustainable socio-economic development in Uzbekistan.

Based on the findings of the study, the following recommendations are proposed:

1. Further improve the investment climate by strengthening legal guarantees for domestic and foreign investors and simplifying administrative procedures.
2. Expand support for private entrepreneurship and small businesses through improved access to financial resources, tax incentives, and business development programs.
3. Accelerate the development of the digital economy by expanding digital infrastructure, promoting e-government services, and encouraging technological innovation.
4. Increase investments in industrial modernization and the introduction of advanced production technologies to enhance productivity and international competitiveness.
5. Strengthen agricultural reforms through the wider adoption of modern farming technologies, efficient water resource management, and export-oriented production systems.



6. Continue the implementation of renewable energy projects and energy-efficiency programs to ensure sustainable energy security and environmental sustainability.
7. Enhance human capital development by improving the quality of education, expanding vocational training opportunities, and strengthening cooperation between educational institutions and industry.
8. Improve the effectiveness of public administration and institutional governance mechanisms to ensure the successful implementation of economic reforms and strategic development objectives. The implementation of these recommendations will contribute to strengthening economic resilience, increasing national competitiveness, and ensuring the sustainable development of Uzbekistan's economy in the long term.

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