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OPPORTUNITIES FOR INCREASING UZBEKISTAN'S EXPORT POTENTIAL BASED ON THE EXPERIENCE OF SOUTH KOREA

Abdurakhmonov Shohruh Sherzod o'g'li
3rd-year student, Alfraganus University
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Abstract. This article examines opportunities to increase Uzbekistan's export potential based on the experience of South Korea. The study focuses on export diversification, technological modernization, value-added production, digital trade, export financing, and integration into global value chains. The findings show that adapting selected Korean practices to Uzbekistan's economic conditions can strengthen the competitiveness of domestic enterprises, expand foreign markets, and increase high-value exports. Particular importance is given to technological cooperation, export-oriented industrial clusters, and stronger cooperation with South Korean companies.
Keywords: Uzbekistan, South Korea, export potential, export diversification, technological modernization, global value chains, international competitiveness.

Introduction

In the context of increasing global economic integration, export development has become an important factor in strengthening national competitiveness, expanding production capacity, attracting investment, and creating new employment opportunities. For developing economies, increasing exports is not limited to expanding the volume of goods supplied to foreign markets; it also requires technological modernization, diversification of production, improvement of product quality, and integration into global value chains. In this regard, the experience of South Korea demonstrates how a coordinated export-oriented development strategy can transform an emerging economy into a competitive participant in international trade.

Uzbekistan has also achieved significant progress in expanding its international trade. According to the National Statistics Committee, the country's foreign trade turnover reached USD 81.2 billion in 2025, while exports increased by 24% to USD 33.8 billion compared with 2024. Uzbekistan maintained trade relations with 210 countries, with China, Russia, Kazakhstan, Turkey and the Republic of Korea among its major trading partners. [1] These indicators demonstrate the growing role of international trade in Uzbekistan's economic development.

At the same time, the rapid growth of exports creates a new challenge: improving not only the quantity but also the quality and structure of exports. The World Bank notes that although Uzbekistan's trade-to-GDP ratio has increased substantially since 2017, only around 6% of firms were exporting their products according to the assessment presented in the 2025 Country Economic Memorandum. The report emphasizes the need to reduce regulatory barriers, improve logistics, strengthen digital trade infrastructure, and increase integration into global value chains. [2]

Recent reforms have created additional opportunities for export expansion. In 2025, Uzbekistan introduced a number of measures aimed at simplifying export procedures and strengthening competition, including the abolition of certain export permits and steps toward implementing WTO trade-facilitation requirements. [3] In July 2026, Uzbekistan reaffirmed its objective of completing the WTO accession process during 2026, while reporting further progress in harmonizing national

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legislation with WTO rules and sanitary and phytosanitary requirements. [4] These developments are particularly important because closer integration into the multilateral trading system can improve market access and encourage domestic enterprises to adopt international standards.

Against this background, the experience of South Korea is of particular research interest. South Korea achieved rapid export expansion through a combination of industrial policy, technological upgrading, investment in human capital, export financing, infrastructure development, and institutional support for enterprises. Rather than relying exclusively on natural-resource advantages, the Korean economy gradually shifted toward manufacturing and technology-intensive products. This experience provides useful lessons for Uzbekistan, particularly in relation to export diversification, development of value-added industries, support for small and medium-sized enterprises, and participation in international production networks.

The relevance of cooperation with South Korea is also reflected in the growing scale of bilateral economic relations. In 2025, the Republic of Korea accounted for 2.1% of Uzbekistan's total foreign trade turnover, according to official Uzbek statistics. [1] The Korean presence in Uzbekistan therefore creates opportunities not only for increasing bilateral trade but also for attracting technologies, developing local suppliers, establishing export-oriented production, and integrating Uzbek enterprises into international value chains.

Therefore, the purpose of this study is to examine the main mechanisms of South Korea's export-oriented development experience and identify opportunities for their adaptation to Uzbekistan's economic conditions. Particular attention is given to export diversification, technological modernization, digitalization of trade, export financing, logistics development, industrial cooperation, and integration into global value chains. The study seeks to demonstrate that the selective adaptation of Korean practices, combined with Uzbekistan's ongoing market reforms and WTO accession process, can contribute to strengthening the country's long-term export potential.

Literature review

The relationship between export development, industrial transformation, and economic growth has been widely examined in international economic research. Recent studies increasingly emphasize that successful export performance depends not only on trade openness but also on technological capabilities, foreign direct investment, industrial upgrading, and participation in global value chains.

A recent study by Xasanova and Ahmad (2026), which compares Uzbekistan's economic development with the South Korean experience, found that trade openness and foreign direct investment have contributed positively to economic growth, while the impact of industrial development in Uzbekistan remains weaker than in South Korea. The authors emphasize the importance of combining export-oriented industrialization with the development of domestic productive capabilities. [5]

The role of global value chains has also received increasing attention in recent literature. The Global Value Chain Development Report 2025 emphasizes that technological change, digitalization, the green transition, and changes in international production networks are reshaping global trade. Developing economies can benefit from these changes by improving their participation in regional and international production networks rather than relying mainly on traditional commodity exports. [6]

Recent OECD analysis of Korea's trade in value added demonstrates the importance of foreign and domestic value added, imported inputs, services embodied in manufactured exports, and international production linkages. This indicates that Korea's export competitiveness is closely connected with the structure of value creation across interconnected industries. [7]

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The International Monetary Fund's 2025 assessment of South Korea also highlights the importance of export-market diversification and strengthening supply-chain resilience. The report notes that Korea can expand its international economic opportunities through new products, services, markets, and emerging industries. [8]

The relationship between South Korean investment and Uzbekistan's export diversification has also attracted recent academic attention. Research published in 2025 suggests that Korean FDI in automotive manufacturing, petrochemicals, electrical equipment, and other industrial sectors can support technology transfer, managerial modernization, local supplier development, and diversification of Uzbekistan's non-primary exports. [9]

The World Bank's 2025 Country Economic Memorandum on Uzbekistan emphasizes the importance of trade openness, simplified customs procedures, digital trade solutions, improved logistics infrastructure, and stronger integration into global value chains. These factors are considered important conditions for increasing the competitiveness of Uzbek enterprises in international markets. [10]

Recent Uzbekistan–South Korea cooperation also provides an important practical dimension to the literature. In 2026, the two countries strengthened cooperation in industrial localization, regional value chains, technical standards, digital industrial platforms, artificial intelligence, and human-capital development. Such initiatives demonstrate that bilateral cooperation is increasingly moving beyond conventional trade toward technology-intensive industrial cooperation. [11]

Overall, the reviewed literature shows that sustainable export growth depends on a combination of technological modernization, investment, industrial diversification, human capital, logistics, digitalization, and participation in global value chains. However, further research is needed to determine which elements of South Korea's export-oriented development model can be effectively adapted to Uzbekistan's specific economic conditions. This study addresses this research gap by focusing on export diversification, technology transfer, industrial cooperation, export financing, digital trade, and global value-chain integration.

Methodology

This study applies a comparative analytical approach to examine the possibilities of using South Korea’s export development experience in Uzbekistan. The research is based on official statistical data, international reports, and recent academic literature. The analysis focuses on export diversification, technological modernization, foreign direct investment, digital trade, logistics, and global value-chain integration. Comparative analysis is used to identify similarities, differences, and applicable mechanisms between the two countries. The findings are used to develop practical recommendations for strengthening Uzbekistan’s export potential.

Result and discussion

The analysis confirms that Uzbekistan has experienced significant growth in export activity in recent years. According to the National Statistics Committee, exports increased from USD 15.1 billion in 2020 to USD 33.8 billion in 2025. In 2025, exports grew by 24.0% compared with 2024, reaching a new historical level. [12] This growth indicates an expansion of Uzbekistan’s participation in international trade; however, the structure of exports demonstrates the need for further diversification toward higher-value products and services.

Table 1. Dynamics of Uzbekistan’s exports, 2020–2025

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Year	Exports, USD billion	Change compared with previous year
2020	15.1	—
2021	16.7	10.6%
2022	19.7	18.0%
2023	24.9	26.4%
2024	27.3	9.6%
2025	33.8	24.0%

Source: compiled by the author based on data of the National Statistics Committee of the Republic of Uzbekistan. [12]

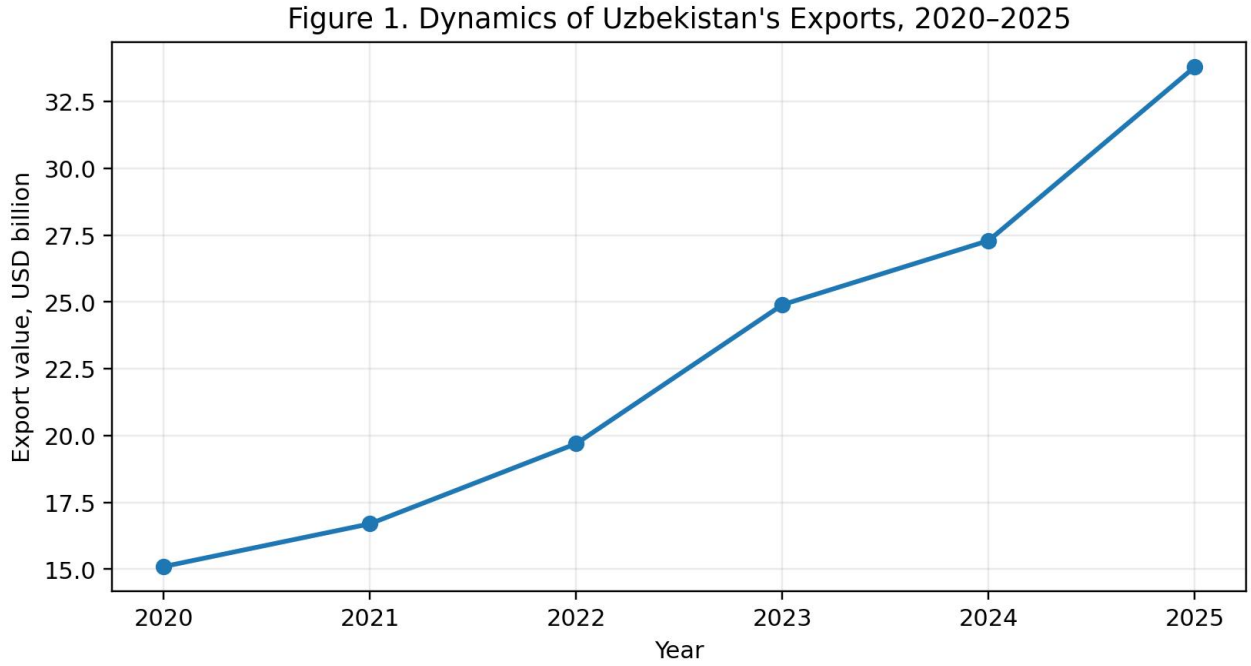


Figure 1. Dynamics of Uzbekistan's exports, 2020–2025, USD billion

The data show that export growth accelerated particularly strongly in 2023 and 2025. Nevertheless, quantitative expansion alone cannot guarantee long-term competitiveness. The structure of exports is therefore an essential indicator for evaluating the quality of export growth.

In 2025, goods accounted for 71.1% of Uzbekistan's exports, while services represented 28.9%. Among goods, non-monetary gold accounted for 29.0% of total exports, industrial goods for 11.8%, food products and live animals for 8.7%, and chemicals and similar products for 6.3%. [13] The relatively significant share of gold demonstrates the importance of increasing non-commodity and processed exports.

Table 2. Structure of Uzbekistan's exports in 2025

Export category	Share of total exports
Goods	71.1%
└ Non-monetary gold	29.0%

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Export category	Share of total exports
└ Industrial goods	11.8%
└ Food products and live animals	8.7%
└ Chemicals and similar products	6.3%
Services	28.9%
└ Travel/tourism services	50.0% of service exports
└ Transport services	33.0% of service exports
└ ICT and information services	9.4% of service exports

Source: National Statistics Committee of the Republic of Uzbekistan, 2025 Foreign Trade Report. [13]

Figure 2. Selected Components of Uzbekistan's Export Structure, 2025

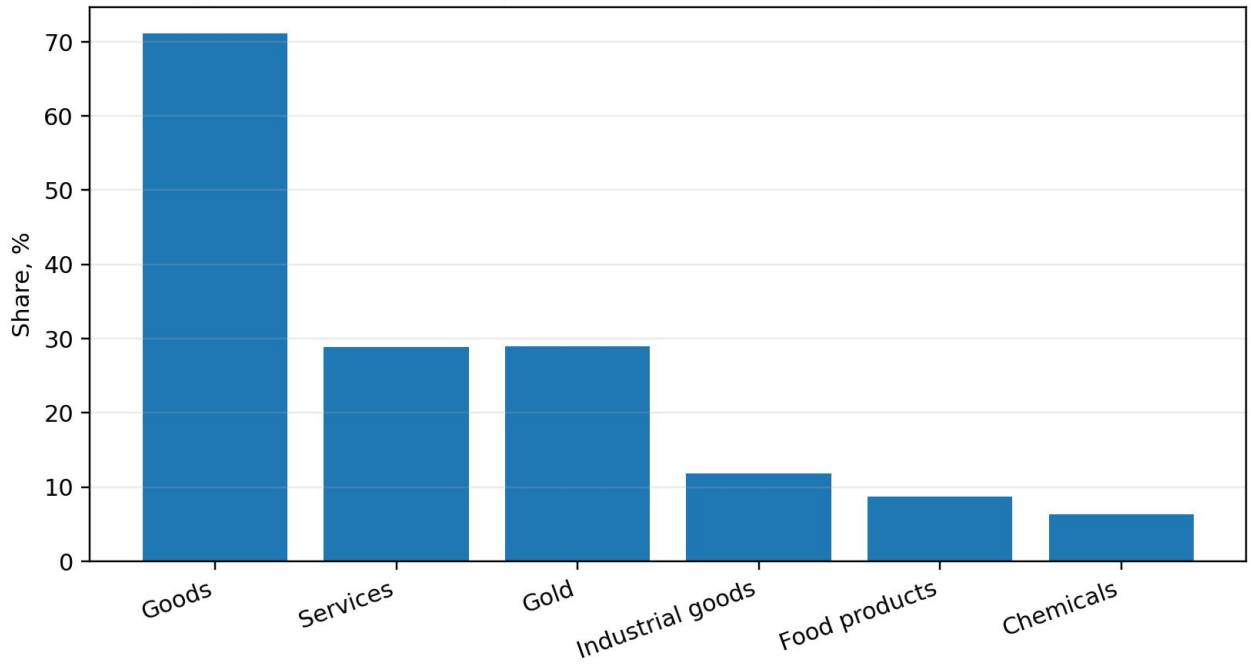


Figure 2. Main components of Uzbekistan's export structure in 2025

One of the positive developments is the rapid expansion of agricultural exports. In 2025, Uzbekistan exported 2.2 million tons of fruits and vegetables worth USD 2.1 billion, representing an increase of 36.9% compared with the previous year. Their share reached 6.3% of total exports. [14] This demonstrates considerable potential for developing processed food exports, branded agricultural products, and higher-value food supply chains.

The service sector also represents an increasingly important source of export revenue. Service exports reached USD 9.76 billion in 2025, increasing by 28.9% year-on-year. Tourism accounted for 50.0% of service exports, transport for 33.0%, and telecommunications, computer and information services for 9.4%. [13] These figures are particularly relevant to the South Korean experience, where knowledge-intensive services and technology have become increasingly integrated into the export model.

Table 3. Selected service export indicators of Uzbekistan, 2025

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Type of service	Export value, USD million
Travel (tourism)	4,880.3
Transport	3,219.1
Telecommunications, computer and information services	921.5
Other business services	295.9
Other services	443.6
Total	9,760.4

Source: National Statistics Committee of the Republic of Uzbekistan. [13]

The geographic structure of exports also shows opportunities for further diversification. In 2025, Russia accounted for USD 4.3 billion of Uzbekistan's exports, China for USD 2.5 billion, Kazakhstan and Afghanistan for approximately USD 1.5 billion each, and Türkiye for USD 1.1 billion. [15] At the same time, high-income Asian markets remain relatively underdeveloped compared with these traditional destinations.

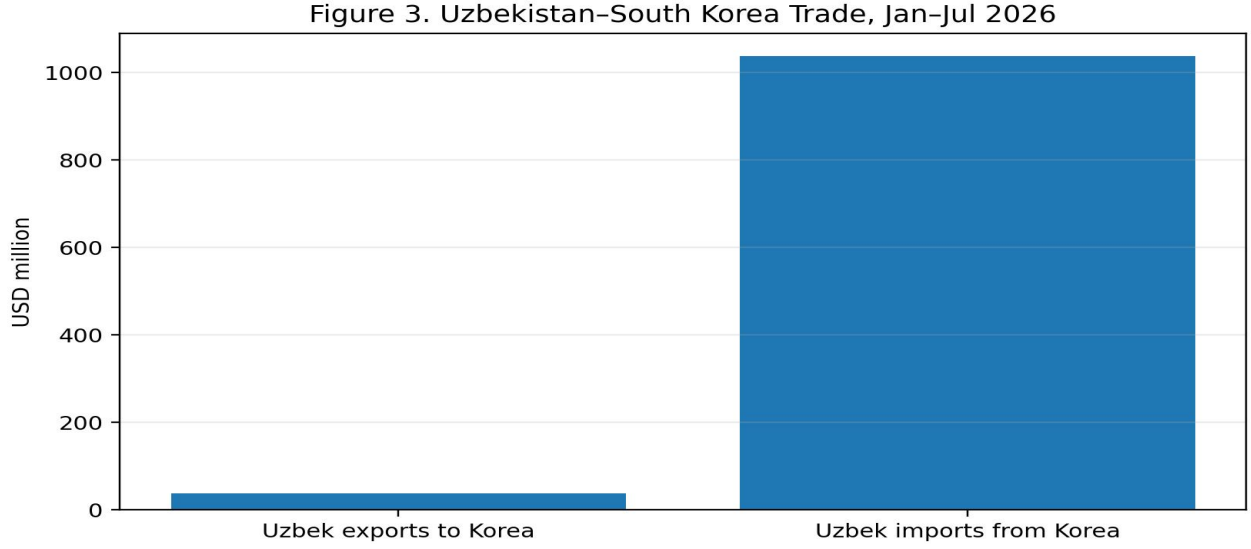
This is particularly relevant for the Republic of Korea. Uzbekistan's foreign trade turnover with South Korea amounted to approximately USD 1.1 billion in January–July 2026, including USD 37.5 million in exports and USD 1.037 billion in imports. During the same period, Korean investment and loans allocated to fixed capital in Uzbekistan reached USD 216.4 million, while the number of enterprises with South Korean capital participation reached 730. [16]

Table 4. Uzbekistan–South Korea economic cooperation, January–July 2026

Indicator	Value
Total bilateral trade turnover	~USD 1.1 billion
Uzbekistan's exports to South Korea	USD 37.5 million
Uzbekistan's imports from South Korea	USD 1.037 billion
Korean investment and loans to fixed capital, Jan.–June	USD 216.4 million
Enterprises with Korean capital in Uzbekistan	730

Source: National Statistics Committee of the Republic of Uzbekistan. [16]

Figure 3. Uzbekistan–South Korea Trade, Jan–Jul 2026



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Figure 3. Uzbekistan–South Korea trade structure, January–July 2026

The bilateral figures reveal a substantial imbalance, but they also identify an important area for export-oriented cooperation. South Korean firms already operating in Uzbekistan can become a channel for technology transfer, quality upgrading, supplier development, and integration into international production networks. The objective should therefore be to increase the share of Uzbek-produced components, intermediate goods, processed agricultural products, chemicals, textiles, and technology-based services supplied to Korean companies and the Korean market.

The South Korean experience provides a useful benchmark in this respect. Korean exports are strongly concentrated in technologically sophisticated sectors. In the first half of 2025, Korean exports amounted to USD 334.7 billion. Semiconductor exports reached USD 73.3 billion, ships USD 13.9 billion, bio-health products USD 8.2 billion, wireless communication devices USD 7.5 billion, and computers USD 5.9 billion. Semiconductor exports increased by 11.4% year-on-year during this period. [17]

Table 5. Selected high-value Korean exports, January–June 2025

Product group	Export value, USD billion	Growth, year-on-year
Semiconductors	73.3	+11.4%
Ships	13.9	+18.8%
Bio-health products	8.2	+11.0%
Wireless communication devices	7.5	+8.5%
Computers	5.9	+12.6%
Total Korean exports	334.7	-0.03%

Source: Ministry of Trade, Industry and Energy of the Republic of Korea. [17]

The comparison suggests that South Korea's export competitiveness is closely linked to technological specialization and continuous movement toward products with higher value added. Uzbekistan cannot directly reproduce Korea's semiconductor or electronics model in the short term, but the underlying principles can be adapted. These include investment in skills, technology transfer, industrial clusters, supplier development, export finance, certification, and research cooperation.

Another significant finding concerns Uzbekistan's integration into the multilateral trading system. In July 2026, Uzbekistan reaffirmed its objective of completing WTO accession during 2026. The government reported that 190 legislative acts had been brought into conformity with WTO rules since March 2026, including reforms related to sanitary and phytosanitary measures and food safety. [18] This process may strengthen the institutional environment for exporters by increasing regulatory transparency and facilitating access to foreign markets.

The results therefore indicate that Uzbekistan's export potential can be increased through the selective adaptation of Korean mechanisms rather than through direct imitation. Based on the statistical analysis, five directions appear particularly important: increasing the share of processed and high-value-added goods; expanding ICT and business services; developing Korean-Uzbek industrial supplier networks; strengthening export-oriented financing and certification; and improving digital trade and logistics.

The World Bank's assessment supports this conclusion, noting that Uzbekistan's trade-to-GDP ratio has increased substantially since 2017, but only about 6% of firms were exporting their goods. [19] Consequently, expanding the number of export-capable firms is as important as increasing the export volume of already established exporters.

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Overall, the findings demonstrate that Uzbekistan has moved into a period of rapid export expansion, but the next stage should focus on structural upgrading. The Korean experience suggests that sustainable export competitiveness emerges when industrial policy, technological development, human capital, finance, logistics, and market promotion operate as an integrated system.

Conclusion

The findings of this study demonstrate that South Korea's export-oriented development experience provides valuable lessons for strengthening Uzbekistan's export potential. Uzbekistan has achieved significant export growth, with exports reaching USD 33.8 billion in 2025. However, further progress requires not only increasing export volumes but also improving the structure, technological content, and value added of exported products. [12]

The analysis shows that Uzbekistan can strengthen its export competitiveness through greater diversification of manufactured goods, development of processed agricultural products, expansion of ICT and other services, and deeper integration into global value chains. The development of cooperation with South Korean enterprises can support technology transfer, supplier development, industrial localization, and access to international production networks. [16]

An important condition for sustainable export growth is the modernization of the institutional and infrastructure environment. Improvements in logistics, digital trade, certification, export financing, customs procedures, and international market information can reduce barriers faced by domestic enterprises. Uzbekistan's ongoing WTO accession process may further contribute to improving market access and strengthening alignment with international trade rules. [18]

The study concludes that the Korean experience should be adapted selectively rather than copied directly. Uzbekistan needs an export development model based on its own resource potential, human capital, geographical position, and industrial capabilities. Strengthening cooperation between government institutions, financial organizations, universities, domestic enterprises, and foreign investors can create a more integrated export ecosystem.

Overall, the combination of technological modernization, export diversification, digitalization, industrial cooperation, human-capital development, and global value-chain integration can contribute to increasing Uzbekistan's long-term export competitiveness and supporting sustainable economic growth. [19]

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