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THE DEVELOPMENT OF THE DIGITAL ECONOMY OF THE REPUBLIC OF UZBEKISTAN: CURRENT STATE, DYNAMICS AND PROSPECTS

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Abstract. This article examines the current state of the digital economy of the Republic of Uzbekistan. It analyses the development dynamics of the information and communication technology (ICT) sector, the level of internet penetration, the volume of IT-service exports and the implementation of the national strategy "Digital Uzbekistan — 2030". Drawing on official statistical data for 2020–2025, the study shows that the ICT sector is one of the most dynamic drivers of economic growth: its share of GDP reached 2.7 % in 2025, while its growth rate amounted to 23.9 %. The paper identifies the key achievements and systemic constraints of the digital transformation and proposes directions for further development.

Keywords: digital economy, ICT sector, digital transformation, IT Park, e-government, Uzbekistan, "Digital Uzbekistan — 2030".

1. Introduction

In the 21st century the digital economy has become a decisive factor in the competitiveness of national economies. The adoption of information and communication technologies raises labour productivity, reduces transaction costs and creates new markets and forms of employment. For developing countries, including the Republic of Uzbekistan, digitalisation offers the opportunity for accelerated — "catch-up" — development through a direct transition to modern technological solutions.

Since 2017, Uzbekistan has been implementing a large-scale programme of economic reforms, in which digital transformation is an important component. The institutional foundation of this process is the national strategy "Digital Uzbekistan — 2030", adopted in 2020. The strategy defines five priority areas: the development of digital infrastructure, e-government, the digital economy, the national IT sector and IT education.

Despite considerable progress, the share of the digital economy in the country's GDP remains below the levels typical of developed states, which determines the relevance of this study. **The aim of the article** is to assess the current state and dynamics of the digital economy of Uzbekistan on the basis of official statistical data and to identify the factors that constrain its development.

2. Materials and Methods

The information base of the study comprises data from the National Statistics Committee of the Republic of Uzbekistan, reporting by IT Park Uzbekistan, analytical materials of the United Nations Development Programme (UNDP, 2025), reports by DataReportal (Digital 2025: Uzbekistan), as well as the provisions of legal acts regulating the country's digital development.

The study applies the methods of descriptive statistics and comparative and dynamic analysis. The period 2020–2025 is considered, which makes it possible to assess trends during the stage of

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active implementation of the "Digital Uzbekistan — 2030" strategy. A comparison of Uzbekistan's indicators with data on other countries is used to determine the relative level of digital development.

3. Results

3.1. Share of the ICT sector in GDP

In 2025 Uzbekistan's GDP reached 1,849.7 trillion soums, with real growth of 7.7 % — the highest figure in five years. The "information and communication" sector grew by 23.9 %, almost double the overall pace of the economy. The share of ICT services in GDP rose from 2.3 % in 2024 to 2.7 % in 2025, and their volume amounted to 47.3 trillion soums. These data attest to the formation of a sustainable IT sector.

Table 1. Dynamics of the ICT sector's share and growth rate, 2024–2025

Indicator	2024	2025
Share of ICT services in GDP, %	2.3	2.7
Growth of the "information and communication" sector, %	—	23.9
Overall GDP growth, %	6.7	7.7
Volume of ICT services, trillion soums	—	47.3

Source: National Statistics Committee of the Republic of Uzbekistan, 2025–2026.

3.2. Digital infrastructure and internet penetration

At the beginning of 2025 the number of internet users in Uzbekistan reached 32.7 million people, while the internet penetration rate stood at about 89 % of the population. Smartphone penetration is estimated at 77 %, and the number of social-media users at 11.7 million. These indicators characterise the country as a society with a high level of digital engagement, especially given the young age structure of its population.

3.3. IT-service exports and the development of IT Park

The key institution supporting the IT sector is IT Park, which grants its residents tax incentives, including exemption from corporate income tax. The number of its residents grew from 411 companies in 2020 to 1,552 in 2023. The export of IT services increased from USD 344 million in 2023 to USD 620 million (growth of 40 %), reflecting the industry's entry into external markets.

Table 2. Development of IT Park and IT-service exports

Indicator	2020	2023	Latest data
Number of IT Park residents	411	1,552	growth
IT-service exports, USD million	—	344	620 (+40 %)
Position in the AI Readiness Index	—	87	62 (2025)

Source: IT Park Uzbekistan; Oxford Insights, AI Readiness Index 2023–2025; Tadviser.

3.4. E-government and skills development

As part of improving the e-government system, the goal has been set to raise the share of public services provided in digital form from 37 % to 80 % and to improve the country's position in the UN E-Government Development Index. To train personnel, the "1 million IT programmers" project is being implemented, aimed at building the human capital capable of sustaining the industry's further growth. In the international AI Readiness Index, Uzbekistan rose from 87th place in 2023 to 62nd in 2025.

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3.5. E-commerce and digital entrepreneurship

In parallel with the development of the IT sector, an ecosystem of e-commerce and digital entrepreneurship is taking shape in the country. A national e-commerce development strategy has been adopted, and the number of marketplaces, delivery services and courier companies is growing. According to a UNDP study (2025), digital entrepreneurship is regarded as one of the instruments for introducing artificial-intelligence technologies into the economy. The development of the service sector, whose total contribution to GDP is estimated at around USD 84 billion, relies heavily on digital services, which underscores the multiplier effect of digitalisation for related industries.

4. Discussion

The results obtained confirm that the digital economy of Uzbekistan is developing at a faster pace than the economy as a whole. The growth drivers are the favourable tax regime of IT Park, a young and digitally literate population, a targeted state policy and inflows of investment into digital infrastructure.

At the same time, a significant gap with developed countries persists. According to various estimates, the share of the digital economy in Uzbekistan's GDP is around 2.2–2.7 %, whereas 7–8 % is considered optimal. A comparison with other countries (Table 3) clearly demonstrates the scale of the untapped potential.

Table 3. Share of the digital economy in GDP: an international comparison

Country	Share of the digital economy in GDP, %
United Kingdom	12.4
Republic of Korea	8.0
China	6.9
India	5.6
Kazakhstan	3.9
Russia	2.8
Uzbekistan	2.2–2.7

Source: ACM Digital Library (2023); estimates based on national statistics.

These data show that Uzbekistan is ahead in the pace of digitalisation; however, in terms of the absolute level of the digital sector's contribution to GDP it still lags behind not only developed economies but also its closest regional competitors. The strategy's target — raising the share of ICT in GDP to 5 % by 2025 and to 10 % by 2030 — requires sustaining double-digit growth of the sector over a number of years.

Among the systemic constraints are: a low level of digital literacy in rural areas, an underdeveloped legal framework for ICT regulation, relatively low mobile-internet speeds and regional disparities in access to digital services. Overcoming these barriers requires a comprehensive approach combining infrastructure development, regulatory reform and investment in human capital.

5. Conclusion

The analysis shows that the digital economy of Uzbekistan is at a stage of active formation. The ICT sector demonstrates double-digit growth (23.9 % in 2025), IT-service exports are rising (to USD 620 million) and institutional support for the industry is expanding. A high level of internet penetration (about 89 %) has been achieved.

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To meet the targets of the "Digital Uzbekistan — 2030" strategy (raising the share of ICT in GDP to 10 % by 2030), it appears advisable to implement the following set of measures:

1) expanding digital infrastructure in the regions and increasing mobile-internet speeds in order to eliminate territorial disparities;

2) raising the digital literacy of the population, primarily in rural areas, and scaling up the IT-personnel training project;

3) improving the legal framework for regulating the digital economy and data protection;

4) developing modern forms of financing for IT projects — venture financing, crowdfunding and technology parks;

5) stimulating the development of export-oriented digital products and services.

The consistent implementation of these measures will help consolidate Uzbekistan's status as one of the regional centres of digital development and ensure a sustainable contribution of the digital economy to the country's economic growth.

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