



**MINISTRY OF ECONOMY AND
FINANCE OF THE**
REPUBLIC OF UZBEKISTAN

SME DEVELOPMENT FOR SUSTAINABLE JOB CREATION



The practical strategy was developed jointly with international financial institutions and development organizations

- ❑ At the Open dialogue on August 20, 2024, instructions were received to define the main directions for the development of small and medium businesses over the next 5 years and to develop the Strategy accordingly;
- ❑ On March 19, 2025, under the leadership of the esteemed Head of State, a public dialogue was held with international financial institutions and entrepreneurs regarding the adoption of the SME Development Strategy;
- ❑ With the support of the ADB, a Practical Strategy was developed together with 3 hired experts. On May 27, at an international conference held in Shahrissabz district (Miraki), Kashkadarya region, the Practical Strategy was widely launched, practical steps were agreed upon, and work has commenced;
- ❑ The Strategy defines 10 key KPIs (*Appendix 7 of Presidential Decree No. PD-50*).

The implementation of the Practical Strategy has been launched in cooperation with international financial institutions and development organizations

- ❑ With the support of the ADB, a project office for the implementation of the Strategy has been established;
- ❑ The World Bank allocated a \$1.2 million grant for the implementation of the Strategy (*2-3 experts for the Project Office*);
- ❑ Work has begun to support the transformation the activities of 668 “champion” entrepreneurs by transitioning their financial reporting to international standards, assisting in the development of marketing strategies, and creating opportunities to attract affordable, long-term resources from international financial markets (*EBRD, GIZ*);
- ❑ Project offices for rapid development of industry were established in 20 districts.



Implementation of the Strategy for the Development of Small and Medium-sized Enterprises

7 Priority Directions of the Strategy

- I.** Expanding **financial support** measures;
- II.** Developing the necessary **infrastructure** for business;
- III.** Improving the competitive **environment** and promotion of **access to foreign markets**;
- IV.** Implementing **digitalization, artificial intelligence and innovations**;
- V.** Increasing the **efficiency of support measures** for small and medium-sized enterprises;
- VI.** Teaching entrepreneurial **skills** and **improving the system of training qualified specialists** for business;
- VII.** Implementing **responsible business practices**.

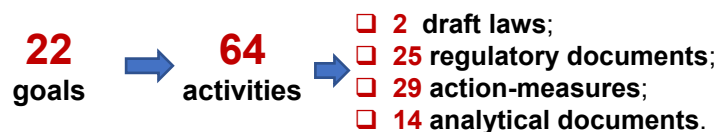
Key Target Indicators for 2025

- ✓ Small and Medium enterprises shares (%): GDP - **55**, exports - **34**, industry - **34**, employment - **75**;
- ✓ Implement the “**champion**” entrepreneurs program with at least **600 participants** ;
- ✓ Increase the number of entrepreneurial entities with **100 employees** to **4 thousand**;
- ✓ Produce **branded products** in **100** small and medium enterprises;
- ✓ Execute **200 startup** projects with the participation of small and medium business entities;
- ✓ Cultivate high-yield crops on **30 thousand hectares** of leased land, establish operations for **16** agro-companies and **9** agro-industrial complexes;
- ✓ Establish project offices for accelerated industrial development (*in **20 districts***).

Implementation Processes

- 1. The activities of the Republican and Regional Consultative Councils** will be established (*the Republican council will review the Strategy and action plan each quarter*);
- 2. Under the Ministry of Economy and Finance:**
 - A **project office** for the implementation, monitoring and evaluation of the strategy will be established;
 - A **main project office** comprising **9 staff** units for accelerated industry development will be set up.
- 3.** An **index** for assessing and monitoring the development of small and medium enterprises by **region, sector and industry** will be developed, with analytical data published every quarter;
- 4. The performance of responsible** ministries regarding each direction will be continuously **monitored**;
- 5.** Every quarter a report on the implementation of the strategy will be submitted to the Presidential Administration and discussed in **meetings attended by the Head of State**.

Tasks for 2025



Deadlines for 2025 assignments:

II quarter – **12**; **III** quarter – **30**; **IV** quarter – **39**

Funds allocated for 2025

- ✓ **120 trillion sums**, including **22 trillion sums** as loans under entrepreneurship programs;
- ✓ Provide an additional **500 billion sums** in budget funds for the infrastructure of driver projects;
- ✓ Allocate **200 billion sums** for establishing modern agro-industrial complexes;
- ✓ Dedicate **100 billion sums** in budget funds for **establishing project offices and recruiting experts**.

The functions of the Ministry of Economy and Finance

- ❖ Out of the 64 action measures, **46** have designated implementers and the execution of **15** assignments will be directly ensured;
- ❖ **Department for the development of small and medium-sized businesses:**
 - ❖ Carries out activities in cooperation with relevant ministries and agencies in the field of development of small and medium-sized enterprises;
 - ❖ **As the executive body of the Republican Council**, ensures quarterly discussions of the implementation results of this decree.



Practical steps initiated under the small and medium-sized enterprise (SME) development strategy

I. Expanding of financial support measures

- Islamic Financing “**SERVE**” project (**IsDB**, \$40 mln)
- **Financing MSME** (**KfW**, €26,5 mln)
- Startup and business investments in technology (**SaBiT**) project (**WB**, \$100 mln)

II. Developing essential infrastructure for businesses

- **467** driver projects (1 trillion UZS)
- **Provision of administrative buildings** for entrepreneurship in **dynamic districts**
- **Providing free use of state property up to 10,000 square meters** to manufacturers

III. Improving the competitive environment and encouraging access to foreign markets

- Identifying “**champion**” entrepreneurs and providing them with systematic support
- Adaptation of export-import processes to **international requirements and standards** and **streamlining** of business processes (BPR)

IV. Digitalization, introduction of artificial intelligence, and implementation of innovations

- **UzVC** has allocated **\$1 million** to manage **2 new private venture** funds
- “**Startup Project Coordination Center**” was established by UzVC
- Attracting **\$20 million** in foreign investment in cooperation with international venture funds

V. Improving the effectiveness of support measures for SMEs

- **29 types of low-efficiency subsidies** have been cancelled
- **11 types of customs duties** and **50 types of tax benefits** are being cancelled

VI. Implementation of responsible business practices

- **Reducing informal employment**
*The types of activities for **self-employed individuals** have been reduced*
***Criteria** for membership in the “**Hunarmand**” association have been established*
- **Energy audits** have been launched to improve **energy efficiency** among **Champion** entrepreneurs

VII. Improving the system of training business skills and preparing qualified professionals for business

- “**Champion**” entrepreneurs' **staff management, digitalization, employee recruitment and skill development**, and implementation of **KPIs** (**GIZ**);
- Specialists such as experienced **agrotechnologists, marketers, brand managers** were recruited from **foreign countries** for “**AgroStar**” LLC;
- In order to attract and support experts to **industrial enterprises, the Project offices** for the rapid development of industry **were established**;
- A training program for preparing **trainers** to teach **business skills** to women entrepreneurs was launched (**40 trainers were trained**).



The development of small and medium-sized enterprises (SMEs) creates sustainable jobs
(sustainable SME – sustainable jobs)

A skilled workforce creates the foundation for the development of small and medium-sized enterprises (SMEs)
(skilled workers gives opportunity to develop SME)

- In fact, operating in an economy growing by 6 percent is a great incentive and opportunity for entrepreneurs;
- **Job creation is outpacing economic growth** *(business creates new jobs);*
- Attracting direct *(non-sovereign)* **resources to the economy;**
- **Domestic reserve mobilization** *(reducing the share of the informal economy);*
- **Commercial banks should** independently attract direct funding;
- **We cannot rapidly** develop small and medium-sized enterprises (SMEs) **solely through the funds of international financial institutions (IFIs); IFIs should propose and implement projects aimed at improving business infrastructure.** *(a \$250 million loan was attracted from the World Bank, and based on this, the process of introducing the PforR system has been launched);*
- **The government should provide clear and early signals and messages regarding its future plans** *(objectives);*
- **State support should be directed toward areas that contribute to long-term development** *(to perspective)* *(e.g., improving connectivity for tourism development, supporting green projects such as solar collectors, heat pumps, etc.);*
- **Improving the competitiveness of local manufacturers** under the conditions of joining the **World Trade Organization (WTO)** *(high-demand sectors such as machine building, electrical engineering, textiles, pharmaceuticals, construction materials, as well as rapidly growing furniture, food, and jewelry industries, etc.).*



Doubling tourist flow by addressing 5 key critical issues in the tourism sector



Improving transport connectivity



Establishing and developing new tourist routes



Expanding hotel infrastructure



Training qualified personnel in the tourism sector



Promoting tourism, marketing, and attracting investments

1

Improving transport connectivity

- Increasing domestic air travel;
- Modernize the airports of Fergana, Nukus, and Termez;
- Modernize 4 railway stations: Tashkent, Samarkand, Bukhara, and Khiva;
- Electrify railway lines on the Urgench–Tuproqqala, Bukhara–Shahrisabz, and Termez–Sariosiyo routes, and launch high-speed (electric) trains;
- Launch 6 high-speed (Afrosiyob) trains on the Samarkand–Khiva route.

2

Establishing and developing new tourist destinations

Approaches: Khorezm, Bukhara, Samarkand, Kashkadarya, Surkhandarya and valley regions

- 4 resort zones (operating all year round) will be created (**Chartok**, **Chimyan**, **Amonkhana** and **Nurabad**);
- Increasing tourist attractions by restoring history. For example:

A one-day route in Kogon including “**Amir Palace**”, “**German Bank**”, “**Italian Hotel**”, “**Synagogue**” and “**Japanese Hospital**” in Kogon, Kurgan neighborhood (15th century hammam) in Gijduvan;

Turning the streets around the old city into tourist streets, establishing a tram service on the basis of PforR in Ark and Mokhi Khosa;

Organizing guesthouses around **Suleiman Castle** in Khorezm.

3

Expanding hotel infrastructure

Introducing a subsidy mechanism for entrepreneurs with high ratings on **Booking.com** and **Tripadvisor**.

4

Training qualified specialists in the tourism sector

Training **1000 chefs**, waiters, and tour guides, and teaching homestay owners to manage based on the “**5 principles**” approach.

5

Attracting investments by promoting tourism through marketing and brand development.

Developing a tourism strategy based on these 5 key directions



1. Promoting Economic, Environmental, and Social Sustainability in SMEs

- ❑ The Resolution of The Cabinet of Ministers of the Republic of Uzbekistan “**Measures to Implement the Principles of Sustainable Development and Environmental, Social, and Corporate Governance (ESG)**” aimed at establishing indicators to assess the economic, environmental, and social sustainability of businesses and implementing targeted measures to address the shortcomings identified through their application has been developed.

Key Points:

- **Develop and approve a set of non-financial reporting templates.**
- **Collect, analyze, and publish data based on non-financial reports.**
- **Take necessary measures to address identified gaps and shortcomings.**

2. Key Actions for Responsible Business Conduct (RBC)

- ❑ In cooperation with international organizations, the Ministry of Investments, Industry, and Trade is developing a draft Presidential Decree on “**Stepwise Implementation of Responsible Business Conduct (RBC) Standards in the Republic of Uzbekistan**” aimed at gradually introducing Responsible Business Conduct (RBC) standards.

1. Promote ESG and SDG initiatives among businesses:

- Support companies in international ESG ratings (MSCI, S&P Global, Green Certification).
- Expand Extended Producer Responsibility (EPR) for product and packaging waste.

2. Develop and approve guidelines for banks and financial institutions on ESG data reporting.

3. Prepare a roadmap for implementing ESG principles in the financial market.



I. World Bank – “Startup and Business Investments in Technology (SaBIT)”

US \$100 million (2025–2030)

Purposes:

- Develop the startup ecosystem in Uzbekistan
- Support local startups and innovative projects
- Promote technology transfer and modern solutions in the SME sector

Planned Activities:

- Funding and mentoring for promising startups
- Implementation of programs to develop innovative potential
- Creation of supportive platforms for startup acceleration

II. UNDP & JICA – “Supporting Vulnerable Populations in Surkhandarya Region”

US \$3.3 million (2025–2029)

Purposes:

- Support economically vulnerable groups
- Strengthen self-reliance and income-generating activities
- Promote cross-border economic cooperation and trade

Planned Activities:

- Improve educational infrastructure and vocational skills
- Provide business incubation, microfinance and mini-grants
- Deliver mentorship and material support to 3,000 entrepreneurs (*above 50% for women*)
- Expand quality education and training for 750 individuals

Expected Results:

- Strengthen economic stability for 10,000+ beneficiaries through direct and indirect employment
- Support 100 selected startups with mini-grants and mentorship

III. World Bank FINGROW: Financial Access for Growth, Returns, and Opportunities for Work

US \$101 million (2026-2030)

Purposes:

- Expand access to financial services for businesses and the population
- Create new or improved employment opportunities
- Strengthen economic growth and income generation

Components:

- **Partial Credit Guarantee Reform** – US\$50M to improve SME lending access
- **Private Equity Fund of Funds** – US\$49.5M to support high-growth businesses
- **Implementation & Technical Assistance** – US\$1.5M for project execution support



Women's contribution to entrepreneurship in Uzbekistan

Nowadays, women in our country are making a significant contribution to the rapid development of the nation across various sectors and industries. Today, they are actively participating not only in all fields but also in entrepreneurship, playing a key role in driving economic growth and innovation.

“Hamroh” Women Entrepreneurship Support Company

*(Established under Presidential Decree No. PD-385, dated
8 November 2024)*

- ✓ Supports women entrepreneurs across Uzbekistan
- ✓ Provides business training and mentoring
- ✓ Helps start and formalize businesses, facilitates employment opportunities
- ✓ Assists in accessing new markets

1

5.6 million self-employed individuals, including **2.4 million women (43%)**

2

306,000 individual entrepreneurs, including **134,000 women (44%)**

3

492,000 companies (legal entities), including **89,000 women (18%)**

*As of 1st October 2025:
**2.6 million women engaged in
entrepreneurship***



I. About Agrostar

- **Established:** Under Presidential Resolution No. PD-57, February 14, 2025. Operates in **16 regional branches** and **54 districts across** Uzbekistan
- **Mission:** Create a national brand of agricultural products and develop export potential

II. International cooperation

- They export their products to Russia, **Kazakhstan, the UAE, China** and other countries
- Certified products, stable supply and full legal formalities are guaranteed

III. Agrotechnical services & Agroconsulting and trainings

- **Rent tractors, combines and other equipment, provide services such as sowing, harvesting, and plowing**
- Provide agrotechnical advice, analysis and recommendations **for increasing land productivity**, as well as **trainings for farmers and enterprises**

IV. Products

- **Offers livestock (dairy, meat, pedigree cattle and sheep), processed products (*canned fruits & vegetables, dried fruits, juices, semi-finished grains*), and quality grains, vegetables, and fruits**

V. Modern Irrigation

- **Installs and maintains drip irrigation and automated water distribution systems**

VI. Reputation

- **Recognized as a symbol of efficiency, innovation, and cooperation in Uzbekistan's agricultural sector**



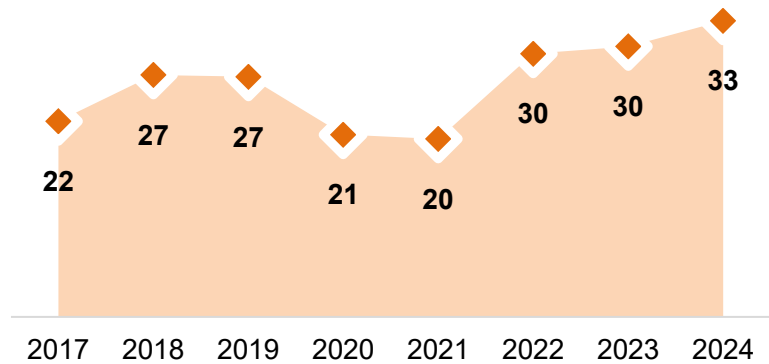


Target indicators of the practical strategy for the development of small and medium-sized businesses

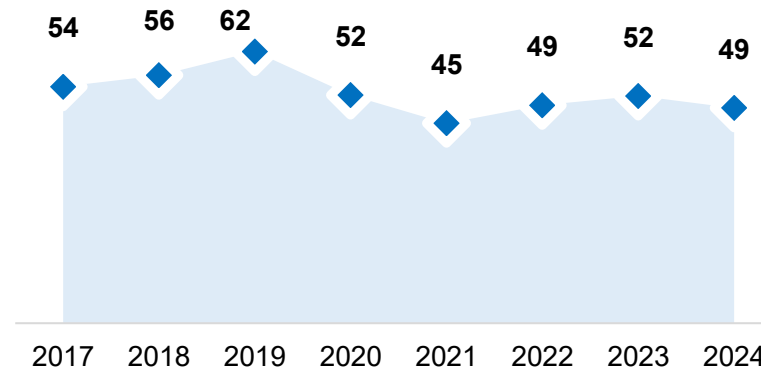
№	Indicators	Unit of measurement	Source	Current indicator (as of 2024)	Indicators by year					
					2025	2026	2027	2028	2029	2030
1.	The share of small and medium-sized enterprises in Gross Domestic Product (GDP)	percent	National Statistics Committee	54,3	55	56	57,1	58,2	59,2	60
2.	The share of small and medium-sized enterprises in total industrial output	percent	National Statistics Committee	32,4	33,7	35	36,4	37,6	39	40
3.	The share of small and medium-sized enterprises in total exports	percent	National Statistics Committee	33,3	33,6	33,9	34,2	34,5	34,8	35
4.	The share of small and medium business entities in ensuring the employment of the population	percent	Ministry of Poverty Reduction and Employment	74	74,5	75,1	75,7	76,5	77,2	78
5.	Number of active small business entities per 1 000 people	units	National Statistics Committee	12,1	13,1	14,2	15,3	16,5	17,7	19
6.	The share of small and medium-sized business entities with more than 10 employees in the total number of small and medium-sized business entities.	percent	National Statistics Committee	7,2	7,8	8,5	9,2	9,9	10,6	11
7.	The ratio of loans allocated by commercial banks to SMEs to Gross Domestic Product (GDP)	percent	Central Bank	6,1	6,6	6,7	6,8	6,9	7,0	7,1
8.	Uzbekistan's performance in the OECD Trade Facilitation Indicator	index (0 - 2)	OECD	0,85	-	1,0	-	1,2	-	1,3
9.	Uzbekistan's position in the E-Government Development Index (EGDI)	position	UN	63	-	58	-	54	-	50
10.	Uzbekistan's position in the Global Startup Ecosystem Index	position	StartupBlink	110	105	98	91	85	80	75

Status of small business and private entrepreneurship

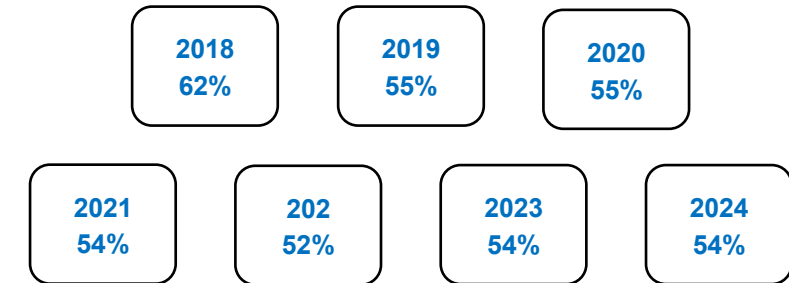
Share of small business and private entrepreneurship in total exports, %



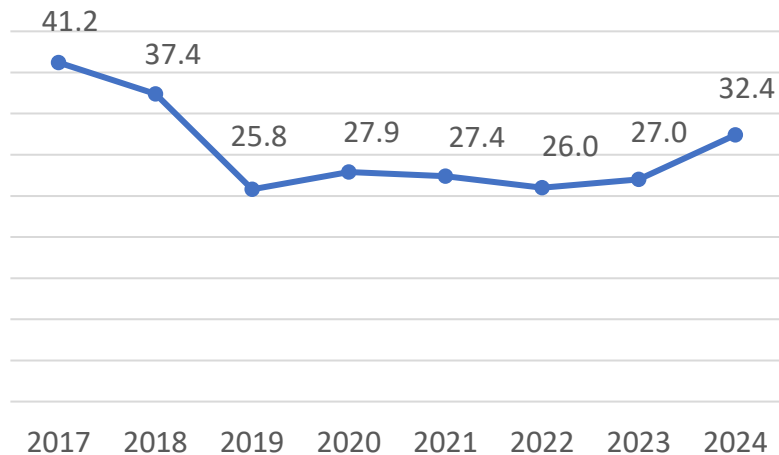
Share of small business and private entrepreneurship in total imports, %



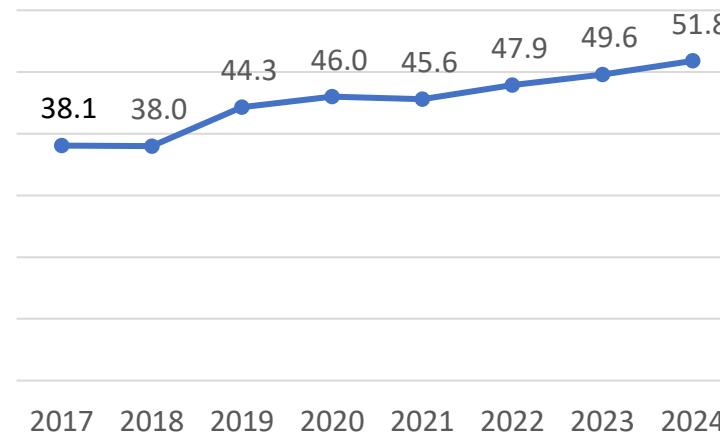
Share of small business and private entrepreneurship in GDP



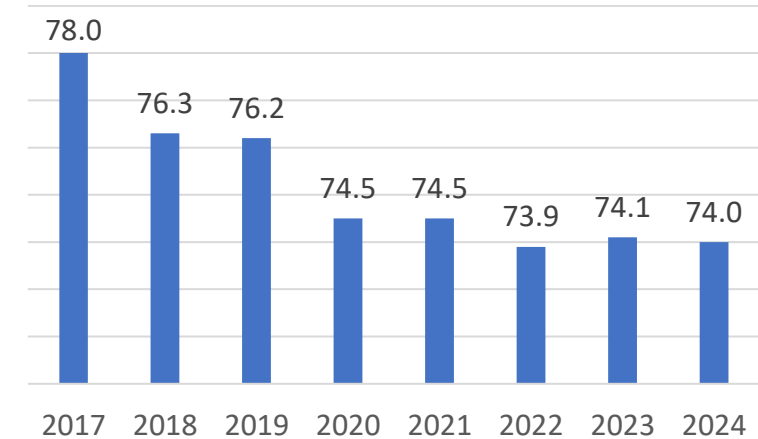
Share of small business and private entrepreneurship in the production volume of industrial output, %



Share of small business and private entrepreneurship in total fixed capital investments, %

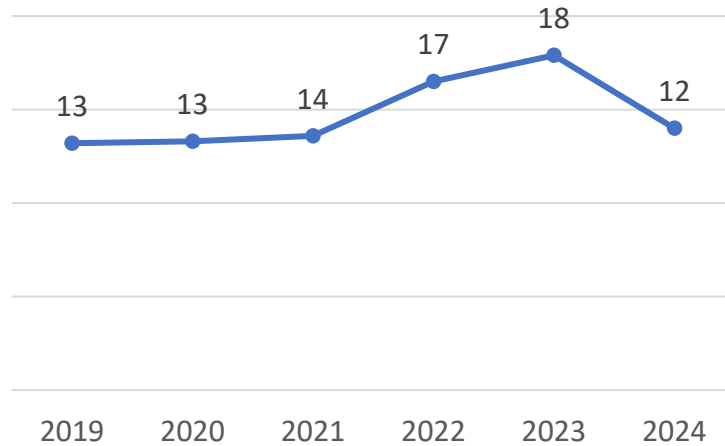


Share of small business and private entrepreneurship in total employment, %

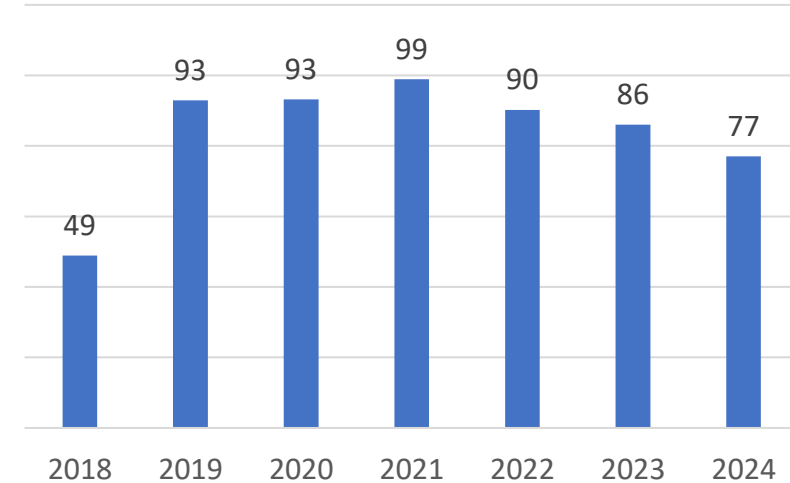


Dynamics of entrepreneurial entities, enterprises, and microfirms

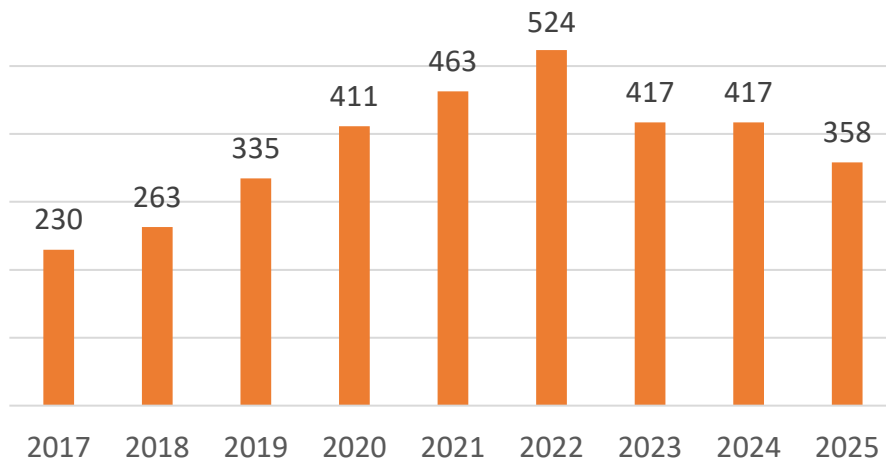
Number of active small enterprises
(per 1000 inhabitants, unit count)



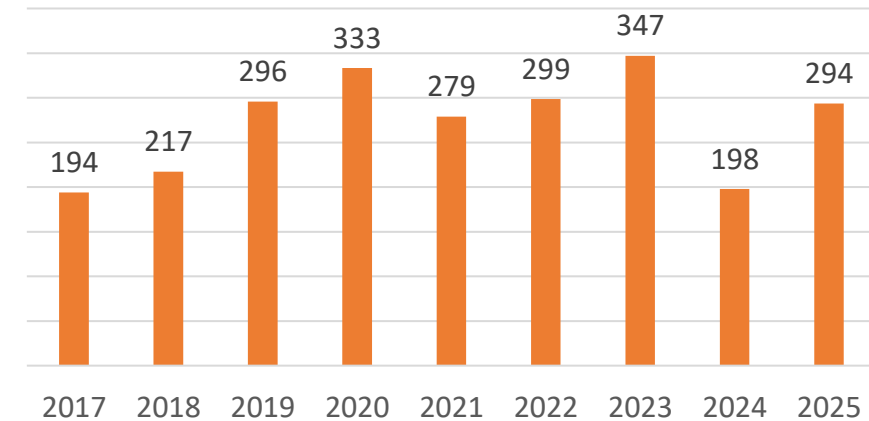
Newly established small enterprises and microfirms, in thousands



Active small enterprises and microfirms, in thousands
(excluding farming and agricultural households)

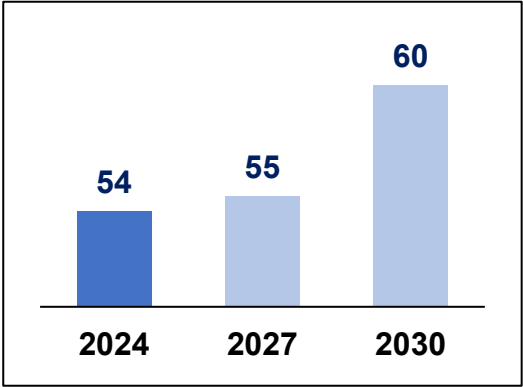


Inactive small enterprises and microfirms, in thousands
(from January to December for the years 2017-2025)

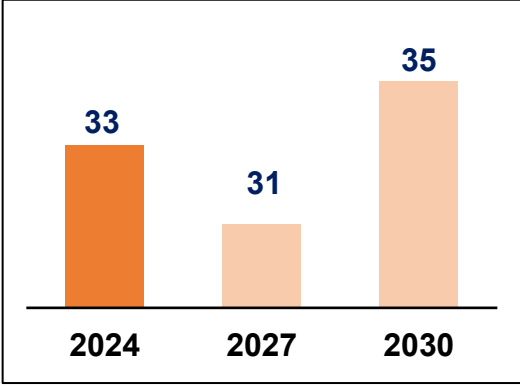


Target indicators for SME development by 2030

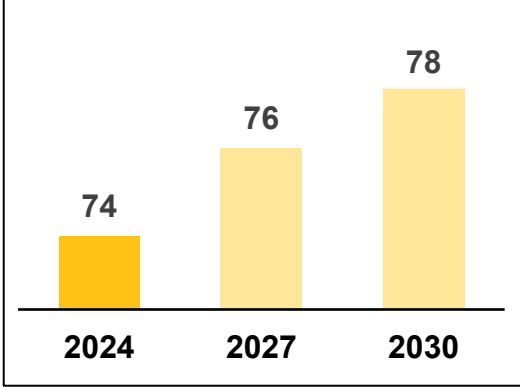
Share in GDP, %



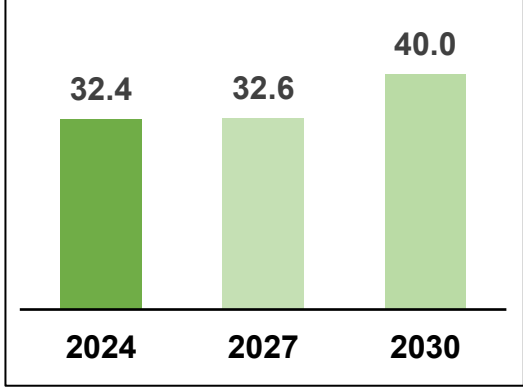
Share in exports, %



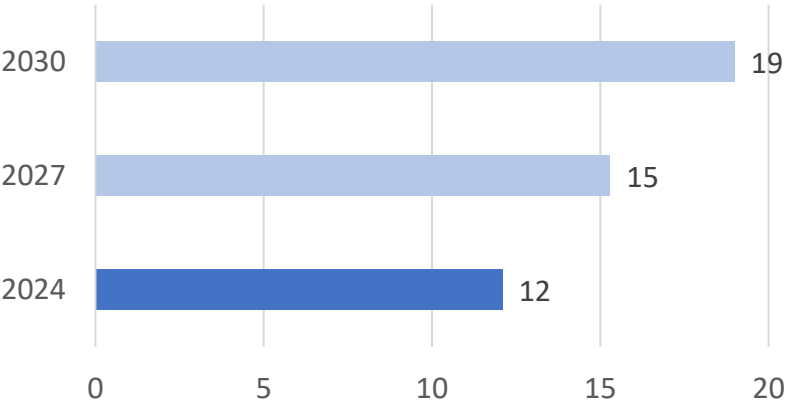
Share in total employment, %



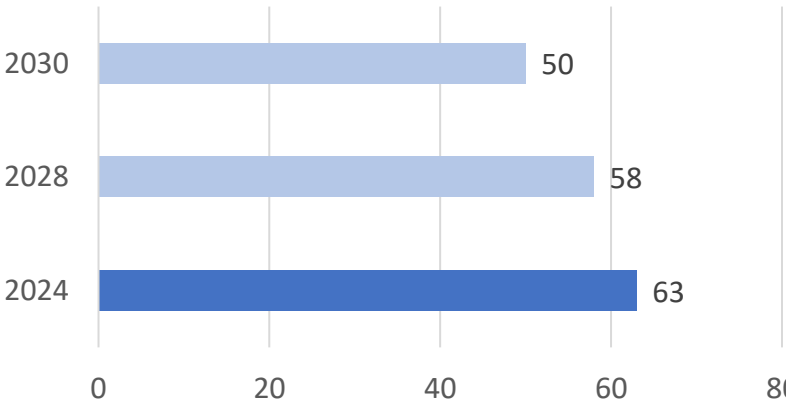
Share in total industrial output, %



Number of active small business entities per 1000 people



E-Government Development Index (EGDI)



Global startup ecosystem index (GSEI)

