

DEVELOPMENT OF THE SERVICES SECTOR IN THE REPUBLIC OF UZBEKISTAN: INNOVATIVE SERVICES, INTEGRATION WITH PRODUCTION, AND EXPORT OF SERVICES

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Abstract. The article examines the key areas of development for the services sector in the Republic of Uzbekistan in the period 2024-2025, including digital transformation, innovation, integration of services with industrial production, and export potential. The analysis is based on statistical data from the State Statistics Committee of the Republic of Uzbekistan and industry reports, demonstrating a steady increase in the volume of services, a significant contribution of the sector to the country's GDP, the active implementation of digital solutions, and the expansion of international cooperation and service exports. Special attention is given to the dynamics of the services market growth, its development structure, and the prospects for further strengthening its competitiveness in the global arena.

Keywords: Uzbekistan, services sector, innovative services, digital transformation, service exports, integration with manufacturing, tourism, IT services, transport services, contribution to GDP.

The services sector is one of the most important drivers of Uzbekistan's modern economy, accounting for more than half of the country's gross domestic product (GDP), providing significant employment opportunities, and expanding the country's export potential. In recent years, the government of the Republic of Uzbekistan has implemented programs for the digitalization and modernization of services, which have encouraged the development of innovative business models and the integration of services with other sectors of the economy. Against the backdrop of accelerated economic transformation, analyzing the dynamics of services in the period 2024-2025 allows us to assess the effectiveness of ongoing reforms, identify key trends, and explore the prospects for further development in this area.

The service sector continues to strengthen its position in the structure of Uzbekistan's economy. According to data from the National Statistical Committee, the share of the service sector in the country's GDP in 2024 was approximately 47.4%, compared to a significantly lower figure of 36.3% in 2020, and continued to grow between 2017 and 2024. The growth of the sector is driven by the expansion of sectors such as information technology, finance, transportation, tourism, and education. The number of service-providing enterprises has significantly increased: As of 2024, their number has reached more than 310,800, which is 1.6 times higher than in 2017.

This has been facilitated by policies to liberalize the visa regime, develop infrastructure, and digitalize public services.

Analysis of service volume growth: 2024 and 2025

Table 1. Structure of the Uzbek services market by main categories (2024–2025)

Service category	Share in the volume of services in 2024	Share in the volume of services in 2025	Comment / Note
Accommodation	≈19.7 %	≈19.5	– Food makes up the majority of the

& Food		20.4 %	segment; several % variations in different periods of 2025.
(Transport	≈19.1 %	≈18.4 %	Auto, air, and auxiliary services are included in this segment.
Financial Services	≈17.5 %	≈17 %	Including banking, insurance, and ancillary services
Trade	≈17.7 %	≈17.3 %	Wholesale, retail and repairs are included.
Communications & IT	≈6.8 %	≈8.0 – 7.5 %	In 2025, the share of communications and ICT increased (including programming).
Education	≈3.8 %	≈3.7 %	Universities, schools, courses.
Other types of services	—	—	These include: rent, repairs, healthcare, personal, architectural/engineering services, etc. (total share <10%).

According to the table, it can be seen that accommodation and food, transportation, financial services, and trade services traditionally occupy the main shares in the service market. The share of communication and ICT services increased in 2025 compared to 2024, reflecting the growth of digital services and service programming. Other services (renting, repairing, healthcare, engineering, and personal services) are also present, but they have a smaller share in the overall structure. According to the country's statistics, these services have shown steady growth in 2025.

According to the National Statistical Committee of the Republic of Uzbekistan, the volume of market services produced in 2025 continues to grow rapidly. In January-October 2025, the volume of services provided reached 818.5 trillion soums, which is 14.4% more than in the same period of the previous year, and continues to show a steady growth trend. For comparison, in the first half of 2025, the growth of the services market was 13.3%, while in January-June 2024, the similar indicator was slightly lower, reflecting the overall dynamics of the sector's expansion. Based on quarterly reports, the volume of services in January-March 2025 increased by 12.6% compared to the same period in 2024, highlighting the stability of the sector's growth this year.

When considering the regional structure of the services sector's market development, it is evident that the growth of this sector is observed across all major regions of Uzbekistan. Tashkent remains the leader, accounting for the largest share of the services market, approximately 38%, due to its high population density, business concentration, and well-developed infrastructure. In addition to the capital region, Samarkand, Fergana, and Tashkent regions also contribute significantly to the expansion of this sector. Significant growth is also observed in transportation services, with the volume of transportation services exceeding 150 trillion soums in 2025.

IT services are one of the fastest-growing segments. In 2024, IT services exports increased by more than 70%, and the number of companies focused on international markets increased due to the participation of IT Park enterprises in export operations in almost 78 countries around the world. Modern digital services in e-commerce, cloud solutions, and software development are becoming key drivers of growth, strengthening export potential and creating new job opportunities.

The financial sector is experiencing significant growth due to the introduction of online payments, digital banking services, and innovative lending platforms. The expansion of cashless transactions is driving up demand for electronic services, stimulating the consumer market and improving the efficiency of financial operations. Additionally, the government is implementing programs to promote fintech - solutions, which is helping to strengthen the financial infrastructure and attract investment.

One of the important areas of service integration in the manufacturing sector is the development of logistics services, which ensure the interaction between manufacturing enterprises and sales markets. In 2025, the volume of transportation services increased by more than 120% in key areas, including international cargo transportation and domestic passenger transportation, indicating a higher level of service market activity within the framework of manufacturing integration.

Tourism maintains its leading role among services, contributing to the growth of international exchange and supporting related industries. The influx of tourists to Uzbekistan is steadily increasing, leading to the expansion of the hotel business, transportation services, and related services. In 2024, the export of tourism services amounted to approximately \$3.5 billion, and the total volume of services in tourism is one of the largest parts of the export structure. The service sector has become an important source of foreign currency revenue for the country. In 2024, service exports reached \$7.2 billion, which is more than six times higher than in 2017 and accounts for about 26.7% of Uzbekistan's total exports.

Table 2. Structure of Uzbekistan's service exports (by type) – 2025

Service category	Share in the export of services	USD (million)	Comment
Transportation services	~40,1 %	472,2	Share of the main component: transportation.
Travel	~39,5 %	465,0	Most of it is accounted for by tourist trips.
Telecommunications & ICT	~12,9 %	151,7	Communications, computer services
Other business services	~3,7 %	43,6	Including construction, insurance, etc.

According to the table, transport and tourism dominate the structure of service exports, accounting for about 80% of total service exports at the beginning of 2025. The ICT sector shows a promising share in exports due to the development of IT services and export projects. The growth of exports is also driven by the rapid development of IT services and logistics. It is expected that by the end of 2025, service exports will increase to \$8.5 billion, and employment rates in the sector will continue to grow as a result of significant investments and increased international trade. The private sector's involvement in providing services in foreign markets is becoming increasingly significant, contributing to the integration of industry and services and enhancing the competitiveness of Uzbek companies in the global market.

In 2025, the services sector continued to grow structurally, with the shares of the main categories remaining stable, but communications/ICT showed an increase. Service exports are characterized by a high concentration in the transport and tourism segments, reflecting the country's foreign economic advantages. The increase in the share of digital services indicates the continued innovative transformation of the sector. Despite its achievements, the services sector faces several challenges, including:

- Regional differences in the level of service development, which requires coordination between central and local authorities for balanced growth.
- Lack of transport infrastructure in some regions, which limits the potential for tourism and logistics development.
- Competitive pressure in global markets, which requires Uzbek companies to strengthen their innovation component and international strategies.

At the same time, the prospects remain positive due to government support for innovative solutions, active digitalization of services, and increased international cooperation. As a result, the service sector in the Republic of Uzbekistan continues to demonstrate steady growth, strengthening its role as a key component of the economy. Statistics from 2024-2025 indicate a significant increase in the volume of services, an expansion of the sector's share in GDP, increased exports, and the implementation of innovative solutions. The integration of services with industrial production and international markets creates new opportunities for sustainable economic development, enhancing the country's competitiveness on the global stage.

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