Uzbekistan
Economic Outlook 2023

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27 February 2023

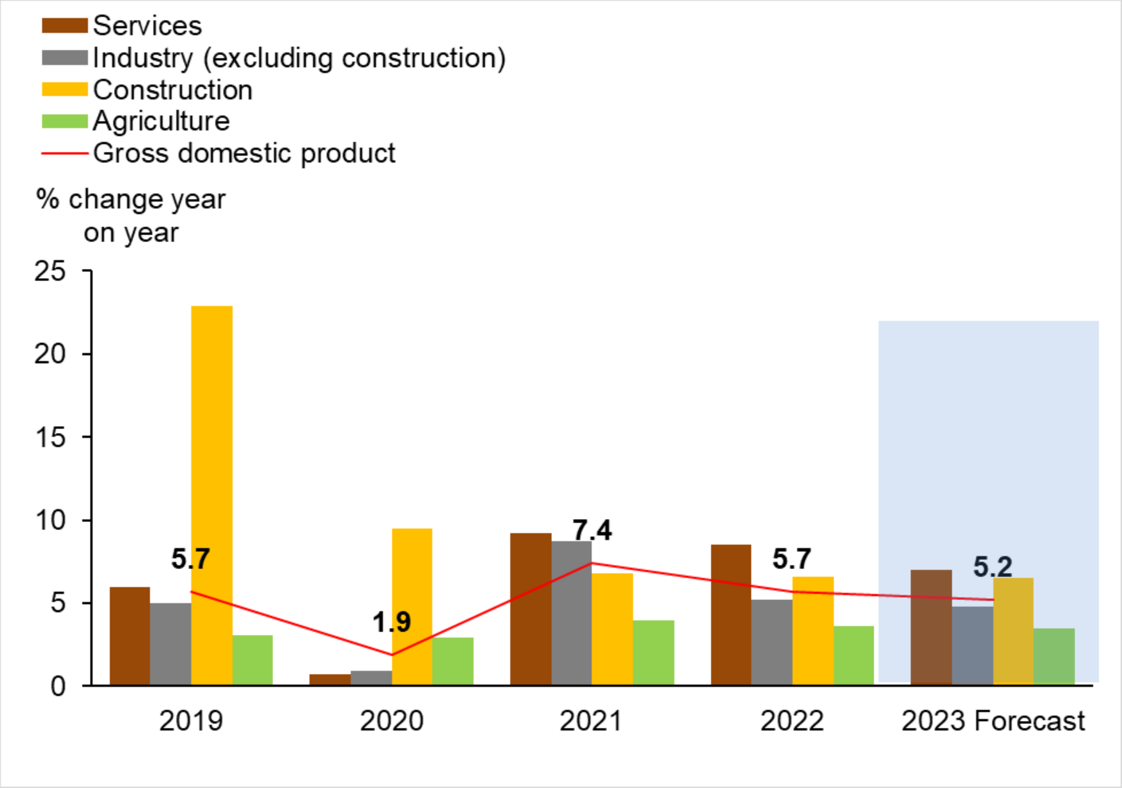
Key Message

Growth in 2023 is projected to slow down to 4.8-5.2%

- Industry and services slow, while the prolonged Russian invasion of Ukraine poses uncertainties

- Agriculture and construction growth the same, edging down

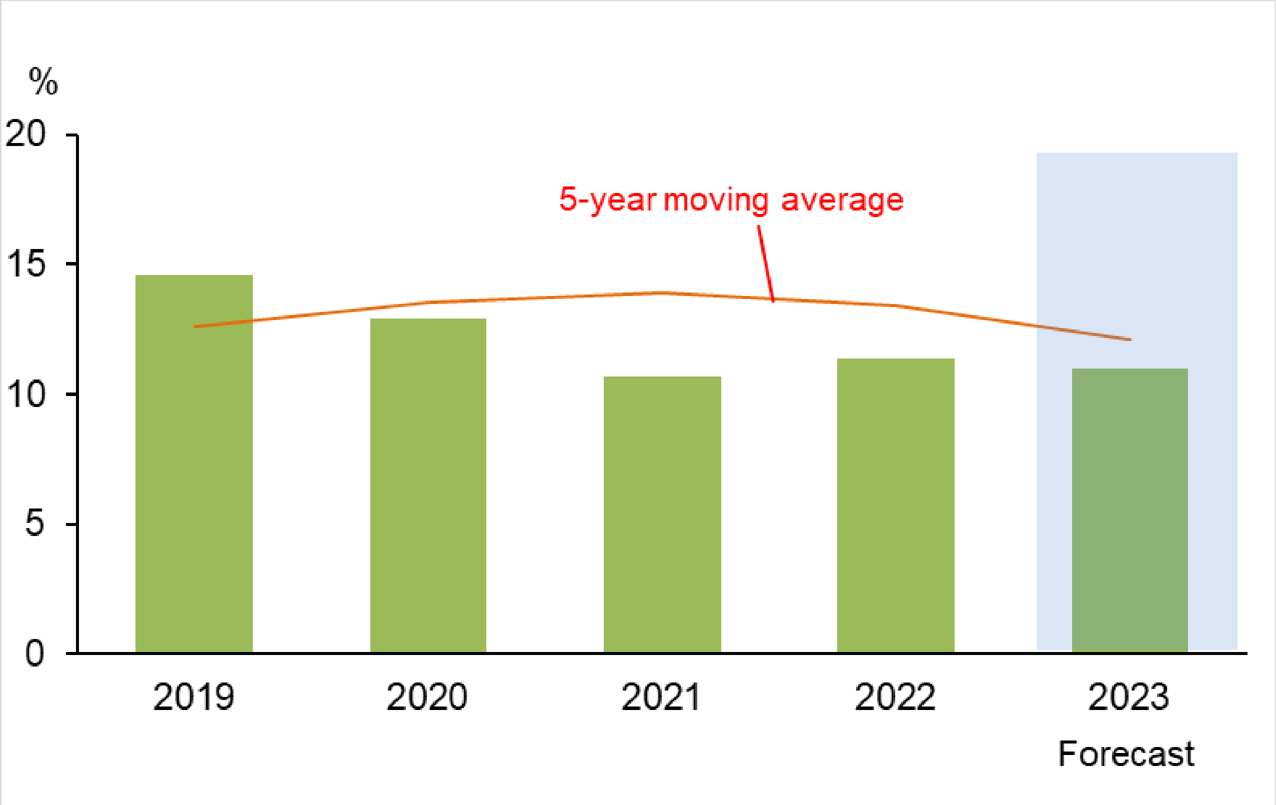
- Growth in private consumption edges down to 8-9% and capital investment rise from almost merely 1% last year



Key Message

High inflation with escalated costs of imports and cost of warranted reforms

- Inflation to decelerate to still elevated 10-11% with pursuit of price adjustments for energy and hence other utilities
- Monetary tightening with high policy rate vs. inflationary pressure from energy price hikes
- Subsidies on import of essential food likely stay



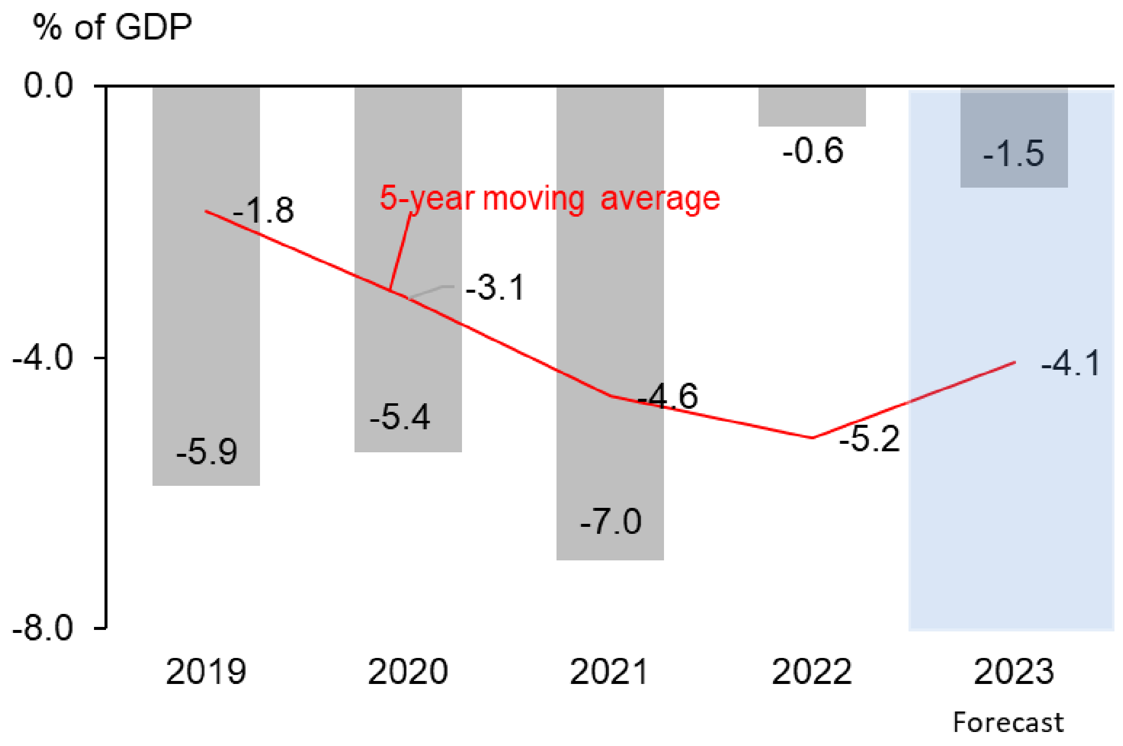
Key Message

Inflow of cross-border transfers partially compensate merchandise trade deficit

- Current account deficit to widen 1.5-2.0% of GDP

- With expanded imports of capital and intermediary goods

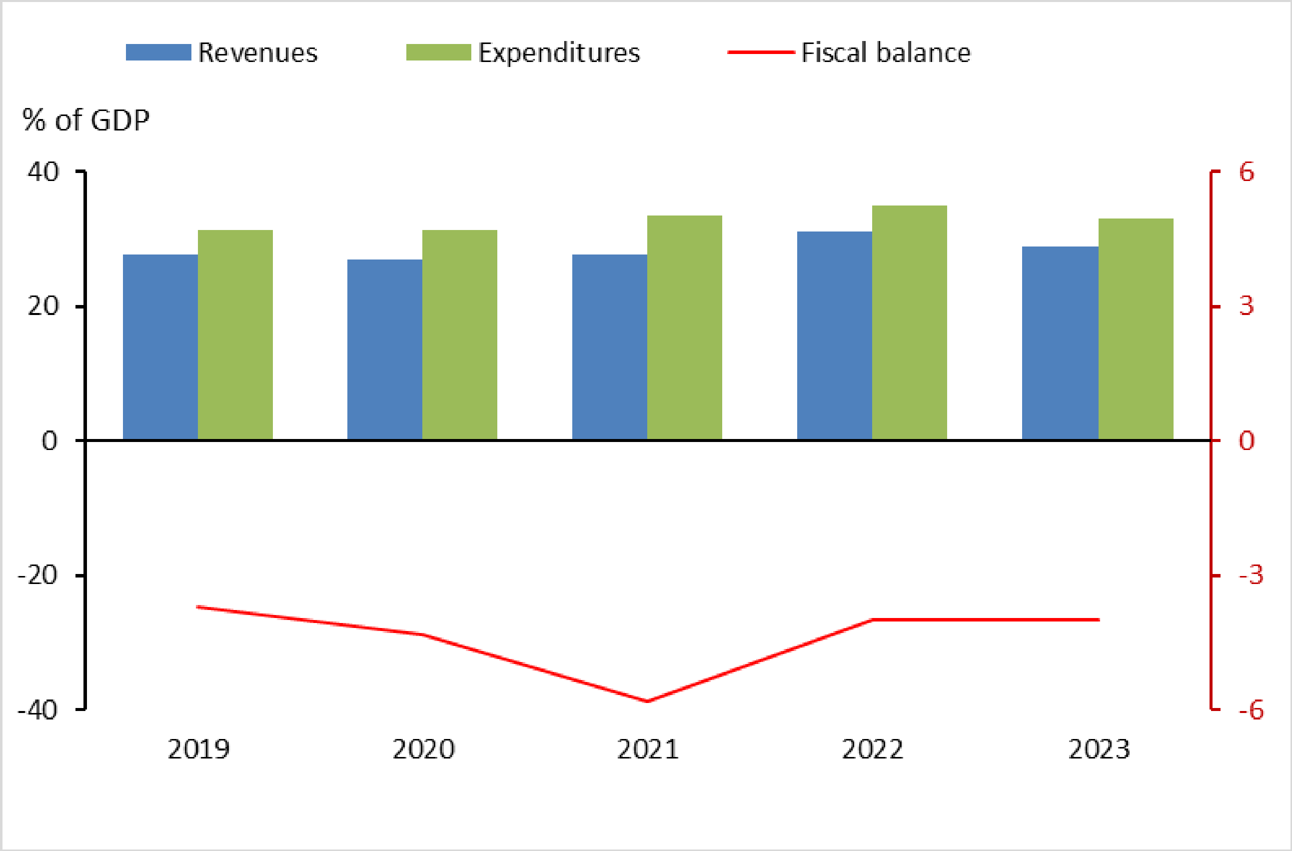
- While favorable prices for gold and stable remittance inflows somewhat offsetting the deficit



Key Message

Growing spending and adherence to fiscal targets are challenges

- Fiscal deficit at about 3.5-4% of GDP
- Spending on social sector and additional expenditures, as well as VAT drop deviate from 3% target
- Fiscal discipline warranted
- External borrowing to partly cover the deficit



Thank you.