



ECONOMIC BENEFITS AND PROSPECTS OF UZBEKISTAN'S ACCESSION TO THE WORLD TRADE ORGANIZATION (WTO).

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Abstract : *The article summarizes the economic advantages and prospects of Uzbekistan's accession to the WTO based on 2025–2026 data. It analyzes macroeconomic benefits (GDP growth up to 17%, poverty reduction, investment inflows), legal harmonization progress, and safeguard mechanisms. The conclusion is that WTO membership will catalyze long-term modernization.*

Keywords: *WTO, Uzbekistan, economic growth, trade liberalization, investment, transition periods*

Аннотация : *В статье обобщаются экономические преимущества и перспективы вступления Узбекистана в ВТО на основе данных 2025–2026 гг. Анализируются макроэкономические выгоды (рост ВВП до 17%, снижение бедности, приток инвестиций), ход гармонизации законодательства и защитные механизмы переходного периода. Делается вывод, что членство в ВТО станет катализатором долгосрочной модернизации.*

Ключевые слова: *ВТО, Узбекистан, экономический рост, либерализация торговли, инвестиции, переходные периоды.*

Annotatsiya: *Maqolada 2025–2026 yillar ma'lumotlari asosida O'zbekistonning JSTga qo'shilishining iqtisodiy afzalliklari va istiqbollari umumlashtirilgan. Makroiqtisodiy foyda (YaIMning 17% gacha o'sishi, qashshoqlikning kamayishi, investitsiyalar oqimi),*

qonunchilikni uyg'unlashtirish jarayoni va o'tish davri himoya mexanizmlari tahlil qilingan. Xulosa: JSTga a'zolik uzoq muddatli modernizatsiya katalizatori bo'ladi.

***Kalit so'zlar:** JST, O'zbekiston, iqtisodiy o'sish, savdo liberallashuvi, investitsiyalar, o'tish davrlari.*

Introduction

After nearly three decades of passive observation, the Republic of Uzbekistan has intensified its accession process to the World Trade Organization (WTO) since 2020. By 2026, the negotiations have entered their final stage: bilateral market access protocols have been signed with 33 countries, more than 40 rounds of consultations have been conducted, and the 12th Meeting of the WTO Working Party in Geneva (March 2026) recorded substantial progress in the harmonization of national legislation [5; 8]. WTO accession is regarded by the government as a strategic priority capable of accelerating the structural modernization of the economy, enhancing its competitiveness, and integrating Uzbekistan into global value chains. The purpose of this article is to systematize and summarize the economic benefits that Uzbekistan is expected to gain from WTO membership, as well as to assess the prospects and potential costs of the transition period based on the most recent data from 2025–2026.

Main Body

1. The Current Stage of Uzbekistan's WTO Accession: Negotiation Progress and Institutional Reforms

As of early 2026, Uzbekistan has demonstrated unprecedented momentum in the accession process. Bilateral negotiations on market access for goods and services have been completed with key trading

partners among the WTO's 166 members, including Russia (December 2025), China, the European Union countries, and Türkiye. Negotiations with Chinese Taipei and Kazakhstan are expected to be finalized during 2026 [9]. Importantly, Uzbekistan is conducting negotiations as a developing economy, which allows it to seek transition periods of up to eight years for sensitive sectors such as the automotive industry, agriculture, and light manufacturing [8].

At the same time, large-scale legislative harmonization has been carried out. Since 2023, approximately 80 regulatory acts have been adopted, while the total number of harmonized legal documents has exceeded 180 [3; 7]. Key reforms implemented during 2025–2026 include:

- Abolition of double customs duties and quotas for individual entrepreneurs;
- Reduction of the list of goods subject to mandatory certification by 27%;
- Elimination of exclusive trading rights of state-owned enterprises in the metals and natural gas sectors, replacing them with a licensing regime [4].

These measures directly correspond to WTO principles of transparency, non-discrimination, and trade liberalization.

2. Economic Benefits and Prospects of Uzbekistan's WTO Membership

According to a joint assessment by the World Bank (2024) and the German Economic Team (2025), WTO membership could increase Uzbekistan's GDP by 17% in the medium term (5–7 years) and reduce the poverty rate by 1.6 percentage points [1; 2]. These estimates are based on simulations of full liberalization of goods and services markets,

the removal of non-tariff barriers, and a reduction in the weighted average import tariff from the current 12–14% to approximately 8–9%, comparable to other WTO member countries.

The main channels of positive impact include:

- Export growth — access to 164 markets under the Most-Favored-Nation (MFN) regime. Exports of goods and services are expected to increase by 14–16% during the first year after accession, particularly in the textile, chemical, and agro-processing industries [6].
- Inflow of Foreign Direct Investment (FDI) — WTO membership reduces country risk and strengthens guarantees for investor rights. In 2026, Uzbekistan plans to attract up to USD 50 billion in gross investment, while by 2030 the target is expected to reach USD 180 billion [4].
- Productivity enhancement — increased competition from foreign firms will stimulate the modernization of domestic enterprises, especially in the machinery manufacturing and pharmaceutical sectors.
- Lower consumer prices — import liberalization reduces monopoly markups. Given the current inflation rate of approximately 8%, this may generate an additional anti-inflationary effect of 1–2% [5].

Furthermore, according to the National Statistics Committee, Uzbekistan's economy grew by 7.7% in 2025, while the poverty rate declined from 17% in 2021 to 5.8% in 2025. WTO membership is expected to reinforce and sustain these positive trends [6].

3. Prospects for Key Economic Sectors and Risks of Uzbekistan's WTO Accession

Uzbekistan is expected to join the WTO while retaining the right to apply temporary trade remedies, including safeguard measures, anti-dumping duties, and countervailing duties, in cases of unfair competition or balance-of-payments crises. Transition periods of up to eight years will allow sensitive sectors to adapt, particularly the automotive industry, where imports account for more than 70% of the market as of 2026, and agriculture, which employs approximately 27% of the labor force [8; 10].

The following sectors are expected to become major growth drivers after accession:

- Textile industry (textile exports already reached USD 3.5 billion in 2025) — removal of restrictions on cotton fiber exports and expanded access to European Union and United States markets;
- Fruit and vegetable production — the removal of seasonal trade restrictions will facilitate increased exports to Russia, Kazakhstan, and the Gulf countries;
- Services sector — transportation, IT outsourcing, and tourism are expected to receive a significant boost from the liberalization of market access for foreign service providers [2].

Nevertheless, several challenges remain. Approximately 2,000 state-owned enterprises contribute around 30% of GDP, while 60% of banking sector assets remain concentrated in state-owned institutions. Without deeper privatization reforms, these structural distortions may limit the overall benefits of WTO membership [1; 7].

Conclusion

In summary, Uzbekistan's accession to the WTO is expected to generate substantial economic benefits, including GDP growth of up to 17%, poverty reduction, export diversification, and increased investment inflows. The country has already completed the majority of the necessary preparatory reforms by harmonizing its legislation, removing the most restrictive non-tariff barriers, and securing transition periods for vulnerable sectors. The remaining challenges, including the dominant role of the state sector and monopolistic structures in finance, are not insurmountable and can be addressed through further reforms aligned with WTO commitments.

The overall outlook is positive. WTO membership will provide Uzbekistan with access to international trade dispute settlement mechanisms, improve the predictability of the business environment, and strengthen the country's position as a regional hub for international trade in Central Asia. If the current pace of reforms is maintained, final accession is likely to occur as early as 2026–2027, marking a historic milestone in Uzbekistan's economic development.

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