

**Abstract :**

This article analyzes the dynamics of the balance of payments of the Republic of Uzbekistan in recent years and the main trends observed in its components. In the course of the study, statistical data on the balance of current operations, capital and financial accounts, as well as the state of gold and foreign exchange reserves are studied, and changes in export-import indicators, the balance of services and investment flows are highlighted. It is shown that in recent years, global economic fluctuations, the pandemic, changes in raw material prices and the transformation of domestic economic policy have had a significant impact on the indicators of Uzbekistan's foreign economic activity. The results of the study serve to identify the main directions for diversifying the country's foreign trade structure, expanding exports, developing the service sector and conducting a stable exchange rate policy. At the end of the article, conclusions are drawn on the existing positive and negative trends in the balance of payments and proposals are made to ensure economic stability.

Keywords: Uzbekistan's balance of payments, foreign trade, export-import, current account, capital and financial account, gold and foreign exchange reserves, currency policy, international payments, foreign economic activity, investment flow, balance of services, remittances, external debt, economic stability, macroeconomic indicators, global economy, economic trends, economic analysis, external sector stability, econometric analysis.

The balance of payments is one of the most important macroeconomic indicators reflecting the international economic relations of a country. It summarizes all economic transactions between residents and non-residents of the state over a certain period of time and fully describes the state of the country in the external sector. The acceleration of globalization processes in the world economy, the expansion of foreign trade volumes, the liberalization of capital movements and changes in international financial markets directly affect the balance of payments of countries. Therefore, regular analysis of trends in the balance of payments is necessary to ensure economic stability, formulate currency policy and improve the investment climate.

In recent years, the Republic of Uzbekistan has implemented important reforms aimed at liberalizing the economy, gradually liberalizing the foreign exchange market, expanding export potential, attracting foreign investment, and modernizing foreign economic policy. These processes have also led to significant changes in the structure of the country's balance of payments. In particular, the composition of exports and imports has diversified, the share of the services balance has increased, investment flows in the capital and financial accounts have become more active, and gold and foreign exchange reserves have changed in accordance with the situation on the world market.

In this context, a thorough analysis of the dynamics of Uzbekistan's balance of payments and the main trends in recent years is of significant scientific and practical importance in assessing the state of the country's external sector, the level of economic security, and future development prospects. This article presents detailed analytical approaches in these areas.

According to the IMF and the Central Bank, the balance of payments reflects the country's international position through the current account, capital and financial account, and reserve assets. For example, in 2022, Uzbekistan faced some negative indicators in its current account: according to some sources, the current account balance was negative (deficit) throughout the year. At the same time, attempts were made to stabilize the balance through trade in goods and services, exports and imports of services, income and remittances (secondary income).

Export-import and trade balance: changes in recent years . In recent years, in particular in 2023–2025, significant changes have been observed in the country's trade turnover and export-import indicators. In 9 months of 2025, exports increased by 33.3%, while imports increased by 15.6%. However, due to the difference between the growth rate of imports and the growth rate of exports, a negative balance remains in the trade balance. For example, in 2024, exports were at the level of ~ 26.2 billion USD, while imports reached ~ 43.6 billion USD, and the trade deficit amounted to ~ 17.4 billion USD. This situation has a negative impact on the balance of current operations, since the negative trade balance in goods and services is overwhelming the entire current account balance. However, due to the diversification of the share of services and raw materials (gold, textiles, other goods) in the export structure, as well as the impact of changes in global market prices, the volume of exports increased, which somewhat mitigated the deepening of the deficit.

Capital and financial account and investments . Uzbekistan's investment environment has also been changing in recent years. There is information that in 2024, the flow of foreign direct investment (FDI) increased, and portfolio investment also increased. However, it is not always possible for these financial flows to fully compensate for the balance of payments, that is, close the trade deficit or reduce the current account deficit - since investment flows may be temporary or pose risks associated with the state of assets and liabilities abroad. At the same time, it is reported that the volume of external debt increased in 2025 - which, on the one hand, will allow financing infrastructure and production projects; on the other hand, may exacerbate the problems of managing the balance of payments and foreign exchange reserves. Thus, investments and loans through the capital and financial account play an important role in balancing the trade deficit and current account deficit. But this potential is also associated with costs and requirements, which means it requires constant analysis.

The role of service exports, remittances, and "second incomes . " With traditional commodity exports limited and commodity-centric, Uzbekistan's economic strategy in recent years has focused on the services sector, labor migration, and remittances. According to data, remittances from migrant workers and other secondary incomes increased significantly in 2024, which was an important factor in mitigating the negative momentum in the current account balance. In addition, service exports — through transport, logistics, services, and other services — can be a significant driver of the country's balance of payments. If service exports and remittances continue to grow steadily, the trade deficit and current account deficit could ease somewhat.



External debt and foreign exchange reserves: risks and sustainability

In 2024–2025, the country's external debt increased significantly: in the first quarter of 2025, external debt reached ~ 68.4 billion USD. This situation, if investments are not effectively directed or export and remittance income declines, can lead to serious balance of payments stress, a decrease in foreign exchange reserves, and a depreciation of the national currency. Therefore, strategies such as proper management of foreign exchange reserves, attention to a diversified investment structure, and an increase in exports and services are necessary.

The article's analysis considers this as a way to alleviate negative trends in the balance of payments and ensure economic stability.

Key trends and challenges: a summary analysis. Based on the above data, the following main trends are currently evident:

Both export and import volumes are increasing, but the volume of imports remains higher than exports - the trade deficit remains.

There is an opportunity to reduce the current account deficit with an increase in the volume of exports of services and remittances. Foreign investments and loans help finance imports, but their duration and effectiveness are important. An increase in the volume of external debt poses risks to the national economy - if export and service revenues are insufficient, problems may arise in repaying debts and managing foreign exchange reserves. At the same time, if the composition of export goods and services is diversified, the service sector is developed, remittances from labor migrants and foreign investment are attracted - it is possible to form stability and long-term positive trends in the balance of payments.

Conclusion and suggestions

One of the biggest problems in Uzbekistan's balance of payments is the existence of a trade deficit and a current account deficit. However, there is potential to rebalance the balance through services exports, remittances, and debt/capital flows. Therefore, it is important to consistently pursue a policy of expanding exports (not raw materials, but high value-added products), services and service exports (transport, logistics, IT, tourism, etc.), optimizing remittance channels, and attracting foreign investment. It is necessary to carefully plan foreign exchange reserve management and external debt strategies and minimize risks. It is recommended that state and banking policies consider various areas together and take comprehensive measures to ensure balance of payments stability.

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