



TJAS

Thematic Journal of Applied Sciences

informing scientific practices around the world
through research and development

Thematic Journal of Applied Sciences

Volume 2, No. 2, March 2022

Internet address: <http://ejournals.id/index.php/TJAS/issue/archive>

E-mail: info@ejournals.id

Published by ejournals PVT LTD

Issued Bimonthly

Chief editorS.

G. Ahmed

Professor of Computational Mathematics and Numerical Analysis Faculty of Engineering, Zagazig University, Zagazig, Egypt, P. O. Box 44519

Requirements for the authors.

The manuscript authors must provide reliable results of the work done, as well as an objective judgment on the significance of the study. The data underlying the work should be presented accurately, without errors. The work should contain enough details and bibliographic references for possible reproduction. False or knowingly erroneous statements are perceived as unethical behavior and unacceptable.

Authors should make sure that the original work is submitted and, if other authors' works or claims are used, provide appropriate bibliographic references or citations. Plagiarism can exist in many forms - from representing someone else's work as copyright to copying or paraphrasing significant parts of another's work without attribution, as well as claiming one's rights to the results of another's research. Plagiarism in all forms constitutes unethical acts and is unacceptable. Responsibility for plagiarism is entirely on the shoulders of the authors.

Significant errors in published works. If the author detects significant errors or inaccuracies in the publication, the author must inform the editor of the journal or the publisher about this and interact with them in order to remove the publication as soon as possible or correct errors. If the editor or publisher has received information from a third party that the publication contains significant errors, the author must withdraw the work or correct the errors as soon as possible.

OPEN ACCESS

Copyright © 2022 by Thematics Journals of Applied Sciences

CHIEF EDITOR

S.G. Ahmed

*Professor of Computational Mathematics and Numerical Analysis Faculty
of Engineering, Zagazig University, Zagazig, Egypt, P. O. Box 44519*

EDITORIAL BOARD

Yu Li

*Wuhan University of
Technology, China*

Seung Man Yu

*Seoul National University of Science
and Technology, South Korea*

Syed Saeid Rahimian Kolor

*Universiti Teknologi Malaysia,
Malaysia*

Eko Susanto

Menegment of journal Indonesia

Siti Mazlina Mustapa Kamal

Universiti Putra Malaysia, Malaysia

ELSEVIER



SSRN

Universal
Impact Factor



REDUCING INFLATION IN UZBEKISTAN UNTIL 2023

Bunyod ShakirovMaster degree, Independent Researcher
Uzbekistan, Tashkent.
buned.7@mail.ru

Abstract: Article will help to consider the problem associated with inflation in the country. The author shows the problems with inflation and shows a detailed analysis of the development of the economy. In addition, article shows the current tasks of the country to reduce inflation.

Keywords: Uzbekistan, strategy, Economy, inflation, digitalization, New Uzbekistan, export, macroeconomics, microeconomics, decree, aim, trade.

СНИЖЕНИЯ ИНФЛЯЦИИ УЗБЕКИСТАНА ДО 2023 ГОДА

Бунёд Шакиров ЖамшидовичМагистр, Независимый исследователь
Узбекистан, Ташкент.
buned.7@mail.ru

Аннотация: Данная статья поможет рассмотреть проблему связанной с инфляцией страны. Автор показывает проблемы с инфляцией и показывает подробный анализ развития экономики. Также, в статье указаны текущие задачи страны для снижения инфляции.

Ключевые слова: Узбекистан, стратегия, Экономика, инфляция, цифровизация, Новый Узбекистан, экспорт, макроэкономика, микроэкономика, указ, цель, торговля.

The government has stated that it intends to reduce poverty in half by 2026 and achieve upper-middle-income status by 2030. These ambitious objectives will take even greater efforts to hasten Uzbekistan's economic transition to a sustainable and inclusive market economy. Success will be determined by improved global economic conditions as well as progress on structural changes to boost private-sector development, minimize state dominance in the economy, and expand economic inclusion. As part of the responsibilities outlined in the Development Strategy, in order to achieve the growth of the national economy at the level required by the current standards, the President of the Republic of Uzbekistan Shavkat Mirziyoyev decreed on January 1, 2022, to take measures to reduce annual inflation by 9% in 2022 and by 5% until 2023. In addition, budget deficit of up to 3%. This resolution should push for the development of the economy of the

	month on month (%)	year on year (end of period) (%)
November 2021	1,2	10,3
October 2021	1,3	10,6

Figure 1 Inflation rate of 2021 y.

Republic of Uzbekistan. According to the Central Bank of Uzbekistan, in November 2021 inflation was 10.3%.

Source from CBU.uz

Compared to November 2020, which was 11.3%, the situation is improving every year. It is important to note the global scenario related to the pandemic. This has had an impact on all countries around the world, particularly developing countries. However, Uzbekistan's economy performed well in 2020, with no signs of deterioration.

November 2020	1,5	11,3
October 2020	1,4	11,5

Figure 2 Inflation rate of 2020 y.

Source from CBU.uz

In addition, a decree was issued to reduce VAT from 15% to 12% until 2023. This is mainly accomplished to sustain the country's strong rates of economic growth, ensure macroeconomic stability, and control inflation.

The country's key rate is particularly significant for the development of the economy because it directly affects inflation. From 2020 and early 2022, the Central Bank of Uzbekistan's (CBU) key rate is 14%. The experience of different countries shows that if you set a very low rate, money will become cheap and inflation will start to grow faster than production develops. Even in the United States in October 2021, inflation was 6.8 percent, making the United States the fastest growing consumer market since 1982. According to US President Joe Biden, the pandemic scenario has harmed the economy. This demonstrates that even such great powers face difficulties nowadays.

It is critical for the growth of the country's GDP that all segments of the population contribute to the country and do business, for example, by opening their own firm to provide services and raise the country's GDP. As a result, there is a goal in the action strategy 2022-2026 of providing conditions for organizing entrepreneurial activity and forming sustainable sources of income, expanding the private sector's share of GDP to 80 percent, and reducing the unemployment rate by at least two times until 2026.

The World Bank forecasts that uncertainty regarding the global recovery, as well as an announced value-added tax reduction in 2023, will contribute to a large medium-term fiscal deficit. Economic recovery, gradual reduction of anti-crisis measures, and broadening the revenue base will help stabilize public debt at 42 percent of GDP by the end of 2023. Currently, the Central Bank of Uzbekistan lends to banks at a 14 percent interest rate. Uzbekistan's lowest bank rate in local currency was 23% towards the end of 2021. To recuperate its losses, the bank raises interest rates for the public. Consumer items are offered on credit at a rate of 35-40% every year. In comparison, at the end of 2021, consumer credit in Kazakhstan started from 2.5%. Obvious, the large key rate constrains the country's economy, but at the same time does not completely depreciate the national currency. As a result, the currency rate on January 11, 2022 was 10 840 UZS per 1 US dollar. For economic growth and currency stability, the country must export goods and provide land and services to international partners. The projects New Uzbekistan

Development Strategy 2022-2026 indicate the goal of increasing exports by 2026 by \$ 30 billion. For 2021, foreign trade turnover amounted to \$ 10.3 billion and 80% of all exports are for goods.

President of Uzbekistan is attempting to reform the economy and places a high priority on digitalization, while studying the experiences of other countries. After, the President signed legislation authorizing the development of a new strategy dubbed "Digital Uzbekistan - 2030." This is the most effective method of reforming economic sectors and matters of social life.

According to the data, the digitalization of the public sector has allowed government agencies to become more efficient. The following achievements have been achieved:

- As a result of the implementation of the Electronic Labor Book system, about 2.1 billion soums have been saved.
- The national database of vacancies helped more than 146.4 thousand people find work.
- More than 1 million families received social assistance through the system of the Unified Register of Social Protection.
- The Electronic Certificate Information System has digitized over 1.7 million certificates.
- Through the information system "Youth Notebook" more than 55.8 thousand people were employed, 23.2 thousand started their own business, 133.5 thousand received land resources for organizing a dekhkan farm, and 15.6 thousand people were taught social, financial and psychological support from the state.

Forecasting of the World Bank, in order for Uzbekistan to accomplish halving poverty by 2026 and becoming an upper-middle income country by 2030, the following High Level Outcomes need to be reached:

- Creating a strong private sector response to generate more and better jobs
- Transforming the State from producer to effective market enabler
- Investing in strengthening the country's human capital and addressing unequal access to opportunities
- Creating the condition for a sustainable and resilient future

In addition, Uzbekistan's Country Partnership Framework for 2022-2026 would most likely feature three potential emphasis areas for the World Bank Group's financial and advisory activities in the country:

- 1) Allowing for inclusive growth and private sector participation in the economy
- 2) Investing in people
- 3) Green Economy Transition

All these action already included to the strategy of new Uzbekistan 2022-2026. The results show that the previous strategy "Action Strategy 2017-2021" were effective and the new strategy continues last one success.



Figure 3 Logo of Action Strategy 2017-2021

In conclusion, Uzbekistan is fast developing, as seen by the activities completed, particularly the "Action Strategy 2017-2021" program. There has also been a lot of work done in economy. Only about ATMs in country, which appeared through monetary policy reforms with the arrival of the new president, Shavkat Mirziyoyev. All actions taken and future goals aimed at improving and stability of the country's economy. The new program of New Uzbekistan "Strategy of Action 2022-2026" shows that government concern about their own people, all these economic, social and political actions are aimed at improving the well-being of the people of Uzbekistan.

References.

1. Development strategies of the new Uzbekistan for 2022-2026. (2022). Retrieved from <http://2022-2026.strategy.uz/farmonru.php#yonalish3>
2. Exchange rate. (2022). Retrieved from <https://nbu.uz/en/exchange-rates/>
3. Money-credit policy. (2021). Retrieved from <https://cbu.uz/ru/monetary-policy/annual-inflation/components/>
4. The World Bank's ongoing program in Uzbekistan. (2021). Retrieved from <https://www.worldbank.org/en/country/uzbekistan/overview#strategy>

ELSEVIER



SSRN

Universal
Impact Factor

