



# Market Research 'Opportunities for Dutch Business in Uzbekistan'

Photo by Farhodjon Chinberdiyev

In recent years, Uzbekistan has emerged as a country that offers a wealth of opportunities, especially in the agricultural sector. The Embassy of the Kingdom in the Netherlands in Moscow, in cooperation with the Netherlands Enterprise, has facilitated three agricultural trade missions to the country in the last years (in 2018, 2019 and 2020) and has commissioned different market reports on the agricultural sector.

In order to assess what opportunities exist outside of the agricultural sector and how companies in other sectors can benefit from the emerging Uzbek market, the Embassy of the Kingdom of the Netherlands in Moscow, in cooperation with the Netherlands Enterprise Agency (RVO) and executed by Lighthouse Russia, recently published the report: 'Opportunities for Dutch Businesses in Uzbekistan (Health, Circular Economy, Infrastructure)'. This report gives an overview of the situation in the health and infrastructure sector as well as the state of affairs regarding initiatives on circular economy, which opportunities there are in the respective sectors and how Dutch business can take advantage of them. This factsheet gives a short overview of the main points from the report. The full report can be requested via the RVO [here](#).

## Uzbekistan at a glance

Uzbekistan is a double-landlocked country, with a strategic position and with a population of ca. 34 million people, it is

easily the largest country in Central Asia in terms of population. Uzbekistan's territory is comparable to Sweden or California. In 2020, the Uzbek GDP was USD 57 billion and the economy has been growing consistently since 2005. Even in pandemic-year 2020, the Uzbek economy still grew by 1.2% (making it one of only a few globally) and the projected growth for 2021 is a robust 6.1%. Currently, the official GDP per capita is USD 1.685, although it is estimated that ca. 50% of the Uzbek economy is informal and thus not visible in official statistics. The main languages spoken are Uzbek and Russian. The current president, Shavkat Mirziyoyev, took office in 2016 and has since embarked on an ambitious reform agenda.

## Background

Although Uzbekistan – being a vital part of the historical Silk Road – has a rich history of international trade, the country was amongst the former Soviet Union's most isolated nations until the current president Shavkat Mirziyoyev took office in 2016. The current government has made a clean break with the isolationist policies of its predecessor and the current reform agenda covers nearly all aspects of the economy and society and specifically aims to internationalize the country.

Uzbekistan has a need for foreign knowledge and equipment and encourages international investments in different ways, including by for instance reopening the country for international (financial) organizations such as the European Bank for Reconstruction and Development (EBRD), relaunching accession talks with the WTO and easing cross-border transit and traffic of all sorts. Many international actors are already active in the country, mainly from China, Russia, Turkey, the US, South Korea and Germany, as well as some Dutch companies. The report gives a full overview of all Dutch companies active in the sector.

## Opportunities for Dutch Companies

Uzbekistan is welcoming to foreign businesses as the country needs foreign equipment and expertise. Being a nascent market, Uzbekistan presents its own challenges such as a lack of transparency, price sensitivity and strong competition from Asia and some western countries. With the right value proposition, good personal relations with Uzbek business partners, strong negotiation skills and the readiness to invest time and effort in the market these challenges can be overcome however, and lucrative business can be done. A guide on how to do business in Uzbekistan is included in the report.

### Health

The health sector in Uzbekistan is growing steadily and the government is investing heavily in PPP-projects for the growing number of state-owned clinics. Also the number of private clinics is consistently rising, whilst Uzbekistan is almost completely reliant on foreign medication and medical equipment. The report identifies the following aspects of the health sector to be of particular interest to Dutch companies:

<p>The export and sales of:</p> <ul style="list-style-type: none"> <li>• Pharmaceutical products;</li> <li>• Medical equipment;</li> <li>• Dental equipment;</li> <li>• Blood, antisera vaccines, toxins, and cultures;</li> <li>• Laboratory reagents.</li> </ul>	<p>Other opportunities arising from the government's focus on:</p> <ul style="list-style-type: none"> <li>• The development of effective vaccines and serums;</li> <li>• Systems for rapid and accurate diagnosis of diseases based on pharmaceutical clusters;</li> <li>• Establishing modern laboratories and modernizing sanitary control points at the border control points;</li> <li>• Training of qualified doctors;</li> <li>• Establishing enterprises for the disposal of medical waste;</li> <li>• Introducing integrated monitoring system and early forecasting of the epidemiological situation in the region.</li> </ul>
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### Circular Economy

Waste management and recycling are still largely undeveloped in Uzbekistan. However, the current reforms foresee a large amount of projects in the sector, as well as the introduction of innovative circular solutions in the agricultural sector. Dutch companies can compete in tenders of the government and international (financial) organizations, which are all engaging in the topic. The report includes a list of all relevant projects and tenders in the sector and identifies the following opportunities for Dutch companies:

<p>The export and sales of:</p> <ul style="list-style-type: none"> <li>• Industrial heat exchangers;</li> <li>• Water filtering and purifying equipment;</li> <li>• Agricultural equipment;</li> <li>• Irrigation equipment;</li> <li>• Landfill equipment;</li> <li>• Technology, know how for upgrading landfills;</li> <li>• Waste recycling technology;</li> <li>• Waste processing equipment;</li> <li>• Water supply and sanitation technology.</li> </ul>	<p>As well as opportunities arising from PPP-based investment schemes that are modestly driving demand for equipment such as:</p> <ul style="list-style-type: none"> <li>• Waste processing and recycling plants, waste sorting lines, equipment for tire recycling, equipment for the disposal of used cars and wastewater treatment plants;</li> <li>• Energy efficiency equipment;</li> <li>• Solar energy stations and solar water heater equipment.</li> </ul>
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### Infrastructure

The infrastructure in the country is largely outdated and large projects are planned for all manner of modernization. For these projects, the country will be almost entirely reliant on foreign equipment and expertise and Dutch companies stand to gain a lot by competing in tenders by international (financial) organizations or one of the many PPP-projects that are currently being launched by the government. The report includes a list of all relevant projects and tenders and identifies the following as being of particular interest to Dutch companies:

<p>The export, supply and sales of:</p> <ul style="list-style-type: none"> <li>• Rolling stock;</li> <li>• Lifting equipment, cranes, and forklifts;</li> <li>• Parts for rolling stock and lifting equipment;</li> <li>• Prefabricated buildings;</li> <li>• Railway Track Fixtures and railway signal, safety &amp; traffic controls systems;</li> <li>• Traffic signals;</li> <li>• Surveying equipment and instruments.</li> </ul>	<p>Opportunities for Dutch companies may arise out of road, water, and energy infrastructure projects that are financed through grants and loans of IFIs and IOs as well as through private sector participation. Additionally, PPPs are expected to play a pivotal role in driving demand for infrastructure related equipment and technology the coming years.</p>
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# Tips for doing business in Uzbekistan

## Work with a local partner

Although Uzbekistan is rapidly reforming and an increasing amount of opportunities are arising, it can still be challenging to conduct business. Corruption is a consistent problem and the bureaucracy is complex, whilst the speed with which reforms are implemented is not necessarily on par with the capacity of institutions to implement them. This is why it is indispensable to work together with an Uzbek partner that can navigate the situation in the field better.

## Partake in events

Many Uzbek enterprises meet their foreign partners at international exhibitions and it is worthwhile to build personal connections. The Uzbek Chamber of Commerce and Embassies frequently invite companies to take part in international tours and exhibitions. The report includes an extensive list of relevant events and exhibitions, as well as more extensive guide on how to do business in Uzbekistan.

## Contact the Embassy

The Embassy of the Netherlands in Moscow, which is also accredited to Uzbekistan, can facilitate your business in Uzbekistan by informing you of relevant events in the market or conducting a company check or market scan for you. You can contact the Embassy at [mos-economics@minbuza.nl](mailto:mos-economics@minbuza.nl)

## What can the Embassy do for you?

The Netherlands Embassy in the Russian Federation, which is also accredited to Uzbekistan and Turkmenistan, can facilitate your company in a number of ways:

- Provide more detailed market information based on your specific questions and needs, including a company check on a prospective partner on the Russian, Uzbek or Turkmen market;
- Answer first-line questions regarding doing business in Russia, Uzbekistan or Turkmenistan;
- Facilitate contacts with regional or federal authorities.

## More Information

For further information, you can contact the Economic department of the Netherlands Embassy in Moscow via [mos-ea@minbuza.nl](mailto:mos-ea@minbuza.nl). You can find general information about doing business in Russia, Uzbekistan and Turkmenistan, available subsidies and financing for entrepreneurs on the Embassy's [website](#) and on the website of the Netherlands Enterprise Agency (in Dutch). You can follow us via our [LinkedIn](#) and [Facebook](#) pages. Or subscribe to our Newsletter by sending a request to [mos-economics@minbuza.nl](mailto:mos-economics@minbuza.nl).