

Focus

Market of 35 million people

By far the most populous country in Central Asia, with strong rate of population growth. Much is under 35 years old, leading to higher propensity to consume. The middle class constitutes an important segment of the population with good entrepreneurial vitality.

Gateway to a market of over 300 million people

Toward CIS countries, with reduced transport costs, due to its geographical centrality, as regards exports from Europe.

Uzbek Market Potential

A good industrial structure (automotive, hydrocarbons, electronics, chemicals, pharmaceuticals, food) placing strong emphasis on modernization and acquisition of high technology. However, competition is very tough, especially with China.

At the heart of Central Asia

It plays a key role in both the economic development and the security of the region and is thus an important partner country for Europe and other world countries in terms of development cooperation.

Key reforms

Aware of the country's imperfect record, the government has made the fight against corruption and respect for the rule of law one of the reform's cornerstones. According to transparency International, in 2019, the country ranked 158th out of 180 countries.



Uzbekistan's Ambitious Reforms

focus



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After a long period of standstill, Uzbekistan's President, Shavkat Mirziyoyev, elected in 2016, has embarked on an ambitious course of reform aimed at turning the country into a democratic market economy and is putting a focus on regional and international cooperation. Looking to the future, such an evolving country, recording discrete rates of economic growth, could play an important role for international trade.

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Uzbekistan is a landlocked country with a long history of protectionism and state interventionism in all economic sectors that have, for decades, slowed down economic growth and isolated the country's productive system from international demand. **Although its economic-commercial system remains conditioned by pervasive control by the authorities on every type of activity, mainly aimed at strengthening national production, President Mirziyoyev's ambitious reformist agenda includes a substantial opening towards foreign countries.** The aims of his "Development strategy for a new Uzbekistan 2022-2026" include increasing the effectiveness of the

President Mirziyoyev has approved several measures to reform the economic sector, that have improved the investment climate, removed key market distortions, and unlocked the potential of private entrepreneurship (reducing the weight of the State, most specifically in economic-productive activities and in terms of the regulatory and control framework). Among the reforms, are grants to foreign investments (taxes frozen for 5 years from the registration of the Company), in particular in the three existing Free Economic Zones (Navoi, Angren and Jizzah, to which four others have been added), where they will enjoy customs exemptions (for the import of goods not produced in Uz-

” After Uzbekistan became independent in 1991, it was under the authoritarian rule of Islom Karimov for 25 years. After Karimov's death in 2016, Shavkat Mirziyoyev, for many years the country's Prime Minister, was elected as the new president and reelected in 2021.

Population	35.7 million
Government	Presidential Republic (with most important political powers in the hands of the president)
Language	Uzbek official language; Russian remains a vehicular language
Religion	Islam (96.5%)

	2020	2023 est.	2024 est.
GDP per capita at current prices (US\$)	1,796	2,486	2,600
Unemployment rate (%)	7.5	6.4	6.1
Export of goods & services (% of GDP)		30.4	
Import of goods & services (% of GDP)		43.5	

administration, strengthening the rule of law, and developing a free civil society, developing the private sector, stimulating domestic and, above all, foreign investments, and improving the social protection system. Since his elections in 2016, aware of the need to improve the general climate to stimulate investments,

Uzbekistan) and tax (for 3, 5, 7 or 10 years depending on the amount). The first positive effects of these reforms are already visible. Among other things, a ban has been imposed on using children and forced laborers in cotton harvesting. Measures like these have paved the way for Uzbekistan to be included as one of ten countries

worldwide in the European Union's GSP+ system of trade preferences. And there have been other remarkable achievements. For instance, the expenditure on drinking water supply has quintupled, giving 73% of the population access to clean drinking water, the number of kindergartens has tripled, giving 60% of children access

The Autonomous Republic of Karakalpakstan is in western Uzbekistan. In July 2022, violent protests broke out, leaving several people dead and wounded. The protests had been sparked by the constitutional changes planned by the Uzbek government. According to these changes, the constitution should no longer explicitly mention the sovereignty of Karakalpakstan, which is currently enshrined in the constitution, including the right to secede from the Republic of Uzbekistan. In response to the unrest, President Mirziyoyev sealed off the region and declared a state of emergency. After the plans to amend the constitution were dropped, things calmed down again.

Karakalpakstan covers nearly 40% of Uzbekistan's territory; the autonomous republic has about two million inhabitants.

to pre-school education, and thanks to scholarships the share of young people with a secondary education has increased from 9 to 25%.

In its foreign policy, Uzbekistan is committed to neutrality and non-alliance. Its heavy economic dependence on Russia makes it difficult for Uzbekistan to take a clear stance on Russia's war of aggression against Ukraine. **The country is working to expand Central-Asian cooperation and is scaling up its activities in regional and international organizations.** In July 2022, the European Union and Uzbekistan concluded negotiations on an Enhanced Partnership and Cooperation Agreement which includes new areas of

cooperation and significantly improves the regulatory framework for trade and economic relations.

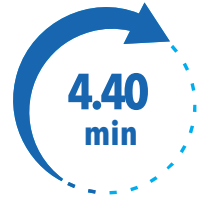
Not excessively affected by international recession of recent years, the country, according to official figures that need, however, to be considered cautiously, has recorded a constant growth rate of around 8% (only interrupted by the COVID-19 health crisis in 2020). **According to figures, Uzbekistan's economy has become more dynamic, witnessing a 7.4% GDP growth rate in 2021, driven by a surge in domestic and foreign investments and a recovery in domestic consumption.** Within a framework of stable political situation, there is much expectation for the reforms,

which remain crucial for the stability of the country socio-economic factors (in response to the tumultuous demographic growth, which is not absorbed by the labor market; improvement of living conditions of the population; reduction of regional gaps). Government projections show a possible acceleration of economic growth in the coming years, due to further expansion of domestic and foreign investments, greater access to credit, greater domestically driven demand due to wage increases, further price liberalization and greater exports. In 2020, Uzbekistan ranked 69th in the World Bank Doing Business Ranking, with a continuous improvement compared to the past.

President Mirziyoyev, re-elected in 2021 after a first term in 2016 (succeeding Islam Karimov who ruled the country since independence in 1991), has set up a broad reform program for a New Uzbekistan for the period 2022-2026, which includes seven priority areas:

1. GDP per capita expected to increase 1.6 times over the next five years, due to high growth rates.
2. Abolition of monopoly on electricity supply and introduction of market mechanisms, as part of the energy sector transformation process.
3. To attract 120 billion dollars of investments, of which 70 billion dollars of foreign investments, over the next 5 years.
- 4 Exports volume expected to increase to \$ 30 billion by 2026 and share of private sector in exports up to 60%.
5. Farmers' income expected to increase at least twice, ensuring at least 5% annual growth in agriculture.
6. Implementation of five-year programs in districts and cities, ensuring an equal development of provinces by increasing provincial economy by 1.4-1.6 times.
7. Volume of services expected to increase 3 times in the next 5 years, with the creation of 3.5 million new jobs in the sector. Informal service sector economy expected to decrease by 3 times (now exceeding 50% of GDP). The number of domestic tourists expected to increase to over 12 million, foreign tourists to 9 million and to double number of people employed in tourism to over 500 thousand.

Uzbekistan's Progress in Reforming its Healthcare System



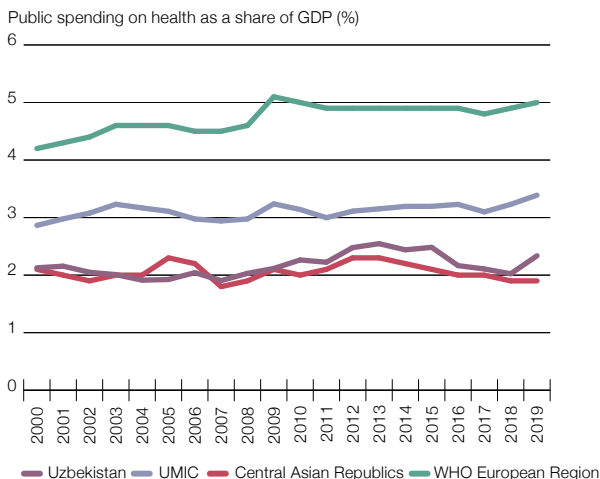
Just as most former Soviet Union countries, Uzbekistan's health sector has suffered since the loss of the former Soviet Union government's subsidies and support. The quality of its healthcare declined and emigration deprived the health system of many practitioners. Since then, the country has rolled out several key health schemes to enhance productivity and simultaneously ensure proper accessibility. Furthermore, in recent years, it has embarked on an ambitious process to modernize and expand its health system and make progress towards universal health coverage. These developments have laid a robust foundation for future changes and have increased capacity to develop a more efficient and responsive national health system.

Over the past twenty years, Uzbekistan's health system changed drastically from the inherited Soviet health system. Healthcare provision in the country is primarily public, with a national healthcare plan which guarantees citizens the right to access free healthcare. **A basic benefits package is paid for and**

provided by the state and officially free of charge to all citizens but, for most of the population, many health services (including many primary, secondary, and tertiary services) fall outside the scope of this package. Between 2017 and 2019 government spending on health increased quite sig-

nificantly, but so did out-of-pocket expenditure, now accounting for over half of health spending. The package includes primary care, emergency care and specialized care for groups of the population classified by the government as vulnerable. It also includes care for certain "socially significant and

Public spending on health as a percentage of GDP is higher than in Central Asia overall

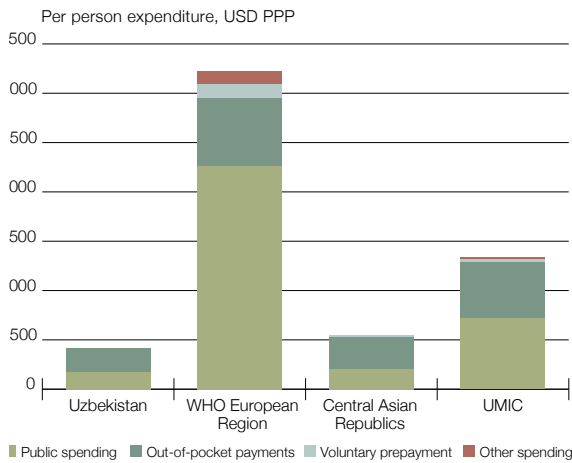


Notes: GDP: gross domestic product; UMIC: upper middle-income countries in the WHO European Region; averages are unweighted.

Source: European Observatory on Health Systems and Policies, WHO Europe, Susannah Robinson. Reference Numbers ISBN: 978 92 890 5922 0

” One of the consequences of poor employment prospects is high labor migration, particularly to Russia. In 2021, migrants sent home remittances for a total of about 8 billion US Dollars, the equivalent of almost 12% of Uzbekistan’s GDP

Health expenditure per capita is slightly below the Central Asian average



Notes: 2019 data. PPP: purchasing power parity; UMIC: upper middle-income countries in the WHO European Region; averages are unweighted.

Source: European Observatory on Health Systems and Policies, WHO Europe, Susannah Robinson. Reference Numbers ISBN: 978 92 890 5922 0

hazardous conditions”, including diseases such as poliomyelitis, tuberculosis (TB), leprosy, HIV/AIDS, and syphilis, and certain noncommunicable diseases such as cancer. **The de facto package largely excludes secondary and tertiary care, as well as outpatient pharmaceuticals, for significant parts of the population.** This can create incentives for patients to visit emergency care, which is provided free of charge, and generally considered to be better provided with equipment, medical aids and devices, and medications than other publicly run health facilities. Inpatient public facilities are permitted to charge fees for services provided outside the state-funded package. As voluntary health insurance is not common, shortfalls for health needs not met by state-funded services are usually paid for fully out of pocket by individuals (especially the chronically ill), with

consequences for financial protection and access to services. The Ministry of Health is the lead agency in organizing, planning, and managing the health system, and regulation is almost exclusively managed by the government. The system has three levels: national, regional, and district or city level. Having been an extremely centralized system under the former Soviet Union, Uzbekistan has gradually been introducing elements of decentralization to regional and district levels, especially on administrative issues. State health services are funded through national taxation, and health workers in the public sector are salaried employees. **Addressing health inequity** - Uzbekistan has started a far-reaching and ambitious process of health system reform, that includes fundamental changes in service delivery and health financing arrangements, as well as digitalization of

the healthcare sector, with an overall objective for Uzbekistan to improve the health of the whole population through universal health coverage (UHC). **Comprehensive health service delivery reforms are currently under way, to bring health services closer to the population, following the “Concept on health development of the Republic of Uzbekistan 2019–2025”, adopted in 2018, with plans to revise the package of services and medicines, including a presidential resolution establishing mandatory health insurance. This concept is being put into practice, since 2021, through a pilot project in Syrdarya oblast (region), with the intention to expand the new system to other regions and eventually implement planned reforms throughout the country.** The government’s intention is to scale up these reforms to the entire country by 2025.

Key achievements to date in the Syrdarya region include:

- the establishment of a state health insurance fund as a single purchasing agency contracting health facilities and pharmacies;
- better organized primary health-care services in Syrdarya;
- new provider payments and contracts with health facilities; and
- advanced electronic health (e-health) information systems used by pharmacies.

Patient-centric models of health services are still at an early stage of development and primary health-care (PHC) reforms are central to addressing issues of health inequity in Uzbekistan. The country has a large and fragmented network of single-disease hospitals and specialist clinics that complicate efforts to use health resources efficiently. There is still heavy dependence on hospitals for healthcare services, partly due to under-resourced PHC centers and low uptake of outpatient services. The limited capacity to deliver services at community level, and to ensure access for vulnerable populations contributes to serious health and financial inequities. People on low income and living in rural areas are especially affected by this. Many infrastructures largely date back to Soviet times, with outdated technical equipment and inefficient structures. Along with this, many new modern medical facilities have been opened, especially

in Tashkent. **Significant funds are now being allocated from the state budget and from international donors to open new medical institutions, equip them with modern equipment and re-equip the former facilities.** In the near future Uzbek manufacturers are unlikely to close the gap in the pharmaceutical industry due to the technical complexity of organizing new production of modern high-tech equipment and the need for substantial costs for this. New technological equipment for modern hospitals and medical facilities is mainly imported from European countries, the USA, Japan, Korea, Russia, and China.

The role of the private sector has expanded in recent years, with the number of private providers growing from about 3,500 in 2017 to over 6,000 in 2020 (World Bank, 2021). There is an ongoing process of transfer from public to private and public-private partnerships, also by attracting foreign investments, to increase the quality and coverage of services. The range of services where the private sector is allowed to operate has expanded from 50 services in 2017 to 177 in 2020. However, limitations remain, and certain services are still legally required to be provided by the public sector, such as those for HIV/AIDS and TB. The Ministry of Health and local health authorities have some regulatory powers over the quality of care in the private sector.

” So far, the government of Uzbekistan has not succeeded in enabling all sections of the population to share in the country's positive economic development. Only a small segment of the population belongs to the upper and middle classes, with big prosperity gap between the rural and the urban population.

” There is an ongoing process of transfer from public to private and public-private partnerships, also by attracting foreign investments, to increase the quality and coverage of services.

	Uzbekistan	Central Asia	WHO European Region	EU
Life expectancy at birth, both sexes combined (years)	73.9 (2016)	73 (2015)	78.3 (2017)	80.9 (2018)
Estimated maternal mortality per 100 000 live births (2017)	29	23.6	13	6.1
Estimated infant mortality per 1 000 live births (2019)	15.6	17.7	7.5 (2018)	3.5 (2018)
Poverty rate at national poverty lines (2018)	14.1 (2013)	14.1 (2017)	14.9	17

Notes: EU: the 28 EU Member States until 2020; GDP: gross domestic product; PPP: purchasing-power parity. Source: WHO, 2022b.

Uzbekistan to Increase Share of Private Sector to 50%

A draft strategy “Public Health – 2030” was developed by the Ministry of Health and posted for public discussion. The project contains priority tasks and new directions to be implemented by 2030 to improve the quality of medical services through the introduction of modern and effective management. The proposed reforms encompass the restructuring of financing for all medical institutions, the optimization of pharmaceutical and medical equipment supply chains, and the implementation of advanced management principles.

One key aspect of the strategy involves the annual determination of the precise volume of guaranteed medical services for each level. The financing model for clinics will adopt an insurance approach, conducted on a patient basis for hospitals and for each assigned Uzbek citizen for clinics.

Furthermore, the strategy outlines plans to broaden the scope of paid medical services and progressively enhance the financial autonomy of medical institutions. A noteworthy goal is to elevate the contribution of the healthcare sector to the Gross Domestic Product (GDP) to 5%

The strategy envisions the implementation of up to two hundred projects through public-private partnerships. Across all regions, multidisciplinary hospital groups, each with a minimum of a thousand beds, are slated for establishment.

Gulistan will host an innovative medicine center, incorporating a cell medicine center and a genomics center. Additionally, the Fergana region is earmarked for a \$160 million investment in a cluster featuring specialized centers for endocrinology, urology, cardiology, and radiotherapy.

To support non-state medical institutions, the strategy introduces mechanisms such as purchasing services from the private sector and transferring the management of public clinics to private entities. The overarching aim is to increase the private sector’s share in healthcare to 50%.

The strategy also outlines specific targets for advancing the material and technical infrastructure of medical institutions. These initiatives collectively underscore Uzbekistan’s commitment to fostering a modern, efficient, and inclusive healthcare system by 2030.



Oral Health in Figures



Prevalence of Oral Diseases, 2019

Prevalence of untreated caries of deciduous teeth in children 1-9 years (%)	Prevalence of untreated caries of permanent teeth in people 5+ years (%)	Prevalence of severe periodontal disease in people 15+ years (%)	Prevalence of edentulism in people 20+ years (%)
47.7	34.1	12.7	8.6

Source: World Health Organization, WHO 2022 "Oral Health Country Profile" WHO/UCN/NCD/MND/UZB/2022.1.

Economic Impact Related to Treatment and Prevention of Oral Diseases, 2019

Total expenditure on dental healthcare in million (US\$)	218
Per capita expenditure on dental healthcare (US\$)	6.6
Per capita current health expenditure in PPP, int\$ (2019)	418
Total productivity losses due to 5 oral diseases in million (US\$)	167

Notes: Total expenditure on dental healthcare in million (US \$): Estimate of total annual national expenditure on dental healthcare in outpatient dental care (public and private) in 2019. Per capita expenditure on dental healthcare (US \$): Estimate of the annual national per capita expenditure on dental healthcare for outpatient dental care (public and private) in 2019. Total productivity losses due to 5 oral diseases in million (US \$): Estimate of total productivity losses in 2019 resulting from combined impact of 5 untreated oral diseases including caries in deciduous and permanent teeth, severe periodontal disease, edentulism, and other oral conditions as defined by GBD.

(Data source: Jevdjevic & Listl 2022.). Taken from: World Health Organization, WHO 2022 "Oral Health Country Profile" WHO/UCN/NCD/MND/UZB/2022.1.

Policies, Measures and Resources, 2021

Implementation of tax on sugar-sweetened beverages (SSB)	no
Existence of a national oral health policy/strategy/action plan (operational/drafting stage)	no
Presence of dedicated staff for oral health working on NCDs at the MoH	yes

Notes: Presence of dedicated staff for oral health working on NCDs at the MoH: Presence of technical/professional staff in the unit/branch/department working on NCDs in the Ministry of Health dedicating a significant portion of their time to oral health.

(Data source: WHO NCD Country Capacity Survey, NCD CCS; 2021.).

Oral Health Workforce

	Total Number	Per 10,000 population (2014-2019)
Dentists, 2014	4,520	1.5
Technicians, 1996	2,106	

World Health Organization, WHO 2022 "Oral Health Country Profile" WHO/UCN/NCD/MND/UZB/2022.1/
Malmö University.

Dentistry in Uzbekistan has seen advancements in recent years, but there are still several challenges to be addressed. **Access to quality dental care, affordability of treatments, regulation of practices, and public awareness about oral health are all areas that require attention and improvement.** Uzbekistan, with its diverse population and geographical spread, encounters challenges in providing equal access to dental services, especially in rural areas. Rural areas often face shortages of dental professionals, making it difficult for residents to receive timely and quality dental care. Many people living in remote regions do not have access to basic dental services, leading to a high prevalence of dental diseases and oral health problems.

There is lack of public awareness about the importance of oral health, and the link between oral health and overall health. Many people in Uzbekistan do not prioritize regular dental check-ups and preventative care, leading to an increase in preventable oral health problems. Many individuals still seek dental assistance only when problems become severe, neglecting routine check-ups and oral hygiene practices.

Among Main Sources:

-European Observatory on Health Systems and Policies, WHO Europe, Susannah Robinson (Author). REFERENCE NUMBERS ISBN: 978 92 890 5922 0 -World Health Organization, WHO 2022 "Oral Health Country Profile" WHO/UCN/NCD/MND/UZB/2022.1.

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-“ Out-of-Pocket Health Care Expenditures in Uzbekistan: Progress and Reform Priorities”, by Min Jung Cho and Eva Haverkort, <https://www.intechopen.com/chapters/86081>, Submitted: 14 December 2022 Reviewed: 16 January 2023 Published: 14 February 2023 DOI: 10.5772/intechopen.110022

- Uzbekistan's progress in reforming its health

Availability of Procedures for Detecting, Managing and Treating Oral Diseases in the Primary Care Facilities in the Public Health Sector, 2021

Oral health screening for early detection of oral diseases	unavailable
Urgent treatment for providing emergency oral care & pain relief	available
Basic restorative dental procedures to treat existing dental decay	available

(Data source: WHO NCD Country Capacity Survey, NCD CCS; 2021.). Taken from: World Health Organization, WHO 2022 "Oral Health Country Profile" WHO/UCN/NCD/MND/UZB/2022.1.

The rapid evolution of dental technologies has become both a challenge and an opportunity. Keeping up with the latest advancements requires continual education for dental professionals. While public dental services are available, the private sector often provides more advanced and specialized treatments. Another challenge facing dentistry in Uzbekistan is the high cost of dental treatments. Many people cannot afford to pay for necessary dental procedures, leading to a lack of preventative care and an increase in the prevalence of oral health problems. Dental care affordability remains a concern for many individuals in Uzbekistan. Limited insurance coverage for dental procedures can deter people from seeking necessary treatments. Additionally, there is a need for greater regulation and oversight of dental practices in Uzbekistan. Currently, there are concerns about the quality and safety of some dental procedures, as well as the ethical conduct of some practitioners. Strengthening regulations and enforcing standards of care can help improve the overall quality of dental services in the country.

Administratively, the Republic of Uzbekistan is divided into 12 regions. The main therapeutic and preventive, organizational, methodological, and advisory center of the dental service is the Republican Dental Polyclinic, in Tashkent, the capital city of the Republic of Uzbekistan. Dental care is provided to residents of Tashkent in 3 dental clinics for adults and one children's dental clinic, in addition there is a dental department at one of the city hospitals, a dental office at a student polyclinic and 28 dental offices in a private healthcare system.

Dental care is also provided in dental departments at the Republican Clinical Hospital and the hospital for military personnel, dental offices at the Republican Children's Hospital. The Ministry of Health of the Republic of Uzbekistan employs 241 dental specialists, including 46 orthopedists, 3 orthodontists, 68 therapists, 11 surgeons, 25 dentists, 88 dental technicians and 159 nurses. The provision of medical personnel per 10 000 of the population in 2014 was:

-in the Republic as a whole -2.6

-by districts - 1.82

-by city Tashkent -3.2 (throughout the Republic of Uzbekistan - 3.2).

system continues, new WHO report shows, <https://www.who.int/europe/news/item/21-09-2023-uzbekistan-s-progress-in-reforming-its-health-system-continues--new-who-report-shows>

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