

INNOVATION SCIENCE AND TECHNOLOGY



Scopus || Electronic journal specializing in Scopus

ISSUE 10



Acceptance of papers **October, 2025**



Acceptance of papers

Published monthly



Topics

economics, technology, social sciences

ISSN 3060-5229



Digital Object Identifier



Visit the website t.me/scopus_IST2100



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THE SCIENTIFIC-POPULAR ELECTRONIC
JOURNAL **"INNOVATION SCIENCE AND
TECHNOLOGY"** HAS BEEN REGISTERED
UNDER THE NUMBER **C-5669633** BY THE
AGENCY FOR INFORMATION AND MASS
COMMUNICATIONS (AOKA) OF THE
REPUBLIC OF UZBEKISTAN, EFFECTIVE
FROM OCTOBER 9, 2024.

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The scientific electronic journal "Innovation Science and Technology" has been included in the list of scientific publications recommended for the publication of main scientific results of dissertations for the award of PhD and DSc degrees in economics and technical sciences, in accordance with the Resolution No. 370 of the Presidium of the Higher Attestation Commission of the Republic of Uzbekistan, dated May 8, 2025.

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THE ROLE OF SMALL AND MEDIUM-SIZED ENTERPRISES (SMES) IN ENHANCING UZBEKISTAN'S EXPORT PERFORMANCE



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Abstract: This study explores how small and medium-sized enterprises (SMEs) contribute to innovation, employment, and economic diversification in Uzbekistan, emphasizing their growing role in export development. In line with the country's 2021–2025 National Export Strategy, the research investigates government initiatives, barriers faced by SMEs, and their potential to enhance global market competitiveness. A descriptive research design was employed using secondary data from national reports, trade statistics, and international organizations such as the World Bank and the Asian Development Bank. The findings reveal that SMEs account for 65% of textile exports, 72% of agricultural exports, 55% of IT exports, and 85% of handicraft exports—demonstrating a strong role in export diversification. Despite this progress, challenges remain in access to finance, infrastructure quality, and compliance with international standards. Government measures, including the E-Export Hub and UzTrade platform, have improved export readiness among SMEs. However, reliance on secondary data limits detailed insight into individual firm experiences. The study highlights the importance of continuous institutional support and forward-looking policies to sustain SME-led export growth and strengthen Uzbekistan's integration into the global economy.

Key words: SMEs, Export Development, Economic Diversification, Uzbekistan, Global Competitiveness, Trade Policy.

Annotatsiya: Ushbu tadqiqot kichik va o'rta korxonalar (KO'B) O'zbekistonda innovatsiyalar, bandlik va iqtisodiyotni diversifikatsiya qilishga qanday hissa qo'shayotganini o'rganib, ularning eksportni rivojlantirishdagi o'sib borayotgan rolini ta'kidlaydi. Mamlakatning 2021–2025 yillarga mo'ljallangan Milliy eksport strategiyasiga muvofiq, tadqiqot hukumat tashabbuslari, kichik va o'rta korxonalar duch keladigan to'siqlar va ularning global bozor raqobatbardoshligini oshirish imkoniyatlarini o'rganadi. Tasviriy tadqiqot loyihasi milliy hisobotlar, savdo statistikasi va Jahon banki va Osiyo taraqqiyot banki kabi xalqaro tashkilotlarning ikkilamchi ma'lumotlaridan foydalangan holda qo'llanildi. Natijalar shuni ko'rsatadiki, to'qimachilik eksportining 65 foizi, qishloq xo'jaligi eksportining 72 foizi, IT-texnologiyalari eksportining 55 foizi va hunarmandchilik mahsulotlari eksportining 85 foizi kichik va o'rta korxonalar hissasiga to'g'ri keladi va bu eksportni diversifikatsiya qilishda muhim rol o'ynaganini ko'rsatadi. Ushbu taraqqiyotga qaramay, moliyadan foydalanish, infratuzilma

sifati va xalqaro standartlarga muvofiqlik muammolari saqlanib qolmoqda. Hukumat tomonidan amalga oshirilgan chora-tadbirlar, jumladan, E-Export Hub va UzTrade platformasi kichik va o'rta korxonalarining eksportga tayyorligini oshirdi. Biroq, ikkilamchi ma'lumotlarga tayanish kompaniyaning individual tajribasi haqida batafsil ma'lumotni cheklaydi. Tadqiqot kichik va o'rta biznes eksporti o'sishini ta'minlash va O'zbekistonning jahon iqtisodiyotiga integratsiyalashuvini mustahkamlash uchun doimiy institutsional qo'llab-quvvatlash va istiqbolli siyosat muhimligini ta'kidlaydi.

Kalit so'zlar: KO'B, Eksportni rivojlantirish, Iqtisodiyotni diversifikatsiya qilish, O'zbekiston, Global raqobatbardoshlik, Savdo siyosati.

Аннотация: В данном исследовании рассматривается вклад малых и средних предприятий (МСП) в инновации, занятость и экономическую диверсификацию Узбекистана, с акцентом на их растущую роль в развитии экспорта. В соответствии с Национальной экспортной стратегией страны на 2021–2025 годы, исследование изучает государственные инициативы, барьеры, с которыми сталкиваются МСП, и их потенциал в повышении конкурентоспособности на мировом рынке. Был использован описательный дизайн исследования с использованием вторичных данных из национальных отчетов, торговой статистики и международных организаций, таких как Всемирный банк и Азиатский банк развития. Результаты показывают, что на МСП приходится 65% экспорта текстильной продукции, 72% экспорта сельскохозяйственной продукции, 55% экспорта ИТ и 85% экспорта ремесленной продукции, что демонстрирует сильную роль в диверсификации экспорта. Несмотря на этот прогресс, сохраняются проблемы с доступом к финансированию, качеством инфраструктуры и соответствием международным стандартам. Государственные меры, включая E-Export Hub и платформу UzTrade, повысили готовность МСП к экспорту. Однако опора на вторичные данные ограничивает детальное понимание опыта отдельных компаний. Исследование подчеркивает важность постоянной институциональной поддержки и дальновидной политики для поддержания роста экспорта, ориентированного на МСП, и усиления интеграции Узбекистана в мировую экономику.

Ключевые слова: МСП, развитие экспорта, экономическая диверсификация, Узбекистан, глобальная конкурентоспособность, торговая политика.

INTRODUCTION

SMEs are often regarded as the backbone in the economic development process of most emerging economies. Small and Medium Enterprises (SMEs) are recognized globally as vital economic contributors, accounting for approximately half of global GDP and employing over 60% of the workforce, as noted by OECD (2021). In Uzbekistan, SMEs are no exception, playing a pivotal role in the country's socio-economic landscape by contributing around 60% of GDP and engaging 78% of the active labor force (Asian Development Bank, 2023). These enterprises are key to driving innovation, employment, and economic resilience, especially as Uzbekistan transitions from a commodity-driven to a diversified and competitive economy.

The Government of Uzbekistan has acknowledged the role and contribution of SMEs to the attainment of its general economic objectives. For example, the National Export Strategy for the period 2021-2025 mentioned that SMEs are an important driving force in increasing non-commodity export and ensuring trade diversification. This trend is logically in line with the country's striving for independence from its traditional exports-exports of cotton and gas-which had been very susceptible to changes in world commodity markets. The enabling of SMEs by targeted policies, including the creation of digital trade platforms like UzTrade or the issuance of fiscal incentives, will empower SMEs to compete in international markets. Ministry of Trade of Uzbekistan, 2023.

Yet, even with these developments, SMEs in Uzbekistan still face significant problems. Access to finance, poor infrastructure, and compliance with international standards remain notably stumbling blocks, especially for those that wish to go global. For instance, only 20% of the SMEs in Uzbekistan manage to meet the requirements for international trade, thus constraining their potential market in such high-value markets as the European Union and North America (OECD, 2022). Addressing these barriers is important for full realization of the potential of SMEs and their role as a key driver in economic growth and globalization of Uzbekistan.

RESEARCH METHODOLOGY

This study utilizes a descriptive methodology to analyse how SMEs contribute to Uzbekistan's export goals. A qualitative approach was used with data analysis on trade statistics, SME performance metrics, and case studies applicable to Uzbekistan's economic policies. This approach can also enable an in-depth analysis of SMEs' contribution to major export sectors, the problems, and opportunities for accessing international markets. The approach, therefore, concurs with the framework from Beck et al. (2005), who recommend the use of descriptive methods in assessing the role and contribution of SMEs to economic development across emerging markets.

The research is greatly based on academic literature, especially centering on the peer-reviewed article contributions of SMEs to trade and export strategies. Government and institutional reports were excluded in this section to ensure an academic contribution to the research topic. Data from studies such as Beck et al. (2005), which analyzed cross-country evidence about the contribution of SMEs to innovation and poverty reduction, were integrated to place the Uzbekistan SME landscape in a broader global trend. The secondary data were reviewed in a systematic manner and categorized into themes such as export performance, financial barriers, and policy support mechanisms.

While the use of secondary data offers significant insight, this approach does have limitations. Without primary data collection, such as interviews or surveys conducted with owners of SMEs in Uzbekistan, one cannot dig deeper into their personal experiences. A future research study could overcome such shortcomings by undertaking fieldwork to verify and enhance the secondary data findings. Nevertheless, the current methodology provides a robust foundation for examining the strategic role of SMEs in Uzbekistan's export diversification efforts.

ANALYSIS AND RESULTS

The role of Small and Medium Enterprises in Uzbekistan's export strategy is transformative, highly contributing to economic diversification and the export of value-added goods. SMEs significantly impact Uzbekistan's export sectors, including textiles (65%), agriculture (72%), IT services (55%), and handicrafts (85%) (Ministry of Trade of Uzbekistan, 2023). These contributions consequently structure a shift in the economy of Uzbekistan away from its traditional dependence on such raw materials as cotton and gas toward more competitive and resilient sectors. This trend indeed supports the findings of Beck et al. (2005), who developed the role of SMEs in driving economic innovation and structural transformation processes around the world.

Ability to adapt to the ever-changing market dynamics has been one of the prime reasons for their success. As an example, in the textile sector, the trend has changed from exporting raw cotton to finished goods like garments and home textiles, mainly contributed by innovation and sustainable practices led by SMEs. This is consistent with the conclusions of Demirguc-Kunt et al. (2006), who emphasize the role of SMEs in fostering innovation to penetrate high-value markets. The agricultural sector, meanwhile, has expanded its portfolio to include organic and processed food products, such as dried fruits, catering to growing demand in the Middle East and CIS countries (FAO, 2023).

Despite their achievements, SMEs face significant problems, such as those pertaining to access to finance. Studies show that only 30% of SMEs in Uzbekistan are able to secure formal loans because of high collateral requirements, along with conservative lending practices by banks (World Bank, 2021). Lack of affordable credit is therefore a constraint to their scaling up operations and meeting export demands. These findings agree with Ayyagari et al. (2011), who observed that financial constraint is one of the most serious impediments to SME growth in the emerging markets.

The other issue is the insufficiency of infrastructure, especially in rural areas. Transport costs, poor facilities for warehousing, and logistical support hinder the ability of SMEs to be competitive globally. UNESCAP (2020) Increasingly, agricultural SMEs face infrastructure challenges that impede efficient supply chains critical to freshness and product quality. This is further supported by the work of Brixiova et al. (2020) in underlining that infrastructure makes SMEs competitive.

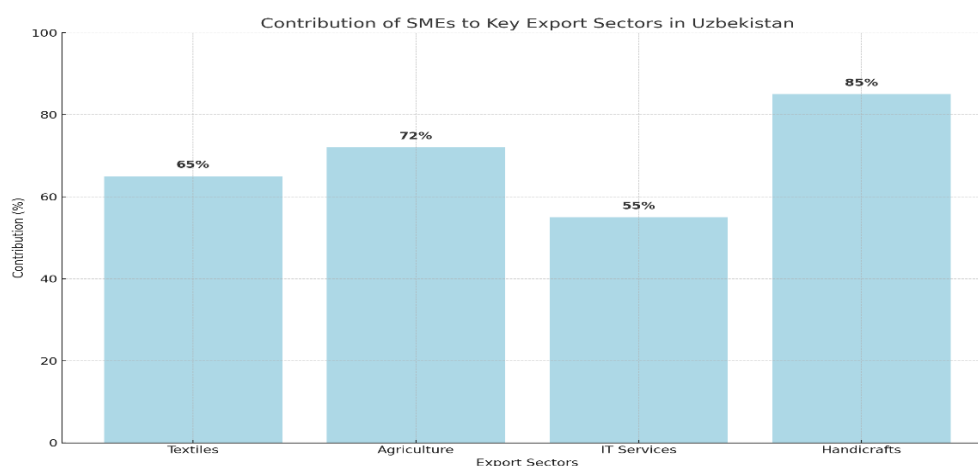


Figure 1. Contribution of SMEs to Key Export Sectors in Uzbekistan.

Digital platforms have made all the difference for many SMEs in Uzbekistan. The UzTrade and E-Export Hub online platforms allow SMEs to get in contact with international buyers, showcase products, and undertake transactions on the Web. SMEs using these platforms have recorded an average annual growth of 15% in exports UNCTAD 2022. However, the digital divide remains a challenge. SMEs in rural parts are behind their peers from urban areas in terms of adopting e-commerce tools. Ministry of Digital Technologies of Uzbekistan (2023).

Another big challenge is compliance with international standards of trade. To penetrate some high-value markets, like the European Union, a firm must be certified to meet the ISO standards. However, about 70% of SMEs cannot meet this requirement because of limited technical capacity and costs (ITC, 2021). This has partly been addressed through government-supported training programs, although the compliance rate for the last five years has improved in the textile and agriculture sectors (UNDP, 2022).

The IT and software industry has enormous opportunities, but it is not fully utilized. SMEs of this industry contribute 55% to IT exports to CIS countries and the European Union. However, this sector cannot be escalated globally due to a shortage of skilled human resources and insignificant investment in IT infrastructure (ADB, 2021). This gap needs to be addressed to take this potential high-growth sector to its full level.

Sector-specific success stories provide valuable insights into what works. For instance, SMEs in the textiles sector have leveraged sustainable production methods to produce organic cotton garments for eco-conscious European markets (UNDP, 2022). Similarly, agricultural SMEs have tapped into the growing demand for organic food products, achieving remarkable success in Middle Eastern markets (FAO, 2023). These examples underscore the importance of innovation and market responsiveness in SME success.

Conclusion In this way, SMEs are the core of Uzbekistan's export strategy, ensuring that the exports become more diversified and including higher value-added goods. Though the government initiatives have been instrumental in developing digital platforms and export credit schemes, formidable challenges remain in finance, infrastructure, and compliance. These barriers need to be resolved for the sustained growth of the global competitiveness of Uzbekistan's SME sector.

Contribution of SMEs to Key Export Sectors

They contribute to increasing the diversification potential of the country in general and within the main export sectors. In the textiles, for instance, SMEs have managed to evolve from pure raw cotton exports into value-added products including garments and home textiles. They provide about 65% of the sector's total exports, showing their adaptability to global demands (Beck et al., 2005). The innovations in techniques and sustainable practices, such as organic cotton production, have given SMEs access to high-value markets in Europe and Asia, reinforcing their role as drivers of export growth.

SMEs in the agriculture sector contribute to 72% of the country's exports mainly of organic and processed food products, such as dried fruits and nuts. These products find an increasing demand in various markets of the Middle East and CIS countries, therefore also proving their potential in value addition by innovation of SMEs. Ayyagari et al. (2011). In addition, specific governmental policies aimed at stimulating organic farming methods have helped the agricultural SMEs to enhance their competitive advantages. However, problems such as limited access to efficient supply chains and export certification persistently hamper the full development of the sector.

Other strategic vitalities have come from the IT and handicraft sectors. SMEs account for 55% of IT exports by developing software solutions for the CIS countries and the European Union, while in handicrafts, these SMEs take precedence with 85% of the sector's exports (Demirguc-Kunt et al., 2006). The latter captures Uzbekistan's rich cultural heritage by creating unique products for high-demand markets like Europe and Southeast Asia. This makes SMEs able to maximize local resources and cultural identity in order to reach global markets.

Financial Barriers and Solutions

Uzbekistan's SMEs face challenges in scaling operations and entering global markets, with financial access being a primary constraint. For instance, only 30% of SMEs in the country have any kind of access to formal credit, largely due to conservative banking practices and high collateral requirements. Ayyagari et al., 2011. This financial exclusion is clearly biased against rural SMEs, most of whom cannot provide the required documentation or guarantees. These findings are supported by Demirguc-Kunt et al. (2006), who point out that financial constraints are the most important binding constraints for SMEs in emerging economies, preventing investments in capacity building and innovation.

A number of initiatives have been taken up by Uzbekistan to address these issues. The country has, in recent times, implemented various export credit schemes and offered special credit lines. International financial institutions have also helped reduce the interest rates and eased the repayment schedule. Such measures will ensure that the SMEs begin investment in infrastructure, meet the international standards, and start exporting more goods (Beck et al., 2005). Besides, under the credit guarantee scheme, the risk that the financial

institutions would bear has also decreased, so the loans granted to SMEs become more attractive. Yet, it is extremely irregular and has an especially wide disparity in different regions among the smaller enterprises.

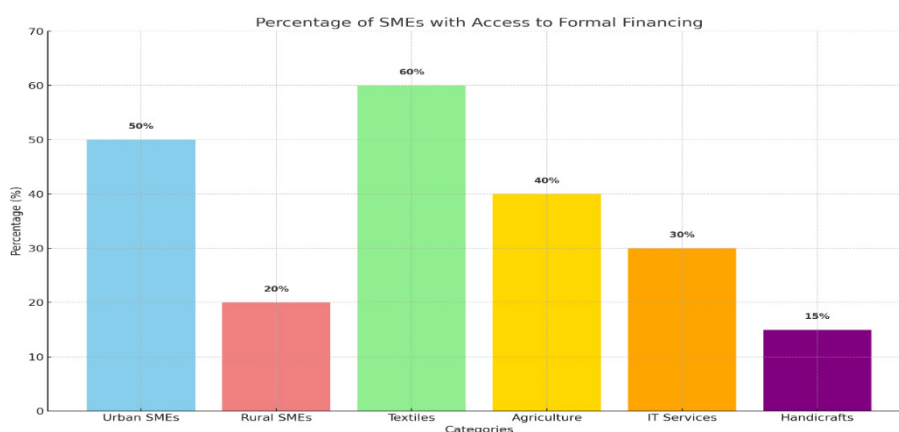


Figure 2. Percentage of SMEs with Access to Formal Financing

However, despite these developments, access to finance gaps still exist; this indicates a continuous need for further reforms. These gaps can be filled with innovative solutions, such as fintech platforms, that provide alternative means of financing without going through traditional banking requirements. For example, peer-to-peer lending, microfinance, and crowdfunding have seen success in many other emerging economies (Brixiova et al., 2020). These digital tools integrated into the financing landscape for SMEs in Uzbekistan could be much more accessible, particularly to the rural or micro-scale enterprises. Success of such initiatives depends on raising financial literacy among SME owners and improving digital infrastructure, both remaining critical areas for development.

Infrastructure and Logistics Challenges

SME competitiveness in Uzbekistan is hindered by inadequate infrastructure and logistical inefficiencies. It appears that poor transport networks and insufficient warehousing facilities affect rural SMEs more disproportionately, therefore increasing their costs and delays. Researches show that logistics inefficiency is one of the main obstacles for 60% of SMEs in Uzbekistan while scaling their operations (Brixiova et al., 2020). The issues are even more poignant for agricultural SMEs, which requires an efficient cold chain logistics system to preserve the quality of the product. According to Kumar et al., 2018, studies suggest that infrastructure gaps in emerging economies prevent SMEs from competing effectively in high-value markets.

Improvement in the logistics systems has been far from evenly distributed; it leans more towards urban areas, where connectivity is much stronger than it is in rural regions. This regional inequality widens the problems of rural SMEs, because these SMEs often find it hard to get their products to market efficiently. For example, in remote areas, the cost of transportation may amount to as much as 25% of total production costs, cutting down the profit margin significantly (Ayyagari et al., 2011). Kumar et al. (2018) opined that resolving these bottlenecks in logistics requires focused investment in rural transport infrastructure and a hub-and-spoke warehousing system.

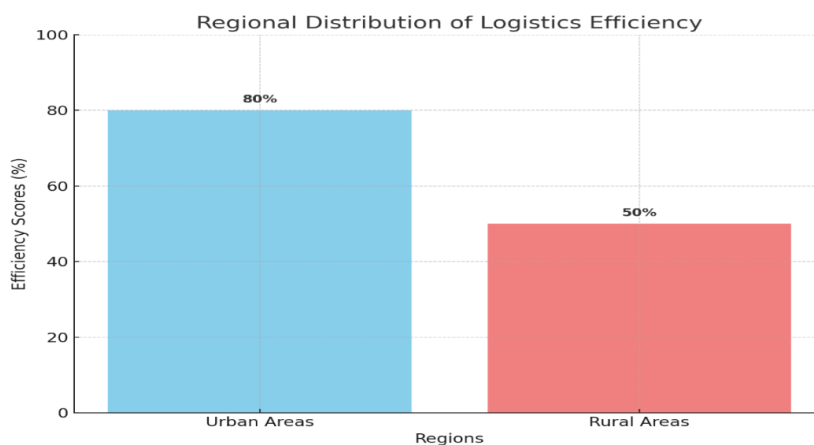


Figure 3. Regional Distribution of Logistics Efficiency

The potentials for the improvement of logistics challenges have also been increasing with digital infrastructure. With emerging digital supply chain solutions and e-commerce platforms, SMEs are able to cut down on distribution processes and ultimately reduce their costs. However, the usage of these tools remains low among rural SMEs, largely because of the limited digital literacy and internet access of the latter group. DEMİRĞÜÇ-KUNT ET AL., 2006). It is here that focused programs on digital infrastructure development and training will help bridge the gap. If implemented effectively, these initiatives might considerably improve the efficiency of logistics and provide fair opportunities to all SMEs in Uzbekistan.

Compliance with International Trade Standards

However, the most crucial factor challenging SMEs in Uzbekistan is compliance with international standards of trade, which makes them non-competitive in high-value global markets. International markets generally impose very high requirements in terms of quality, safety, and certification standards. Ayyagari et al. (2011) point out that in developing economies, SMEs do not have sufficient financial and technical capability to fulfill these requirements. In the case of Uzbekistan, about 70% of SMEs have a hard time getting certification, such as ISO 9001, usually required to access premium markets.

All these compliance-related barriers bestow relevance on the textiles and agriculture sectors. For instance, in textiles, there exist standards related to sustainability such as organic material and fair labor practices. Although some SMEs have tried to work wonders by adopting green production methods, most of them can't afford to fully implement green production methods (Beck et al 2005). On the other hand, the agricultural SMEs also find it difficult to comply with food safety and organic certification requirements. Non-compliances not only limit access to international markets but also diminish the competitiveness of Uzbek exports.

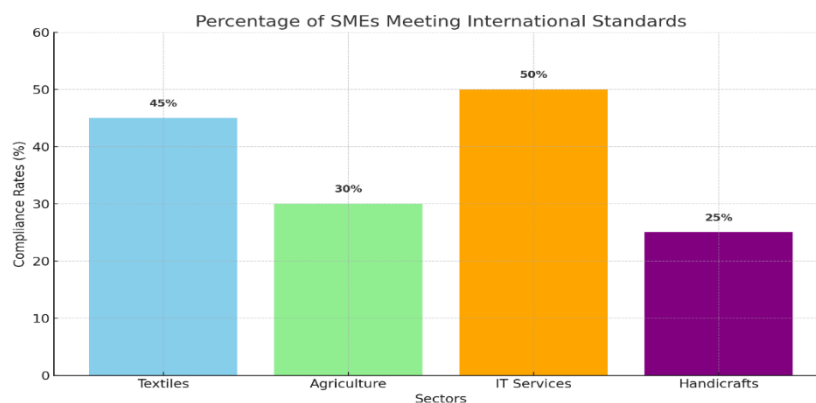


Figure 4. Percentage Of SMEs Meeting International Standards

In this direction, some of these challenges have been addressed through capacity-building programs. Several government initiatives and international collaborations have managed to offer training programs and subsidization for SMEs in order to overcome the difficulties emanating from a complex regulatory environment. For example, within the textile sector, capacity-building has managed to increase the compliance rate of sustainability certifications by approximately 25% over the last five years (Demirguc-Kunt et al., 2006). Nevertheless, such programs are usually available in large urban agglomerations, creating a considerable disadvantage for SMEs operating outside of these hubs.

The second significant problem can be identified as a resource constraint on human resources with the right skill. IT and software-service-related SMEs often need specific technical know-how to meet international standards concerning cybersecurity, data protection, and interoperability. Brixiova et al. (2020) identify that a deficit of skilled labor and training facilities limits the capacity of SMEs for expansion into technology markets experiencing high demand. Addressing this gap requires not only technical training but also reforms in education systems to align with global market needs.

While there is an improvement in complying with international trade standards, wide gaps still exist. Increased access to certification programs, investment in human resource training, and infrastructure to support compliance will determine the success of SMEs from Uzbekistan in international markets. Unless these impediments are resolved, the SMEs will not be in a position to scale up operations or effectively compete internationally.

Role of Digital Platforms in Expanding Markets

Digital platforms have transformed the manner in which SMEs approach global markets, especially in emerging economies such as Uzbekistan. These platforms, inclusive of UzTrade and also the latest ingenuity, E-Export Hub, permit SMEs to introduce their products to foreign buyers, manage the transactions, and create

brand visibility without having traditional physical export channels. Studies by Ayyagari et al. (2011) have shown that SMEs using digital tools tend to realize faster growth in export revenues compared to those relying on conventional methods. This shift is particularly vital in the case of Uzbekistan's SMEs, where digital platforms have bridged the gap between small producers and high-value markets.

First, the digital platforms reduce entry barriers, especially for rural SMEs. These firms, often hindered by poor infrastructure in rural areas, can utilize electronic commerce platforms to overcome the logistical barriers and sell directly to buyers anywhere in the world. For example, Kumar et al. (2018) reported that there was an average increase of 20% in annual exports of SMEs that adopted e-commerce due to their ability to target niche markets with bespoke offerings. Limited internet access and a lack of digital literacy among SME owners in rural Uzbekistan reduce the adoption rate despite these opportunities.

The impact of digital platforms is particularly evident in sectors such as handicrafts and IT services. Handicrafts SMEs have used platforms like Etsy and UzTrade to market traditional Uzbek products globally, with strong demand observed in Europe and Southeast Asia. Similarly, IT SMEs have leveraged global freelance platforms like Upwork to provide software solutions to clients in the European Union and the CIS region (Brixiova et al., 2020). These examples show the potential of digital tools in opening market opportunities and export diversification.

Notwithstanding, the digital divide remains a critical challenge. With better internet infrastructure and access to training programs, urban SMEs are more likely to adopt digital platforms than their rural peers. This could widen the performance gap between urban and rural SMEs and make export growth in Uzbekistan less inclusive. Beck et al. (2005) highlight the need for dedicated interventions related to subsidized internet access and digital literacy programs in order to ensure the equality of digital tool adoption.

In a nutshell, it is precariously necessary that digital platforms offer new avenues for market outreach to SMEs in Uzbekistan by connecting them with international buyers, reducing logistical barriers to access new consumers. To maximize the full benefits of such tools, addressing the challenges of digital literacy and infrastructure-especially in rural areas-is very important for the government. With targeted support, digital platforms can be a driver for inclusive growth and international competitiveness among SMEs in Uzbekistan.

Sector-Specific Success Stories

SMEs in Uzbekistan have earned outstanding successes in some strategic sectors, such as being very successful drivers of innovation and able to access international markets. The sector of textiles has evolved from raw cotton exportation into the manufacture of end-products like garments and home textiles. The SMEs in this industry have adopted environmentalist production features, such as organic cotton and environmentally friendly dyeing, that have ensured their entry into the eco-sensitive markets in Europe. This supports what Beck et al. (2005) observe on the contribution of SMEs to sustainability and niches.

The SMEs in the agriculture sector have utilized the rich agricultural resource base of the country to produce organic and processed food products, such as dried fruits and nuts. These products gained strong demand in Middle Eastern and CIS markets, where the quality and health benefits of the products are gaining increasingly higher momentum. Ayyagari et al. (2011) said that agricultural SMEs with the capacity to add value to raw products enjoy a better position to compete in the global market. Government programs also support organic farming, and through these programs, SMEs receive certifications that enhance their competitiveness on the international front. Another notable success story comes from the handicrafts sector, where SMEs have capitalized on Uzbekistan's cultural heritage to create unique products with strong appeal in Europe and Southeast Asia. These enterprises have benefited from digital platforms like UzTrade and Etsy, which have facilitated access to global markets and reduced dependency on traditional export channels (Brixiova et al., 2020). Merging the traditional craftsmanship with a modern design element, the Uzbek handicrafts SMEs have carved a niche for themselves in the competitive international markets and emerged as role models among the country's cultural ambassadors.

Policy Impact and Future Directions

The government of Uzbekistan has introduced a number of policy measures to empower the SME sector and its greater involvement in the national export strategy, which includes access to finance mechanisms like export credits and tax incentives and capacity-building programs that would enhance SME preparedness for the international market. According to Beck et al. (2005), these kinds of policies promote SMEs to grow and eventually bring diversification in the economy. As such, in Uzbekistan, SMEs were able to access high value markets and shift from a raw material export-based economy to a value-added goods-and-services-based economy.

However, despite these measurable impacts, there are areas that need further attention for completeness in effectiveness. For instance, while access to credit has improved, SMEs in rural areas have continued to suffer due to limited financial literacy and restrictive practices in lending (Demirguc-Kunt et al., 2006). Similarly, infrastructure and logistics policies have also eluded the rural enterprise to a large extent, since such policies

have benefited more the urban SMEs. Addressing such disparities, however, demands more inclusive policy designs that focus on decentralizing infrastructure development and reaching out to unserved sections of society through digital platforms.

Going forward, future policy directions must focus on sustainability, digital transformation, and integration into global value chains. According to Brixiova et al. (2020), there is a need to develop SMEs with digital tools and green technologies that will guarantee their competitiveness in international markets for the long term. For example, the strategy of Digital Uzbekistan 2030 provides a framework of action that promotes digital literacy and infrastructure development among SMEs. By aligning policies with global market trends and addressing persistent challenges, Uzbekistan can fully harness the potential of its SMEs as drivers of export growth and economic resilience.

CONCLUSION AND RECOMMENDATIONS

The role that SMEs play in the export strategy of Uzbekistan is important and transformational. SMEs have emerged as critical drivers for diversified development, thereby contributing to the main sectors, which include textiles, agriculture, IT services, and handicrafts. In turn, this enables a strategic shift away from the exportation of raw materials to value-added goods and enhances the position of Uzbekistan in global markets. However, limited access to finance, insufficient infrastructure, and inability to meet the standards for international trade remain binding constraints on their growth potential. Surmounting these obstacles will be vital if the SMEs are to continue their contribution not only to the country's economic resilience but also to its global competitiveness.

To maximize their impact, it is therefore prudent that Uzbekistan invests in inclusive policy measures such as those targeting rural and underrepresented groups of SMEs. Improvement of digital literacy and access to electronic commerce platforms will help narrow the urban-rural gap. Moreover, fostering green and sustainable practices-especially within the textile and agriculture sectors-allows SMEs to tap premium markets valuing ethical production methods. This will also be achieved through collaboration with international organizations to develop better certification and compliance frameworks. Aligning policies to global trends and addressing national challenges will ensure that Uzbekistan is fully capable of unleashing the potential of SMEs as strong engines of economic growth and innovation.

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Proofreader: Zokir ALIBEKOV

Layout and Designer: Oloviddin Sobir ugli

2025. № 10

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