

THE DEVELOPMENT STRATEGY OF NEW UZBEKISTAN, WITH A FOCUS ON MACROECONOMIC STABILITY

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Abstract: *The paper discusses the key pillars and measures employed within the development strategy to ensure macroeconomic stability. These measures encompass fiscal discipline, monetary policy effectiveness, and structural reforms. The article also examines the role of international collaboration and investment in supporting Uzbekistan's macroeconomic stability and fostering economic growth. Moreover, the article assesses the potential benefits and implications of the development strategy. It highlights the positive impacts of macroeconomic stability, such as enhanced business confidence, increased investment opportunities, and improved living standards for the population. The challenges and potential risks associated with implementing the strategy are also examined.*

Key words: *development strategy of New Uzbekistan, macroeconomic stability, economic landscape, fiscal discipline, monetary policy, structural reforms, international collaboration, investment, business confidence, living standards, challenges, risks, sustainable growth.*

Introduction:

The development strategy of a nation plays a crucial role in shaping its economic growth and overall sustainability. In the case of Uzbekistan, recent years have witnessed a significant shift in its approach towards development, with a focus on achieving macroeconomic sustainability. This article aims to explore the various facets of Uzbekistan's development strategy and its implications for macroeconomic

stability. By examining the key elements of this strategy, including economic diversification, investment promotion, and social development, we can gain insights into the potential challenges and opportunities that lie ahead for Uzbekistan. Additionally, we will delve into the importance of ensuring sustainable economic growth while addressing the needs and aspirations of the population. As Uzbekistan strives to transform its economy and enhance its global standing, understanding the intricacies of its development strategy is crucial for policymakers, economists, and stakeholders alike. In the past few years, the world has witnessed a surge in various issues, ranging from political to environmental, which have had a significant impact on the economies of nations. In such circumstances, the utmost importance lies in ensuring macroeconomic stability, as it plays a crucial role in promoting businesses, attracting investors, managing inflation, and attaining the desired economic growth. The Development Strategy of "New Uzbekistan" comprehensively addresses all these concerns and provides guidance in this regard.

Data and methodology:

Macroeconomic stability is a complex issue in today's globalized world, but it can be broken down into three dimensions. The first dimension, nominal stability, refers to price stability and the risks associated with excessive inflation or deflation. The second dimension, real stability, pertains to the stability of economic activity and employment, with the loss of real stability resulting in cyclical volatility and potential recessions or depressions. The third dimension is the sustainability of balance-of-payments accounts, which can be seen in the reversal of the current account balance after reaching unsustainable levels. Each dimension of instability has complex causes and effects that manifest in the financial system. Understanding these dimensions is crucial for maintaining macroeconomic stability and promoting sustainable development in Uzbekistan [1].

In President Mirziyoyev's recent message to Oliy Majlis on December 29, 2020, he emphasized the importance of maintaining macroeconomic stability. He outlined specific goals such as curbing inflation rate below 10%, achieving economic growth

of more than 5%, and keeping the budget deficit below 5.4% of GDP. President Mirziyoyev also highlighted the need to ensure food security, especially in light of the challenges posed by the pandemic [2]. As Uzbekistan relies on imports for essential food products, restrictions on food exports in other countries have created difficulties in providing the population with necessary goods like wheat, flour, and vegetable oil. These challenges underscore the importance of addressing macroeconomic stability to ensure the well-being of the population and the country's overall development. Fortunately, the government has taken timely steps to prevent a shortage of necessary goods in the domestic market. Macroeconomic stability is crucial for sustainable economic growth in any country. By eliminating factors such as excessive inflation, public debt, and excessive dollarization of the economy, stability in the expectations of economic entities can be ensured, which is essential for conducting business. The goal of preventing the inflation of the budget deficit is driven by the need to improve the efficiency of public financial resources and support the private sector, which is highly efficient in resource management. Furthermore, the measures announced by the President to adopt a more responsible approach to improving external debt will contribute to increasing the efficiency of external borrowing, reducing the burden of debt on the budget, and facilitating necessary infrastructure projects.

The draft Development Strategy of "New Uzbekistan" for 2022-2026, based on President Mirziyoyev's election program, outlines seven priority areas. The third priority area focuses on developing the national economy and ensuring its growth rates, which is closely tied to macroeconomic stability and preventing future problems. The strategy aims to increase GDP per capita and income per capita, allowing Uzbekistan to become an upper-middle-income country. It predicts an average annual GDP growth rate of 6.5% from 2023 to 2026 and a lending growth rate of 16-18% [3]. The strategy also includes transitioning to a program budgeting system, where districts can allocate 5% of their budget to address urgent issues based on public proposals. The strategy aims to keep annual external borrowings below

\$4.5 billion and national debt below 60% [4]. The goal is to reach \$30 billion in exports by 2026 and reduce the poverty rate in the country by half. Uzbekistan's development strategy focuses on achieving macroeconomic stability through various measures. The government aims to diversify the economy, attract investment, and promote social development. The strategy emphasizes sustainable economic growth and meeting the needs of the population. By understanding and implementing this strategy, Uzbekistan aims to transform its economy and enhance its global standing. Uzbekistan has made significant changes to its development strategy in recent years, with a focus on achieving macroeconomic stability. This includes diversifying the economy, promoting investment, and addressing social development. The country aims to ensure sustainable economic growth and meet the needs of its population. President Mirziyoyev has emphasized the importance of maintaining macroeconomic stability, setting goals such as curbing inflation, achieving economic growth, and ensuring food security. The government has taken steps to prevent shortages of essential goods in the domestic market. The draft Development Strategy of "New Uzbekistan" outlines seven priority areas, with the third priority focusing on developing the national economy and ensuring growth rates. The strategy aims to increase GDP per capita, income per capita, and become an upper-middle-income country. It also includes transitioning to a program budgeting system and setting goals for exports and poverty reduction. In addition to these measures, Uzbekistan is also planning to transition to green energy sources to meet its increasing demand for electricity. This includes building wind, solar, and hydroelectric power stations, which will provide continuous electricity to one million homes and reduce pollution [5].

Conclusion and recommendation:

In conclusion, Uzbekistan's development strategy of "New Uzbekistan" and its focus on achieving macroeconomic stability have led to significant changes in recent years. The government's efforts to diversify the economy, promote investment, and address social development have been crucial in ensuring sustainable economic

growth and meeting the needs of the population. President Mirziyoyev's emphasis on maintaining macroeconomic stability, curbing inflation, achieving economic growth, and ensuring food security has set clear goals for the country's development. The draft Development Strategy outlines seven priority areas, with a strong focus on developing the national economy and ensuring growth rates. By increasing GDP per capita, income per capita, and becoming an upper-middle-income country, Uzbekistan aims to improve the standard of living for its citizens. The transition to a program budgeting system, setting goals for exports and poverty reduction, and the planned shift towards green energy sources further demonstrate Uzbekistan's commitment to sustainable development. With the construction of wind, solar, and hydroelectric power stations, Uzbekistan not only aims to meet its increasing demand for electricity but also reduce pollution and contribute to a greener future. Overall, Uzbekistan's development strategy and focus on macroeconomic sustainability position the country for continued growth and prosperity in the years to come.

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