REPUBLIC OF UZBEKISTAN

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STAFF REPORT FOR THE 2024 ARTICLE IV CONSULTATION—DEBT SUSTAINABILITY ANALYSIS

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Prepared by the International Monetary Fund and the International Development Association.

Risk of External Debt Distress	Low
Overall Risk of Debt Distress	Low
Granularity in the Risk Rating	Not Applicable
Application in Judgement	No

Staff assesses Uzbekistan's risk of external debt distress as low[1] and debt carrying capacity as strong.[2] Under the baseline scenario, public and publicly guaranteed (PPG) external debt and total external debt gradually fall from their levels of 34 and 60 percent of GDP, respectively, in 2023.[3] PPG external debt path is modestly lower than in the previous DSA of June 2022, largely due to higher projected GDP growth. The total external debt-to-GDP ratio is modestly higher, mainly due to a higher initial total external debt ratio.

Under stress scenarios, all indicators for PPG external debt would remain below relevant thresholds, although the debt service-to-exports ratio would approach, but not exceed, its threshold under a combination shock. The probability that risks will materialize is about the same as in the 2022 DSA. The risks of commodity price volatility and global or regional

[1] This DSA was prepared jointly by IMF and World Bank staff and is based on the Joint Bank-Fund Low-Income Country Debt Sustainability Analysis (LIC-DSA) methodology.

[2] Uzbekistan's Composite Indicator score is 3.24 based on data from the April 2024 World Economic Outlook and 2022 Country Policy and Institutional Assessment, corresponding to a strong debt carrying capacity.

[3] Due to a difference in the calculation method, the external debt to GDP ratios in this DSA differ marginally from the ratios calculated by Uzbekistan's authorities and by the IMF in the Staff Report for the 2024 Article IV Consultation. In this DSA, the PPG external debt-to-GDP ratio is computed by dividing the debt stock in domestic currency by GDP in domestic currency (i.e., PPG external debt is converted from US dollars to domestic currency using the end of period exchange rate). The private external debt-to-GDP ratio is computed by dividing the debt stock in US dollars by GDP in US dollars (i.e., GDP is converted from local currency to US dollars using the annual average exchange rate). In Table 1 of the Staff Report, the ratios of PPG and private external debt to GDP are both computed in local currency. The difference between the average and end of period exchange rates causes a small difference in debt-to-GDP ratios computed in local currency and US dollars.

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instability remain elevated, while the risks of a global growth slowdown or miscalibration of monetary policy have receded.Risks are mitigated by Uzbekistan's substantial foreign exchange reserves, the large share of official borrowing, and prudent government policies. Foreign exchange reserves stood at 9 months of imports, 38 percent of GDP at end-2023, and substantially above the IMF's reserve adequacy metric[4]. Rollover risk is low as PPG external borrowing is mostly multilateral and bilateral borrowing at long maturities and relatively low interest rates. The government has implemented limits on new commitments of PPG external debt in the annual budget law and a limit on total PPG debt to 60 percent of GDP in the 2023 public debt law. The public debt law also authorizes the introduction of a ceiling on PPP related guarantees.

The IMF and World Bank encourage Uzbekistan's authorities to continue carefully managing fiscal balances and public and external borrowing. Continued improvements in budgeting and public investment management would strengthen Uzbekistan's fiscal management. The authorities are also encouraged to implement additional limits on contingent liabilities that could arise from non-guaranteed debt of state-owned enterprises (SOEs) or PPPs.

[4] See the External Sustainability Assessment Annex of the Republic of Uzbekistan—Staff Report for the 2024 Article IV Consultation

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PUBLIC DEBT COVERAGE

1. Public debt coverage is broad (Text Table 1). Public debt coverage used in this analysis is appropriate and comprises public and publicly guaranteed (PPG) debt of the central, regional, and local governments; extra-budgetary funds (including the pension fund); and state enterprises. At end-2023, total PPG debt amounted to 36.3 percent of GDP, of which public debt was 29.8 percent of GDP and publicly guaranteed debt was 6.6 percent of GDP. PPG debt excludes non-guaranteed debt of state enterprises and debt of PPPs. Non-guaranteed debt of state enterprises was estimated at 25.6 percent of GDP at the end of 2023, of which non-guaranteed debt of state banks was estimated at 9.5 percent of GDP, and that of non-financial public corporations (NFPCs) was estimated at 16.1 percent of GDP. PPG debt does not include PPP related guarantees. The nominal value of PPPs outstanding was estimated at about 20 percent of GDP at end-2023. The government does not have outstanding debt to the central bank. External debt is based on residency.

Text Table 1. Uzbekistan: Coverage of Public Sector Debt

	Subsectors of the public sector	Sub-sectors covered
1	Central government	X
2	State and local government	X
3	Other elements in the general government	X
4	o/w: Social security fund	X
5	o/w: Extra budgetary funds (EBFs)	X
6	Guarantees (to other entities in the public and private sector, including to SOEs)	X
7	Central bank (borrowed on behalf of the government)	X
8	Non-guaranteed SOE debt	

2. Contingency stress tests are based on standard parameters except for non-guaranteed SOE debt (Text Table 2). As non-guaranteed SOE debt is substantial, the shock is assumed to be 35 percent of the outstanding stock rather than the standard shock of 2 percent of GDP. Standard shocks are used for default of PPPs (35 percent of the outstanding stock) and the financial market (5 percent of GDP).

Text Table 2. Uzbekistan: Magnitude of Contingent Liability Stress Test

1	**The country's coverage of public debt**	The general government, central bank, government-guaranteed debt			
		Default		**Used for the analysis**	**Reasons for deviations from the default settings**
2	Other elements of the general government not captured in 1.	0	percent of GDP	0.0	
3	SoE's debt (guaranteed and not guaranteed by the government) 1/	2	percent of GDP	8.8	Non-guaranteed SoE debt stock (25% of GDP) * shock (35%)
4	PPP	35	percent of PPP stock	7.0	Nominal value of PPPs (20% of GDP) * shock (35%)
5	Financial market (the default value of 5 percent of GDP is the minimum valu	5	percent of GDP	5.0	
	Total (2+3+4+5) (in percent of GDP)			20.8	

1/ The default shock of 2% of GDP will be triggered for countries whose government-guaranteed debt is not fully captured under the country's public debt definition (1.). If it is already included in the government debt (1.) and risks associated with SoE's debt not guaranteed by the government is assessed to be negligible, a country team may reduce this to 0%.

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DEBT BACKGROUND

3. Uzbekistan's public and external debt rose rapidly prior to 2020 but has remained stable since then (see Table 2). Total PPG debt doubled to 19 percent of GDP in 2017 as the exchange rate depreciated as the authorities began economic reforms. It increased to 37 percent of GDP at end-2020, primarily as the government borrowed from multilateral and bilateral creditors and guaranteed bilateral loans to finance its reform efforts. At the end of 2023, total PPG debt was 36.3 percent of GDP (US$ 31.4 billion). Of this amount, PPG external debt was 34.3 percent of GDP (US$ 29.6 billion), up 2 percentage points of GDP from a year earlier. The main contribution to the increase was the rise in the primary fiscal deficit by 1.3 percentage points of GDP compared to 2022. In 2023, Uzbekistan issued Eurobonds with nominal values of USD 660 million and UZS 4.25 trillion (about USD 350 million). Government domestic debt has grown rapidly in recent years as the government seeks to develop the local debt market. It reached 2.1 percent of GDP at end-2023, up from 0.6 percent of GDP at end-2021 and 1.5 percent of GDP at end-2022, but still only represents 6 percent of total PPG debt. Total external debt (the sum of PPG debt, non-guaranteed SOE debt, and private external debt) was 60.0 percent of GDP (US$ 53 billion) at end-2023, up 5.7 percentage points of GDP from a year earlier.

4. The composition of external debt reduces Uzbekistan's exposure to shocks (Text Table 3). Uzbekistan primarily borrows from official creditors at long maturities.

- **Type of Creditor**: As of end-2023, multilateral creditors provided just over half of Uzbekistan's total PPG debt financing, while bilateral creditors provided almost a third, commercial creditors provided 12 percent, and domestic residents provided 6 percent. Among multilateral institutions, the Asian Development Bank and World Bank are the largest creditors. Among bilateral donors, China and Japan are the largest creditors. Most commercial debt is in the form of Eurobonds.
- **Public and Guaranteed**: Of total PPG debt, about three-quarters is public external debt, 18 percent is publicly guaranteed external debt, and 6 percent is public domestic debt. Of public domestic debt, about one-third has a maturity of less than a year, while about two-thirds has a maturity of 1–5 years. Interest rates on domestic debt are generally 18-19 percent, compared to the central bank's policy rate of 14 percent, and consumer inflation at about 9 percent at end-2023.
- **Use of Debt**: Of total PPG debt outstanding, more than 40 percent has been used for budget financing. The remaining portion has been used for project financing, which went primarily to the energy, agriculture, transportation, and housing.

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Text Table 3. Uzbekistan: Total Public and Publicly Guaranteed Debt Stock
As of December 2023

	USD Blns	% of GDP	% of Total
By Creditor Type	**$31.4**	**36.3%**	**100%**
External	**$29.6**	**34.3%**	**94%**
Multilateral	$16.6	19.2%	53%
Bilateral	$9.3	10.7%	30%
Commercial	$3.7	4.3%	12%
Domestic	**$1.8**	**2.1%**	**6%**
Domestic (in UZS trillions)	21.9		
By Public & Guaranteed	**$31.4**	**36.3%**	**100%**
Public	$25.7	29.7%	82%
External	$23.9	27.7%	76%
Domestic	$1.8	2.1%	6%
Publicly Guaranteed	$5.7	6.6%	18%
By Use	**$31.4**	**36.3%**	**100%**
Budget financing	**$13.4**	**15.5%**	**43%**
Project financing	**$18.0**	**20.8%**	**57%**
Energy	$5.8	6.7%	18%
Agriculture	$2.8	3.2%	9%
Transportation	$2.8	3.2%	9%
Housing	$2.6	3.0%	8%
Other	$4.1	4.7%	13%

Sources: Authorities' data and IMF and World Bank staff estimates.

RECENT DEVELOPMENTS AND UNDERLYING ASSUMPTIONS

A. Assumptions for the Macroeconomic Forecast

5. **Since the June 2022 DSA, macroeconomic conditions have improved as the COVID pandemic subsided, but risks from volatile commodity prices and regional conflicts remain elevated.**[5] In particular:

- **Growth**: In 2023, real GDP growth remained robust, rising to 6.0 percent from 5.7 percent in 2022. Growth of agriculture increased to 4.1 percent, manufacturing to 6.7 percent, and wholesale trade to 9.9 percent. Information and communication, trade, tourism, and accommodation services increased strongly, which was partially offset by a deceleration of growth of transportation to 8.0 percent and other services to 4.5 percent. Growth was also boosted by a 1.3 percentage points of GDP expansion of the primary fiscal deficit in 2023 compared to 2022.

  Over the medium term[6], staff projects Uzbekistan real growth rate will average 5.5 percent, up 0.5 percentage points from the 2022 DSA. Significant ongoing investments in the mining sector

[5] For additional detail, see Republic of Uzbekistan: 2024 Article IV Consultation-Press Release and Staff Report.

[6] The medium term is the five-year projection period, 2024-2029 for this DSA and 2022-2027 for the 2022 DSA.

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and continuing strong demand for housing led to upward revisions in projected growth rates for mining and construction.

- **Inflation**: In 2023, annual average consumer price inflation fell to 10 percent from 11.4 percent in 2022. In 2024, inflation is expected increase to 11.5 percent due to increases in administered energy prices. The medium-term projection reflects a slower decline of inflation, which was boosted by higher commodity prices in 2022. Nonetheless, the authorities are expected to maintain a relatively tight monetary policy that will help bring inflation gradually down to the authorities' 5 percent inflation target.

- **Fiscal outlook**: Uzbekistan's primary deficit increased from 3.5 percent of GDP in 2022 to 4.8 percent of GDP in 2023, reflecting lower than expected revenues, particularly corporate and value added taxes, and higher expenditure on energy subsidies, wages, and social benefits.

  Over the medium term, Uzbekistan's fiscal deficit is projected to decline, with the primary deficit falling to 2.0 percent of GDP in 2029. Overall revenues are expected to rise, particularly from corporate and individual income taxes, the value added tax, and improvements in revenue administration. Primary expenditures are expected to decline, particularly due to a decline in energy subsidies.

- **External outlook**: In 2023, the non-interest current account fell to a deficit of 6.2 percent of GDP compared to a deficit of 1.9 percent of GDP in 2022. This was primarily due to a strong increase in fixed investment in 2023 that led to a surge in imports of machinery and equipment, a return of remittances to the pre-2022 trend, and an increase in repatriation of earnings by foreign-owned enterprises.

  Over the medium term, staff expects the non-interest current account deficit to fall to 2.6 percent of GDP in 2029, somewhat lower than projected in the previous DSA.

- **Financing Strategy**: From 2019 to 2023, Uzbekistan's overall fiscal deficit averaged 4.7 percent of GDP. Deficits have primarily been financed with external borrowing. As of end-2023, the outstanding stock of multilateral debt stood at 19.2 percent of GDP, bilateral debt stood at 10.7 percent of GDP, commercial borrowing (primarily Eurobonds) 4.3 percent of GDP, and domestic bills and bonds at a modest 2.1 percent of GDP. The government has obtained additional financing from privatization proceeds and occasionally from Uzbekistan's Fund for Reconstruction and Development. In some years, total financing exceeded the fiscal deficit leading to accumulation of government deposits at commercial banks.

  Over the medium term, financing needs are expected to decline as the government reduces in the fiscal deficit towards its goal of 3 percent of GDP. **External financing** is expected to continue to provide about three-quarters of total financing. Most external debt disbursements are expected to be multilateral, but about one third are assumed to come from net issuance of Eurobonds. The share from net issuance of Eurobonds, however, will ultimately depend on market conditions. **Domestic financing** will come primarily from net issuance of domestic bonds and privatization receipts (each expected to average about 0.5 percent of GDP over the medium term)., with some drawdown of government deposits.

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Text Table 4. Uzbekistan: Comparison of Key Macroeconomic Assumptions
(Percent of GDP unless otherwise indicated)

DSA Vintage:	Actual	June 2022 Art IV		Current	
Key macroeconomic variables (annual averages)	2019-23	2022-27	2028-42	2024-29	2030-44
		(percent change)			
Real GDP growth	5.4	5.0	5.1	5.5	5.5
GDP deflator (UZS)	12.8	8.8	5.6	9.6	7.0
Nominal GDP (UZS)	26.6	14.2	11.0	12.2	12.9
Exports of goods & services (USD)	10.1	14.1	7.7	10.5	10.0
Fiscal balance		**(percent of GDP)**			
Revenues & grants	27.6	27.9	28.7	29.8	32.3
Primary expenditure (including policy lending)	32.0	31.1	31.0	31.8	33.7
Primary deficit (incl policy lending)	4.3	3.2	2.3	2.0	1.4
External balance		**(percent of GDP)**			
Non-interest current account deficit	4.4	4.6	3.3	3.3	2.3
Current account deficit	5.9	6.2	5.0	6.0	5.0

Source: Authorities' data and IMF and World Bank staff estimates.

A. Realism Tools

6. The realism tools show that Uzbekistan's debt has increased more rapidly than for other low-income countries.

- **Forecast errors**. Over the last 5 years, the cumulative increase in Uzbekistan's PPG debt was 17 percent of GDP (about the 75th percentile for low-income countries) and the increase in external debt was 15 percent of GDP (about the 65th percentile) (see Figure 3). For **PPG debt**, most of the unexpected change in debt came from larger than expected primary fiscal deficits. For **external debt**, the largest, unexpected change came from the residual (SOE borrowing).

  Both PPG and total external debt are projected to decline significantly over the next 5 years. For PPG debt this reflects lower projected primary deficits. For external debt, higher than projected direct investment inflows largely account for the improvement.

- **Fiscal adjustment**. The realism tools (Figure 4) suggest that the projected fiscal adjustment over the next three years is high (around the 80 percentile) relative to historical adjustments by low-income countries. However, research on fiscal adjustment (Balasundharam and others (2023) on a broader sample of countries indicates that fiscal consolidations of 1-2 percentage points of GDP per year over two to three years are relatively common.[7] Staff believes this projection is reasonable given the quality of the measures underlying the adjustment, conservative revenue assumptions, improvements in budgeting, and the government's strong commitment to reducing the fiscal deficit.

[7] See Balasundharam et al (2023). Fiscal Consolidation: Taking Stock of Success Factors, Impact, and Design. IMF Working Paper.

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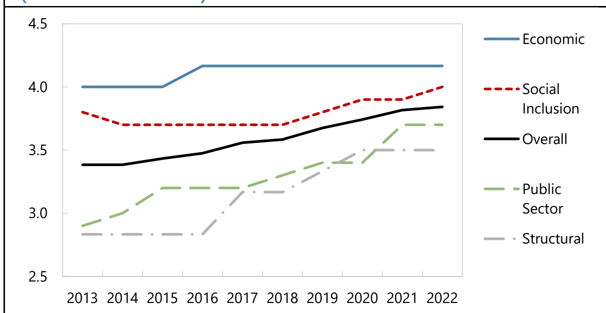
- **Investment and growth**. Over 2021-2023, government investment declined modestly to 8.7 percent of GDP, as the government implemented measures to constrain fiscal deficits.

  Over the medium term, staff projects government investment will remain about 6½ percent of GDP while private investment rises by 8 percentage points to 38 percent of GDP in 2029.

COUNTRY CLASSIFICATION AND DETERMINATION OF SCENARIO STRESS TESTS

7. **Uzbekistan's debt-carrying capacity is assessed as strong**. The IMF-World Bank Composite Indicator (CI) score for Uzbekistan is 3.24, up from 3.19 in 2022.[8] The strong CI score reflects high international reserves and a good Country Policy and Institutional Assessment (CPIA) rating. Uzbekistan's reserves are equivalent to 9 months of prospective imports of goods and services. Its overall CPIA score has risen steadily in recent years, driven by improvements on measures of the social inclusion, public sector management, and structural policies (see Text Figure).

Country Policy & Institutional Assessment, 2005-2022
(Score out of 6)



Source: World Bank CPIA Databank

Text Table 5. Uzbekistan: Calculation of the Composite Index of Debt Carrying Capacity

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA	0.39	3.8	1.46	45%
Real growth rate (in percent)	2.72	5.4	0.15	5%
Import coverage of reserves (in percent)	4.05	56.1	2.27	70%
Import coverage of reserves^2 (in percent)	-3.99	31.5	-1.26	-39%
Remittances (in percent)	2.02	11.3	0.23	7%
World economic growth (in percent)	13.52	2.9	0.39	12%
CI Score			3.24	100%
CI rating			Strong	

CI scores are used to classify a country's debt carrying capacity. Countries with CI scores below the 25th percentile (2.69) are classified as weak. Countries with CI scores above the 75th percentile (3.05) are classified as strong. Countries with CI scores in between are classified as medium.

[8] Based on the April 2024 World Economic Outlook and 2022 Country Policy and Institutional Assessment.

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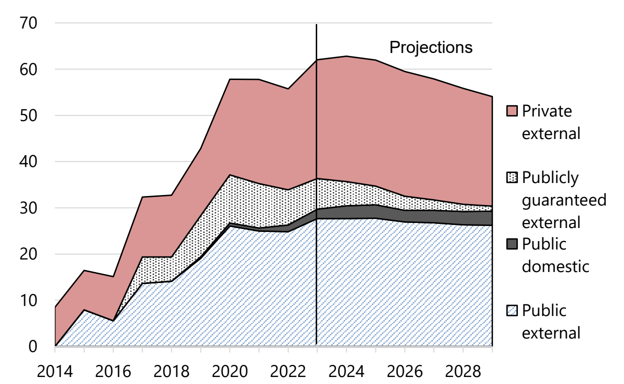
EXTERNAL DEBT SUSTAINABILITY ANALYSIS

8. Staff assesses Uzbekistan's risk of external debt distress as low. PPG and total external debt are projected to remain at about the same levels in 2024 as in 2023. Over the medium term, PPG external debt is projected to fall from 34 percent of GDP at end-2023 to 27 percent of GDP at end-2029. Including private external debt and non-guaranteed debt of state enterprises, total external debt is projected to fall from 60 percent of GDP at end-2023 to 51 percent of GDP at end-2029 (see Table 1). All indicators—PV of debt to GDP, PV of debt to exports, debt service to exports, and debt service to revenues—remain well below indicative thresholds under the baseline scenario.

Projected Evolution of Debt by Type, 2014-2029
(Percent of GDP)



Source: Authorities' data; IMF-World Bank staff estimates.

9. The vulnerability of PPG external debt under stress scenarios depends on the type of shock (see Figure 1 and Table 3). The PV of debt-to-GDP and debt service-to-exports ratios would be most impacted by a combination shock (to real growth, the fiscal deficit, exports, transfers and FDI flows, and the exchange rate). Under this shock, the debt service-to-exports ratio would approach, but remain below, the indicative threshold of 21 percent of GDP around the year 2031 and remain elevated thereafter. The PV of debt-to-exports ratio would be most impacted by a shock to exports while the debt service-to-revenue ratio would be most impacted by a depreciation. Under the market financing risk scenario, debt indicators would rise slightly above the baseline but remain well below indicative thresholds (see Tables 3 and 4). To mitigate these risks, the government should carefully monitor new borrowing so that debt service remains sustainable. For all other shocks, indicators remain well below thresholds. The maximum projected gross financing need during 2024-2026 is 7 percent of GDP, below the benchmark of 14 percent of GDP. Recent spreads on Uzbekistan's USD Eurobonds have been about 300 basis points, well below the DSA benchmark of 570 bps (Figure 5).

10. Private external debt and non-guaranteed debt of SOEs are expected to be subject to similar shocks.[9] A shock to exports would likely worsen indicators for SOEs (e.g., debt service-to-exports). To manage these risks, the government has categorized SOEs according to risk, with SOEs in higher risk categories requiring permission to borrow. The government has also capped

[9] Non-guaranteed debt of SOEs is classified as private debt.

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government guarantees to state enterprises and continues to develop a framework to limit risks from contingent liabilities from SOEs and PPPs.

OVERALL RISK OF PUBLIC DEBT DISTRESS

11. Staff assesses Uzbekistan's overall risk of public debt distress as low. Total PPG debt is projected to gradually decline from 36 percent of GDP at end-2023 to 30 percent of GDP by 2029. PPG debt is projected to remain stable around 30 percent of GDP thereafter (see Table 2). The ratio of PPG external debt to GDP is projected to fall somewhat over the medium term as growth in official lending lags growth of Uzbekistan's USD GDP. Public domestic debt is projected to make up a larger share of total PPG debt as the government continues to develop the domestic market for government securities, rising from 2.1 percent of GDP in 2023 to 3.1 percent in 2029 and 6.4 percent of GDP in the long-term. Nonetheless, multilateral and official bilateral creditors will continue to provide most financing over the medium term.

12. Stress tests suggest Uzbekistan's PPG debt ratios are robust to most shocks but sensitive to the realization of contingent liabilities (see Figure 2 and Table 4). The realization of 35 percent of contingent liabilities combined with a 5 percent market shock would cause the PV of PPG debt to peak at almost 60 percent of GDP in 2025-2026 before falling. Realization of these shocks would also significantly impact debt-to-revenues and debt service-to-revenue ratios. However, even under these scenarios, the PV of debt-to-GDP ratio would remain significantly below the benchmark of 70 percent of GDP.

13. The government has implemented limits on fiscal deficits and PPG debt to mitigate risks. The government aims to limit budget deficits to three percent of GDP over the medium term. They also set an annual cap on total PPG borrowing to prevent a buildup in PPG debt. A public debt law was enacted in 2023 limits overall PPG debt to 60 percent of GDP and requires the government to make proposals to reduce debt if PPG debt reaches 50 percent of GDP. Under the debt law, the government also has the authority to introduce a ceiling on contingent liabilities arising from PPPs.

RISK RATING AND VULNERABILITIES

14. Uzbekistan is at low risk of external and public debt distress. Uzbekistan's economy is reforming. Additional investment is needed to finance structural changes and modernize the economy. Financing to support these efforts has contributed to a significant rise in PPG and external debt in recent years. However, Uzbekistan's current level of PPG external debt (34 percent of GDP) is moderate and is projected to decline over the medium term. Uzbekistan has relatively high international reserves and most debt is provided by official lenders at long maturities and low interest rates. These factors mitigate the risk of debt distress.

15. The government is addressing the most significant risks by implementing annual limits on fiscal deficits and new borrowing. The DSA suggests the most significant risks could arise from realization of contingent liabilities or lower exports. However, even under these scenarios, debt

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indicators would remain below DSA thresholds. To address these risks, the government employs caps on the annual fiscal deficit and on new external and domestic borrowing. It has also enacted a debt law that limits PPG debt to 60 percent of GDP. The government should continue to carefully manage external and domestic borrowing. It should also consider using its authority to impose a ceiling on contingent liabilities from PPPs and take further actions to reduce the risk of possible contingent liabilities arising from state owned enterprises.

Authorities' Views

The authorities broadly agreed with staff's analysis. They emphasized their commitment to maintaining a moderate debt level. They noted that the government's goal of reducing and maintaining the medium-term fiscal deficit at 3 percent of GDP would put PPG external borrowing on a downward path as a share of GDP. Moreover, the public debt law and annual limits on PPG debt commitments had been successful in moderating PPG debt and would continue to do so in the future. Additional privatization and plans to phase out state debt guarantees would reduce the stock of SOE debt. And while the stock of public-private partnerships (PPPs) has risen rapidly in recent years, these projects will help address Uzbekistan's development needs. In accordance with the public debt law, the authorities are considering how best to address potential contingent liabilities arising from PPPs.

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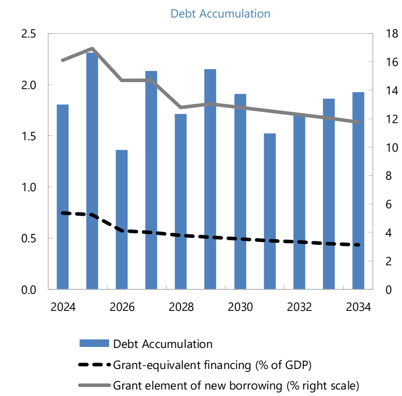
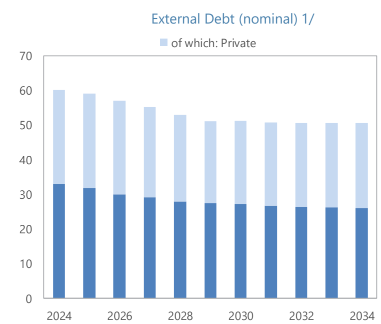
Table 1. Uzbekistan: External Debt Sustainability Framework, Baseline Scenario, 2021-2044

(in percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 8/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
External debt (nominal) 1/	**57.1**	**54.3**	**60.0**	**60.1**	**59.1**	**57.0**	**55.2**	**53.0**	**51.0**	**50.5**	**50.4**	**38.7**	**53.5**
of which: public and publicly guaranteed (PPG)	**34.6**	**32.4**	**34.3**	**33.0**	**31.8**	**30.0**	**29.0**	**27.9**	**27.3**	**26.0**	**24.1**	**22.9**	**28.3**
	4.4												
Change in external debt	0.0	-2.8	5.7	0.1	-1.0	-2.1	-1.8	-2.2	-1.9	0.0	0.1		
Identified net debt-creating flows	**-3.9**	**-7.8**	**0.4**	**1.5**	**0.7**	**-0.7**	**-1.2**	**-1.6**	**-1.7**	**-1.4**	**-1.4**	**-0.9**	**-0.9**
Non-interest current account deficit	**5.7**	**1.9**	**6.2**	**4.3**	**4.0**	**3.4**	**2.9**	**2.7**	**2.6**	**2.3**	**2.3**	**2.0**	**2.8**
Deficit in balance of goods and services	16.5	18.0	18.8	18.3	16.9	15.2	13.8	12.7	11.8	10.1	10.1	**11.9**	**12.8**
Exports	23.6	25.8	27.6	27.1	26.8	27.1	27.4	27.2	27.0	28.6	28.6		
Imports	40.1	43.9	46.3	45.4	43.7	42.4	41.2	39.9	38.7	38.7	38.7		
Net current transfers (negative = inflow)	-9.0	-13.4	-11.0	-11.2	-10.7	-10.0	-9.4	-8.9	-8.3	-5.7	-2.3	**-7.8**	**-8.5**
of which: official	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.7	-1.2	-0.8	-0.3		
Other current account flows (negative = net inflow)	-1.8	-2.7	-1.6	-2.9	-2.3	-1.8	-1.5	-1.1	-0.9	-2.1	-5.5	**-2.2**	**-1.5**
Net FDI (negative = inflow)	**-3.3**	**-3.2**	**-2.4**	**-3.2**	**-3.5**	**-4.0**	**-3.9**	**-4.0**	**-3.9**	**-3.9**	**-3.9**	**-2.4**	**-3.8**
Endogenous debt dynamics 2/	**-6.4**	**-6.5**	**-3.4**	**0.4**	**0.2**	**-0.2**	**-0.3**	**-0.4**	**-0.4**	**0.2**	**0.1**		
Contribution from nominal interest rate	1.3	1.6	2.4	3.4	3.1	2.7	2.5	2.4	2.2	2.7	2.7		
Contribution from real GDP growth	-3.7	-2.8	-2.9	-3.0	-2.9	-2.9	-2.8	-2.7	-2.6	-2.5	-2.5		
Contribution from price and exchange rate changes	-4.0	-5.4	-2.9	...	...	...	...	...	...	...	...		
Residual 3/	**3.9**	**5.0**	**5.3**	**-1.4**	**-1.7**	**-1.3**	**-0.5**	**-0.6**	**-0.3**	**1.5**	**1.5**	**5.5**	**0.1**
of which: exceptional financing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Sustainability indicators													
PV of PPG external debt-to-GDP ratio	**...**	**...**	**39.1**	**37.4**	**35.4**	**33.1**	**31.8**	**30.2**	**29.2**	**25.3**	**22.0**		
PV of PPG external debt-to-exports ratio	**...**	**...**	**141.9**	**137.8**	**132.1**	**121.9**	**116.1**	**111.2**	**108.3**	**88.6**	**77.1**		
PPG debt service-to-exports ratio	**8.0**	**8.0**	**9.9**	**14.8**	**11.9**	**13.7**	**10.4**	**13.0**	**10.7**	**9.8**	**10.3**		
PPG debt service-to-revenue ratio	**7.3**	**6.7**	**9.4**	**13.8**	**11.0**	**12.5**	**9.4**	**11.7**	**9.6**	**8.9**	**8.7**		
Gross external financing need (Million of U.S. dollars)	8,967	7,670	13,354	13,551	13,367	12,844	12,039	13,727	14,090	26,245	71,115		
Key macroeconomic assumptions													
Real GDP growth (in percent)	7.4	5.7	6.0	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	**5.7**	**5.5**
GDP deflator in US dollar terms (change in percent)	7.6	10.4	5.6	3.8	6.4	5.3	5.0	5.2	5.0	3.9	3.9	**-2.4**	**4.5**
Effective interest rate (percent) 4/	2.7	3.3	5.0	6.1	5.8	5.2	4.9	4.8	4.7	5.9	5.8	**3.0**	**5.6**
Growth of exports of G&S (US dollar terms, in percent)	13.1	27.5	19.5	7.7	10.8	12.5	11.7	10.1	10.0	9.6	9.6	**7.3**	**10.7**
Growth of imports of G&S (US dollar terms, in percent)	23.4	27.5	18.2	7.3	8.0	7.7	7.6	7.6	7.6	9.6	9.6	**10.6**	**8.5**
Grant element of new public sector borrowing (in percent)	...	...	...	16.1	16.9	14.7	14.7	12.8	13.0	11.8	7.4	**...**	**13.6**
Government revenues (excluding grants, in percent of GDP)	25.9	30.8	29.2	29.2	29.2	29.7	30.1	30.2	30.2	31.5	34.0	**26.3**	**30.4**
Aid flows (in Million of US dollars) 5/	0.0	0.0	0.0	559.2	462.0	559.2	479.0	511.0	560.3	755.0	1232.9		
Grant-equivalent financing (in percent of GDP) 6/	...	...	...	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.3	**...**	**0.5**
Grant-equivalent financing (in percent of external financing) 6/	...	...	...	16.1	16.9	14.7	14.7	12.8	13.0	11.8	7.4	**...**	**13.6**
Nominal GDP (Million of US dollars)	69,601	81,167	90,882	99,406	111,547	123,939	137,273	152,301	168,705	266,761	666,979		
Nominal dollar GDP growth	15.6	16.6	12.0	9.4	12.2	11.1	10.8	10.9	10.8	9.6	9.6	**3.2**	**10.3**
Memorandum items:													
PV of external debt 7/	...	...	64.8	64.5	62.7	60.1	58.0	55.3	52.9	49.8	48.3		
In percent of exports	...	...	235.1	237.8	234.0	221.4	211.8	203.5	196.3	174.2	168.8		
Total external debt service-to-exports ratio	44.2	41.6	39.6	46.3	42.9	40.3	35.4	37.6	35.8	40.2	42.8		
PV of PPG external debt (in Million of US dollars)			35,535	37,175	39,472	40,988	43,635	45,984	49,263	67,581	147,036		
(PVt-PVt-1)/GDPt-1 (in percent)				1.8	2.3	1.4	2.1	1.7	2.2	1.9	2.0		
Non-interest current account deficit that stabilizes debt ratio	5.8	4.7	0.5	4.2	5.0	5.5	4.7	5.0	4.6	2.2	2.3		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**Yes**





Sources: Country authorities; and staff estimates and projections.

1/ Includes both public and private sector external debt.

2/ Derived as [r - g - ρ(1+g) + Ɛα (1+r)]/(1+g+ρ+gρ) times previous period debt ratio, with r = nominal interest rate; g = real GDP growth rate, ρ = growth rate of GDP deflator in U.S. dollar terms, Ɛ=nominal appreciation of the local currency, and α= share of local currency-denominated external debt in total external debt.

3/ Includes exceptional financing (i.e., changes in arrears and debt relief); changes in gross foreign assets; and valuation adjustments. For projections also includes contribution from price and exchange rate changes.

4/ Current-year interest payments divided by previous period debt stock.

5/ Defined as grants, concessional loans, and debt relief.

6/ Grant-equivalent financing includes grants provided directly to the government and through new borrowing (difference between the face value and the PV of new debt).

7/ Assumes that PV of private sector debt is equivalent to its face value.

8/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

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Figure 1. Uzbekistan: Indicators of Public and Publicly Guaranteed External Debt under Alternative Scenarios, 2024-2034

Customization of Default Settings		
	Size	**Interactions**
Standardized Tests	Yes	
Tailored Stress		
Combined CL	Yes	
Natural disaster	n.a.	n.a.
Commodity price	n.a.	n.a.
Market financing	No	No

Note: "Yes" indicates any change to the size or interactions of the default settings for the stress tests. "n.a." indicates that the stress test does not apply.

Borrowing assumptions on additional financing needs resulting from the stress tests*		
	Default	**User defined**
Shares of marginal debt		
External PPG MLT debt	100%	
Terms of marginal debt		
Avg. nominal interest rate on new borrowing in USD	4.4%	4.3%
USD Discount rate	5.0%	5.0%
Avg. maturity (incl. grace period)	16	16
Avg. grace period	4	4

* Note: All the additional financing needs generated by the shocks under the stress tests are assumed to be covered by PPG external MLT debt in the external DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

2/ The magnitude of shocks used for the commodity price shock stress test are based on the commodity prices outlook prepared by the IMF research department.

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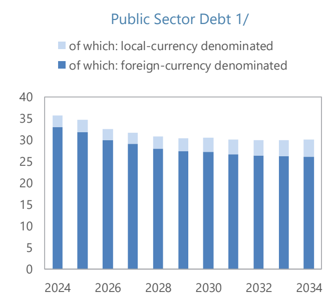
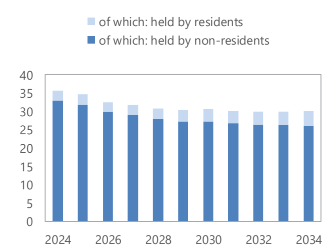
Table 2. Uzbekistan: Public Sector Debt Sustainability Framework, Baseline Scenario, 2021-2044

(in percent of GDP, unless otherwise indicated)

	Actual			Projections								Average 6/	
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2034	2044	Historical	Projections
Public sector debt 1/	**35.3**	**33.9**	**36.3**	**35.7**	**34.7**	**32.5**	**31.7**	**30.8**	**30.4**	**30.0**	**30.5**	**23.4**	**31.5**
of which: external debt	**34.6**	**32.4**	**34.3**	**33.0**	**31.8**	**30.0**	**29.0**	**27.9**	**27.3**	**26.0**	**24.1**	**22.9**	**28.3**
Change in public sector debt	-1.9	-1.4	2.4	-0.6	-1.0	-2.2	-0.8	-0.9	-0.4	0.1	0.1		
Identified debt-creating flows	**0.1**	**-1.4**	**2.8**	**1.0**	**0.3**	**0.5**	**0.6**	**0.7**	**0.8**	**0.7**	**0.0**	**1.5**	**0.7**
Primary deficit	**5.7**	**3.5**	**4.8**	**2.8**	**1.8**	**1.8**	**1.9**	**1.9**	**2.0**	**1.6**	**0.9**	**2.5**	**1.9**
Revenue and grants	25.9	30.8	29.2	29.2	29.2	29.7	30.1	30.2	30.2	31.5	34.0	**26.3**	**30.4**
of which: grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Primary (noninterest) expenditure	31.7	34.3	33.9	31.9	31.0	31.6	32.0	32.1	32.2	33.2	34.9	**28.9**	**32.3**
Automatic debt dynamics	**-5.1**	**-4.4**	**-1.4**	**-1.0**	**-0.8**	**-0.7**	**-0.7**	**-0.7**	**-0.7**	**-0.5**	**-0.5**		
Contribution from interest rate/growth differential	-3.5	-3.3	-1.9	-1.0	-0.8	-0.7	-0.7	-0.7	-0.7	-0.5	-0.5		
of which: contribution from average real interest rate	-1.0	-1.4	0.1	0.9	1.1	1.1	1.0	0.9	0.9	1.1	1.1		
of which: contribution from real GDP growth	-2.6	-1.9	-1.9	-1.9	-1.9	-1.8	-1.7	-1.7	-1.6	-1.6	-1.6		
Contribution from real exchange rate depreciation	-1.6	-1.1	0.5	...	...	...	...	...	...	...	...		
Other identified debt-creating flows	**-0.5**	**-0.6**	**-0.5**	**-0.8**	**-0.7**	**-0.6**	**-0.6**	**-0.5**	**-0.5**	**-0.4**	**-0.3**	**-0.2**	**-0.5**
Privatization receipts (negative)	-0.5	-0.6	-0.5	-0.8	-0.7	-0.6	-0.6	-0.5	-0.5	-0.4	-0.3		
Recognition of contingent liabilities (e.g., bank recapitalization)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Debt relief (HIPC and other)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Other debt creating or reducing flow (please specify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Residual	**-2.0**	**0.1**	**-0.4**	**-1.7**	**-1.3**	**-2.7**	**-1.4**	**-1.6**	**-1.2**	**-0.7**	**0.0**	**1.5**	**-1.3**
Sustainability indicators													
PV of public debt-to-GDP ratio 2/	...	...	**43.2**	**41.3**	**39.2**	**36.2**	**34.8**	**33.4**	**32.5**	**29.7**	**28.7**		
PV of public debt-to-revenue and grants ratio	...	...	**147.9**	**141.7**	**134.2**	**121.8**	**115.6**	**110.6**	**107.6**	**94.1**	**84.5**		
Debt service-to-revenue and grants ratio 3/	**7.3**	**6.7**	**14.9**	**17.7**	**15.8**	**18.9**	**15.0**	**17.1**	**15.7**	**16.3**	**19.9**		
Gross financing need 4/	7.1	5.0	8.6	7.1	5.7	6.8	5.9	6.6	6.2	6.4	7.3		
Key macroeconomic and fiscal assumptions													
Real GDP growth (in percent)	7.4	5.7	6.0	5.4	5.5	5.5	5.5	5.5	5.5	5.5	5.5	**5.7**	**5.5**
Average nominal interest rate on external debt (in percent)	1.9	2.6	3.9	5.1	5.1	4.9	4.7	4.6	4.4	5.4	5.0	**2.3**	**5.1**
Average real interest rate on domestic debt (in percent)	-11.9	-13.0	-2.8	-2.4	2.7	7.5	8.5	8.5	7.8	6.5	6.5	**-11.2**	**6.0**
Real exchange rate depreciation (in percent, + indicates depreciation)	-4.7	-3.5	1.5	...	...	...	...	...	...	...	...	**10.0**	**...**
Inflation rate (GDP deflator, in percent)	13.5	14.9	12.2	12.7	12.6	10.1	8.1	7.3	7.0	7.0	7.0	**14.9**	**8.4**
Growth of real primary spending (deflated by GDP deflator, in percent)	15.2	14.5	4.9	-0.8	2.4	7.4	7.0	5.8	5.8	6.0	6.0	**8.8**	**5.3**
Primary deficit that stabilizes the debt-to-GDP ratio 5/	7.6	4.9	2.3	3.4	2.8	4.0	2.7	2.8	2.4	1.6	0.8	**5.0**	**2.5**
PV of contingent liabilities (not included in public sector debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		

Definition of external/domestic debt	**Residency-based**
Is there a material difference between the two criteria?	**Yes**





Sources: Country authorities; and staff estimates and projections.

1/ Coverage of debt: The general government, central bank, government-guaranteed debt . Definition of external debt is Residency-based.

2/ The underlying PV of external debt-to-GDP ratio under the public DSA differs from the external DSA with the size of differences depending on exchange rates projections.

3/ Debt service is defined as the sum of interest and amortization of medium and long-term, and short-term debt.

4/ Gross financing need is defined as the primary deficit plus debt service plus the stock of short-term debt at the end of the last period and other debt creating/reducing flows.

5/ Defined as a primary deficit minus a change in the public debt-to-GDP ratio ((-): a primary surplus), which would stabilizes the debt ratio only in the year in question.

6/ Historical averages are generally derived over the past 10 years, subject to data availability, whereas projections averages are over the first year of projection and the next 10 years.

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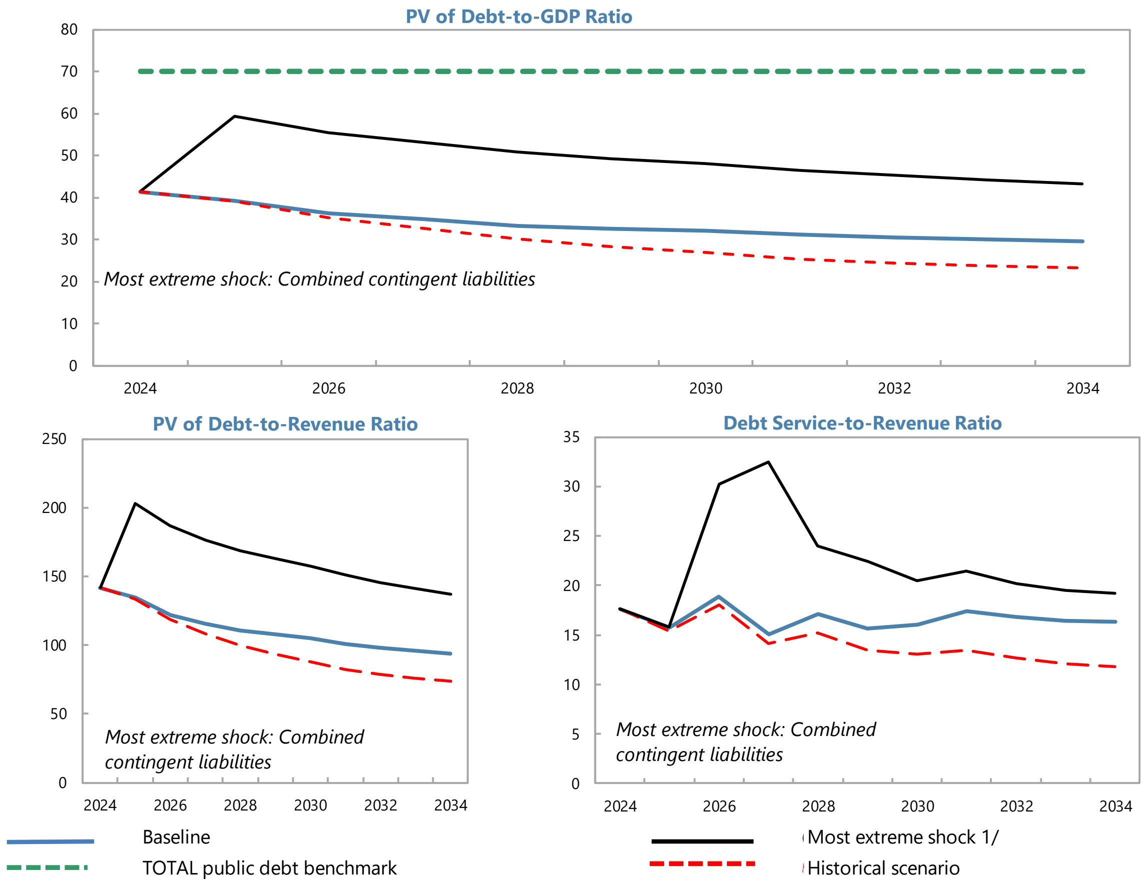
Figure 2. Uzbekistan: Indicators of Public Debt Under Alternative Scenarios, 2024-2034



Borrowing assumptions on additional financing needs resulting from the stress tests*	Default	User defined
Shares of marginal debt		
External PPG medium and long-term	66%	66%
Domestic medium and long-term	23%	23%
Domestic short-term	10%	10%
Terms of marginal debt		
External MLT debt		
Avg. nominal interest rate on new borrowing in USD	4.4%	4.4%
Avg. maturity (incl. grace period)	16	16
Avg. grace period	4	4
Domestic MLT debt		
Avg. real interest rate on new borrowing	7.0%	7.0%
Avg. maturity (incl. grace period)	2	2
Avg. grace period	1	1
Domestic short-term debt		
Avg. real interest rate	7.0%	7.0%

* Note: The public DSA allows for domestic financing to cover the additional financing needs generated by the shocks under the stress tests in the public DSA. Default terms of marginal debt are based on baseline 10-year projections.

Sources: Country authorities; and staff estimates and projections.

1/ The most extreme stress test is the test that yields the highest ratio in or before 2034. The stress test with a one-off breach is also presented (if any), while the one-off breach is deemed away for mechanical signals. When a stress test with a one-off breach happens to be the most exterme shock even after disregarding the one-off breach, only that stress test (with a one-off breach) would be presented.

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Table 3. Uzbekistan: Sensitivity Analysis for Key Indicators of Public and Publicly Guaranteed External Debt, 2024-2034

(In percent)

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of Debt-to GDP Ratio											
Baseline	37	35	33	32	30	29	28	27	26	26	25
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	37	37	38	39	40	42	44	46	47	49	51
B. Bound Tests											
B1. Real GDP growth	37	36	35	33	32	31	30	29	28	27	27
B2. Primary balance	37	37	38	37	36	35	34	32	31	30	30
B3. Exports	37	39	44	42	40	38	37	35	33	32	30
B4. Other flows 3/	37	43	48	46	44	42	40	38	36	34	32
B5. Depreciation	37	44	36	35	33	32	32	31	30	30	29
B6. Combination of B1-B5	37	46	49	47	44	43	41	38	36	35	33
C. Tailored Tests											
C1. Combined contingent liabilities	37	49	47	48	46	45	44	42	41	39	38
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	37	39	37	35	34	33	32	30	29	29	28
Threshold	55	55	55	55	55	55	55	55	55	55	55
PV of Debt-to-Exports Ratio											
Baseline	138	132	122	116	111	108	102	95	93	90	89
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	138	140	139	143	149	157	159	160	166	171	177
B. Bound Tests											
B1. Real GDP growth	138	132	122	116	111	108	102	95	93	90	89
B2. Primary balance	138	139	141	136	132	128	121	113	109	106	104
B3. Exports	138	168	213	202	193	187	175	161	153	146	141
B4. Other flows 3/	138	161	177	168	160	155	144	131	124	118	113
B5. Depreciation	138	132	108	103	99	96	91	86	84	83	82
B6. Combination of B1-B5	138	183	171	204	195	189	175	160	152	145	138
C. Tailored Tests											
C1. Combined contingent liabilities	138	181	174	175	170	166	157	147	142	138	134
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	138	132	122	117	112	109	103	95	92	90	88
Threshold	240	240	240	240	240	240	240	240	240	240	240
Debt Service-to-Exports Ratio											
Baseline	15	12	14	10	13	11	11	12	11	10	10
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	15	13	16	13	17	16	17	19	19	19	19
B. Bound Tests											
B1. Real GDP growth	15	12	14	10	13	11	11	12	11	10	10
B2. Primary balance	15	12	14	12	14	12	12	13	13	12	11
B3. Exports	15	14	19	16	19	16	17	20	18	17	16
B4. Other flows 3/	15	12	15	13	15	13	14	16	15	14	13
B5. Depreciation	15	12	14	10	12	10	10	11	10	9	9
B6. Combination of B1-B5	15	13	19	16	19	16	18	20	18	17	16
C. Tailored Tests											
C1. Combined contingent liabilities	15	12	16	13	15	13	13	14	13	12	12
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	15	12	14	11	14	11	12	14	11	9	8
Threshold	21	21	21	21	21	21	21	21	21	21	21
Debt Service-to-Revenue Ratio											
Baseline	14	11	12	9	12	10	10	11	10	9	9
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	14	12	14	12	16	14	15	18	17	17	18
B. Bound Tests											
B1. Real GDP growth	14	11	13	10	12	10	10	11	10	10	9
B2. Primary balance	14	11	13	10	13	11	11	12	12	11	10
B3. Exports	14	11	13	11	13	11	12	14	13	12	11
B4. Other flows 3/	14	11	14	11	14	11	13	15	14	13	12
B5. Depreciation	14	14	16	11	14	11	12	12	11	10	10
B6. Combination of B1-B5	14	11	14	12	14	12	14	15	14	13	12
C. Tailored Tests											
C1. Combined contingent liabilities	14	11	14	11	14	12	12	13	12	11	11
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	14	11	13	10	13	9	11	13	10	8	8
Threshold	23	23	23	23	23	23	23	23	23	23	23

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the threshold.
2/ Variables include real GDP growth, GDP deflator (in U.S. dollar terms), non-interest current account in percent of GDP, and non-debt creating flows.
3/ Includes official and private transfers and FDI.

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Table 4. Uzbekistan: Sensitivity Analysis for Key Indicators of Public Debt, 2024-2034

	Projections 1/										
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
PV of Debt-to-GDP Ratio											
Baseline	41	39	36	35	33	33	32	31	30	30	30
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	41	39	35	33	30	28	27	25	24	24	23
B. Bound Tests											
B1. Real GDP growth	41	41	40	40	40	40	41	41	41	42	43
B2. Primary balance	41	42	43	41	40	38	38	37	36	35	34
B3. Exports	41	43	46	44	42	41	40	38	37	35	34
B4. Other flows 3/	41	47	51	49	47	45	44	42	40	38	37
B5. Depreciation	41	46	41	37	33	30	27	24	22	20	18
B6. Combination of B1-B5	41	40	39	37	35	34	33	32	31	30	29
C. Tailored Tests											
C1. Combined contingent liabilities	41	59	56	53	51	49	48	47	45	44	43
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	41	39	36	35	34	33	32	31	30	30	30
TOTAL public debt benchmark	70	70	70	70	70	70	70	70	70	70	70
PV of Debt-to-Revenue Ratio											
Baseline	142	134	122	116	111	108	105	101	98	96	94
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	142	134	119	109	100	93	88	83	79	76	74
B. Bound Tests											
B1. Real GDP growth	142	140	135	132	131	132	133	133	133	134	135
B2. Primary balance	142	144	145	137	131	127	123	119	115	112	109
B3. Exports	142	146	155	147	140	135	130	124	118	113	109
B4. Other flows 3/	142	161	173	163	155	150	143	135	128	122	116
B5. Depreciation	142	158	136	121	109	99	89	79	71	63	56
B6. Combination of B1-B5	142	136	132	124	118	113	109	103	99	95	92
C. Tailored Tests											
C1. Combined contingent liabilities	142	203	187	177	169	163	157	151	146	141	137
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	142	134	122	116	111	108	105	101	98	96	94
Debt Service-to-Revenue Ratio											
Baseline	18	16	19	15	17	16	16	17	17	16	16
A. Alternative Scenarios											
A1. Key variables at their historical averages in 2024-2034 2/	18	15	18	14	15	13	13	13	13	12	12
B. Bound Tests											
B1. Real GDP growth	18	16	20	17	20	19	20	22	22	22	22
B2. Primary balance	18	16	21	20	21	18	19	20	19	19	19
B3. Exports	18	16	19	16	18	17	18	20	19	19	18
B4. Other flows 3/	18	16	20	17	19	17	19	22	21	20	20
B5. Depreciation	18	16	21	16	18	17	17	18	17	16	15
B6. Combination of B1-B5	18	15	20	17	19	17	17	18	17	17	17
C. Tailored Tests											
C1. Combined contingent liabilities	18	16	30	32	24	22	20	21	20	20	19
C2. Natural disaster	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C3. Commodity price	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
C4. Market Financing	18	16	19	16	18	15	17	19	17	15	15

Sources: Country authorities; and staff estimates and projections.
1/ A bold value indicates a breach of the benchmark.
2/ Variables include real GDP growth, GDP deflator and primary deficit in percent of GDP.
3/ Includes official and private transfers and FDI.

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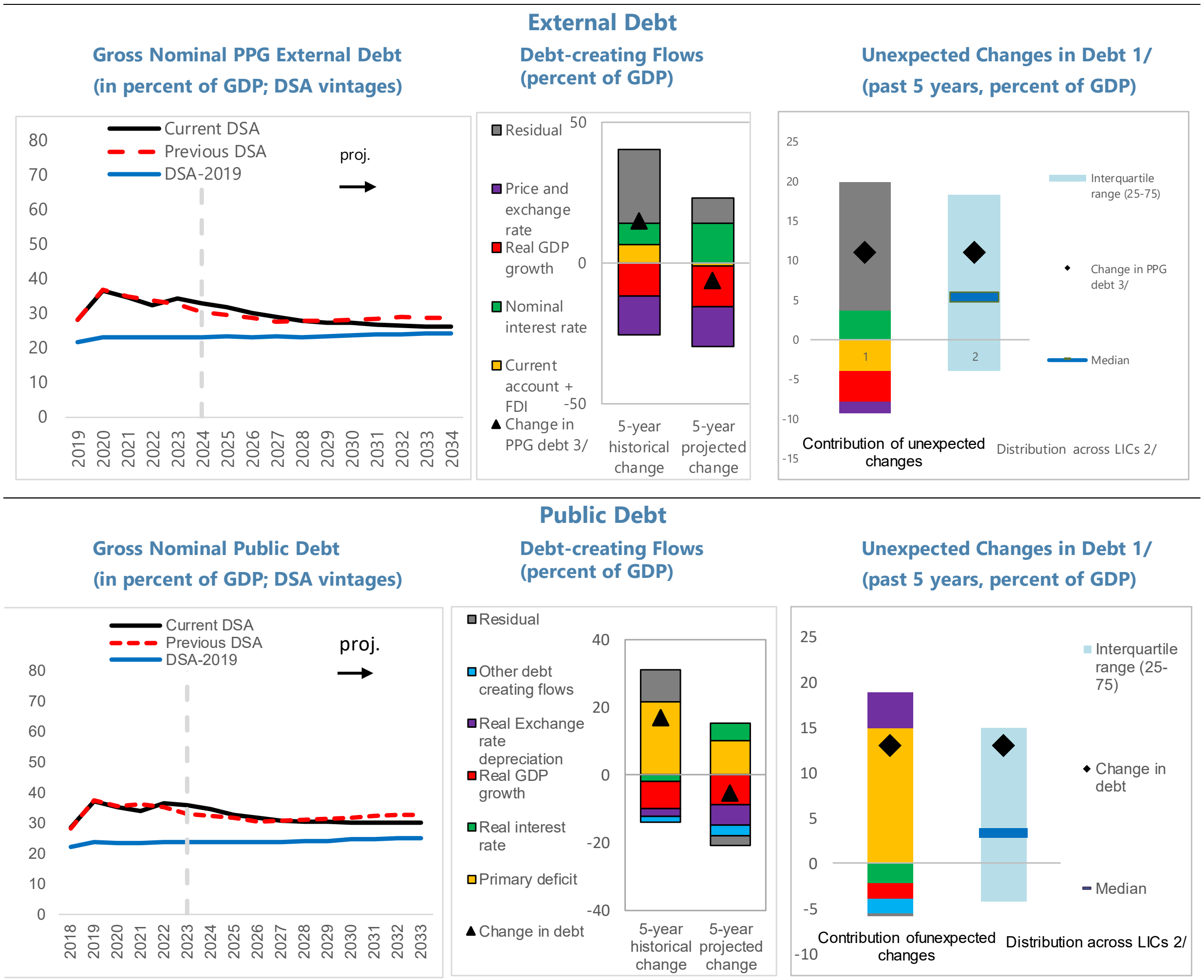
Figure 3. Uzbekistan: Drivers of Debt Dynamics – Baseline Scenario



1/ Difference between anticipated and actual contributions on debt ratios.

2/ Distribution across LICs for which LIC DSAs were produced.

3/ Given the relatively low private external debt for average low-income countries, a ppt change in PPG external debt should be largely explained by the drivers of the external debt dynamics equation.

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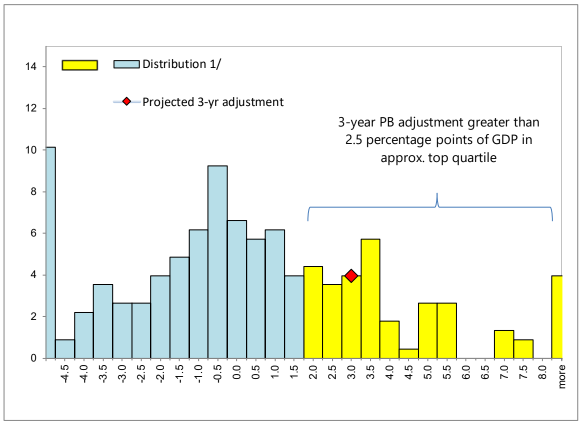
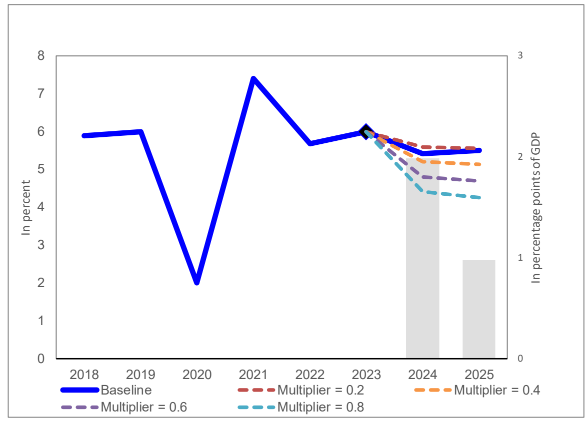
Figure 4. Uzbekistan: Realism Tools

3-Year Adjustment in Primary Balance
(Percentage points of GDP)



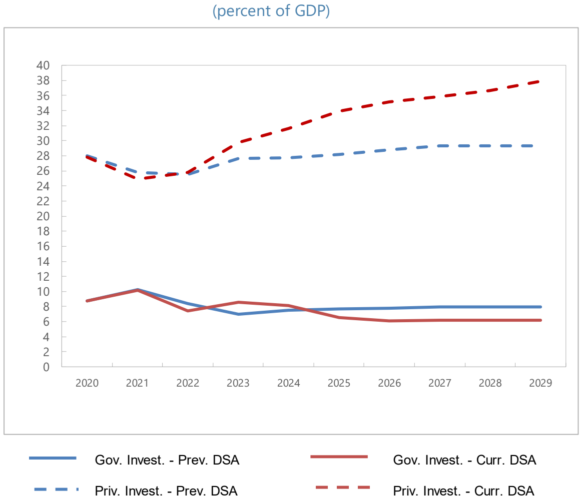
1/ Data cover Fund-supported programs for LICs (excluding emergency financing) approved since 1990. The size of 3-year adjustment from program inception is found on the horizontal axis; the percent of sample is found on the vertical axis.

Fiscal Adjustment and Possible Growth Paths 1/



1/ Bars refer to annual projected fiscal adjustment (right-hand side scale) and lines show possible real GDP growth paths under different fiscal multipliers (left-hand side scale).

Public and Private Investment Rates
(percent of GDP)



Contribution to Real GDP Growth
(percent, 5-year average)

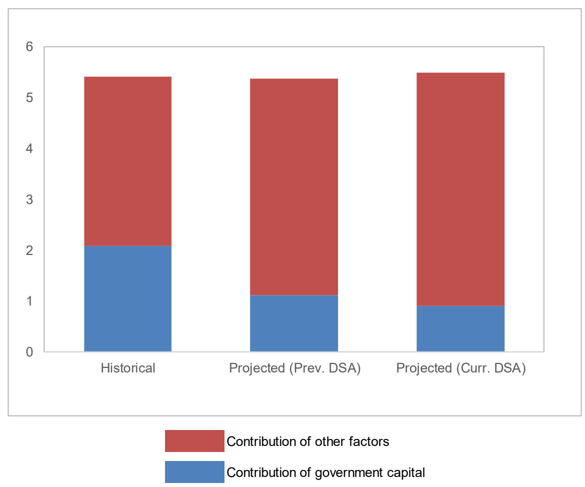


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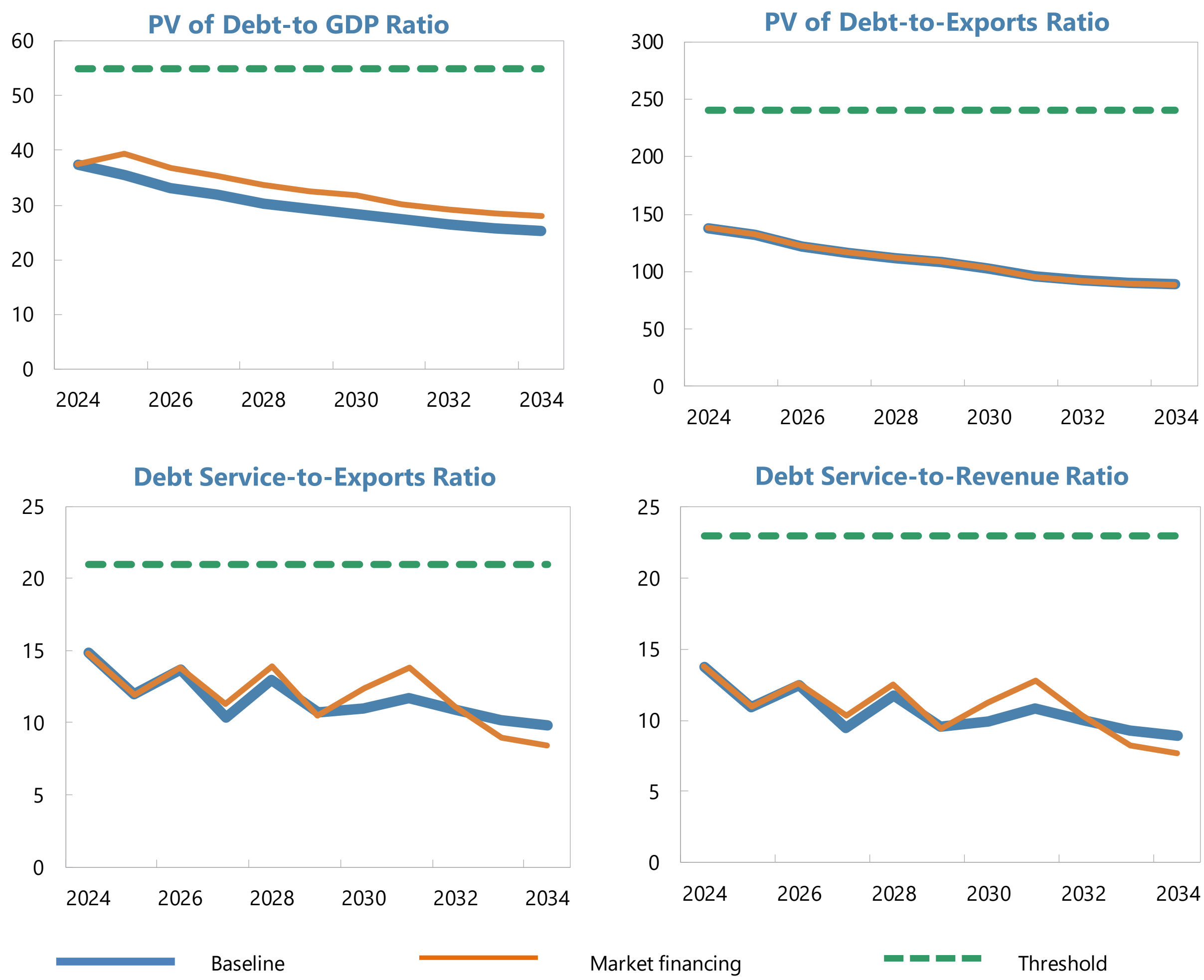
Figure 5. Uzbekistan: Market – Financing Risk Indicators

	GFN 1/	EMBI 2/
Benchmarks	14	570
Values	7	260
Breach of benchmark	No	No
Potential heightened liquidity needs	Low	

1/ Maximum gross financing needs (GFN) over 3-year baseline projection horizon.

2/ EMBI spreads correspond to the latest available data.



Sources: Country authorities; and staff estimates and projections.

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