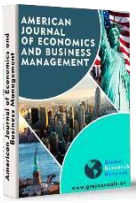

American Journal of Economics and Business Management

Vol. 9 Issue 4 | **pp.** 520-525 | **ISSN:** 2576-5973
Available online @ https://www.globalresearchnetwork.us/index.php/ajebm

Article

Customs Mechanisms for Regulating Foreign Trade in Uzbekistan: Current State and Prospects for Improvement

Adizov Sardor Rashidovich[1]

1. Independent researcher of Bukhara State Technical University
* Correspondence: adizov_sardor@mail.ru

Abstract: This article analyzes the current state of customs mechanisms used in regulating foreign trade activities in Uzbekistan. Within the research framework, tariff and non-tariff regulatory instruments, dynamics of customs payments, changes in tariff rates, customs clearance times, and the system of customs privileges are examined. Based on statistical data for 2020–2025, arithmetic mean and weighted average tariff rates are calculated, and import and export price indices are analyzed. Additionally, directions for improving customs administration based on the latest regulatory and legal acts adopted in 2025–2026 are highlighted. According to the research findings, customs clearance times have significantly decreased in recent years (from 15.4 days to 5.5 days for imports), tariff rates have been optimized; however, the share of high-technology products in the export structure remains low.

Keywords: Customs Mechanisms, Tariff and Non-Tariff Regulation, Customs Payments, Import Duty, Customs Clearance, Uzbekistan

Citation: Rashidovich A. S. Customs Mechanisms for Regulating Foreign Trade in Uzbekistan: Current State and Prospects for Improvement. American Journal of Economics and Business Management 2026, 9(4), 520-525.

Received: 12th Feb 2026
Revised: 26th Feb 2026
Accepted: 19th Mar 2026
Published: 17th April 2026

Copyright: © 2026 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (https://creativecommons.org/licenses/by/4.0/)

1. Introduction

Since gaining independence, the Republic of Uzbekistan has consistently pursued a policy of liberalizing foreign economic activity, enhancing export capacity, and expanding the network of trade partners. The economic reforms initiated in 2017 — liberalization of currency convertibility, simplification of the licensing and permit system, and reduction of state intervention in foreign trade — laid the groundwork for a sharp increase in foreign trade turnover[1]. In this process, customs mechanisms have emerged as the principal instruments for ensuring economic sovereignty, protecting the domestic market, and generating state budget revenues[2].

The objective of this article is to analyze the current state of customs mechanisms employed in regulating foreign trade in Uzbekistan, assess their effectiveness, and identify prospects for improvement. The research tasks include: analyzing the dynamics of customs tariff rates; evaluating the volume of customs payments and associated privileges; examining changes in customs clearance times; and analyzing foreign trade dynamics based on import and export price indices[3].

Regulatory and Legal Framework

The normative and legal basis for the use of customs mechanisms in the Republic of Uzbekistan rests, first and foremost, on fundamental documents such as the Constitution

and the National Security Concept. In order to ensure broad attraction of foreign investment and enhance the effectiveness of developing the republic's foreign trade activities, a Council on Tariff and Non-Tariff Regulation was established under the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan [4].

Recent scholarly research underscores the importance of customs policy reform in transition economies. Bozorov, Peng, and Shang (2026) evaluate the outcomes of trade liberalization in Uzbekistan, noting both the positive effects on trade volumes and the structural challenges that persist in the export sector. International organizations such as the World Bank and the World Trade Organization provide benchmarks that inform the assessment of Uzbekistan's tariff policies[5].

2. Material and Methods

This study employs a quantitative-analytical and comparative research design to evaluate the effectiveness of customs mechanisms regulating foreign trade in Uzbekistan. The methodological framework is based on the analysis of official statistical data, normative-legal documents, and international databases, including data from the World Bank and national customs authorities. The research covers the period from 2020 to 2025 and focuses on key indicators such as tariff and non-tariff regulatory instruments, customs payment dynamics, customs clearance times, and import and export indices. Methods of statistical analysis, including arithmetic mean and weighted average calculations, are applied to assess tariff rates and their structural changes, while index analysis is used to evaluate the dynamics of foreign trade prices and volumes.

In addition, comparative and trend analysis techniques are employed to examine changes in customs revenues, the structure of tax contributions, and the impact of privileges on fiscal outcomes. The study also analyzes the effectiveness of administrative reforms by comparing customs clearance times over different years and identifying improvements associated with digitalization and the implementation of the “single window” system. Content analysis of recent legislative acts adopted in 2025–2026 is conducted to assess ongoing policy changes and their implications for trade facilitation. By integrating statistical evaluation with regulatory analysis, the research provides a comprehensive assessment of the current state of customs mechanisms and identifies areas for further improvement in foreign trade regulation.

3. Results and Discussion

Analysis of Customs Tariff Rates

One of the key elements of customs mechanisms is the tariff rate system. International trade practice distinguishes between Most-Favored-Nation (MFN) tariff rates and effectively applied tariff rates. Table 1 presents tariff rate indicators for Uzbekistan for the years 2020–2021[6].

Table 1. Simple Average and Weighted Average Customs Tariff Indicators (for Imports)

Indicator Name	2020	2021
MFN tariff rate, simple average, all products (%)	6.47	7.34
Applied tariff rate, simple average, all products (%)	6.21	6.66
MFN tariff rate, weighted average, all products (%)	4.53	4.87
Applied tariff rate, weighted average, all products (%)	2.63	2.56

Source: Compiled by the author based on World Bank Open Data.

Analysis of several tariff indicators for Uzbekistan for 2020–2021 reveals that in 2021, the simple average MFN customs tariff rate for all products stood at 7.34 percent. At the same time, the effectively applied simple average customs tariff rate was 6.66 percent, indicating that Uzbekistan reduces tariffs for certain product groups under specific privilege arrangements and agreements[7].

Differentiation of tariff rates by product group is also observable. For instance, in 2021 the MFN rate for agricultural products was 9.82 percent, while for industrial products it was 6.5 percent. This gap reflects an existing policy of providing high levels of protection for the agricultural sector[8].

The weighted average customs tariff rates reflect changes in the composition of imports. In 2021, the weighted average of MFN rates was 4.87 percent, and the weighted average of applied rates was 2.56 percent. These figures are considerably lower than the simple arithmetic averages, indicating that Uzbekistan primarily imports goods subject to relatively low tariff rates[9].

Dynamics of Customs Payments

The growth in import volumes is having a noticeable impact on state budget revenues generated through customs payments. Duties associated with imports, value added tax (VAT), and excise tax are significant sources of fiscal revenue. Table 2 presents the dynamics of customs payment receipts by type for the years 2021–2025[10].

Table 2. Customs Payment Receipts by Type, 2021–2025 (in billions of soums)

Type of Customs Payment	2021	2022	2023	2024	2025
TOTAL	33,226.8	46,024.6	58,388.0	63,034.5	76,197.9
VAT	27,284.0	38,689.1	45,547.8	49,031.6	58,277.6
Excise Tax	307.7	377.8	701.4	1,295.4	1,852.4
Import Duty	4,764.9	5,745.7	9,606.1	10,001.0	11,747.2
Other Revenue	870.2	1,212.0	2,532.7	2,706.5	4,320.7

Source: Compiled by the author based on data from the Customs Committee under the Ministry of Economy and Finance of the Republic of Uzbekistan.

According to the data presented, customs payment revenues increased from 33.2 billion soums to 76.2 billion soums over 2021–2025, representing a 2.3-fold increase. The largest share in the revenue structure is attributed to value added tax (an average of 78–80 percent). Import duty revenues have also grown steadily, rising from 4.8 billion soums in 2021 to 11.7 billion soums in 2025.

According to World Bank data, Uzbekistan's 'customs and other import duties' indicator stood at 1.58 trillion soums in 2016, and in subsequent years, as a result of the expansion in foreign trade volume and improvements in customs administration, these revenues have grown substantially (IndexMundi, 2025a). Furthermore, the share of customs and other import duties in total tax revenues has also risen, from 4.6 percent in 2016 to 8.01 percent in 2023 [11].

Customs Clearance Times

Among non-tariff regulatory mechanisms, licensing, certification, and permitting procedures are among the most significant. Furthermore, the average customs clearance time indicator allows conclusions to be drawn about the effectiveness of customs administrative barriers.

Table 3. Average Customs Clearance Time for Goods (Import and Export, in Days)

Indicator Name	2019	2024
Average customs clearance time for imports (days)	15.446	5.465
Average customs clearance time for exports (days)	3.695	2.268

Source: World Bank Open Data.

Whereas clearing imported goods through customs took an average of 15.4 days in 2019, by 2024 this period had been reduced to 5.5 days. This represents a significant improvement and is attributable to the digitalization of customs administration and the introduction of a 'single window' system. The average customs clearance time for exports also decreased, from 3.7 days in 2019 to 2.3 days in 2024.

Analysis of Import and Export Indices

The basis for calculating customs payments is linked to the level of development of methodological mechanisms associated with the determination of customs value. In the course of research, changes in prices can be tracked through the import value index and the import unit value index derived from data related to the determination of customs value[12].

Table 4. Dynamics of Import and Export Indices in Uzbekistan (2015 = 100)

Indicator	2016	2017	2018	2019	2020	2021	2022	2023	2024
Import value index	**97.3**	**105.1**	**150.4**	**189.7**	**173.7**	**207.3**	**248.2**	**312.7**	**—**
Import unit value index	**99.2**	**102.6**	**106.9**	**104.9**	**104.3**	**119.8**	**131.8**	**127.8**	**125.8**
Export volume index	**96.1**	**101.6**	**104.2**	**152.2**	**128.9**	**104.6**	**98.6**	**132.2**	**—**
Export unit value index	**99.5**	**106.9**	**113.1**	**105.9**	**110.0**	**145.1**	**167.7**	**157.5**	**170.0**

Source: Compiled by the author based on World Bank Open Data.

The import value index for Uzbekistan shows that the total value of imports increased 3.1-fold by 2023 relative to 2015 (from a base of 100 in 2015, the index reached 312.7 in 2023). At the same time, the import unit value index reflects changes in import prices. This index stood at 100 in 2015 and reached 127.8 in 2023, declining slightly to 125.8 in 2024. Thus, of the 3.1-fold increase in the total value of imports, only 1.28 times is attributable to the price factor, with the remainder explained by growth in the physical volume of imports[13].

The export unit value index rose from 100 in 2015 to 170 in 2024. This indicates that domestic producers have been able to raise prices on external markets, or that the share of higher-value products in the export structure has increased. However, the physical volume of exports — as reflected by the export volume index — grew by only 1.32 times relative to 2015 by 2023. This demonstrates that the majority of export growth has been driven by the price factor, while the rate of growth in physical export volume remains low.

System of Customs Privileges

Customs privileges constitute an integral component of economic policy and are applied for the purposes of attracting investment, modernizing production, and stimulating exports.

Table 5. Privileges Applied to Customs Payments, 2021–2025 (in millions of soums)

Type of Privilege	2021	2022	2023	2024	2025
TOTAL	34,660,604.6	41,218,768.8	53,799,581.0	48,936,575.2	51,711,911.6
Import Customs Duty	19,336,771.8	23,162,355.2	34,771,229.0	33,395,143.5	34,248,321.7
Export Customs Duty	—	—	—	—	1,460,427.6

Excise Tax	8,165.9	124,024.8	86.89	204,695.3	344,113.1
VAT	15,295,596.9	17,906,093.9	18,916,060.0	15,323,641.4	15,647,946.4
Customs Fees	20,070.0	26,294.9	25.56	13,095.0	11,102.8

Source: Compiled by the author based on data from the Customs Committee under the Ministry of Economy and Finance of the Republic of Uzbekistan.

One of the most widely used mechanisms for granting privileges is exemption from customs duty. In Uzbekistan, there is the possibility of exemption from customs duty and value added tax when importing technological equipment that is not produced domestically[14].

Recent Directions for Improving Customs Administration

In accordance with the Presidential Decree dated December 17, 2025, 'On Measures to Simplify and Enhance the Efficiency of Customs Administration and Foreign Trade Processes,' starting from March 1, 2026, a 'release for free circulation' procedure through advance declaration prior to the arrival of goods at the customs post is being introduced . For goods subject to advance declaration, customs duties are reduced by 20 percent, and no interest is charged for deferred payment (up to 14 days).

Furthermore, starting from June 1, 2026, business entities are given the opportunity to pay customs duties in installments or defer payments for up to 120 days . These changes will significantly reduce the time and financial costs borne by entrepreneurs.

The customs tariff system in Uzbekistan has been liberalized and simplified in recent years. In particular, pursuant to legislation adopted in 2025, the practice of applying double duty rates to goods imported from countries not granted Most-Favored-Nation status when a certificate of origin is not presented has been abolished [15].

Recommendations

Based on the research findings, the following recommendations are offered:

1. Scientifically differentiate import duty rates by product group, and optimize the ratio between rates applicable to raw materials and finished goods;
2. Introduce effective mechanisms for stimulating exports, particularly by establishing an additional privilege system for exports of high value-added products;
3. Review the practice of granting customs privileges, enhance their targeted application, and ensure greater transparency;
4. Continue the digitalization of customs administration and expand the functionality of the 'single window' system;
5. Continue aligning the tariff and non-tariff regulatory system with international standards in the context of Uzbekistan's accession to the World Trade Organization.

4. Conclusion

The customs mechanisms currently employed in regulating foreign trade in Uzbekistan have been significantly improved in recent years. Based on the research findings, the following conclusions may be drawn:

First, the positive outcomes of the reforms implemented include the rapid growth in import volumes, the increase in customs revenues, the optimization of tariff rates, and the reduction of customs clearance times. The average customs clearance time for imports was reduced from 15.4 days in 2019 to 5.5 days in 2024.

Second, the tasks of diversifying the export structure and increasing the share of high-technology products remain pressing. Although the export unit value index has risen to 170, the physical volume of exports has increased by only 1.32 times relative to 2015, demonstrating that the primary driver of export growth has been the price factor rather than growth in physical output.

Third, the imbalanced determination of import duty rates for raw materials versus finished goods indicates that this policy has been developed without deep scientific and practical analysis. The MFN rate for agricultural products stands at 9.82 percent, while for industrial products it is 6.5 percent.

Fourth, the excessively broad system of customs duty exemptions for imported goods is limiting the effective functioning of tariff-based regulatory mechanisms. The total volume of customs privileges reached 51.7 trillion soums in 2025.

REFERENCES

[1] AZERTAC, "Customs procedures in Uzbekistan to be simplified for exporters and importers," Azərtac, Jan. 9, 2026. [Online]. Available: https://special.azertag.az/en/xeber/3958835

[2] A. Bozorov, C. Peng, and Z. Shang, "Evaluating the outcomes of trade liberalization in Uzbekistan: impacts and paths forward," China Economic Journal, vol. 19, no. 1, pp. 104–116, 2026.

[3] IndexMundi, "Uzbekistan — Customs and other import duties," 2025. [Online]. Available: https://www.indexmundi.com/facts/uzbekistan/customs-and-other-import-duties

[4] IndexMundi, "Uzbekistan — Customs and other import duties (% of tax revenue)," 2025. [Online]. Available: https://www.indexmundi.com/facts/uzbekistan/indicator/GC.TAX.IMPT.ZS

[5] Lex.uz, "Decree of the President of the Republic of Uzbekistan No. PF-47 dated 14.03.2025 'On Measures to Improve Export Procedures and Stimulate Production of High-Value-Added Finished Products'," 2025. [Online]. Available: https://lex.uz/docs/7432068

[6] J. Otaniyazov, "The export potential of the national economy is expanding," UzA, Dec. 31, 2025. [Online]. Available: https://uza.uz/en/posts/the-export-potential-of-the-national-economy-is-expanding_80235

[7] Customs Committee under the Ministry of Economy and Finance of the Republic of Uzbekistan, Customs Payment Statistics. Tashkent, Uzbekistan, 2026.

[8] T. N. Pardayev, Fiscal Activities of the Customs Service. Tashkent, Uzbekistan: Customs Institute of the State Customs Committee, 2022.

[9] World Bank, "World Bank Open Data." [Online]. Available: https://data.worldbank.org/

[10] Xalq so'zi, "Uzbekistan abolishes the practice of doubling import duties on certain goods," Jun. 27, 2025. [Online]. Available: https://xs.uz/en/post/uzbekistan-abolishes-the-practice-of-doubling-import-duties-on-certain-goods

[11] AZERTAC, "Customs procedures in Uzbekistan to be simplified for exporters and importers," Azərtac, Jan. 9, 2026. [Online]. Available: https://special.azertag.az/en/xeber/3958835

[12] A. Bozorov, C. Peng, and Z. Shang, "Evaluating the outcomes of trade liberalization in Uzbekistan: impacts and paths forward," China Economic Journal, vol. 19, no. 1, pp. 104–116, 2026.

[13] IndexMundi, "Uzbekistan — Customs and other import duties," 2025. [Online]. Available: https://www.indexmundi.com/facts/uzbekistan/customs-and-other-import-duties

[14] IndexMundi, "Uzbekistan — Customs and other import duties (% of tax revenue)," 2025. [Online]. Available: https://www.indexmundi.com/facts/uzbekistan/indicator/GC.TAX.IMPT.ZS

[15] Lex.uz, "Decree of the President of the Republic of Uzbekistan No. PF-47 dated 14.03.2025 'On Measures to Improve Export Procedures and Stimulate Production of High-Value-Added Finished Products'," 2025. [Online]. Available: https://lex.uz/docs/7432068