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Article

Sukuk As An Instrument for Financing Sustainable Tourism Infrastructure

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Abstract: The article addresses the financing of sustainable tourism infrastructure in Uzbekistan, where tourist flows outpace the growth of hotel capacity. Using five editions of the IIFM Sukuk Report (2022–2026), it calculates growth rates and concentration indices of the global sukuk market, compares country cases and builds scenarios based on sukuk-to-GDP ratios in 17 countries. The market is deconcentrating, while green and sustainability sukuk issuance grows by about 35% a year. The study contributes a matrix matching sukuk structures to tourism infrastructure assets and estimates Uzbekistan's potential at USD 2.0–11.7 billion, including up to USD 2.34 billion for tourism.

Keywords: sukuk; Islamic finance; sustainable tourism; tourism infrastructure; ijarah; green sukuk; pilgrimage tourism; Uzbekistan

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1. Introduction

Sustainable tourism is commonly understood as a field in which economic returns must be achieved without degrading the natural and cultural environment. In practice, however, its development hinges on the financing of infrastructure: transport hubs, hotels, water and energy networks in tourist zones and facilities for presenting cultural heritage all require large investments that take ten to twenty years to pay back. Short-term bank loans are poorly suited to such projects, and budget resources are limited. The question of which financial instruments can attract long-term capital to specific tourism infrastructure assets is therefore becoming central to sustainable tourism policy.[1][2]

For Uzbekistan, this question is particularly pressing. In 2025, foreign citizens made 11.68 million trips to the country for tourism purposes, 46.8% more than a year earlier. Yet over the same year the number of rooms in accommodation facilities grew by only 3.6% (to 60.4 thousand) and the number of beds by 14.7% (to 167.1 thousand) (National Statistics Committee of the Republic of Uzbekistan). According to WTTC estimates, exports of tourism services reached USD 4.8 billion in 2025 (Tourism Committee of the Republic of Uzbekistan,). The draft of the updated "Uzbekistan – 2030" strategy envisages raising the flow of foreign tourists to 20 million and the share of tourism in GDP to 7%, doubling the number of four- and five-star hotels and cutting travel time between tourist centres at least threefold (Tourism Committee of the Republic of Uzbekistan,). These targets cannot be met without a large-scale expansion of tourism infrastructure, while the room for conventional borrowing is limited: at the end of 2025, public debt stood at USD 46.9 billion (31.9% of GDP), 85% of which was external (Economist.kg,).[3][4]

Sukuk – certificates representing investors' shares in underlying assets, in the income from them or in rights to use them – are among the instruments capable of tying long-term capital to a specific asset. According to the International Islamic Financial Market (IIFM), global sukuk issuance reached a record USD 262.9 billion in 2025, and the volume of sukuk outstanding exceeded USD 1 trillion (IIFM, 2026). Central Asia, however, remains on the periphery of this market: the IIFM database for 2001–2025 records only one issue from Kazakhstan and none at all from Uzbekistan. At the same time, the legal framework for Islamic finance in Uzbekistan is taking shape quickly: in 2026 a law introducing Islamic banking was adopted, parliament is considering a draft capital market law with provisions on sukuk, and the Central Bank has announced that it is preparing a sovereign Islamic bond programme .[5][6]

Research on Islamic finance in Uzbekistan has so far dealt mainly with the general prospects for introducing such instruments, with demand among the population and with the legal foundations. The link between global sukuk market indicators and the country's need to finance tourism infrastructure has not yet been examined quantitatively. This article seeks to fill that gap.[7]

The aim of the study is to substantiate the mechanisms and assess the potential of using sukuk to finance sustainable tourism infrastructure in Uzbekistan, drawing on the five most recent editions of the IIFM Sukuk Report and open statistics. To this end, three research questions are addressed: (1) which structural shifts in the global sukuk market in 2021–2025 matter for a new issuer; (2) which sukuk structures suit different types of tourism infrastructure; and (3) what scale sukuk financing of Uzbekistan's tourism infrastructure could reach and how affordable it would be given the foreign-exchange earnings from tourism.[8]

The novelty of the study is as follows: data from five editions of the IIFM Sukuk Report are combined into a single series and used to calculate concentration indicators for the global sukuk market; a matrix matching sukuk structures to tourism infrastructure assets is developed; a scenario estimate of potential is proposed on the basis of the ratio of sukuk outstanding to GDP in comparable countries; and the overlap between the target markets of pilgrimage tourism and the core of the global sukuk market is identified. The rest of the article presents the literature review, the methodology, the results and their discussion, and the conclusions and recommendations.[9]

Thus, the literature confirms the link between infrastructure and tourism development and the potential of sukuk as an instrument for financing infrastructure, but it contains no studies that translate global sukuk market data into an assessment of the opportunities for financing Uzbekistan's tourism infrastructure. This gap defines the contribution of the present study.[10][11]

2. Materials and Methods

The study rests on a pragmatic research philosophy and a mixed design: a quantitative descriptive analysis of secondary data is complemented by comparative case analysis and scenario modelling. The research strategy is a documentary analysis of published statistical reports and legal acts combined with a multiple case study of sukuk issues related to infrastructure and tourism. The work was carried out in five consecutive stages: compiling the dataset; calculating indicators of market dynamics, structure and concentration; comparative case analysis; synthesising the results into a "sukuk structure – tourism infrastructure asset" matrix; and estimating the potential for Uzbekistan.[12]

The information base consists of five editions of the IIFM Sukuk Report (11th–15th editions, 2022–2026), which contain data on sukuk issuance for 2001–2025. IIFM reconciles these data with the regulators of the main issuing jurisdictions – Bahrain, Malaysia, Indonesia, Pakistan, Türkiye, Brunei and Bangladesh. The following were extracted from the reports: series of global, international and domestic issuance for 2016–2025; the distribution of issuance by jurisdiction for 2022–2025; the breakdown of issues by contract type and issuer type; and sukuk outstanding by country at the end of 2025. Data on green and sustainable sukuk were taken from the LSEG and S&P Global Ratings estimates cited

in the IIFM reports. Statistics on tourism, debt and remittances were obtained from official sources in Uzbekistan, and GDP figures for 2025 from the World Development Indicators database (World Bank, 2026). Materials for the case analysis were drawn from the IIFM reports, Indonesia's green bond and green sukuk framework and publications on individual issues.[13]

Market dynamics were assessed using the compound annual growth rate:

$$CAGR = (V_T / V_0)^{1/T} - 1, \quad (1)$$

where V_0 and V_T are the issuance volumes in the initial and final years and T is the number of years. Concentration was measured by the Herfindahl–Hirschman index and the share of the three largest jurisdictions:

$$HHI = \Sigma s_i^2, \; CR3 = s_1 + s_2 + s_3, \quad (2)$$

where s_i is the share of the i-th jurisdiction in annual issuance, %. Issuance by supranational institutions (the Islamic Development Bank and others) was treated as a separate group; as a robustness check, the index was also calculated without them. For interpretation, the threshold of the 2023 Merger Guidelines was used: a market with an HHI above 1,800 is regarded as highly concentrated (DOJ and FTC, 2023). Data for 2021 (the 2022 edition of the IIFM report) were not included in the concentration series because supranational issuance was not reported separately.[14]

For the scenario estimate, the ratio of sukuk outstanding at the end of 2025 to GDP in 2025 was calculated for each comparison country:

$$r_i = S_i / Y_i \times 100\%. \quad (3)$$

The sample includes 17 countries with sukuk outstanding for which such a comparison is possible; supranational issuers, markets with exclusively short-term programmes or volumes below USD 0.1 billion, and occasional issuers outside the Organisation of Islamic Cooperation were excluded. The countries were divided into three groups: entry-stage markets (a debut issue or irregular issues after 2014: the Philippines, Bangladesh, Nigeria, Egypt, Senegal, Jordan and the Maldives), developing markets (regular issuance for at least ten years with a ratio to GDP below 10%: Türkiye, Kuwait, Pakistan, Qatar, Oman and Indonesia) and mature markets (a ratio above 10%: the UAE, Saudi Arabia, Bahrain and Malaysia). [15] The potential sukuk volume for Uzbekistan was defined as $S = r \times Y$, where Y is the country's GDP in 2025 (USD 147.0 billion) and r takes three values: scenario A – the median of entry-stage markets; scenario B – their upper quartile; and scenario C – the median of developing markets. The share of tourism infrastructure was set by the parameter α: 3.5% (the current share of tourism in GDP), 7% (the target share for 2030) and 20% (a notional priority scenario for a green tourism programme). Affordability was assessed as the ratio of annual profit payments on tourism sukuk at a notional rate of 7.75% (a benchmark for BB-rated issuers in 2026; IIFM, 2026) to exports of tourism services in 2025.

The reliability of the results is ensured by the fact that all indicators were calculated from published data using explicitly specified formulas and parameters and can be reproduced. The validity of the conclusions is supported by comparing the results of different IIFM editions, by triangulating LSEG and S&P estimates and by testing the robustness of the concentration index to the exclusion of supranational issuers. The limitations of the study stem from differences in the agencies' methodologies, the incomplete comparability of countries in terms of institutional conditions and the fact that the scenarios are analytical benchmarks rather than forecasts. The work relies exclusively on public secondary data and therefore raises no ethical issues.[16]

3. Results

Between 2016 and 2025, global sukuk issuance rose from USD 88.3 billion to USD 262.9 billion, that is, by 12.9% a year on average (Figure 1). In 2021–2025, average annual growth slowed to 8.7%, but its source changed: international issuance grew by 19.0% a year and domestic issuance by only 4.3%. As a result, the share of the international segment, which had fallen to 19.5% in 2022, reached 37.6% by 2025 (Table 1). For a new issuer such as Uzbekistan could become, this is the most important shift: it is the

international segment, oriented towards dollar-denominated and cross-border issues, that has become the main engine of the market.[17]

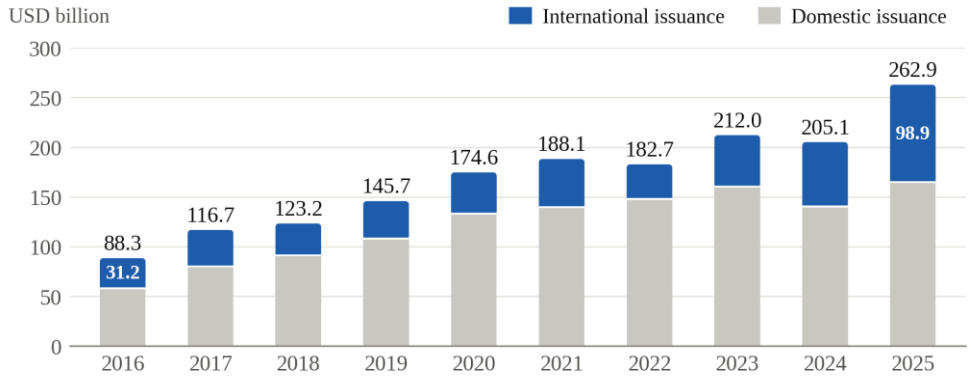


Figure 1. Global sukuk issuance, 2016–2025, USD billion
Source: compiled by the author based on IIFM (2026).

Sukuk outstanding increased from USD 732.1 billion to USD 1.02 trillion over 2021–2025 (by 8.5% a year on average), with 72.4% attributable to domestic markets (IIFM, 2026). By issuer type, sovereign sukuk amounted to USD 137.5 billion in 2025 (+15.6%), quasi-sovereign sukuk to USD 52.3 billion (+66.5%), financial institutions to USD 39.6 billion and corporates to USD 33.5 billion. The faster growth of the quasi-sovereign segment matters for tourism infrastructure: it shows that state-owned companies and special-purpose project entities are able to access the market on their own.

Table 1. Key indicators of the global sukuk market, 2021–2025, USD billion

Indicator	2021	2022	2023	2024	2025	Average annual growth, 2021–2025, %
Total sukuk issuance	**188.1**	**182.7**	**212.0**	**205.1**	**262.9**	**8.7**
of which: international	49.4	35.7	52.7	65.6	98.9	19.0
domestic	138.7	147.0	159.4	139.5	163.9	4.3
International share, %	26.3	19.5	24.9	32.0	37.6	–
Sukuk outstanding at year-end	732.1	794.1	842.9	902.8	1,015.5	8.5
Green and sustainable sukuk*	6.5	9.4	13.4	15.2	21.5	34.8

Source: compiled and calculated by the author based on IIFM (2022, 2023, 2024, 2025, 2026). * LSEG data (2021–2024) and S&P Global Ratings estimate (2025) as cited in IIFM (2024, 2025, 2026); the agencies' methodologies are not fully comparable.

By contract type, the international market in 2025 was led by wakalah (42.4%), followed by hybrid structures (32.2%) and ijarah (17.1%); in domestic issuance, ijarah led (24.3%), slightly ahead of murabahah (23.9%), while hybrid schemes accounted for 39.3% (IIFM, 2026). Ijarah made up 49% of international sovereign issues in 2025, which confirms its role as the baseline structure for government issuers. The market is thus moving towards flexible multi-contract structures, but ijarah retains its importance wherever clearly identifiable tangible assets exist – which is exactly the nature of tourism infrastructure.[18]

The currency structure of the market is shifting in favour of the US dollar: in 2025, dollar-denominated issues accounted for 37.3% of issuance (USD 98.0 billion), the Malaysian ringgit for 26.7% and the Saudi riyal for 13.7% (IIFM, 2026). For a country with an emerging domestic market, this means a choice between a dollar issue that gives access to global liquidity and a local-currency issue that removes the currency risk for the budget but requires a well-developed domestic infrastructure. In addition, cross-border sukuk worth USD 29.5 billion and USD 25.6 billion and domestic sukuk worth USD 80.8 billion and USD 60.7 billion are due to mature in 2026 and 2027, respectively (IIFM, 2026); a significant part of these funds will be reinvested, which supports demand for new issues.

The experience of new issuers is no less telling. In 2023, Egypt placed a debut sovereign issue of USD 1.5 billion that was four times oversubscribed, and the Philippines an issue of USD 1.0 billion that was almost five times oversubscribed (IIFM, 2024); in 2025, Jordan entered the international market with an issue of USD 0.46 billion (IIFM, 2026). These examples set a realistic range for the size of a debut issue.

The concentration indices show that the sukuk market is gradually becoming less concentrated (Table 2). The HHI of annual issuance fell from 2,184 in 2022 to 1,676 in 2025, and the share of the three largest jurisdictions (CR3) from 72.0% to 62.0%. Excluding supranational issuers, the index declined from 2,540 to 1,950. By the criteria of DOJ and FTC (2023), the market including supranational issuers has been below the high-concentration threshold (1,800) since 2024; without them, the index (1,950 in 2025) remains above this threshold but is declining steadily.[19]

Table 2. Concentration of the global sukuk market by issuer jurisdiction, 2022–2025

Indicator	2022	2023	2024	2025
HHI including supranational issuers	2,184	2,053	1,743	1,676
CR3 including supranational issuers, %	72.0	68.8	61.3	62.0
HHI excluding supranational issuers	2,540	2,323	1,993	1,950
CR3 excluding supranational issuers, %	79.1	74.1	66.9	69.1
Number of national issuing jurisdictions	17	21	17	17

Source: calculated by the author based on IIFM (2023, 2024, 2025, 2026). A market with an HHI above 1,800 is regarded as highly concentrated (DOJ and FTC, 2023).

At the same time, the cumulative indicators remain high: the HHI of cumulative issuance over 2001–2025 is 2,383 (CR3 of 68.6%), and that of sukuk outstanding at the end of 2025 is 2,346 (CR3 of 77.6%). In other words, new flows are spread more widely than the accumulated stocks. Deconcentration is driven by growing issuance from Türkiye, the UAE and supranational institutions, as well as by the arrival of new issuers – Egypt, the Philippines and Jordan. For Uzbekistan, this implies that the barrier to entering the market is primarily institutional rather than market-related: investors are prepared to accept new issuers, and the 2026 edition of the IIFM report explicitly points to a persistent shortage in the supply of high-quality sukuk (IIFM, 2026). As early as the 2023 edition, LSEG analysts noted that Central Asian markets could become more active in the coming years (IIFM, 2023).

The segment of green sukuk and other sustainable issues is growing faster than the market as a whole (Figure 2). According to LSEG, such issuance rose from USD 0.44 billion in 2017 to USD 13.4 billion in 2023 and USD 15.2 billion in 2024, when it accounted for 6.2% of all sukuk issues (IIFM, 2024, 2025). According to S&P Global Ratings, issuance reached USD 21.5 billion in 2025 (+38%) (IIFM, 2026). Even allowing for methodological differences, the average annual growth rate over 2021–2025 is about 35%.

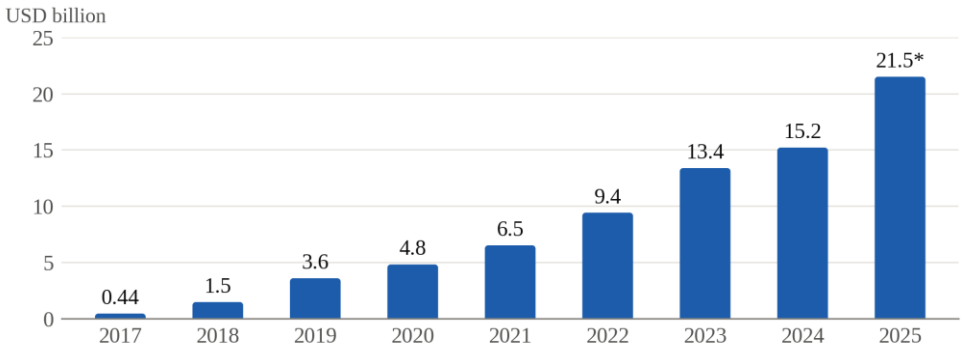


Figure 2. Green and sustainable sukuk issuance, 2017–2025, USD billion
Source: compiled by the author based on LSEG and S&P Global Ratings data cited in IIFM (2024, 2025, 2026). * S&P Global Ratings estimate.

Demand for green sukuk is consistently higher than for conventional ones: in the 2023 sample, their average oversubscription was 4.6 times against 3.6 times, and in 2018–2023 an average of 73% of their volume was placed in international markets (IIFM, 2024). Until the end of 2023, Indonesia and Malaysia remained the only sovereign issuers of green sukuk; in May 2025 they were joined by Pakistan, whose first sovereign green sukuk, with an announced size of PKR 30 billion, was 5.4 times oversubscribed, with a minimum investment of PKR 5,000 and access for non-resident nationals (IIFM, 2025). The internal structure of the segment is also changing: the share of green sukuk proper in ESG issuance fell from 58% in 2023 to 31% in 2024 as sustainability sukuk, which combine environmental and social objectives, gained ground (IIFM, 2025). For sustainable tourism, this opens up the possibility of mixed issues in which energy-efficient infrastructure is combined with social goals – creating jobs in the regions and supporting crafts and family-run guesthouses.[20]

What is crucial for sustainable tourism is that tourism has already been recognised as an eligible area for green finance. Indonesia's green bond and green sukuk framework contains a separate Green Tourism category covering the development of new tourist areas in line with green tourism principles, the upgrading of supporting infrastructure (water treatment, energy efficiency) and the strengthening of tourism's resilience to climate risks (Ministry of Finance of Indonesia, 2018). The joint guidance of ICMA, the IsDB and LSEG lists climate change mitigation and adaptation, the conservation of natural resources and biodiversity, and pollution prevention among eligible areas (ICMA et al., 2024); energy-efficient hotels, clean transport to tourist centres, wastewater treatment and the conservation of protected natural areas fit naturally into these categories. At the same time, the findings of Liu and Lai (2021) and Alkadi (2024) serve as a warning: without reporting on the allocation of proceeds and the impact achieved, green sukuk risk turning into a marketing label.

The comparative case analysis made it possible to match sukuk structures with types of tourism infrastructure assets, sources of payments to investors, conditions of application and international precedents (Table 3).

Table 3. Matrix matching sukuk structures to tourism infrastructure assets

Sukuk structure	Tourism infrastructure assets	Source of payments	Conditions and limitations	International precedent
Ijarah (sale and leaseback)	Existing airports, railway stations, rolling stock, roads to tourist centres	Lease payments by the state or the operator	The asset exists and is in use throughout the term; the lease terminates if 70% or more of the asset is lost (IIFM, 2026); takaful cover is required	Pakistan: airports and motorways as underlying assets of sovereign sukuk (IIFM, 2023)
Forward ijarah, istisna	New hotels, visitor centres, cable cars, utility networks in tourist zones	Rent once the asset is in service; advance rent before that	Construction risk and the risk of delayed commissioning	Indonesia: about 40% of sovereign issuance in 2025 (IIFM, 2026); 5,126 projects, including pilgrim dormitories and national parks (IIFM, 2023)
Wakalah; ijarah–murabahah hybrid	A portfolio of diverse assets of a tourism cluster	Income from the asset portfolio	Tangible assets must make up the majority of the pool throughout the term	Emlak Konut, Türkiye, 2026: 55% ijarah and 45% murabahah, about 3.8 times oversubscribed (IIFM, 2026)
Sukuk al-manfa'ah (usufruct rights)	Room stock of pilgrim hotels, timeshare, tourist services	Revenue from the sale of usufruct rights	Minimum price guarantees and repurchase undertakings bring the sukuk closer to debt	Zamzam Tower, Makkah, 2003: USD 390 million, usufruct rights for 24 years (Al Jazeera, 2004); stc sukuk, 2026 (IIFM, 2026)

Sukuk structure	Tourism infrastructure assets	Source of payments	Conditions and limitations	International precedent
Musharakah, mudarabah, salam	Guesthouses, crafts, agritourism and gastronomic tourism	Profit share; product deliveries	Small deal sizes; access to the capital market requires securitisation of portfolios	Islamic windows of banks and microfinance organisations; securitisation of portfolios into sukuk (IIFM, 2024)

Source: developed by the author.

The first group of solutions is ijarah based on the sale and leaseback of existing assets. Pakistan uses the airports of Karachi, Lahore and Islamabad and its motorway network as underlying assets for sovereign sukuk (IIFM, 2023). In Uzbekistan, airports, railway stations, high-speed rolling stock and roads to tourist centres could play a similar role. The advantage of this route is that the market can be entered without waiting for new facilities to be built; moreover, IIFM has developed a standard set of documents for ijarah sukuk which, among other things, provides for the termination of the lease if at least 70% of the asset is lost, which in turn requires mandatory takaful cover (IIFM, 2026). The standard terms leave major maintenance, insurance and property taxes with the lessor, who delegates their performance to the issuer under a service agency agreement; for hotels and transport facilities that require regular capital expenditure, this means that funds for maintenance have to be set aside as early as the structuring stage.

The second group is forward ijarah on an asset under construction, combined with istisna where necessary. In Indonesia, ijarah on assets to be leased accounted for about 40% of sovereign issuance in 2025 (IIFM, 2026), and project-financing sukuk funded 5,126 projects in 2013–2023, including dormitories for pilgrims, hajj affairs buildings and national parks (IIFM, 2023). This experience is directly applicable to new hotels, visitor centres, cable cars at mountain resorts and utility networks in tourist zones.

The third group consists of wakalah and hybrid structures, which allow diverse assets of a tourism cluster to be combined. The issue by the Turkish company Emlak Konut (2026, USD 650 million) is built on a combination of ijarah (55%) and murabahah (45%); the tangible component must remain the majority of the pool throughout the life of the sukuk, otherwise the sukuk lose their tradability (IIFM, 2026). The fourth group is sukuk al-manfa'ah, based on usufruct rights. A classic example is the Zamzam Tower issue in Makkah (2003, USD 390 million), in which rights to use hotel premises near the Grand Mosque were structured for 24 years (Al Jazeera, 2004); modern analogues include the 2026 stc sukuk and the Türk Telekom issues based on rights to services (IIFM, 2026). For Uzbekistan, this model offers a way of turning the future room stock of pilgrim hotels in Bukhara and Samarkand into an investment asset attractive both to Islamic funds and to pilgrims themselves. Models based on rights to services nevertheless call for caution: in the Türk Telekom case, IIFM notes that minimum price guarantees and repurchase undertakings shift the risk from the asset to the issuer's creditworthiness and bring such sukuk closer to conventional debt (IIFM, 2026). For pilgrimage tourism facilities, a model in which usufruct rights rest on an existing room stock or one under construction is therefore preferable. The fifth group – musharakah, mudarabah and salam – suits guesthouses, crafts, agritourism and gastronomic tourism; these contracts are already used by 12 microfinance organisations in the country (Trend, 2026), and portfolios of such financing could later be securitised (IIFM, 2024).

An important limitation concerns the choice of underlying assets: for Shari'ah and ethical reasons, mosques, mausoleums and waqf property should not be used in this role.

The infrastructure that serves them – hotels, car parks, visitor centres and transport – can serve as the underlying asset instead.

Uzbekistan's need for tourism infrastructure is determined not only by the growth of inbound flows but also by their structure. In 2025, 67.3% of foreign trips were made to visit relatives, 16.5% for leisure and 11.3% for business; the number of domestic tourist trips reached 137.7 million, of which 12.4 million (9.0%) were visits to religious sites and pilgrimages (National Statistics Committee of the Republic of Uzbekistan, 2026). In the first half of 2026, the country received 6.6 million foreign tourists, and exports of tourism services amounted to USD 2.8 billion (Tourism Committee of the Republic of Uzbekistan, 2026d). The gap between the dynamics of demand and supply, above all in quality accommodation and transport connectivity, creates a steady pipeline of projects for long-term financing.

The institutional prerequisites for a first issue are largely in place. Since December 2024, the Central Bank has been a member of the Islamic Financial Services Board (CBU, 2024). Law No. ZRU-1126 of 27 March 2026, which entered into force on 29 June 2026, introduced Islamic banking and established an Islamic Finance Council under the Central Bank (Law No. ZRU-1126, 2026), and transactions in Islamic securities have been exempted from VAT (EY, 2026). The draft law "On the Capital Market", adopted by the Legislative Chamber in the first reading on 28 July 2026, provides for the issuance of sukuk (Spot.uz, 2026b), and the Governor of the Central Bank has announced the launch of a sovereign Islamic bond programme, linking it to the attraction of about USD 10 billion in investment (Trend, 2026). The technical infrastructure for external borrowing has also been tested: in 2026, soum-denominated international bonds worth UZS 12.2 trillion (about USD 1 billion) were placed, Moody's upgraded the country's rating to Ba2, and from 30 September 2026 soum-denominated government bonds are included in the GBI-EM index (Zawya, 2026). Uzbekistan has been a member of the IsDB since 2003 and of ICIEC since 2019 (ICIEC, 2019), which opens access to insurance cover for sovereign sukuk, including green sukuk (IIFM, 2024). The weak link remains the compliance of regulation with international standards, estimated at about 60%, compared with 85% in Kazakhstan (Moldakmatov et al., 2025).

The link between the sukuk market and pilgrimage tourism is of particular importance. The "Umrah Plus" programme aims to attract 100,000 pilgrims from Malaysia and Indonesia in 2026–2027, with tour operators receiving a subsidy of USD 100 for each such tourist (Tourism Committee of the Republic of Uzbekistan, 2026c). It is precisely these two countries that form the core of the global sukuk market, accounting for about 38% of issuance in 2025 and 53% of cumulative issuance since 2001 (IIFM, 2026). The countries that send pilgrims are at the same time the largest centres of Islamic capital, so tourism sukuk should be promoted where the tourism product itself is promoted: in Kuala Lumpur, Jakarta and the Gulf states.

The domestic investor base is also substantial. Remittances to the country amounted to USD 18.9 billion in 2025 (Economist.kg, 2026b), and surveys record public interest in Shari'ah-compliant instruments (Abrorov and Imamnazarov, 2021; Asadov, 2024). Pakistan's experience with a low minimum investment and access for nationals abroad, together with the UAE's retail treasury sukuk and IILM's tokenised sukuk available from USD 100, shows how such investors can be engaged (IIFM, 2025, 2026). The domestic debt market, where the soum tranche of issues could be placed, is growing rapidly: corporate bond issuance rose from UZS 1.06 trillion in 2023 to UZS 3.93 trillion in 2025 and exceeded UZS 7 trillion in the first half of 2026 (Spot.uz, 2026a). Digital infrastructure is developing as well: the volume of RAMZ tokenised instruments on Labuan platforms grew from about USD 50 million in 2023 to USD 1 billion in 2024 and doubled in 2025, and the House of Sukuk platform for new and unrated markets is scheduled to be launched there in 2026 (IIFM, 2026).

The ratio of sukuk outstanding to GDP in the comparison countries ranges from 0.21% in the Philippines to 77.3% in Malaysia (Figure 3). The median for entry-stage markets is 1.34%, their upper quartile is 2.43%, the median for developing markets is 7.96% and that for mature markets is 27.9%.

Applying these benchmarks to Uzbekistan's GDP gives a potential volume of sukuk outstanding of USD 2.0 billion in scenario A, USD 3.6 billion in scenario B and USD 11.7 billion in scenario C (Table 4). The scenario C value is close to the USD 10 billion estimate that the Central Bank associates with the sovereign Islamic bond programme (Trend, 2026), which supports the realism of the upper bound.

If funds are allocated in proportion to the current share of tourism in GDP (3.5%), tourism infrastructure would receive from USD 69 million (scenario A) to USD 410 million (scenario C); at the target share of 7%, from USD 138 million to USD 819 million; and in the green tourism priority scenario (20%), from USD 394 million to USD 2.34 billion. Even in the maximum variant, annual profit payments at a rate of 7.75% do not exceed 3.8% of tourism services exports in 2025, and in the baseline variants they amount to 0.1–1.3%. Hence, in terms of foreign-exchange earnings, a programme of tourism sukuk is affordable. A debut tourism issue of USD 0.4–0.8 billion, comparable to the first issues of Jordan and the Philippines (USD 0.46–1.0 billion), corresponds to the tourism share in scenarios B (α = 20%) and C (α = 7%).

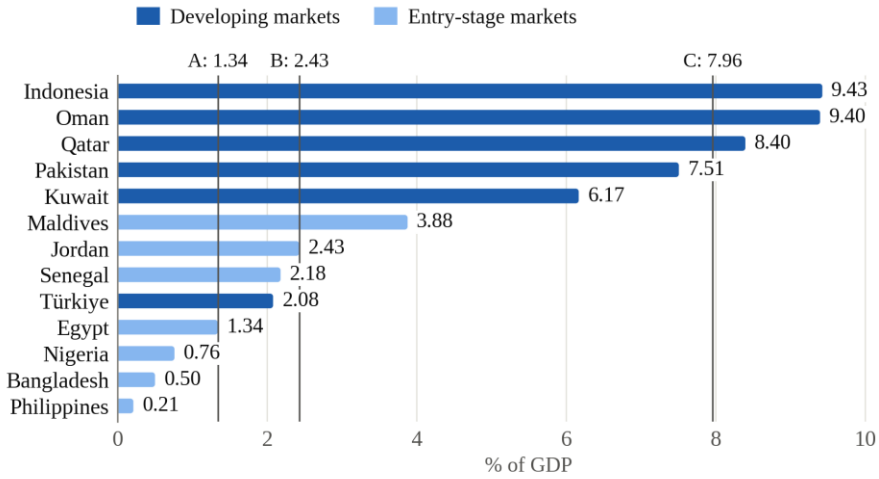


Figure 3. Ratio of sukuk outstanding to GDP in the comparison countries, end-2025, %

Source: calculated by the author based on IIFM (2026) and World Bank (2026). Vertical lines show the benchmarks for scenarios A, B and C. Mature markets (Malaysia – 77.3%, Bahrain – 33.3%, Saudi Arabia – 22.4%, UAE – 12.2%) are not shown.

Table 4. Scenario estimate of the potential of sukuk for financing Uzbekistan's tourism infrastructure

Scenario	Benchmark r, % of GDP	Sukuk volume, USD billion	Funds for tourism infrastructure, USD million, at share α			Annual payments at α = 20%, % of tourism services exports
			3.5%	7%	20%	
A – median of entry-stage markets	1.34	1.97	69	138	394	0.64
B – upper quartile of entry-stage markets	2.43	3.57	125	250	715	1.15
C – median of developing markets	7.96	11.70	410	819	2,341	3.78

Source: calculated by the author based on IIFM (2026) and World Bank (2026). Uzbekistan's GDP in 2025 – USD 147.0 billion; notional profit rate – 7.75%; exports of

tourism services in 2025 – USD 4.8 billion (Tourism Committee of the Republic of Uzbekistan, 2026a).

At the same time, the calculations do not remove debt risks. In the Maldives, where tourism accounts for more than 28% of GDP, USD 500 million was raised through sukuk in 2021 at a yield close to 10%, partly to buy back previously issued bonds (IIFM, 2022); upon redemption in April 2026 (USD 524.7 million including profit), the issue was described as expensive and lacking a comprehensive repayment mechanism (Maldives Voice, 2026). Tourism sukuk should therefore rest on revenue-generating assets, be backed by a sinking fund and not be reduced to refinancing.

4. Discussion

The results are consistent with the findings of the literature and refine them with respect to tourism. The factors that Smaoui and Khawaja (2017) associate with sukuk market development – the size of the economy and the share of the Muslim population – are favourable for Uzbekistan, whereas the investment profile and the quality of institutions need further improvement; this is in line with the assessment of the country's legal framework as about 60% ready (Moldakmatov et al., 2025). The decline in market concentration shows that investors accept new issuers, but the adverse selection effect (Godlewski et al., 2013) makes the transparency of the underlying assets and the quality of disclosure a necessary condition for a successful debut.

The finding that sukuk market development has a positive effect on economic growth (Smaoui and Nechi, 2017), together with the evidence on the importance of transport capital for tourism (Arabov et al., 2024; Seetanah and Khadaroo, 2009), makes it possible to view tourism sukuk as a channel through which financial development translates into growth of the tourism sector. The liquidity and standardisation problems identified in the literature (Kuanova et al., 2025) shape the requirements for the first issue: the use of standard IIFM documentation and the recognition of sukuk by the Central Bank as high-quality liquid assets and eligible collateral.

The choice of issuer deserves separate discussion. A sovereign issue ensures the lowest cost of borrowing and serves as a yield benchmark, but it increases public debt. Quasi-sovereign and project sukuk issued by state-owned companies in the transport and tourism sectors or by special-purpose project entities within public–private partnerships make it possible to shift part of the risk to investors and to tie payments to the revenues of specific facilities; the 66.5% growth of this segment in 2025 shows the demand for it (IIFM, 2026). A rational sequence appears to be one in which a sovereign debut establishes a yield curve on which project and corporate issues in the tourism sector can subsequently rely.

Finally, the experience of the Maldives shows that debt sustainability matters more than the form of the instrument: an Islamic structure does not remove the need to align the payment schedule with foreign-exchange inflows.

5. Conclusion

The study has answered the research questions posed. First, in 2021–2025 the global sukuk market grew to USD 262.9 billion of annual issuance and USD 1.02 trillion of sukuk outstanding; the international segment became the main driver of growth (19.0% a year), the market is deconcentrating (the HHI fell from 2,184 to 1,676), and the green sukuk segment is growing by about 35% a year on average. Second, proven solutions have emerged for tourism infrastructure: ijarah for existing assets, forward ijarah and istisna for new facilities, wakalah and hybrid structures for asset portfolios, sukuk al-manfa'ah for pilgrimage tourism facilities, and musharakah, mudarabah and salam for small businesses. Third, Uzbekistan's potential sukuk volume is estimated at USD 2.0–11.7 billion, of which USD 69 million to USD 2.34 billion could go to tourism infrastructure with an affordable burden on foreign-exchange earnings from tourism.

The limitations of the study relate to its reliance on secondary data and the notional nature of the scenario parameters. Promising directions for further research include an

econometric assessment of the relationship between sukuk market development and tourism indicators using panel data, a survey of tourism businesses on their readiness for Islamic finance, and the design of a pilot tourism sukuk structure with an estimate of its cost.

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