

DEVELOPMENT OF THE STOCK MARKET AND EMISSION ACTIVITY OF JOINT-STOCK COMPANIES IN UZBEKISTAN: TRENDS AND PROSPECTS

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Abstract

This scientific article presents a statistical analysis of the development of Uzbekistan's stock market and the share issuance activity of joint-stock companies from 2022 to 2025. The study examines the growth in the size of the stock market, the number and volume of initial public offerings (IPOs), and changes in investor activity. The results indicate that capital-raising activity in Uzbekistan's stock market increased markedly in 2023 – no IPOs were held in 2021–2022, whereas 3 IPOs took place in 2023. During this period, trading volume surged five-fold and market capitalization reached about 21% of GDP. However, the amount of capital raised via IPOs remains low; for instance, the February 2023 IPO of UzAuto Motors garnered only \$5 million instead of the \$90 million target. A comparative analysis with foreign experiences (e.g., the U.S. and China) suggests that further institutional reforms, enhanced foreign investor confidence, and incentives for new share issuances are needed to advance Uzbekistan's capital market. Based on these findings, practical recommendations are proposed to boost stock market activity in Uzbekistan.

Keywords: Stock market, IPO, share issuance, joint-stock company, investor activity, statistics, capital market, comparative analysis, reforms, international experience.

Introduction

In recent years, Uzbekistan's economy has experienced a period of rapid growth and liberalization. In particular, the economic reform program initiated in 2017 has contributed to making the country more attractive for investment. However, the role of the capital market in mobilizing long-term financial resources for the private sector remains limited. In 2021, the capitalization of Uzbekistan's stock market amounted to only 6.7% of GDP (compared to 7.9% in 2020), which is significantly below the levels observed in developed and major emerging markets.¹ For instance, in 2025, the capitalization of the U.S. stock market equalled approximately 207% of its GDP, with over 4,600 listed companies. In China, market capitalization was around 65% of GDP in 2024, with more than 5,300 listed firms. By contrast,

¹ Uzbekistan: Stock market capitalization, percent of GDP <https://www.theglobaleconomy.com>



Uzbekistan's stock market remains relatively small (approximately \$5.2 billion in 2021), with fewer than 100 companies listed.

Developing the stock market is a pressing task for Uzbekistan. During the transition to a market economy, meeting enterprises' needs for financial resources, attracting investments, and gradually reducing state ownership through public offerings of shares (IPOs and SPOs) are of critical importance. Global experience shows that a well-developed stock market contributes to economic growth by providing enterprises with a long-term and cost-effective source of capital. For example, in 2022, China led the world in the number of IPOs, with 538 offerings raising \$92 billion.² Despite a global decline in IPO activity in 2022 (a 45% drop compared to 2021), the U.S. market rebounded in 2023 with 154 IPOs. In contrast, Uzbekistan's IPO activity remains extremely limited. From 2018 to 2020, only four public offerings were conducted, and none were recorded in 2021–2022. This has attracted the attention of researchers and policymakers, prompting further investigation into this area.

LITERATURE REVIEW

Academic literature on Uzbekistan's stock market and IPO processes is gradually emerging. Chinkulov Q. (2019) analyzed the outcomes of early IPOs and SPOs, while his later work (2024) covered the achievements and challenges of seven public offerings conducted in the country.³ Other authors, such as Z. Tojjeva (2018), have emphasized the success of SPOs in the privatization of state assets. However, a review of the literature reveals that several conceptual aspects of capital market development in Uzbekistan remain insufficiently addressed. Notably, the expected adoption of legislation on the securities market in 2022 was delayed, slowing the modernization of capital market infrastructure. Consequently, an in-depth statistical analysis of changes in the stock market during 2022–2025 and their comparison with international practices is particularly relevant.

The relevance of this research lies, first, in the growing importance of the stock market within Uzbekistan's economy. Second, this period saw the implementation of institutional reforms regulating the securities market (e.g., changes in regulatory authority, and legal reforms). Third, practical results emerged from the IPO and additional share issuance activities of joint-stock companies, allowing for performance analysis. Based on these factors, the study aims to evaluate the development trends of Uzbekistan's stock market during 2022–2025 and the IPO activity of joint-stock companies using statistical data, while drawing comparisons with international experiences.

METHODOLOGY

The study employed economic-statistical and comparative analysis methods. First, statistical indicators of Uzbekistan's stock market from 2022 to 2025 were collected and systematized. Data sources included official information from the Tashkent Republican Stock Exchange, the Central Depository, the Strategic Development Agency of Uzbekistan (NAPP), and open

² Uzbekistan: Stock market capitalization, percent of GDP <https://www.pwccn.com/en/ipo/china-ipo-watch-2022.pdf>

³ Чинкулов, Қ. (2024). 7 IPO И SPO В экономической истории узбекистана: Достижения, проблемы и выводы. Экономическое развитие и анализ, 2(6), 507–518. извлечено от <https://inlibrary.uz/i>



sources (financial analysis reports, economic news). Key indicators such as the number and volume of stock exchange transactions, the number of IPOs/SPOs and the funds raised through them, and market capitalization dynamics were compiled. Annual growth rates and structural changes of these indicators were examined and visualized graphically.

Charts and tables played an essential role in the analysis. A comparative table—formatted similarly to Microsoft Excel—compared key statistics of Uzbekistan's stock market with those of other countries (e.g., the U.S., and China). In addition, a line graph illustrated the annual number of IPOs/SPOs held in Uzbekistan between 2018 and 2023, highlighting trends in public equity issuance activity.

Using comparative analysis, Uzbekistan's indicators were evaluated in relation to international benchmarks. Data on large stock markets such as the U.S. and China were collected, and relative ratios with Uzbekistan's market were calculated. Sources included reports from the World Bank, the World Federation of Exchanges, Deloitte, EY, PwC, and academic articles. Additionally, the development of Kazakhstan's stock market—Uzbekistan's regional neighbour—was analyzed for similarities and differences.

ANALYSIS AND RESULTS

Uzbekistan's stock market has been operating since 1994, following the establishment of the Tashkent Republican Stock Exchange. However, for many years, the market experienced slow development, with limited trading volumes concentrated mostly in secondary market block transactions. Since 2018, the government has taken a series of measures to revitalize the stock market. For instance, Presidential Decree No. PF-5495 (dated August 1, 2018) outlined tasks related to capital market development and the public offering of shares in state-owned enterprises. In 2021, the Capital Market Development Agency was dissolved, and its functions were transferred to the Ministry of Finance—marking an institutional shift in market regulation. During 2022–2023, the Ministry of Finance planned IPOs and SPOs for over ten major companies, even announcing a list of so-called “people’s IPOs.” This list included large corporations such as “UzAuto Motors” JSC, “Uzmetkombinat” JSC, “Uzbektelecom” JSC, and “Uzbekinvest” JSC, whose shares were scheduled for gradual public sale. These plans attracted considerable public interest and increased attention toward the capital market.

Throughout the year, several draft legal documents aimed at improving capital market regulation were discussed. These included a new draft law on the securities market and measures to enhance corporate governance. On September 2, 2023, the President approved the “2023–2025 Roadmap for Capital Market Development.”⁴ According to this document, regulatory authority over the securities market was transferred from the Ministry of Finance to a newly formed Capital Market Development Department under the Strategic Development Agency of Uzbekistan (current NAPP – Agency for Strategic Reforms). The roadmap also proposed converting the Central Depository into a joint-stock company, establishing a national clearing centre, and introducing a special “regulatory sandbox” regime. These institutional and technical reforms aimed to strengthen the legal infrastructure of the capital market and offer

⁴ The Roadmap for the development of the capital market in 2023-2025 has been approved <https://azizovpartners.uz/en/legislativenews/the-roadmap-for-the-development-of-the-capital-market->



favourable conditions to foreign investors—such as allowing foreign pension funds to purchase securities using voluntary pension contributions.

As for IPO procedures, Uzbekistan has implemented primary public offerings since 2018. IPOs and SPOs by joint-stock companies are regulated under the Law on the Securities Market and corresponding regulations. To initiate an IPO, a company first engages an underwriter (investment intermediary), confirms the prospectus and price range, and collects investor bids over a defined period (usually 2–3 weeks) through exchange trading. For instance, “UzAuto Motors” JSC initially announced its IPO in December 2022, but due to low investor interest, the process was postponed until February 2023. The conditions of IPOs are also influenced by government decisions—for example, Presidential Decree No. PF-101 (April 8, 2022) required “UzAuto Motors” to place up to 10% of its authorized capital through an IPO on the domestic stock market by August 1, 2022. This and similar documents emphasized the need to conduct IPOs as “people’s IPOs”—open and transparent offerings accessible to the general public.

Between 2022 and 2025, Uzbekistan’s regulatory institutions and legal framework for the stock market underwent significant development. The government launched a privatization program through public share offerings of major state-owned enterprises, adopted several regulatory acts, and improved market infrastructure.

In 2022–2023, the total size and activity of Uzbekistan’s stock market grew significantly. By the end of 2022, a total of 80,700 transactions had been conducted on the stock exchange, with a trading volume of \$423.9 million—representing a 12% increase in transaction count and a fourfold rise in trading value compared to 2021. This growth was largely driven by major block deals, such as the sale of a 98.57% stake in “Ohangaronsement” JSC for \$167.8 million, which accounted for nearly 40% of that year’s total trading volume. In 2023, activity on the stock exchange increased even further. According to NAPP, trading volume in 2023 increased fivefold compared to 2022, attributed to large-scale transactions and growing interest from retail investors. Market capitalization also expanded rapidly: from just 6.7% of GDP in 2021, it rose to 21% by 2024.

As of September 2024, 103 companies were listed on the Tashkent Stock Exchange, with a combined market capitalization equivalent to nearly one-fifth of Uzbekistan’s GDP. While this figure remains low by global standards, it represents a significant improvement compared to earlier years (e.g., less than 5% in 2018).

In recent years, there has been a sharp increase in the number and activity of individual retail investors in Uzbekistan’s stock market. By 2023, nearly 50,000 retail investors were actively participating in exchange trading—compared to only a few thousand in 2020. Individual investors accounted for the majority of transactions in 2023. However, institutional investors, including banks and foreign funds, were involved in large block deals. For example, foreign investors participated in the purchase of Ohangaronsement’s stake. Factors contributing to increased retail participation include tax exemptions on trading income and the introduction of online trading platforms. As of 2024, around 50,000 investors were actively trading via mobile apps, helping boost market liquidity and public demand for IPOs.



From 2018 to 2023, Uzbekistan conducted the following number of IPOs and SPOs: four IPOs/SPOs between 2018–2020, none in 2021–2022, and three successful IPOs in 2023⁵. The following figure shows annual IPO/SPO counts:

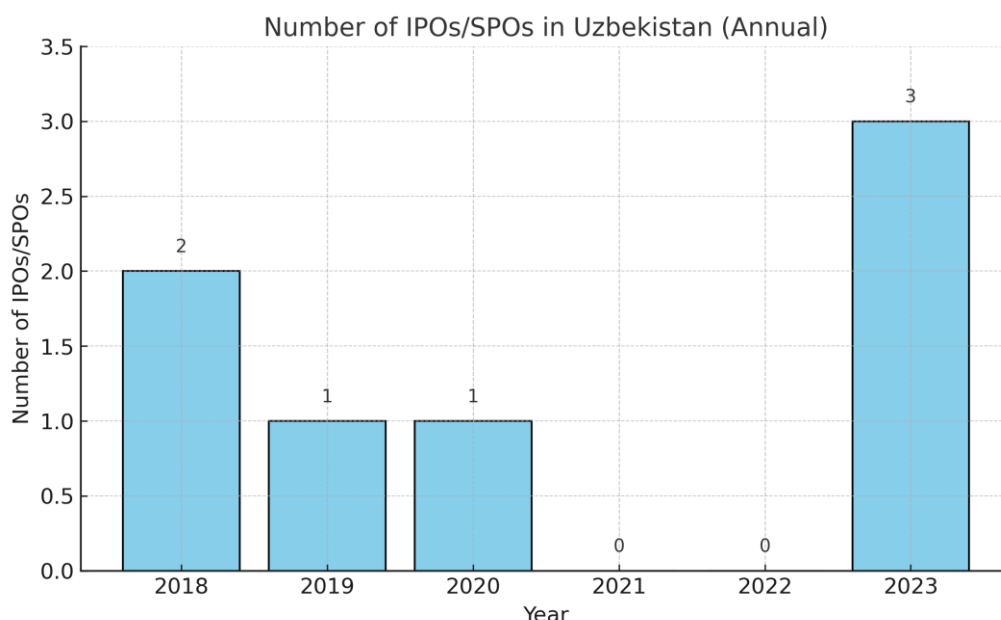


Figure 1. Number of IPOs/SPOs in Uzbekistan, 2018–2023

The graph illustrates that two offerings occurred in 2018, one each in 2019 and 2020, none in 2021–2022, and three in 2023. Thus, 2023 can be considered a pivotal year—a “new stage” in the country’s economic history. Of the total seven public offerings conducted thus far, four were fully successful (100% of offered shares sold), while three failed to place all offered shares due to insufficient demand.

In 2023, three major IPOs took place: UzAuto Motors JSC, Uzbektelecom JSC, and Uzbekinvest JSC. Among them, UzAuto Motors’ IPO was the largest. The company initially planned to offer 5% of its authorized capital and raise around \$90 million, but due to weak demand, the offer was reduced to 1%. The share price was set in the range of \$6.40–\$7.19, and the IPO raised approximately \$5 million (56.9 billion UZS). Despite falling short of initial expectations, this was the largest IPO in Uzbekistan’s history and marked the start of the state share divestment program. A total of 1,160 mostly local investors participated, purchasing 29.1% of the offered shares (equivalent to 0.29% of the company’s charter capital). The remaining shares went unsold. The case highlighted key IPO challenges, including poor timing, infrastructural shortcomings, and investor trust. According to G. Paresishvili, Chair of the Tashkent RSE, “Many foreign investors preferred to store shares in international depositories due to limited confidence in Uzbekistan’s infrastructure. We have begun working on this, but it will take time.”

⁵ Чинкулов, Қ. (2024). 7 IPO И SPO В ЭКОНОМИЧЕСКОЙ ИСТОРИИ УЗБЕКИСТАНА: ДОСТИЖЕНИЯ, ПРОБЛЕМЫ И ВЫВОДЫ. Экономическое развитие и анализ, 2(6), 507–518. извлечено от <https://inlibrary.uz/index.php/eitt/article/view/48758>

In December 2023, Uzbektelecom and Uzbekinvest also completed their first IPOs. Uzbektelecom offered a 2% stake, which was fully subscribed by December 7. Uzbekinvest, a state-owned insurance company, also successfully placed its shares, raising about 1.35 billion UZS (\$5.3 million) for the corporate sector. Although still modest, this marks a positive shift from previous years of near-zero activity.

Table 1. Comparison of Key Stock Market Indicators: Uzbekistan, U.S., and China (2023)⁶

Indicator (2023)	Uzbekistan	United States	China
Stock market capitalization	~21% of GDP ≈ \$17 billion	206.7% of GDP ≈ \$56.5 trillion	65.1% of GDP ≈ \$14.4 trillion
Number of listed companies	~105	4,642	5,363
Number of IPOs	3	154	~400+ (538 in 2022)

The table clearly shows that Uzbekistan's stock market remains relatively small in both size and activity. However, 2023 marked the beginning of a positive shift in terms of IPO issuance. For example, the U.S. conducts hundreds of IPOs annually (1,035 in 2021, 181 in 2022), while China holds 538 IPOs in 2022, leading globally. In contrast, Uzbekistan had never conducted more than one or two public offerings per year until 2023, when three IPOs were held—an important turning point. Nevertheless, the volume of capital raised remains modest. The 154 IPOs in the U.S. in 2023 raised \$21.9 billion, whereas Uzbekistan's three IPOs attracted only around \$5.3 million. China's IPOs in 2022 raised \$73 billion—roughly a thousand times more than Uzbekistan's.

The cases of the U.S. and China underscore the importance of a broad investor base, reliable infrastructure, and robust legislation for capital market development. In the U.S., transparency and strict enforcement safeguard investors, while in China, recent reforms have simplified regulations and introduced innovative platforms, boosting IPO activity. Kazakhstan offers another regional example, where a “People’s IPO” program was used to encourage citizens to buy shares in state-owned energy and transport firms. A similar approach is being adopted in Uzbekistan. However, international experience shows that investor confidence and market liquidity are decisive factors for the success of public offerings. For example, during the UzAuto Motors IPO, foreign investors expressed concerns about infrastructure and clearing systems.

To address these issues, in 2024 the Tashkent Stock Exchange's information system was integrated with the Bloomberg global platform, enabling real-time monitoring of Uzbekistan's market by international investors. Experts suggest that this integration will improve transparency and create favourable conditions for greater foreign institutional participation. Based on the findings and illustrative data presented it can be concluded that Uzbekistan's stock market entered a phase of significant activation during 2022–2025. Rising trade volumes, increased market capitalization, and initial steps in IPO activity have laid the foundation for

⁶ Prepared by the author based on statistical data.



future development. At the same time, it must be recognized that these improvements are still part of an incremental process, and systemic challenges remain.

CONCLUSION

In conclusion, the analysis of the 2022–2025 period reveals that Uzbekistan’s stock market has entered a qualitatively new stage—a period of revival. While several challenges have been addressed, many tasks remain unresolved. Continued reforms in legal frameworks, infrastructure improvements, and investor protection are essential. If these reforms proceed consistently, Uzbekistan’s stock market could become one of the leading markets in Central Asia in the coming years.

Notably, the expected international IPO of “Navoi Mining” JSC in 2025 (one of the world's largest gold mining companies) represents a major milestone. This IPO is planned for London, and in 2023 the company issued \$1 billion in Euro-bonds as preparation. If successfully implemented, this IPO could significantly elevate Uzbekistan’s status in the eyes of global investors.

The development of the stock market and increased share issuance activity by joint-stock companies are critical factors for the stable growth of Uzbekistan’s economy. The initial reforms and outcomes are positive and should be continued. If the recommendations presented in this study are implemented, market liquidity and capitalization are likely to improve further, expanding companies’ capacity to attract investment. This, in turn, will enhance the competitiveness and innovative growth of the national economy.

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