



Realizing the full potential of the creative economy in Uzbekistan

KEY MESSAGE

- Developing an effective policy strategy and planning to support the creative economy requires a sound analysis of the systematic understanding of the creative economy's structure and value chain.
- Currently, the creative industry accounts for 1.46 percent of the GDP in Uzbekistan. By 2030, the Government of Uzbekistan targets it for 5 percent.
- The creative industries can benefit from policies targeted at closing the skills gap through educational programs that meet the needs of digital demand.
- To support the digital transformation of the creative economy, Uzbekistan needs literacy programs on technology, technology subsidies and innovation incentives to be competitive in a dynamic market.
- Standardized classification of creative industries (national – international classifications) would provide more accurate information about the sector.

INTRODUCTION

Uzbekistan hosted the 4th World Conference on Creative Economy (WCCE) on October 2-4, 2024. Previous WCCEs were held in Indonesia (2018), UAE (2021), Indonesia (2022). The conference is a global platform for creatives, entrepreneurs, and policymakers to foster international cooperation in shaping the future of the global creative economy to drive inclusive and sustainable growth through shifting focus from resource-reliant to knowledge-

based economies. Uzbekistan's role as a host nation this year underscores its ambition to utilize the country's potential for a creative economy. The issuance of a new law on the creative economy by the parliament is a positive step towards this direction.

Leveraging available UNCTAD data, this policy brief reviews Uzbekistan's international trade trends in the creative industries. The brief also explores the trends of selected creative industry sectors using publicly available data on economic and social indicators. In the brief, we argue that creative sectors in Uzbekistan show promising trends and can become a proven catalyst for knowledge-based economic growth. However, the potential is yet to be fully realized. For the creative industries to become a strong foundation for economic growth, there is a critical need for targeted policy interventions to optimize the creative economy.

CREATIVE ECONOMY IN BRIEF

In a nutshell, the creative economy, also called the orange economy, involves economic activities based on intellectual capital and individual creativity. UN Trade and Development (UNCTAD) explains the creative economy as an evolving concept that builds on the interplay between human creativity and ideas and intellectual property, knowledge, and technology¹. This economy sits at the intersection of economics, culture and society, and is tightly associated with technology, intellectual property (IP) as well as tourism². UNCTAD groups creative industries based on the International

¹ UNCTAD. (n.d.). *Creative Economy Programme*. Retrieved from <https://unctad.org/topic/trade-analysis/creative-economy-programme>

² We do not review tourism trends in this policy brief. However, further research will be helpful with the available data at <https://stat.uz/en/official-statistics/social-protection>

Standard Industrial Classification (ISIC)³. The creative industries can include advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research and development, software, computer games, electronic publishing and TV/radio.

The creative economy has considerable wealth and job creation capacity through knowledge generation. Acknowledging this vast potential, the United Nations (UN), mainly through its agency bodies like UNCTAD and UNESCO, also recognizes the significant role of creative industries in achieving sustainable development, promoting innovation and economic diversification in developing countries⁴. For international organizations, the creative economy complements other new concepts for sustainable development, including green and circular economy. Cultural and creative industries account for 3.1% of global GDP⁵. UNCTAD's survey data shows that the creative economy contributes between 0.5 to 7.3 per cent of the GDP in the countries where data is available⁶. The industry employs between 0.5 to 12.5 per cent of the workforce in those countries.

Recognizing the importance of the creative industries, developing countries promote trade in creative goods and services to generate revenues. UNCTAD estimates that the total exports of creative services reached a record 1.4 trillion USD in 2022, almost double of creative goods exports, which reached 713 billion USD⁷. The trade in creative goods includes crafts, design goods, including jewelry and fashion accessories, as well as software, video games, and recorded media products. While some countries focus on exporting creative goods and services, others make good use of the

combination of cultural tourism in promoting the creative economy. The cultural and creative industries can help build a country's positive image in international markets and increase tourism. The value of cultural landmarks such as France's Eiffel Tower, India's Taj Mahal, and Australia's Sydney Opera House has evolved into entire cultural districts where arts and commercial activities merge⁸.

THE STATE OF CREATIVE ECONOMY IN UZBEKISTAN

In the past, the concept of the creative industries or economy were almost nonexistent as a unified policy area in Uzbekistan. However, the creative sectors presented significant potential for economic growth. This was especially true for sectors like crafts and textiles, along with visitor-centered attractions such as museums and theaters. Recently, the government has increasingly acknowledged the economic and cultural significance of the creative sectors. Hence, several initiatives were introduced to foster the development and visibility of crucial components of the creative sector. These initiatives include targeted support for key heritage sectors like traditional handicrafts, pottery, and folk arts, as well as more modern forms such as film and television production.

We can analyze the current state of the creative industries and its recent developments in Uzbekistan from the report by the British Council⁹ and from a more recent report presented at the WCCE¹⁰. The British Council report reviews the country's existing policies and programs. The report also presents the available data on the industry, analyzes the pertinent issues and provides policy recommendations. As mentioned, the government has

³ UNCTAD. (2024). *Creative Economy Outlook 2024*. Retrieved from https://unctad.org/system/files/official-document/ditctsce2024d2_en.pdf

⁴ Henderson, M., Carpentier, C. L., Landveld, R., Al-Saqqaf, R., Jan de Groot, O., Podolski, M., Antonelli, A., Jalilova, N., & Pratami, D. (n.d.). *New Economics for Sustainable Development: Creative Economy*. Retrieved from https://www.un.org/sites/un2.un.org/files/orange_economy_14_march.pdf

⁵ UNESCO. (2022). *Reshaping policies for creativity: addressing culture as a global public good*. Retrieved from <https://unesdoc.unesco.org/ark:/48223/pf0000380474>

⁶ UNCTAD. (2024). *Creative Economy Outlook 2024*. Retrieved from https://unctad.org/system/files/official-document/ditctsce2024d2_en.pdf

⁷ UNCTAD. (2024). *Creative Economy Outlook 2024*. Chapter 2. Retrieved from https://unctad.org/system/files/official-document/ditctsce2024d2_cho2_en.pdf

⁸ Newbigin, J. (n.d.). What is the creative economy? Retrieved from <https://creativeeconomy.britishcouncil.org/guide/what-creative-economy/>

⁹ British Council. (2022). *Mapping of the Creative Industries in Uzbekistan*. Retrieved from <https://www.britishcouncil.uz/en/programmes/arts/mapping-creative-industries-uzbekistan>

¹⁰ 4th World Conference on Creative Economy. (2024). *Creative Industries in Uzbekistan*. Tashkent, Uzbekistan. October 2 – 4, 2024.

recently recognized and supported the critical cultural heritage sectors such as traditional handicrafts, pottery, and folk arts. However, according to the study, the development of the creative economy faces several issues that prevent the potential of cultural enrichment to spur economic growth. The primary issue concerns the government's limited recognition of the creative industries as a coherent strategic entity at the national or industry level. This was coupled with a lack of comprehensive and reliable data that exists in the industry. The lack of data has complicated the formulation of policies and strategies that aim to nurture and expand these sectors.

More recent WCCE report¹¹ on Creative Industries in Uzbekistan fills the data availability gap in the British Council report and provides

recent figures based on data from the Statistics Agency. Based on the report, the share of exports generated by the creative industries as part of Uzbekistan's total exports equals 4.74 per cent. The goods and services in creative industries exported equalled 936.02 million USD in 2022. The creative industry's domestic market size equaled 3026.83 million USD in 2022. There were 50,860 registered companies in Uzbekistan's creative industries sector in 2022. 38 percent of the creative industries sector belongs to media and communications, and 36 percent belongs to professional or technical creative sectors, including architecture, advertising and photography. Below, we list 15 creative industry sectors in Uzbekistan and their economic breakdown (selected) based on the data from the WCCE report.

	Sector (2022 data)	Contribution to GDP (million USD)	Contribution to GDP (%)	GDP contribution average annual growth (%)	Industry export size (million USD)	Number of employees in the sector
1.	Visual arts	13.4	0.02	12.45	0.56	3,695
2.	Performing arts	31.83	0.04	6.6	0.001	7,168
3.	Crafts	61.45	0.07	8.0	303.57	20,493
4.	Fashion and fine jewelry	109.14	0.13	16.18	461.74	39,870
5.	IT and software development	227.82	0.28	47.35	97.65	16,699
6.	Design industry	1.92	0.024	11.32	0.023	712
7.	Cinema and animation	7.24	0.01	4.97	0.002	1,392
8.	Media	140.43	0.17	20.94	17.39	12,511
9.	Events and tourism	32.72	0.04	22.32	9.26	7,223
10.	Architecture	337.78	0.42	11.85	18.28	40,759
11.	Advertising and marketing	49.89	0.06	6.77	17.42	7,977
12.	Food and drink	89.84	0.11	10.7	3.91	38,097
13.	Publishing	20.58	0.03	-2.68	0.033	3,785
14.	Heritage	32.84	0.04	14.07	0.001	9,250
15.	Science and education	258.98	0.02	9.43	6.16	58,144
	Total	1415.86	1.46			

Source: 4th World Conference on Creative Economy. (2024). Creative Industries in Uzbekistan. Tashkent, Uzbekistan. October 2 - 4, 2024.

Based on the previous analysis, receiving the recommendations positively, the government approved the law on the creative economy on September 30th, just before the 4th World

Conference on Creative Economy in Tashkent. The document provides a legislative basis for developing the creative economy and its rules and regulations. The new law on the creative

¹¹ 4th World Conference on Creative Economy. (2024). Creative Industries in Uzbekistan. Tashkent, Uzbekistan. October 2 - 4, 2024.

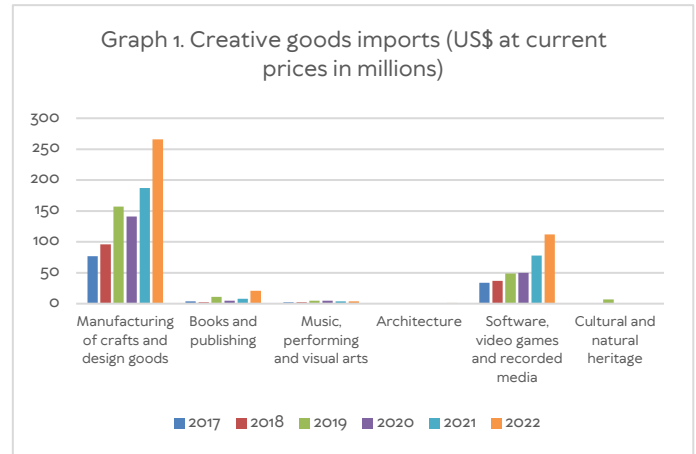
economy in Uzbekistan classifies 15 areas, including literary creativity; architecture, design, and urban planning; audiovisual art; fashion and design; performing arts; museum, gallery, and library activities; publishing and printing; creative media and internet broadcasting; concert and event organization; production activities; digital technology; advertising; cultural heritage protection and restoration; fine arts; and folk arts and handicrafts¹².

The law envisages to set up a national council for the development of the creative sectors¹³. Furthermore, the law lays down plans for building a creative economic ecosystem through supporting infrastructure that consists of creative industry parks, clusters and industrial facility zones or digital platforms. With such mechanism, the government aims to create an attractive focal point¹⁴ for investment, resources and product circulation, which encourages the sector for demand-driven production scenario¹⁵. This would ultimately result in the overall development of creative industry that would account for 5 percent of the GDP of the country by 2030. Currently, it accounts for 1.46 percent, based on the data from the WCCE report.

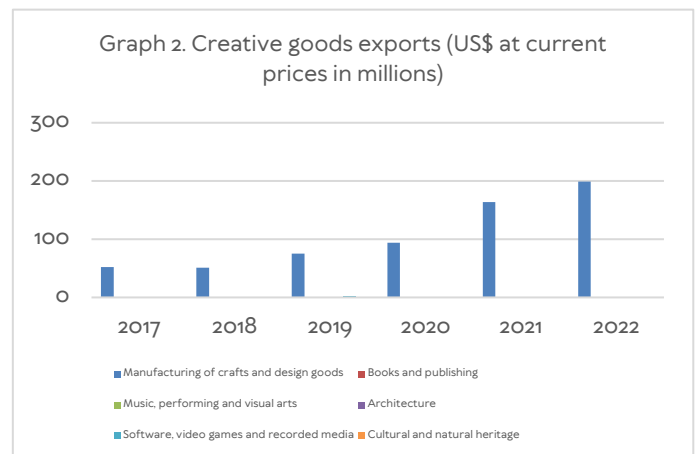
TRADE IN CREATIVE GOODS AND SERVICES IN UZBEKISTAN

UNCTAD Stat provides an updated database about international trade in creative goods and services¹⁶. The database includes the data for Uzbekistan as well. The trade in creative goods in Uzbekistan is classified into different categories, ranging from multimedia to crafts, publishing, visual arts and software. The value of manufacturing of crafts and design goods imports increased from 77 million to 266 million USD between 2017 and 2023 (Graph 1). Around 70% of imported crafts and design goods were interior goods, and around 10% of imported goods were yarn products. The imported volume of software, video games and recorded media goods increased from 34 million to 112 million USD between 2017 and 2023

(Graph 1). Each goods category faced a decline in imported values during the COVID-19 pandemic in 2020. Out of total imported creative goods, 39% came from Eastern Asia, 34% from Western Asia, 19% from Eastern Europe, and 8% from other parts of the world in 2022.



Source: UNCTADStat



Source: UNCTADStat

In the case of export, Uzbekistan mainly exported manufacturing of crafts and design goods, as can be seen in Graph 2. Exports increased from 52 million to 199 million USD between 2017 and 2023. There was a small export volume (2 million USD) in 2019 for the software, video games and recorded media goods. Out of the total creative goods exported, 60% were exported to Central Asia, 26% to Eastern

¹² Lex.uz. (2024). Law of the Republic of Uzbekistan. About the creative economy. <https://www.lex.uz/uz/docs/-7129258>

¹³ Gazeta.uz. (2024). Parlament palatalari bir kunning o'zida "Kreativ iqtisodiyot" to'g'risidagi qonunni ma'qulladi. <https://www.gazeta.uz/oz/2024/10/02/creative-economy/>

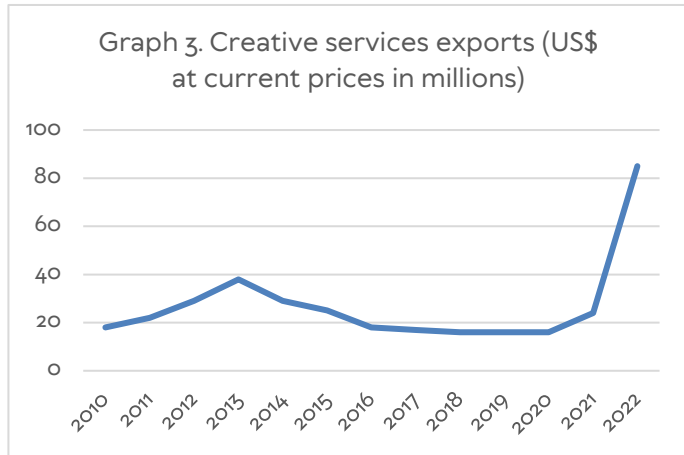
¹⁴ The law was developed by Uzbekistan Art and Culture Development Foundation. The conference was also

organized by Uzbekistan Art and Culture Development Foundation.

¹⁵ Daryo.uz. (2024). O'zbekistonda kreativ iqtisodiyot rivojlantiriladi. <https://daryo.uz/2024/10/04/ozbekistonda-kreativ-iqtisodiyot-rivojlantiriladi>

¹⁶ UNCTAD. (n.d.-b). Data centre. Retrieved from <https://unctadstat.unctad.org/datacentre/>

Europe, and 15% to other parts of the world in 2022. Data on creative services is limited to export data in the UNCTADStat database. Graph 3 shows creative services increased from 18 million to 85 million USD between 2010 and 2022. There has been a decline in the services exported since 2013, but the trend has gone upward in 2021.



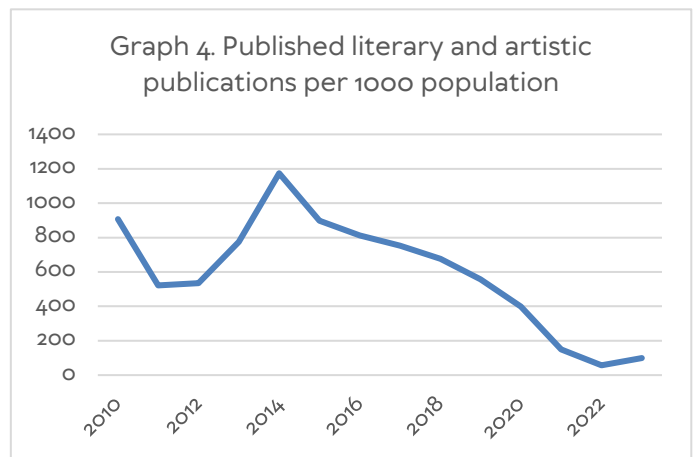
Source: UNCTADStat

Based on the trade data, we can observe sustainable growth in creative goods, both exports and imports, for Uzbekistan. Robust growth in creative services exports could be explained by export growth in IT services¹⁷. For example, computer software exports increased from 4.7 million to 56 million USD from 2021 to 2022. In 2023, it equaled 157 million USD. IT services increased from 180 million to 305 million USD between 2021 and 2022. Our observations are consistent with the global trends. Globally, creative goods and services exports have decoupled in the past few years, driven by digitization in the creative industries and a robust increase in software and research and development services exports¹⁸.

NATIONAL ECONOMIC AND SOCIAL INDICATORS IN CREATIVE GOODS AND SERVICES

Based on the defined classifications in the law on the creative economy, we matched selected social and economic indicators to the national classifications. One of the

classifications of the creative economy is the literary creativity. Available data from the Agency of Statistics indicates published literary and artistic publications per 1000 population. Graph 4 provides time-series data from 2010 on this indicator. The highest number of publications was in 2014, following a decline to 99 publications in 2023. The decline could be associated with the emergence of alternative publication platforms, associated with increased access to the internet, reduced costs for publishing electronic publications, and growing youth who could be using more electronic sources of information and publications.



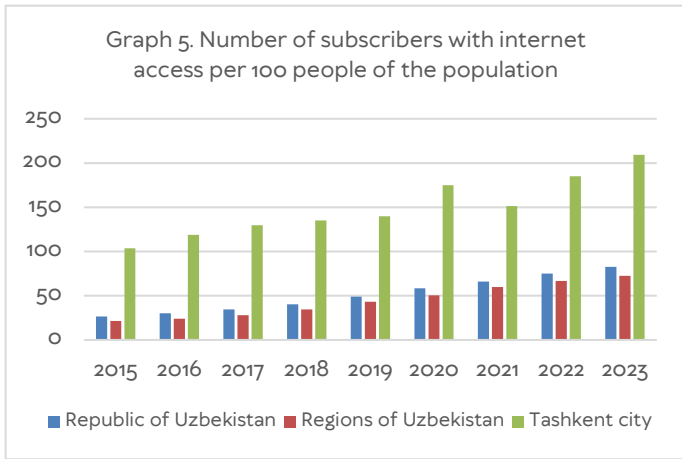
Source: Agency of Statistics

Based on the data in Graph 5, we can observe that internet access has been growing at the national level but remains higher in Tashkent (the capital of Uzbekistan)¹⁹. This affected the circulation of newspapers, which dropped considerably. Number of newspapers remained around 600 between 2010 and 2018, following a reduction in 2022 and 2023 (Graph 6).

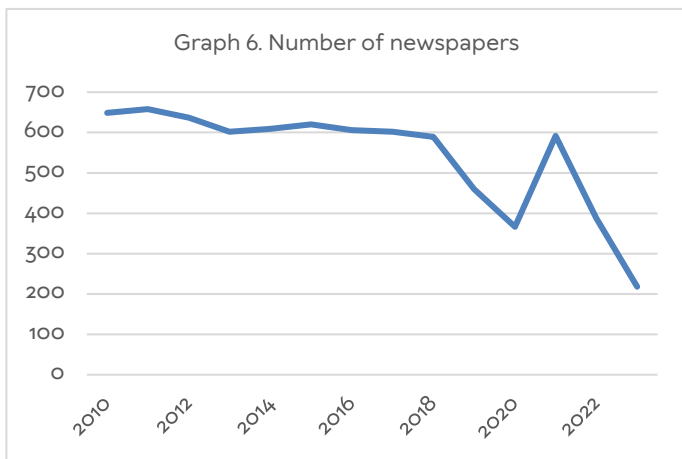
¹⁷ Agency of Statistics of Uzbekistan. (n.d.). Export of ICT services. Retrieved from https://api.siat.stat.uz/media/uploads/sdmx/sdmx_data_1504.pdf

¹⁸ UNCTAD. (2024). *Creative Economy Outlook 2024*. Retrieved from https://unctad.org/system/files/official-document/ditctsce2024d2_en.pdf

¹⁹ “The number of subscribers connected to the internet per 100 people is calculated by dividing the number of subscribers connected to the internet by the average annual permanent population” (Agency of Statistics). Source: <https://stat.uz/en/official-statistics/tsifrovaya-ekonomika-eng>

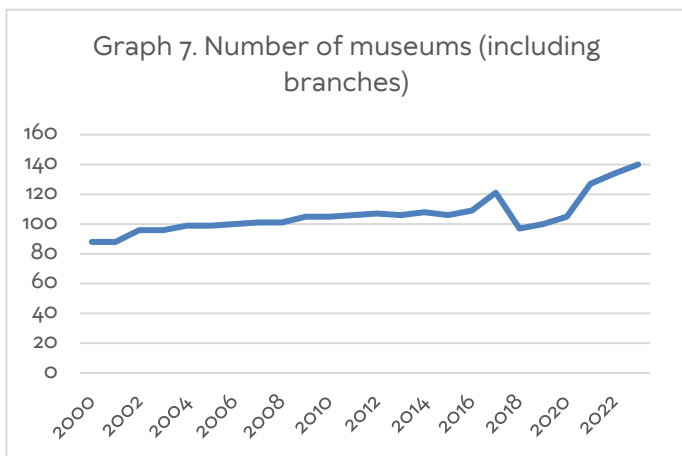


Source: Agency of Statistics



Source: Agency of Statistics

We also reviewed the supply and demand numbers for museums. The number of museums increased from 88 in 2000 to 140 in 2023. There was a decline in the number of museums in 2018, following a steady increase (Graph 7).



Source: Agency of Statistics

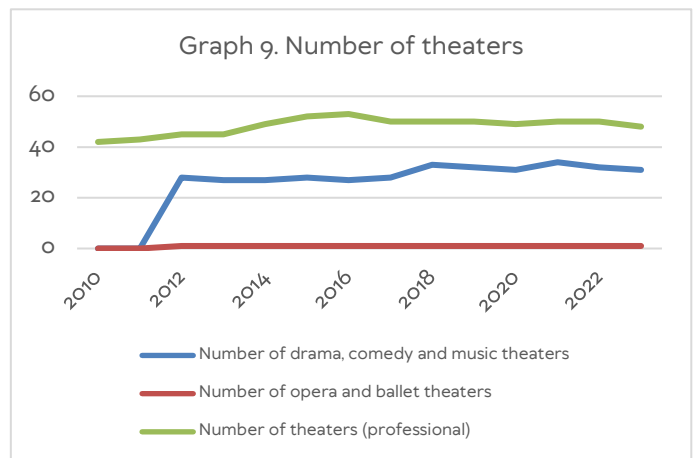
There was a sharp decline in the number of museum visits in 2020 due to COVID-19

restrictions. In 2023, the average number of museum visits per 1000 people was 157 (Graph 8). The most famous museums in 2023 that attracted over one million visitors each were Registan Ensemble and Samarkand State Museum-Reserve, both located in Samarkand²⁰.



Source: Agency of Statistics

The number of drama, comedy and music theatres has been around 30, while the number of professional theatres ranged from 42 to 50 (Graph 9). There has been one opera and ballet theatre based on the data.

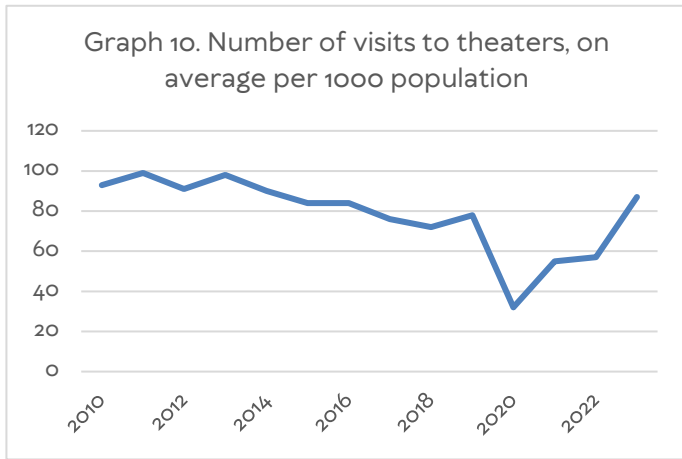


Source: Agency of Statistics

The number of visits to theatres has remained at less than 100 and dropped during the COVID-19 pandemic.

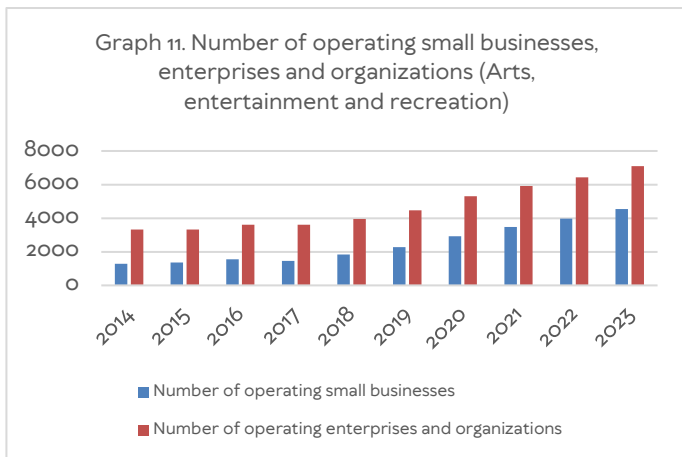
²⁰ Statistics Agency. (2024). Number of most popular museums in Uzbekistan. Source: <https://stat.uz/ru/press->

[tsentr/novosti-goskomstata/53830-o-zbekistondagi-eng-ommabop-muzeylar-soni-2](https://stat.uz/ru/press-)



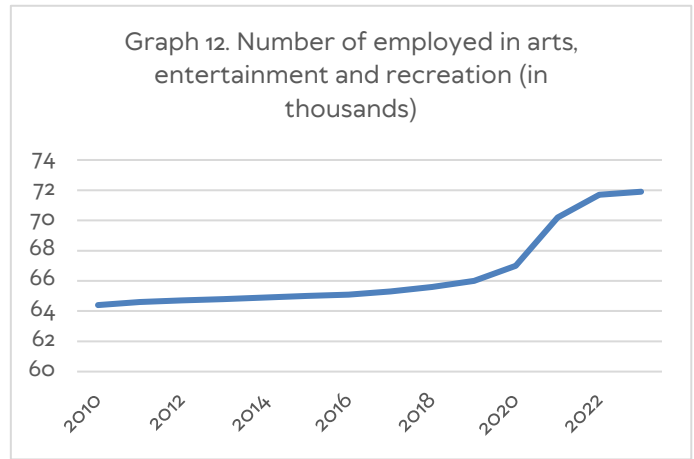
Source: Agency of Statistics

Below, we provide some macroeconomic indicators for the creative economy. We focus on the arts, entertainment and recreation sectors, assuming they represent the creative industries of Uzbekistan. Small businesses in arts, entertainment and recreation increased from 1,278 to 4,550 between 2014 and 2023 (Graph 11). The number of enterprises and organizations increased from 3,329 to 7,093 between 2014 and 2023.



Source: Agency of Statistics

The number of people employed in arts, entertainment and recreation increased from 64,400 to 71,900 between 2010 and 2023 (Graph 12).



Source: Agency of Statistics

The data provided above shows important changes concerning the creative economy in Uzbekistan in different sectors. We can observe, for example, the effects of online transitions and COVID-19 on literary publications, newspaper circulations, museum visits or theatrical activities. However, at the same time, we can observe an increased number of people employed in arts, entertainment and recreation – particularly during the COVID-19 pandemic. Increased access to the internet provided new opportunities for the development of creative industries but, at the same time, signalled a demand for the digitization of traditional creative industries.

A WAY FORWARD

The analysis of Uzbekistan's creative economy highlights significant developments and potential for growth. The recent legislative change aims to create a more structured and supportive environment for the creative sectors. Although the new law defines the area of the creative economy and outlines the mechanisms to support the creative industries, various challenges remain that prevent the effective implementation of the legislation. With this regard, it is recommended that the government conduct a multi-faceted policy approach that optimizes the efficacy of the law. This approach needs to address the current challenges and opportunities that the stakeholders currently face, including the complex nature of many creative businesses, limited access to financing, lack of skills development, the evolving nature of the gig economy, digital transformation, and the integration of creative industries into the broader economy.

First, developing an effective policy strategy and planning to support the creative

economy requires a sound analysis of the systematic understanding of the creative economy's structure and value chain²¹. This involves identifying who the stakeholders are, understanding their relationships, and recognizing how the creative sector intersects with other economic sectors. The fact that some cultural and creative industries may function in the informal sector further complicates the analysis of the value chain. Through such data-driven analysis, the government can incorporate informal creative enterprises into the formal economy, implementing policies to decrease legal process of registration, granting tax breaks and bringing financial and legal counseling for small business owners²².

Another important policy direction can be creating the conditions for citizens to show their creative and intellectual potential in the fields of the creative industry. For this, an important policy measure would be to increase access to alternative financing by using tailored tools such as government-guaranteed loans and subsidies in addition to the special funding for the expansion of creative ventures. At the same time, the creative industries can benefit from policies targeted at closing the skills gap through educational programs that meet the needs of digital demand. Skills development can prepare the participants to be ready for the digitalized world not only in terms of creativity but also from a business perspective. An excellent example of such a creative industry project is "Tashkent is speaking" - is a performance in the format of audio-promenade about Tashkent²³.

Lastly, to back up the digital transformation of the creative economy, we need literacy programs on technology, technology subsidies, and innovation incentives to be competitive in a dynamic market. The market targeting not only Uzbekistan, but other Central Asia countries, and countries beyond the region. In addition, building creative industry clusters or neighbourhoods for artists could offer an ecosystem of workspace, technology infrastructure, and marketing support that will drive the spirit of cooperation fundamental to re-energizing the creative pipeline. These are the

components of one larger strategy, designed to develop a solid vibrant and sustainable creative economy in Uzbekistan.

ACKNOWLEDGMENTS

The authors extend their gratitude to Cangbai Wang (University of Westminster) and Katalin Bokor (UNCTAD) for their insightful comments and constructive suggestions that greatly enhanced the quality of this brief.

DISCLAIMER

The findings, interpretations, views, conclusions, and recommendations of the study, as contained in this publication, reflect the authors' views and do not necessarily reflect the official opinion of WIUT or CPRO.

AUTHORS

Akhtem Useinov, Research Fellow, Center for Policy Research and Outreach

Komiljon Karimov, PhD, Rector at Westminster International University in Tashkent

Bekzod Zakirov, PhD, Director at Center for Policy Research and Outreach

To recommend a topic for a policy brief or collaborate with the CPRO, e-mail cpro@wiut.uz.

²¹ GIZ. (2024). *Understanding Cultural and Creative Industries and Designing Approaches for its Development*. Retrieved from <https://www.giz.de/en/downloads/giz2024-en-understanding-cultural-and-creative-industries-and-designing-approaches-for-its-development.pdf>

²² ADB. (2022). *Creative Economy 2030: Imagining and Delivering a Robust, Creative, Inclusive, and Sustainable Recovery*. Retrieved from <https://www.adb.org/publications/creative-economy-2030-imagining-and-delivering-a-robust-creative-inclusive-and-sustainable-recovery>

²³ <https://govorit-tashkent.uz/eng>