



**U.S. Economic Diplomacy: Analysis of Recommendations for American
Exporters Operating in Uzbekistan**

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Abstract: The article analyses recommendations contained in **official reports by the US State Department intended for American exporters** planning to operate in Uzbekistan. The focus is on the annual Investment Climate Statements for the last five years, which provide a comprehensive assessment of the legal, regulatory and investment environment and are used by companies as a practical basis for risk analysis and export project preparation. Additionally, the Country Commercial Guide: Uzbekistan and bilateral Fact Sheets containing information on the business environment and institutional support mechanisms are examined. Based on these sources, the main areas of recommendations have been systematised, including market entry strategies, legal and financial requirements, risk assessment and compliance with export control regulations. It is shown that the official reports of the State Department serve a dual function: they provide reliable information about the specifics of the Uzbek market and serve as a tool for practical economic diplomacy by the United States.

Аннотация:

В статье анализируются рекомендации, содержащиеся в **официальных отчётах Государственного департамента США, предназначенных для американских экспортёров**, планирующих деятельность в Узбекистане. В центре внимания ежегодные *Investment Climate Statements*, опубликованные Государственным Департаментом США за последние пять лет, которые представляют собой комплексную оценку правовой, регуляторной и инвестиционной среды и используются компаниями как практическая основа для





анализа рисков и подготовки экспортных проектов. Дополнительно рассматриваются *Country Commercial Guide: Uzbekistan* и двусторонние *Fact Sheets*, содержащие сведения о бизнес-среде и механизмах институциональной поддержки. На основе этих источников систематизированы основные направления рекомендаций, включающие стратегии выхода на рынок, правовые и финансовые требования, оценку рисков и соблюдение норм экспортного контроля. Показано, что официальные отчёты Госдепартамента выполняют двойную функцию: предоставляют достоверную информацию о специфике узбекского рынка и служат инструментом практической экономической дипломатии США.

Annotatsiya

Maqolada AQSH Davlat departamentining O'zbekistonda faoliyat yuritishni rejalashtirayotgan amerikalik eksportchilar uchun mo'ljallangan rasmiy hisobotlarida keltirilgan tavsiyalar tahlil qilingan. E'tibor markazida huquqiy, tartibga solish va investitsiya muhitini har tomonlama baholash bo'lib, kompaniyalar tomonidan xavflarni tahlil qilish va eksport loyihalarini tayyorlash uchun amaliy asos sifatida qo'llaniladigan so'nggi besh yilda AQSH Davlat Departamentining yillik *Investment Climate Statements* hisobotlari turadi. Bundan tashqari, *Country Commercial Guide: Uzbekistan* va biznes muhiti va institutsional qo'llab-quvvatlash mexanizmlari to'g'risidagi ma'lumotlarni o'z ichiga olgan ikki tomonlama *Fact Sheets* ko'rib chiqilmoqda. Ushbu manbalar asosida bozorga kirish strategiyalari, huquqiy va moliyaviy talablar, risklarni baholash va eksport nazorati me'yorlariga rioya qilishni o'z ichiga olgan tavsiyalarning asosiy yo'nalishlari tizimlashtirildi. Davlat departamentining rasmiy hisobotlari ikki tomonlama funksiyani bajarishi ko'rsatilgan: O'zbekiston bozorining o'ziga xos xususiyatlari haqida ishonchli ma'lumot beradi va AQSH amaliy iqtisodiy diplomatiyasining vositasi bo'lib xizmat qiladi.

Keywords

Economic diplomacy; U.S. Department of State; U.S. exporters; Investment Climate Statements; Country Commercial Guide; Fact Sheets; Uzbekistan; investment climate; foreign trade; bilateral economic diplomacy; export; import.

1. Introduction





In recent years, Uzbekistan has been implementing large-scale economic reforms aimed at increasing regulatory transparency, improving the investment climate, and expanding opportunities for international business. These changes are attracting the attention of American companies, which view the country as a promising destination for exports and long-term investments. Amid growing interest in Uzbekistan, the importance of US government support tools for foreign economic activity is increasing, primarily the analytical and advisory materials of the State Department, which form the information base for companies operating in foreign markets.¹

Key sources include the annual Investment Climate Statements (ICS) published by the State Department for more than 160 countries. These reports are used by financial institutions, investors, exporters and large international companies as a practical guide for assessing risks, studying the legislative and regulatory environment and forming strategies for working in a particular country. They include not only an overview of the investment climate, but also specific provisions that companies refer to when making export and investment decisions². An important addition is the Country Commercial Guide: Uzbekistan and bilateral Fact Sheets, which record current areas of cooperation and features of the business environment.

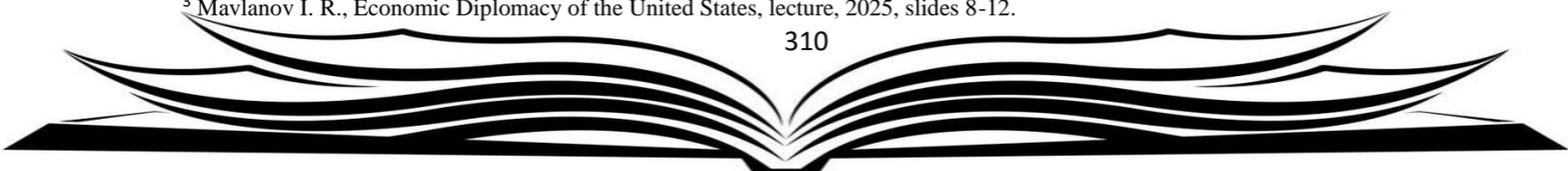
Although State Department materials are widely used in US business circles, academic publications rarely discuss the recommendations contained in the ICS, CCG and related documents. Researchers more often analyse general aspects of US foreign economic policy or the nature of reforms in Uzbekistan³. This complicates understanding of how official State Department documents are used by companies and what role they play in economic diplomacy mechanisms, which explains the need for a systematic study of these materials.

The object of the study is US economic diplomacy. The subject of the study is the recommendations of the US State Department addressed to American exporters and investors considering Uzbekistan as a destination for business activity. The purpose of the article is to systematise and analyse these recommendations and determine their

¹ U.S. Department of State. Investment Climate Statement: Uzbekistan (2023), pp. 1-3.

² U.S. Department of State. Investment Climate Statements: General Methodology (2024).

³ Mavlanov I. R., Economic Diplomacy of the United States, lecture, 2025, slides 8-12.





significance in the implementation of US economic diplomacy in Central Asia. To achieve this purpose, the following tasks are set:

1. to reveal the theoretical foundations of US economic diplomacy;
2. to justify the methodology for analysing official State Department documents;
3. to describe the assessment of Uzbekistan in the ICS, CCG and Fact Sheets;
4. to classify recommendations for exporters and investors;
5. to analyse their connection with the instruments of US economic diplomacy.

The article is structured as follows: first, theoretical approaches to US economic diplomacy are considered, then the methodological basis of the study is presented, followed by an analysis of the assessments of Uzbekistan and the recommendations of the State Department. The article concludes with an analytical interpretation of these recommendations in the context of US foreign economic policy.

2. Literature Review

The issues of economic diplomacy are widely reflected in scholarly research by both foreign and domestic authors. In the works of Western researchers, economic diplomacy is generally examined in the context of state–business interaction and as an instrument for promoting national economic interests in international markets.

Thus, N. Bayne and S. Woolcock, in their seminal work *The New Economic Diplomacy*, interpret economic diplomacy as a set of institutional and political-economic mechanisms through which states shape external conditions for the international commercial activities of their firms. The authors emphasize the importance of informational and advisory instruments, including official reports and analytical reviews, which help reduce uncertainty for businesses entering foreign markets.

A similar approach is presented in the studies of D. Rodrik, where the focus is placed on the role of institutions and the quality of regulation as key factors of successful foreign economic activity. In this context, official reports of government bodies are viewed as an important source of institutional information that shapes the expectations of investors and exporters. D. North, analyzing institutional change, notes that access to reliable and structured information on rules and the mechanisms of their implementation is a critically important element in reducing transaction costs in international trade.





In studies devoted to American practice, particular attention is paid to U.S. commercial and economic diplomacy. Reports by the Congressional Research Service emphasize that the U.S. Department of State and its affiliated structures play a key role in preparing analytical materials aimed at supporting American companies abroad. These materials, including *Investment Climate Statements* and *Country Commercial Guides*, are regarded as part of a broader system for facilitating the foreign economic activities of the private sector.

In the works of Professor I. R. Mavlanov, economic diplomacy is analyzed from the perspective of institutional organization and practical interaction between government bodies and business. The author notes that the American model is characterized by a high degree of formalization of support instruments, the regularity of analytical work, and the active use of diplomatic channels to promote the foreign economic activities of companies. His research emphasizes that recommendations developed by state institutions become an important reference point for businesses operating in institutionally transforming economies.

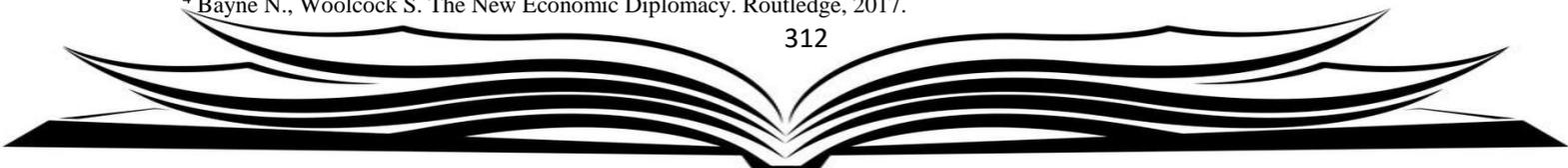
At the same time, an analysis of the academic literature shows that most studies focus either on the theoretical aspects of U.S. economic diplomacy or on a general analysis of the investment climate and economic reforms in individual countries, including Uzbekistan. Meanwhile, the recommendations contained in the official reports of the U.S. Department of State, as an independent object of analysis, generally remain outside the focus of scholarly attention. This gap in the literature has determined the choice of the topic of the present article.

3. Theoretical foundations of US economic diplomacy

3.1. The concept of economic diplomacy and its instruments

Economic diplomacy in international practice is defined as a set of actions taken by a state to promote its national economic interests abroad through informational, institutional, legal and diplomatic instruments⁴. It combines export support, promotion of companies in international markets, investment promotion, participation in the removal of regulatory barriers, and ensuring conditions for sustainable foreign economic activity of the private sector. In the American tradition, economic diplomacy

⁴ Bayne N., Woolcock S. *The New Economic Diplomacy*. Routledge, 2017.





is interpreted as the interaction between a country's foreign policy and economic priorities⁵, within which government agencies use analytical tools, international negotiation formats, diplomatic missions, business consultations and special mechanisms to support companies abroad.

An important feature of the American model is a developed system of information tools -official reports, analytical notes and recommendations, among which Investment Climate Statements and Country Commercial Guides occupy a key place. These documents provide a standardized, regularly updated database on the market environment of various countries, which allows participants in foreign economic activity to make informed decisions⁶.

3.2. The role of the State Department in supporting US foreign economic activity

The US State Department plays a central role in promoting the country's economic interests abroad by providing information, expertise and advisory support to American companies. This activity is carried out through a network of embassies, consulates and specialised departments, which analyse the market environment, prepare reports on business conditions, advise on regulatory requirements, and assist in resolving issues that arise for companies operating in foreign markets. This format of work is aimed at increasing the predictability of the external environment for business and reducing operational risks associated with differences in regulatory and legal systems.

The key department within the State Department responsible for economic affairs is the Bureau of Economic and Business Affairs (EB). It is part of the US State Department and is responsible for preparing analytical materials, coordinating the foreign economic activities of diplomatic missions, interacting with business, and drafting official documents, including Investment Climate Statements. Through the

⁵ Hocking B., McGuire S. Trade Policy and Economic Diplomacy. Oxford University Press, 2020.

⁶ U.S. Department of State. Investment Climate Statements: General Methodology. 2024.





EB's cooperation with the economic departments of embassies, a unified system of support for American companies abroad is being formed⁷.

Professor I. R. Mavlanov notes that the American system of economic diplomacy is characterized by institutional development and close interaction between government structures and the private sector: diplomatic missions are not limited to observation but actively assist companies in resolving practical issues related to entering foreign markets and interacting with local partners⁸. This makes the State Department's recommendations a significant part of the mechanism for supporting American business abroad.

3.3. Features of the American model of economic diplomacy

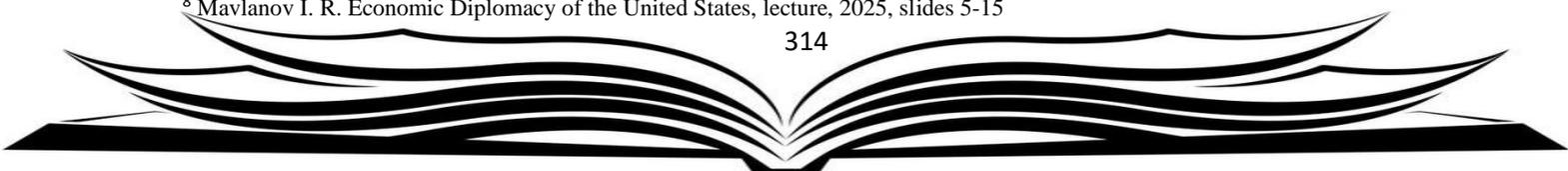
The American model of economic diplomacy is distinguished by a combination of state participation and market mechanisms. One of its key features is the principle of partnership between the state and the private sector. In the US, a system has historically developed in which government agencies view their activities as complementary to business initiatives: they provide analytical and informational support, help companies overcome administrative difficulties, interact with regulatory authorities, and facilitate the establishment of business relationships. This approach is recognized in academic literature as one of the most stable elements of the American foreign economic model.

Another significant feature is the systematic and standardized nature of analytical tools. American agencies regularly publish Investment Climate Statements, Country Commercial Guides, and bilateral Fact Sheets, which have a unified structure, are developed according to official methodology, are updated annually, and are mandatory elements of the information system designed to support US companies abroad. These documents ensure data comparability, transparency of requirements, and predictability of the business environment, which helps reduce commercial risks.

In addition, diplomatic missions play an important role in commercial diplomacy by helping companies navigate local regulatory conditions, providing advice on doing business, assisting in resolving administrative difficulties, and providing access to necessary contacts. Research emphasises that this practice is an integral part of the

⁷ Country Commercial Guide: Uzbekistan (U.S. Commercial Service, 2024).

⁸ Mavlanov I. R. Economic Diplomacy of the United States, lecture, 2025, slides 5-15





American approach to supporting foreign economic activity and makes US economic diplomacy a tool for practical support to the private sector⁹.

4. Research methodology

The methodological basis of the study is based on an analysis of official documents from the US State Department and related sources containing information about the business environment, business conditions and regulatory features in Uzbekistan. The study focuses on Investment Climate Statements for the last five years, which are standardised annual reports on the state of the investment climate and institutional environment in individual countries¹⁰. A significant addition is the Country Commercial Guide: Uzbekistan, prepared by the US Commercial Service, which contains recommendations for entering the market, information on trade procedures and practical aspects of doing business¹¹. In addition, bilateral Fact Sheets were used, reflecting the current state of relations between the US and Uzbekistan and providing brief reference data of analytical significance in the context of diplomatic and economic activity¹².

Content analysis was used to analyse the substance of these documents, allowing key topics related to recommendations for exporters and investors to be identified. A classification method was used to group the recommendations by area: market entry strategies, legal requirements, financial and operational issues, regulatory risks, and aspects related to compliance with business practice standards. Elements of comparative analysis were used to compare information from different ICS annual reports, which made it possible to identify trends in the State Department's assessments and the stable structural elements of its recommendation base.

The selection of materials considered criteria of officiality, relevance, frequency of updates, and practical application. The theoretical basis was provided by scientific research on US economic diplomacy, including the works and lecture materials of

⁹ Congressional Research Service. U.S. Commercial Diplomacy and Advocacy. CRS Report, 2022.

¹⁰ U.S. Department of State. Investment Climate Statements: General Methodology. 2024.

¹¹ Country Commercial Guide: Uzbekistan. U.S. Commercial Service, 2024.

¹² U.S.-Uzbekistan Bilateral Relations Fact Sheet. U.S. Department of State, 2023.





Professor I. R. Mavlanov¹³, as well as publications by research centers dealing with issues of commercial diplomacy.

A limitation of the study is that ICS and other documents are updated annually, and their content depends on the current economic situation, regulatory changes, and the priorities of US foreign economic policy. This indicates that the article's conclusions are based on data from a particular period and need to be updated on a regular basis for future use.

5. Trade and economic indicators of cooperation between the United States and Uzbekistan

5.1. Dynamics of goods trade between the United States and Uzbekistan (2020–2024)

Table 1. U.S.-Uzbekistan Goods Trade, 2020–2024 (million USD).¹⁴

Year	Export USA → Uzbekistan (goods) mln. USD	Import USA ← Uzbekistan (goods) mln. USD	Trade balance (exports – imports) mln. USD
2020	181.1	80.5	100.6
2021	401.3	187.4	213.9
2022	271.0	59.0	212.0
2023	343.3	95.3	248.0
2024	380.8	44.4	336.4

Table 1 shows the annual values of export of goods from the United States to Uzbekistan, goods import from Uzbekistan to the United States, and the corresponding trade balance for the period 2020-2024.

The data obtained indicate a significant increase in the volume of American goods exports to the Uzbek market during the period under review. While in 2020 the volume

¹³ Mavlanov I. R. Economic Diplomacy of the United States, lecture, 2025, slides 5-12.

¹⁴ Source: TradingEconomics(UNCOMTRADE). <https://tradingeconomics.com/united-states/exports/uzbekistan>; <https://tradingeconomics.com/united-states/imports/uzbekistan>





of US exports to Uzbekistan amounted to \$181.1 million, by 2024 this figure had more than doubled, reaching \$380.8 million. Despite certain fluctuations in the intervening years, the overall trend is steadily upward, suggesting a gradual expansion of the presence of American goods on the Uzbek market.

At the same time, the volume of goods imported from Uzbekistan to the United States remains relatively limited. Throughout the entire period under review, imports significantly lagged US exports, and in 2024, their volume amounted to US\$44.4 million. This asymmetry led to the formation of a stable positive trade balance in favour of the United States, which reached \$336.4 million in 2024.

An important feature of the identified dynamics is that the growth of US commodity exports to Uzbekistan is occurring while the share of Uzbekistan in the total volume of US foreign trade remains relatively small. This indicates that Uzbekistan still belongs to the category of niche markets for American exporters. At the same time, the steady increase in supply volumes and the stable positive trade balance indicate the existence of practical commercial interest on the part of American businesses.

The quantitative indicators presented provide an empirical basis for further analysis of the recommendations contained in official documents of the US State Department. With relatively small absolute trade volumes, it is not so much the size of the market that matters as the conditions of access to it and the practical aspects of doing business. In this regard, recommendations aimed at clarifying regulatory requirements, legal procedures and commercial conditions for operating in the Uzbek market play a special role.

5.2. Structure of Goods Trade between the United States and Uzbekistan

Table 2. Structure of Goods Trade between the United States and Uzbekistan, 2024 (million USD).¹⁵

Direction	Main Commodity Groups	Volume, mln USD
USA → Uzbekistan	Machinery and Equipment (HS 84)	~145

¹⁵ Source: TradingEconomics based on UN COMTRADE (<https://tradingeconomics.com>)





Direction	Main Commodity Groups	Volume, mln USD
USA → Uzbekistan	Vehicles and aircraft components (HS 86–88)	~98
USA → Uzbekistan	Electrical equipment (HS 85)	~56
USA → Uzbekistan	Chemical products and pharmaceuticals (HS 28–30)	~42
USA → Uzbekistan	Agricultural products (grain, soybeans, feed)	~39
Uzbekistan → USA	Textiles and clothing (HS 61–63)	~18
Uzbekistan → USA	Yarn and cotton fibre (HS 52)	~9
Uzbekistan → USA	Inorganic chemicals and fertilisers	~6
Uzbekistan → USA	Other goods	~11

Note: values are rounded; goods are classified according to the HS system.

Table 3. Structure of Services Trade between the United States and Uzbekistan, 2024 (million USD).¹⁶

Direction	Main types of services	Volume, mln USD
USA → Uzbekistan	Business and professional services	~110

¹⁶ Source: United States Trade Representative; WTO Trade in Services database.





Direction	Main types of services	Volume, mln USD
USA → Uzbekistan	Financial and consulting services	~72
USA → Uzbekistan	IT and digital services	~61
USA → Uzbekistan	Educational and licensing services	~35
Uzbekistan → USA	Transport services	~120
Uzbekistan → USA	Tourism and travel	~140
Uzbekistan → USA	Other	~65

Note: values are rounded; goods are classified according to the HS system.

A structural analysis of bilateral trade between the United States and Uzbekistan allows for a more accurate determination of the nature and direction of economic interaction. According to the data presented in Table 2, US exports of goods to Uzbekistan in 2024 amounted to approximately \$380.8 million, with the structure being predominantly industrial and technological in nature. The largest share of American supplies is made up of machinery and equipment, with exports estimated at approximately \$140–150 million, as well as vehicles and aviation components, at approximately \$90–100 million. Electrical equipment (around US\$50–60 million) and chemical products, including pharmaceuticals (around US\$40 million), also play a significant role.

Agricultural products are a complementary element of US merchandise exports. Supplies of grain crops, feed and related products total about US\$35–40 million, which demonstrates the diversified nature of US exports and their use in various sectors of the Uzbek economy. Overall, more than 70% of US exports to Uzbekistan are capital-





intensive and technologically complex goods, reflecting the focus of American companies on exporting high value-added products.

Uzbekistan's exports to the US are significantly smaller in scale and have a different structure. In 2024, the total volume of Uzbek exports to the United States amounted to approximately \$44.4 million. The bulk of this consists of textiles and light industrial products, including yarn, fabrics and ready-made clothing, with a combined value of approximately \$25-30 million. In addition, limited volumes of cotton raw materials (about \$8–10 million) and certain types of chemical products are exported. This structure reflects the sectoral specialisation of the Uzbek economy and a lower level of diversification of exports compared to the American side.

Along with the exchange of goods, trade in services plays an important role in bilateral economic relations (Table 3). According to official sources, exports of services from the United States to Uzbekistan in 2024 amounted to approximately US\$278 million. Its structure is dominated by professional and business services, estimated at approximately \$110 million, as well as financial and consulting services (approximately \$70 million) and digital and IT services (approximately \$60 million). These areas complement commodity exports and reflect the competitive advantages of the American economy in the field of knowledge and management.

Exports of services from Uzbekistan to the United States during the same period amounted to approximately US\$325 million and were concentrated mainly in transport services (approximately US\$120 million) and tourist travel (approximately US\$140 million). Thus, in service trade, unlike in commodity exchange, there is a more balanced structure, although there is still a difference in the nature of the parties' specialisation.

Taken together, the quantitative data presented allow us to conclude that trade and economic relations between the United States and Uzbekistan are complementary in nature. The United States is primarily a supplier of industrial and technological products and professional services, while Uzbekistan focuses on exporting light industrial products and certain types of services. This trade structure forms an objective economic basis for the recommendations contained in official US State Department documents aimed at supporting exports of high value-added goods and services and considering the specifics of the host market.





6. Uzbekistan in the context of US State Department assessments: dynamics, factors and impact on conditions for exporters

6.1. Economic reforms and institutional changes: dynamics for 2020-2024

In its annual Investment Climate Statements, the US State Department notes Uzbekistan's steady progress towards modernizing its economic environment while emphasizing that the changes are gradual but consistent. While the 2020 ICS was dominated by references to 'structural constraints' and 'uneven enforcement,' the 2021-2023 ICS shifts the focus to 'expanding economic opportunities,' improving conditions for foreign companies, and developing market institutions¹⁷.

One of the most frequently mentioned transformations remains currency liberalization, including the transition to free convertibility and administrative simplification of capital transfer operations. In the State Department's assessments, the change in the currency regime is seen as a key factor that significantly increases the predictability of US exporters' operations and reduces transaction risks¹⁸. While the 2020 ICS contained comments on local restrictions on the use of foreign currency, the 2023-2024 ICS makes virtually no mention of such restrictions, and the wording reflects the stable functioning of the free convertibility mechanism.

At the same time, the reports note the modernization of administrative procedures—the digitization of certain services, increased transparency of government services, and improved accessibility of registration processes. At the same time, the State Department notes that the reform of administrative institutions is progressing steadily and that differences in the speed of adaptation to new rules remain in various regions¹⁹. This heterogeneity creates a need for exporters to take local characteristics into account and plan their operations with a time buffer for administrative procedures.

6.2. Investment climate: institutional environment, access to resources and legal system

¹⁷ U.S. Department of State. Investment Climate Statement: Uzbekistan (2024), p. 3: "Implementation of regulations remains uneven across regions."

¹⁸ U.S. Department of State. Investment Climate Statement: Uzbekistan (2023), p. 6: "Foreign companies should closely monitor court practice and the implementation of commercial legislation."

¹⁹ U.S. Department of State. Investment Climate Statement: Uzbekistan (2022-2024), section "Foreign Exchange and Remittances": "Uzbekistan's liberalised foreign-exchange regime and legal protections for conversion and transfer of funds have improved business conditions."





Property rights and investment protection. Throughout 2020-2024, the State Department's assessments of property protection show gradual improvement. The 2020 ICS highlighted risks related to the predictability of administrative decisions, while the 2023-2024 ICS shifts the focus to the development of the legal framework and the strengthening of formal mechanisms for resolving commercial disputes. Nevertheless, the State Department remains cautious, noting the need to further strengthen judicial protection and improve the quality of enforcement, a factor of direct interest to American companies entering long-term contracts.

Currency transactions and the financial system. For US exporters, currency policy is a key element in market assessment. The ICS notes that since 2017, there has been a transition to a stable system of free convertibility, which has demonstrated stability over the past five years. The ICS 2023-2024 focuses on the transparency of currency transactions and the absence of restrictions on profit repatriation. This significantly reduces barriers to entry and meets the requirements of most American companies operating in the dollar or euro contract system.

At the same time, the ICS mentions that the banking system is undergoing reform and access to long-term credit remains limited, especially for large foreign projects. This is important to consider for exporters in capital-intensive industries, such as suppliers of industrial equipment.

Judicial system and regulatory environment. The ICS repeatedly points out that the regulatory framework in Uzbekistan is developing faster than the institutional mechanisms for its enforcement. The 2021-2023 reports emphasise the importance of law enforcement issues, especially in the areas of commercial disputes, licensing and administrative decisions. For American companies, this means the need for clear contractual support, detailed analysis of regulatory requirements and preliminary interaction with legal advisors familiar with local practices.

6.3. Trade regime and market access conditions according to the Country Commercial Guide

The Country Commercial Guide (CCG) supplements the ICS with practical information focused on US export operations. Unlike the ICS, which provides an institutional overview, the CCG highlights specific aspects that affect companies' activities when entering the market.





Customs procedures and logistics. The CCG notes that the customs system is in the process of streamlining and digitisation, but certain administrative procedures remain lengthy, especially when clearing complex industrial equipment or specialised goods. For American exporters, this means that they need to factor in additional time and plan the logistics stages of delivery in advance.

Certification, standards and technical regulation. The CCG emphasises the mandatory certification for several product categories, as well as the existence of specific technical requirements. In some areas, standards are in a transition period between the old national norms and new regulatory procedures. For American companies, this creates a need to check requirements in advance and possibly adapt technical documentation.

Regulatory barriers and administrative features. Despite reforms, the CCG points to certain administrative difficulties related to registration, licensing and interaction with supervisory authorities. Although there is a clear trend towards improvement compared to 2020 -2021, foreign companies still need to study regulatory requirements in detail and consider possible differences between official procedures and actual practice.

6.4. Results

An analysis of Uzbekistan's ratings in the Investment Climate Statements for 2020-2024 and the Country Commercial Guide shows that the country is undergoing a phase of consistent reform of its economic and institutional system. The US State Department notes steady progress in key areas, including currency liberalisation, digitisation of public services, expansion of opportunities for foreign companies, improvement of the regulatory framework, and increased transparency of certain procedures. These changes create more favourable conditions for exports and investments, reducing some of the traditional risks associated with currency restrictions, opaque rules and complex administrative processes.

At the same time, American reports highlight the existence of structural features that remain significant for foreign companies, especially those entering the market for the first time. These features include uneven enforcement of laws, differences in the quality of administrative services between regions, limited depth of court practice on commercial issues, and the ongoing process of reforming certain regulatory institutions.





This means that even with overall improvements in conditions, companies face the need to carefully plan their operations, adapt their legal documentation, and consider the specifics of the regulatory environment.

The ICS and CCG demonstrate an important trend: Uzbekistan is becoming more open to international business, but its market environment remains in transition. For American exporters, this creates both new opportunities and certain requirements for preparation. The opportunities are related to expanding demand, active investment projects, and an improved business climate. The requirements relate to the need to carefully assess regulatory features, administrative procedure timelines, contractual risks, and interaction with local partners.

Thus, the context identified by the State Department demonstrates the dual nature of the business environment: positive dynamics are combined with institutional challenges. This explains why the US State Department's recommendations for exporters are comprehensive in nature: they are aimed not only at providing information about market opportunities, but also at minimizing the risks that still exist in the context of a developing institutional system. In the next section, these recommendations are examined as a central tool of US economic diplomacy towards Uzbekistan.

7. US State Department recommendations for American exporters to Uzbekistan

The recommendations contained in the Investment Climate Statements (ICS) and Country Commercial Guide (CCG) documents reflect the institutional characteristics of the Uzbek market and are not a set of universal guidelines, but rather the result of a systematic assessment of risks and opportunities that the State Department identifies in its annual analysis. These recommendations are directly related to those aspects of the business environment that, according to the ICS, remain vulnerable to foreign companies: variability in regulatory practices, legislative dynamics, inconsistency in law enforcement, and the limitations of the local financial infrastructure. In this section, the recommendations are considered as a response to these institutional characteristics and as a tool for ensuring the sustainability of American business in Uzbekistan.

7.1. Adaptive market entry models

The most recent ICS emphasizes that Uzbekistan continues to reform its economic system, but ‘implementation of regulations remains uneven across regions’. This points





to the institutional heterogeneity characteristic of countries with economies in transition.

Therefore, the State Department recommends that companies apply adaptive market entry strategies. This is not simply a matter of ‘gradual’ entry, but rather an approach that allows companies to build their commercial presence in line with the actual practices of regulators, logistics operators and industry bodies. Such a strategy reduces uncertainty, especially in sectors where administrative decisions may vary depending on the region or agency.

This recommendation is based on the understanding that formal reforms in Uzbekistan are happening faster than the institutional stabilization of procedures. Consequently, market entry requires a mechanism for accumulating local experience, which makes phased entry models the most rational.

7.2. Legal certainty and protection of contractual relations

The ICS repeatedly points out that, despite improvements in the regulatory framework, ‘foreign companies should closely monitor court practice and the implementation of commercial legislation.’ This means that the legal environment is still evolving and the mechanism for enforcing court decisions is not always predictable.

In this regard, a significant part of the recommendations concerns ensuring legal certainty. The State Department emphasizes the need for thorough legal due diligence of potential partners, as the transparency of corporate structures and the availability of information about ultimate beneficiaries may vary. Additional attention is paid to the drafting of contracts: exporters are advised to include provisions governing the resolution of disputes in international arbitration institutions, as well as to clarify force majeure circumstances and mechanisms for the enforcement of obligations.

Emphasis is placed on registering intellectual property rights before commencing commercial activities. Given that the institution of IP protection in Uzbekistan is developing gradually, early registration reduces the likelihood of disputes and protects the competitive advantages of exporting high-tech products.

Thus, the legal recommendations reflect the need to compensate for possible legal uncertainty with mechanisms that protect the company's interests regardless of the stability of local institutions.





7.3. Financial parameters of transactions and features of the banking system

The liberalisation of the currency regime, noted by the ICS as ‘a major improvement in business conditions,’ has significantly increased the predictability of cross-border payments. However, the reports also note that ‘long-term financing remains limited, and market depth is still developing.’ This means that companies may face operational delays and limited access to credit instruments.

In response to these challenges, the State Department recommends that exporters pay attention to the structure of settlements and the coordination of payment terms. This involves choosing forms of payment that consider possible temporary delays and minimize the risk of non-performance. For capital-intensive projects, the possibility of using instruments from American financial institutions (e.g., EXIM or DFC) is mentioned, which can compensate for the limitations of the local credit market.

In a scientific context, such recommendations reflect an attempt to build financial stability for transactions in the context of an emerging banking system, which is especially important for long-term contracts.

7.4. Regulatory changes and the need for systematic monitoring

The ICS documents emphasise that in Uzbekistan, ‘regulatory reforms are ongoing, and procedural requirements may change with limited advance notice’. For export companies, this means potential instability in the administrative environment.

Therefore, the State Department recommends establishing ongoing monitoring of the regulatory framework -both in the areas of certification and technical regulation, as well as in the areas of customs procedures, sanitary norms and safety standards. Emphasis is placed on the fact that official regulations may differ from their practical application, which is typical for jurisdictions undergoing reform.

These recommendations reflect the need for institutional flexibility: companies must have processes in place that allow them to quickly adapt to changes and interpret their implications for their activities.

7.5. Compliance and counterparty verification

The ICS states that ‘U.S. companies must ensure that their partners are not subject to sanctions and comply with U.S. export regulations.’²⁰ This recommendation is not

²⁰ U.S. Department of State. Investment Climate Statement: Uzbekistan (2023), section “Responsible Business Conduct”: “U.S. companies must ensure that their partners are not subject to sanctions and comply with U.S. export regulations.”





related to the conditions in Uzbekistan, but to the international obligations of the company itself.

Thus, the exporter operates in two regulatory systems at once: that of the host country and its own. Compliance recommendations are aimed at preventing secondary sanctions risks that may arise even in the absence of intentional violations. In scientific interpretation, this refers to the management of external legal risk -a risk that arises outside the jurisdiction of the country where the company operates but significantly affects its commercial activities.

7.6. The role of official support channels: institutional support

The CCG emphasises that ‘the U.S. Commercial Service provides market intelligence, facilitates contacts with local partners and assists U.S. firms in addressing regulatory matters. Thus, the recommendations include the use of U.S. commercial diplomacy tools as an important element in ensuring business sustainability.

Such structures provide exporters with access to verified information, advice and mediation when interacting with the host country's government agencies. This reduces information risks and creates conditions for more predictable operations.

From the perspective of economic diplomacy theory, this corresponds to the model of institutional mediation: government structures become a channel that connects American companies with the foreign institutional environment, helping to reduce uncertainty and ensure the sustainability of operations.

8. Analysis of US State Department reports as a tool of economic diplomacy

Official reports from the US State Department (primarily Investment Climate Statements and Country Commercial Guides) play an important role in ensuring conditions for sustainable foreign economic activity by American companies. Their content reflects a systematic approach to reducing legal, regulatory and operational risks and forms the information basis for business decision-making. In an academic context, such documents can be viewed as an instrument of economic diplomacy aimed at increasing the transparency of foreign markets and creating conditions under which US companies' participation in international trade becomes less risky and more predictable.



8.1. The informational role of reports: reducing uncertainty and the information gap

One of the key functions of the reports is to reduce the information gap between US companies and the host environment. The documents provide structured information on regulatory requirements, legal mechanisms, administrative procedures and market access conditions. This is particularly important for economies undergoing active reform, where rules and processes can change faster than stable practices for their application can be established.

Thanks to the uniform format for describing the country context, the reports create a basis for comparing different markets and enable companies to make decisions based on consistent and verified information. In this way, they become a tool that reduces the uncertainty of the initial stage of market entry and makes the strategic planning process more informed.

8.2. The importance of reports for shaping companies' organisational strategies

The content of the reports helps companies to develop organisational strategies that consider the institutional conditions of a particular country. By describing legal norms, features of judicial practice, product registration procedures, and certification requirements, the State Department encourages businesses to consider factors that may affect contract performance.

Thus, the reports provide guidelines that enable companies to develop more sustainable patterns of interaction with foreign partners, reduce operational risks, and avoid mistakes associated with incomplete information about the regulatory environment. In theoretical terms, this function corresponds to an approach in which government instruments are used to improve the quality and security of the private sector's foreign economic activity.

8.3. Institutional support and the role of diplomatic infrastructure

State Department reports are not limited to analytical descriptions of the business environment. They also point to available institutional support tools, such as consultations with embassy economic departments, assistance in establishing contacts, and assistance in resolving administrative issues. This part of the reports provides an





overview of available resources that can increase the sustainability of a company's operations abroad.

The use of diplomatic infrastructure helps to reduce information and transaction costs. Embassies often have practical knowledge about the current state of the regulatory environment and the specifics of interacting with government agencies, which makes them an important intermediary between foreign businesses and local institutions.

8.4. Specific features of reports on Uzbekistan and their application

Reports on Uzbekistan are highly detailed in terms of issues related to regulatory changes, reforms and administrative management practices. This is because the country's institutional system is undergoing transformation. Therefore, the ICS and CCG record not only the progress achieved, but also areas where reforms are still incomplete or require further practical adjustments.

For exporters, this means combining positive signals -such as the liberalisation of currency transactions, improved registration conditions and the expansion of digital services -with a careful analysis of those aspects that may remain less stable: judicial enforcement, regional differences and the timing of administrative procedures.

That is why the reports do not limit themselves to describing the environment, but emphasise the importance of elements such as partner verification, adaptation of financial conditions, and monitoring of regulatory changes. Their task is to help companies adapt their strategy to a market undergoing institutional renewal.

8.5. Limitations of reports and features of their interpretation

Despite the significance of the State Department reports, they have certain limitations that must be considered in scientific and applied analysis.

1. Generality of information. ICS and CCG reports are general-purpose documents and do not always contain industry-specific analysis. This means that companies need additional specialised information to operate in technically complex sectors.

2. Formal structure. The reports adhere to a standardised format, which ensures comparability but sometimes limits the depth of analysis.

3. Dynamics of change. As Uzbekistan is actively reforming its regulatory framework, the data in the reports becomes outdated more quickly than in stable





economies. This requires regular updating of knowledge and verification of the relevance of recommendations.

4. Dependence on the practical application of laws. Even with detailed information in the reports, the actual implementation of regulations may vary. Therefore, interpreting the recommendations requires an understanding of local institutional specifics.

8.6. Results

State Department reports perform a comprehensive function in the US economic diplomacy system. They combine analytical information, legal and organisational guidelines, and descriptions of institutional support mechanisms. This multi-level structure makes them a valuable tool for shaping the strategies of American companies operating in countries with developing institutional environments.

In the context of Uzbekistan, the reports not only describe the business environment, but also help companies adapt to its dynamics and reduce the risks arising from active economic reforms. As a result, the State Department reports serve as a link between intergovernmental economic relations and practical decisions made by American exporters.

9. Conclusion

The analysis of the US State Department reports showed that Investment Climate Statements and Country Commercial Guides are key tools that provide informational and institutional support to American exporters operating in markets with an emerging regulatory environment. Their significance is based on the comprehensive nature of their preparation: the materials are created with the participation of diplomatic missions, industry experts, analytical departments of the State Department, and consultations with the business community of the host country. This multi-level mechanism ensures the reliability and practical applicability of the reports.

The content of the ICS and CCG allows companies to reduce the uncertainty associated with the legal, regulatory, and financial aspects of doing business in Uzbekistan. The reports set out a logical sequence of actions for entering the market: from assessing the institutional environment and preparing contractual mechanisms to structuring financial transactions and organizing monitoring of regulatory changes. In addition, the documents point to available forms of institutional support, such as





consultations with embassy economic departments, U.S. Commercial Service services, and channels for interaction with local authorities.

Amid ongoing reforms in Uzbekistan, State Department reports perform an important stabilizing function. They help exporters interpret changes, adjust their business strategies, and adapt to institutional transitions. Thanks to their systematic nature, regular updates, and standardized format, the reports provide a reliable basis for management decisions and the formation of sustainable business models.

Thus, the study shows that the State Department's reports serve as a tool for shaping the environment for foreign economic activity, making them an indispensable element in the preparation and implementation of export projects by American companies in Uzbekistan.

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