
**RIISING INNOVATION &
EMERGING TALENTS**

FROM THE EAST



UZBEKISTAN

ECOSYSTEM OVERVIEW

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OVERVIEW**

UZBEKISTAN (UZB) ECOSYSTEM OVERVIEW

KEY ATTRIBUTES OF THE STARTUP ECOSYSTEM

Uzbekistan, located in Central Asia, is bordered by Turkmenistan, Kazakhstan, Kyrgyzstan, Tadjikistan and Afghanistan. Uzbekistan, with a population of ca. 33 million people, is Central Asia's most populous country, thus possessing huge market potential. Similar to other Central Asian countries, Uzbekistan has a very young population, with an average median age of 28.6 years. The country also looks very promising from an economic point of view. The subsequent figure (Figure 1.) provides insight into the quick facts that support our previous statement.



FIGURE 1. Quick facts about the Uzbek economy (2020). Source: TUZ Ventures–IT Park (2021). Note: the values used here do not reflect the possible impact of the COVID-19 crisis.

Relying on strong economic fundamentals the government is really committed to create a fertile ground for the birth of a competitive entrepreneurial sector. In 2017, the government established the Ministry of Innovative Development with the goal to ensure accelerated innovation-driven growth in all sectors.

The Uzbek startup ecosystem is in its early premature phase, the first relevant actors have been appearing only in recent years. Brand.uz was the first company which was involved in the startup world in 2001 <<https://brand.uz/about>>. To enhance the emergence of new startups, numerous supporting organizations, mostly owned and managed by the government, have started their work in the last years. The next figure (Figure 2.) reveals the structure of these supporting organizations and the subordinated institutions responsible for implementation.

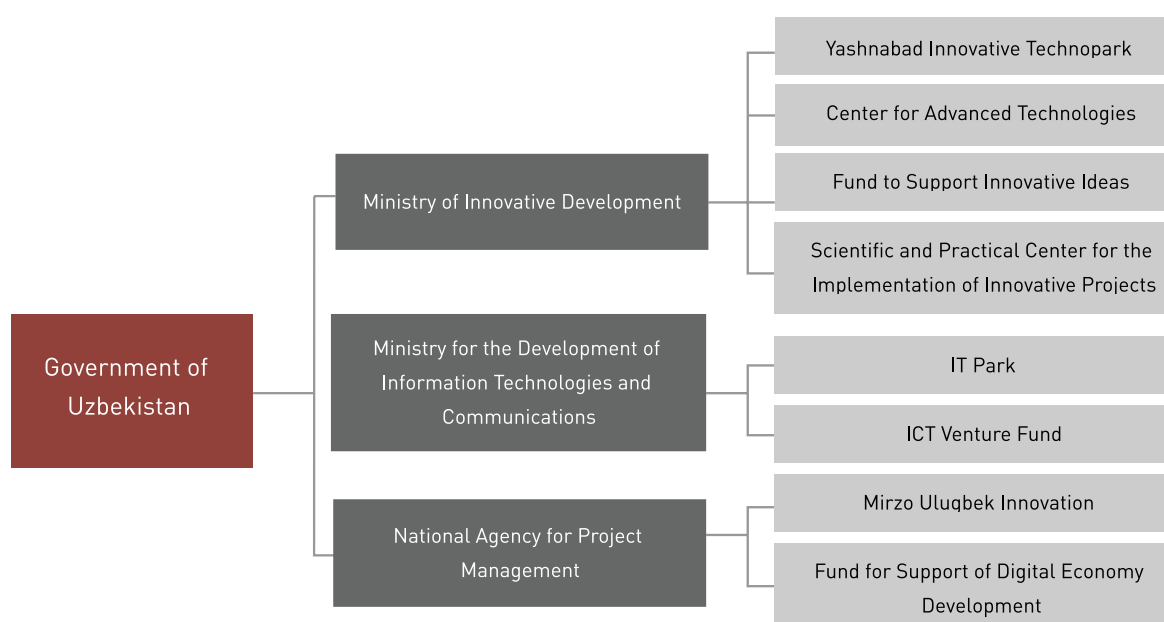


FIGURE 2. Structure of the governmental organizations and institutions responsible for promoting innovation and the startup community.
Source: enpact (2019)

The vast majority of Uzbekistani startups (62%) develop their product or service for the Uzbekistan market, whereas only 21% of the founders plan to scale up to CIS countries, however the ability of startups to scale-up very quickly is at hand. 64% of startups began their operations within a year and for most of them, it took less than 6 months to move from the idea/concept stage to fully operational. Most of the startups offer B2B solutions, while operating mainly in the following sectors: e-commerce, EdTech, MedTech, FinTech and AgTech.

To get a deeper and clearer insight, the following figure (Figure 3.) presents the composition of the ecosystem.

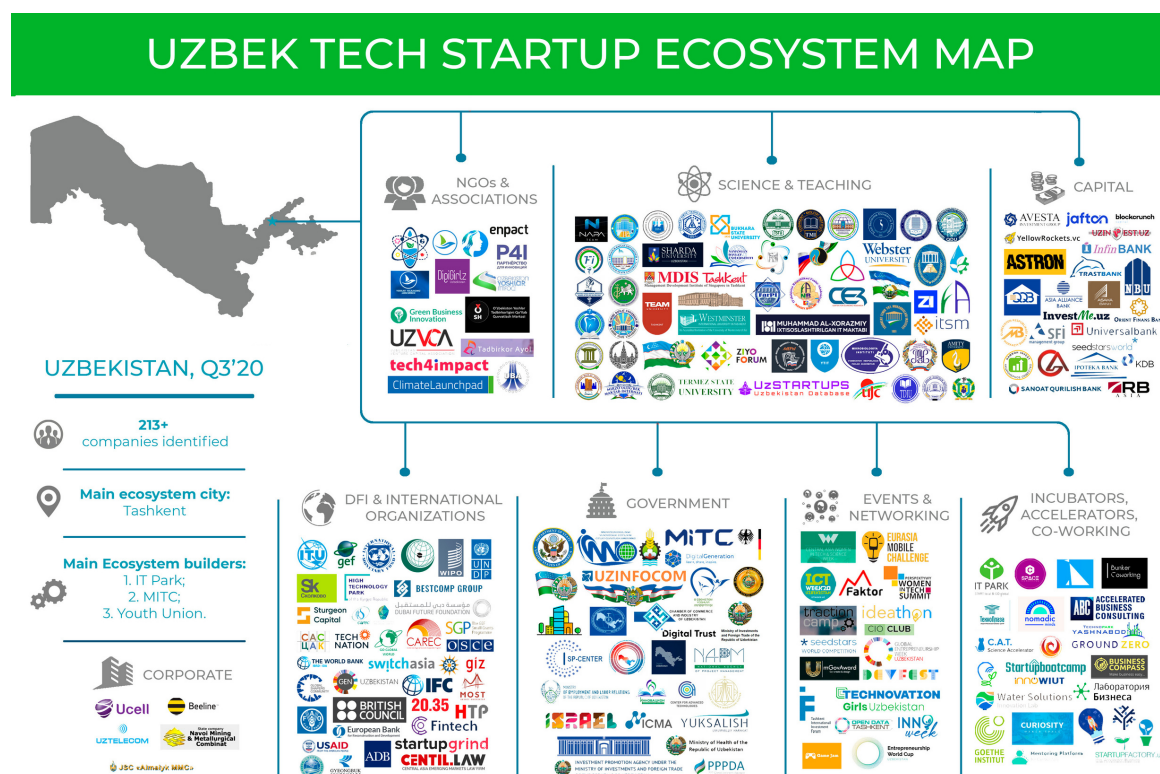


FIGURE 3. The composition of the Uzbek startup ecosystem (2020 Q3).
Source: TUZ Ventures–IT Park (2021)

The development of the startup ecosystem is gaining increasing momentum year by year, but there are still challenges to be addressed:

- startup promotion remains relatively centralised due to the strong governmental involvement,
- in the consequence of this strong governmental presence, incentives do not exist for these startups to introduce more target-oriented programs or act in a more efficient way as they hardly face competition and their survival is ensured by the government,
- initiatives from the competitive sector are still rare and mostly driven by highly motivated individuals,
- Uzbek banking sector is opening slowly, more fintech solutions are required,

- Uzbek startup founders must face significant challenges in accessing funds, especially in case of seed investments,
- the number of active business angel investors remains low, there are currently only around 10-15 active business angels in Uzbekistan. But, they are not organised in an angel network,
- there is a lack of knowledge on both sides (investors & startups) about the investment processes and investing in startups in general.

STRATEGIES ADDRESSING INNOVATION AND ECOSYSTEM DEVELOPMENT:

After decades of isolation, Uzbekistan has taken a giant leap to open up its economy by implementing new economic, social and judicial reforms. In 2017, Uzbekistan introduced its first Development Strategy for the period 2017-21. To support the economic development and foster the liberalisation featured among the five priority areas of this program. To serve the digital transformation processes and to support the startup ecosystem the **Digital Uzbekistan 2030 Strategy** was approved in 2020, by the Decree of the President of the Republic of Uzbekistan. The strategy encompasses the following areas: digital infrastructure, e-government, digital economy, national digital technologies market, education and training in the sphere of IT (Khoshimov-Makhmudaliev, 2020).

RELEVANT STARTUP INCUBATORS AND ACCELERATORS:

CAT Science Accelerator for Central Asia is the first accelerator in Uzbekistan for „scientific“ projects and commercialization of scientific developments.

<<https://cat-sa.uz/>>

innoWIUT is the entrepreneurship lab of WIUT. The aim is to accelerate innovation and technological growth in Uzbekistan by bringing together industry leaders to support young-innovators and startup teams.

<<https://inno.wiut.uz/aboutus>>

IT Park Uzbekistan creates a World class state-of-art environment for the development of Innovation and competitive products & services in the field of information technologies, their promotion both in the domestic and global Markets. It provides the innovation culture and entrepreneurial atmosphere for the youth in Uzbekistan. IT Park

specializes in: incubation and acceleration programs, government-supported and private venture funds, IT Academy of International Standard, modern and comfortable co-working spaces and IT areas, legal, accounting and marketing support.

<<https://it-park.uz/en/itpark/about>> <<https://www.linkedin.com/company/itparkuz/>>

StartupFactory.uz – first Uzbekistan accelerator for IT-projects. The accelerator helps the approved teams to create a scalable and profitable startup.

<<http://startupfactory.uz/accelerator/?lang=en>>

Water Solution Innovation Lab Startup Accelerator is supporting startup from the next areas: clean technology, sustainable development, water purification, water and energy, water and agriculture, water/natural resource management, renewable energy sources, agriculture & agribusiness, climate change, pollution.

<<http://smartwaterlab.uz/ob-akseleratore/>>

Complementing the organizations mentioned so far, the subsequent figure (Figure 4.) summarizes the key supporting actors in the ecosystem.



FIGURE 4. Selection of most relevant ecosystem supporting actors.
Source: TUZ Ventures–IT Park (2021)

REMARKABLE STARTUPS:

Billz is a retail automation software that helps retail outlets reach maximum efficiency, saving a lot of time and money.

[<https://billz.uz>](https://billz.uz)

CLICK's activities are based on involvement, leadership and dedication principles. The company's mission is to make financial relations between people and companies simple, protected and reliable. CLICK.uz is a product directed to make use of money easily. You can pay all utility bills, internet, mobile communication and lots of other services by just clicking a button on your phone.

[<https://click.uz/en/about>](https://click.uz/en/about)

Express 24 is a convenient and fast food delivery service from restaurants. Order online or in a mobile application, pay by card or cash.

[<https://express24.uz/about/o-nas/>](https://express24.uz/about/o-nas/)

MyTaxi is an online platform to book taxis on-demand in Uzbekistan. Taximeter calculates the fare price and provides the receipt via the app. Users can track the location of the car on the map. Users are required to rate the journey, which affects the overall score of the driver. The app is available for both iOS and Android platforms.

[<https://mytaxi.uz/>](https://mytaxi.uz/)

OSON is the first operator of the electronic money system in Uzbekistan. Licensed by the Central Bank of the Republic of Uzbekistan. Official partner of WebMoney, QIWI, YooMoney.

[<https://oson.uz/>](https://oson.uz/)

TASS Vision is a startup company specializing in computer vision based on artificial intelligence and cloud technologies. The company develops and implements technologies such as recognition, detection, tracking and classification, which runs on small embedded computers. In other words: A company that is essentially your third eye.

[<https://tass-vision.uz/en/>](https://tass-vision.uz/en/) [<https://www.linkedin.com/company/tassvision/>](https://www.linkedin.com/company/tassvision/)

TENDERWEEK.com is a web resource aimed at providing information on procurement announcements in Uzbekistan.

[<https://tenderweek.com/about.html>](https://tenderweek.com/about.html)

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