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UZBEKISTAN'S AGRICULTURAL ECONOMY FIELD OF INSURANCE ECONOMIC IMPORTANCE

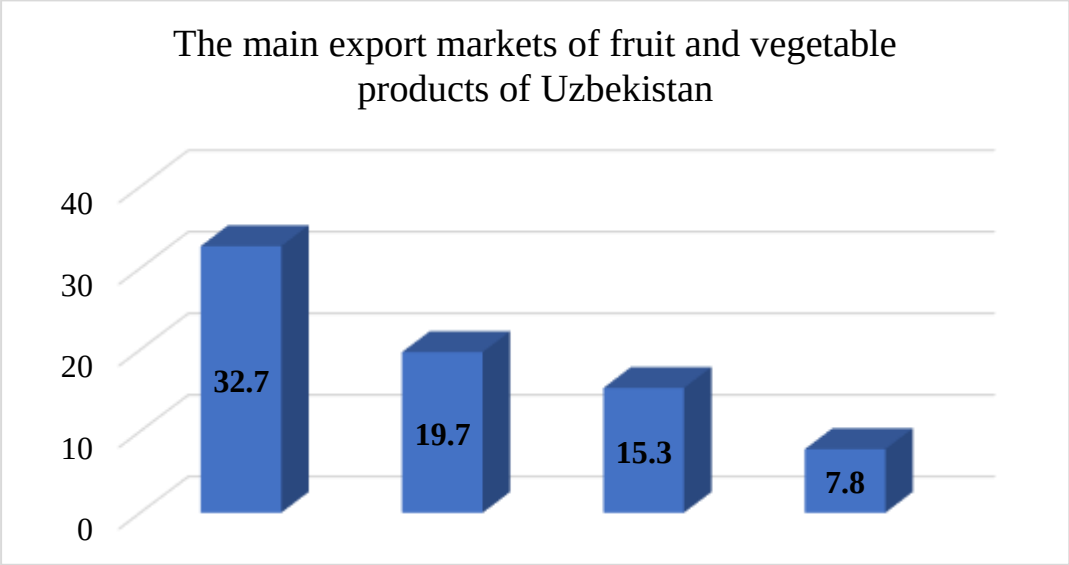
Abdurashidova Guzalhan Akrom qizi [1]
[1]*Doctor of Economics, DSc*

INTRODUCTION

Low premiums in Uzbekistan and emerging markets such as India and China indicate that policies are designed to be affordable for a wider segment of the population. However, low premiums also indicate that policies may offer limited coverage, suggesting a need for more diversified and more expensive products in Uzbekistan.

The projected growth rate of the Uzbekistan market of 12 percent indicates strong future potential due to ongoing financial reforms, increased awareness and digitization of financial services. India (15%) and China (10%) show higher growth prospects due to their large, fast-growing middle classes and government initiatives to promote financial inclusion. Despite starting from a low base, the Uzbekistan market is expected to expand strongly in the coming years as more people adopt life insurance products.

The production of fruits such as apples, grapes, melons and apricots is growing steadily. In 2023, total fruit production reached 7 million tons, with grapes and apples contributing the most. In particular, grapes have become the main export commodity, and Uzbekistan exports a significant part of the cultivated crop to neighboring countries and beyond.

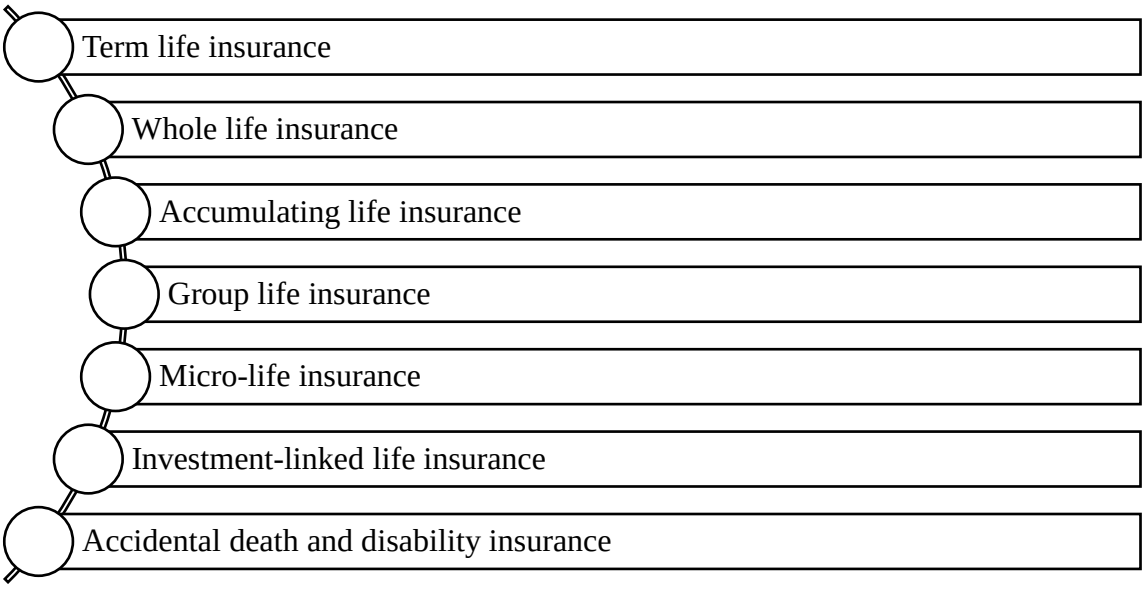


In conclusion, reforms in the life insurance market of Uzbekistan and the growth of financial literacy have great potential for future expansion. However, it must overcome cultural and regulatory barriers to achieve the level of penetration seen in more mature markets.

Although the life insurance market in Uzbekistan is currently underutilized, it has significant potential for growth. Ongoing reforms in the financial sector, government initiatives to increase public awareness and the gradual growth of the middle class provide opportunities to expand the penetration of life insurance. However, overcoming cultural resistance, addressing economic constraints and modernizing the regulatory framework are critical to unlocking this potential.

The life insurance market in Uzbekistan continues to develop, and the range of products offered is relatively limited compared to developed markets. However, as the sector evolves, there are several main types of life insurance, and some insurers are gradually introducing different options.

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Common types of life insurance in Uzbekistan[1]

Term life insurance is the most basic form of life insurance in Uzbekistan . Term life insurance provides coverage for a specific period (term) such as 10, 15 or 20 years. If the insured person dies during the term, the beneficiaries will receive the payment. If the insured exceeds the term, no benefit will be paid and the policy will lapse.

Real GDP net quarterly values were estimated based on the available statistical data according to the formula. In estimating the net GDP according to this formula, it was assumed that the price would not change over the quarters. In addition, quarterly values of net real GDP, estimated from estimated quarterly data, were seasonal. The main reason for this is that 29.0% of Uzbekistan's economy is based on agriculture, and quarterly fluctuations occur due to the fact that in the first quarter the agricultural output is almost halved . In addition, higher price levels in the first quarter of each year also affect fluctuations in real GDP.

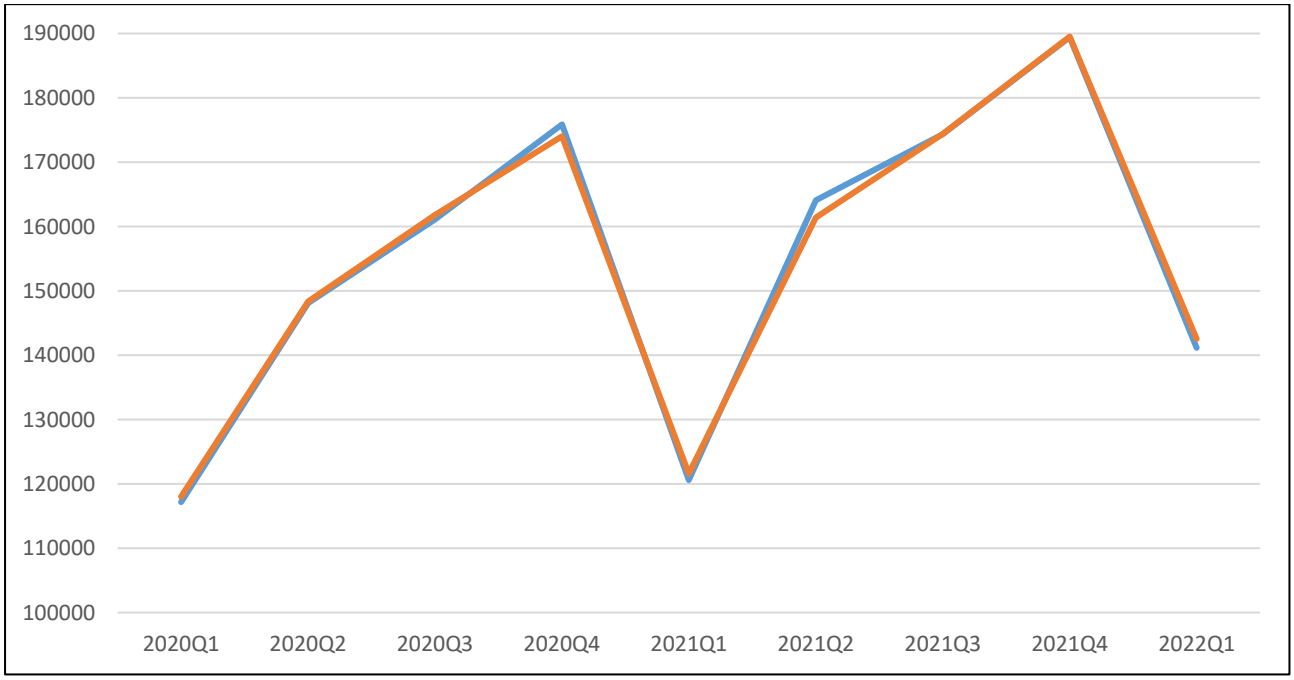


Figure 2. Calculated and estimated values of GDP

[1] *The Author Development*

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Data for the period 2015Q1-2022Q3 were used to model GDP potential in the economy of the Republic of Uzbekistan . Based on the X-12 ARIMA model, since seasonal and periodic fluctuations are excluded from the composition of GDP, it is possible to estimate the trend model of potential GDP based on time without using dummy variables. The fact that real GDP is stationary in trend over time and the estimated coefficients of the trend model are statistically significant even at the 1% level of significance means that potential GDP can be estimated with the constructed trend model. According to the trend model, the average quarterly growth rate of potential GDP is 1.2% and 4.9% annually

In many developing countries, the government faces several problems that lead to budget deficits. Main reasons economic , structural and external to factors to be can Economical factors as the following to bring can :

- Economic grow up slowness : Slow growth enterprises and physical from individuals tax receipts reduces the budget shortage increases .
- Low Tax base : To reforms Despite this , there are many developing countries still a relatively narrow tax base there is . of the economy important part informal in the sector it works while efficient to tax pulling difficult From this except tax from paying neck extortion and from him escape practices potential tax receipts more reduces

Structural factors as the following to bring can:

- Inefficient state costs : developing countries state expenses most of the time ineffectiveness and priority lack of for criticism will be done . Funds sometimes unemployed release networks or to projects separated, they expected income does n't give it while of resources a waste to be done and of scarcity to increase take comes;
- State Enterprises (DK): state enterprises one how much important in networks rule does , however their most of them ineffective and damage sees . This enterprises most of the time from the state subsidies and financial It requires help while the budget aggravates .

CONCLUSION AND SUGGESTIONS

- Public-private partnerships are important in increasing life insurance coverage, especially for specific groups of the population, such as civil servants or low-income families. Through these partnerships, the government can offer tax breaks or subsidies to encourage the adoption of life insurance products, thereby enhancing financial inclusion.
- Uzbekistan's life insurance market could benefit from foreign expertise and capital. Encouraging foreign insurance companies to enter the market would help introduce more competitive products and advanced services, modernize the local industry, and attract a broader consumer base.

By addressing these areas, Uzbekistan will develop a stronger and more inclusive life insurance market that provides financial security to a large portion of its population.

This will contribute to long-term economic stability and help align the country to global insurance standards.

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