THE PROGRESSION OF INFLATION PROCESSES AND THE IMPLEMENTED ANTI-INFLATION POLICY IN THE REPUBLIC OF UZBEKISTAN

Ramazon Amirov
Inomjon Abdusalomov
4th-year Students, Department of Geography, Navoi State University

Abstract. This article analyzes the formation of inflation processes in the Republic of Uzbekistan, their main causes, and their impact on the national economy. The anti-inflation policy implemented in recent years to ensure price stability, regulate money circulation, and support economic growth in the country is highlighted. Furthermore, the role of the Central Bank, financial regulation policy, and the state's fiscal measures in curbing inflation is pointed out. At the end of the article, prospective directions and recommendations for reducing the inflation rate in Uzbekistan's economy are provided.
Keywords: inflation, money circulation, price stability, anti-inflation policy, Central Bank, monetary policy, fiscal measure, economic growth.

Introduction. Today's rapidly developing economy, inflation is a natural phenomenon. The basis of any inflation lies in the disruption of fundamental economic balances. Therefore, the fight against inflation is not just about suppressing it, but about implementing a powerful structural policy aimed at eliminating the imbalances that have arisen in the economy. The experience of a number of foreign countries in combating inflation shows that, understanding the close connection between inflation and the disruption of the economic structure, they did not limit themselves to strictly managing the sphere of money circulation and eliminating excess aggregate demand that exceeded solvency.

The term "inflation" was first used in North America during the Civil War of 1861-1865. Initially, the term "inflation" described the situation of an excessive increase in the paper money supply in circulation relative to the supply of goods. However, such a description of inflation is not perfect and does not fully reveal its causes. In general, inflation, as a form of violation of the laws of money circulation, means a disruption of macroeconomic balance, a disproportion between demand and supply.

Inflation (from the Latin "inflatio" - swelling, puffing up, expansion) means an increase in the general price level of goods and services in a country. As a result of the rise in the general price level, a decrease in the purchasing power of the country's currency (national currency) occurs. This, in turn, leads to the devaluation of the state's monetary unit.

Table 1. Types of Inflation

Type of Inflation	**Definition (Explanation)**
Creeping (moderate) inflation	Inflation that is stable and low over a long period, with a rate of 1–4% per year considered normal for a modern economy.

Type of Inflation	Definition (Explanation)
Galloping inflation	A situation where the inflation rate exceeds 10% per year, and prices rise frequently.
Hyperinflation	A situation of excessively high prices in the country, with an increase of more than 50% per month, or more than 50-fold per year.

In Uzbekistan, annual inflation in October 2025 amounted to 7.8 percent. This is the lowest level recorded since 2017 and is also below the Central Bank's forecast of 8 percent for the end of the year. According to the State Statistics Committee, monthly inflation was 0.6 percent, remaining at the same level as in September. In October 2024, this figure was 0.8 percent. In the first ten months of the current year, price growth amounted to 5.7 percent — which is 2 percentage points less than the previous year. In October, products became more expensive by 0.9 percent, and services by 0.4 percent. Since the beginning of the year, food prices have risen by 5.9 percent, industrial goods by 5.8 percent, and services by 14.4 percent. By region, the highest monthly inflation was in Andijan region — 0.9 percent, while the lowest figure was in Jizzakh, Kashkadarya, Fergana, Khorezm regions, Tashkent city, and Karakalpakstan — 0.5 percent. On an annual basis, the largest price increase was recorded in Fergana region (8.6 percent), and the lowest figure was in Jizzakh region (7.1 percent). Previously, Kursiv Uzbekistan reported that the Som had strengthened by 7 percent against the dollar since the beginning of the year.

1. General Inflation Indicators

INDICATOR	VALUE	PERIOD	NOTE
Annual inflation	7.8%	October 2025	The lowest level recorded since 2017. Below the Central Bank's 8% forecast.
Monthly inflation	0.6%	October 2025	Lower than the figure in October 2024 (0.8%). The same as in September.
Inflation since the beginning of the year	5.7%	January-October 2025	2 percentage points lower than the same period last year.

This table presents the main inflation indicators and their comparisons.

2. Price Changes (By Category)

CATEGORY	MONTHLY CHANGE (OCTOBER 2025)	CHANGE SINCE THE BEGINNING OF THE YEAR (JANUARY-OCTOBER 2025)
Goods	0.9%	-
Services	0.4%	14.4%
Food products	-	5.9%

This table shows how the prices of goods and services have changed.

3. Inflation by Region

MEASURE	**REGION(S)**	**VALUE**
Highest monthly inflation	Andijan region	0.9%
Lowest monthly inflation	Jizzax, Kashkadarya, Fergana, Khorezm regions, Tashkent city, and the Republic of Karakalpakstan	0.5%
Highest annual inflation	Fergana region	8.6%
Lowest annual inflation	Jizzax region	7.1%

This table highlights the regions with the highest and lowest recorded inflation.

Exchange Rate: The Uzbek soum has strengthened by 7% against the US dollar since the beginning of 2025.

The government of Uzbekistan has implemented a number of measures to combat inflation and stabilize prices, including:

1. **Monetary-credit policy:** The Central Bank of Uzbekistan has adopted a tightening stance of monetary-credit policy to reduce the growth of the money supply and control inflationary pressure.
2. **Fiscal policy:** The government took measures of fiscal consolidation aimed at reducing the budget deficit and limiting the expansionary impact of government spending on inflation.
3. **Supply-side policy:** The government also implemented a supply-side policy to solve structural problems in the economy, such as improving infrastructure and reducing regulatory burdens.
4. **Exchange rate management:** The government manages the exchange rate to mitigate the impact of external shocks on domestic prices, such as by creating foreign exchange reserves.

Key Macroeconomic Indicators Related to Inflation in Uzbekistan (2015-2024)

Several factors influence inflation in Uzbekistan. One of the main factors is the excessive growth of the money supply, which often results from the government financing the budget deficit through the Central Bank. This, in turn, leads to an increase in aggregate demand, exceeding the economy's capacity to supply goods and services, and ultimately to a rise in prices.

In conclusion, The course of inflation in Uzbekistan is inextricably linked to its bold economic transformation. The country has moved from a system of hidden, repressed inflation to one where market forces determine prices. This transition has been painful, with high inflation becoming the most pressing economic issue. In response, Uzbekistan has built a sophisticated, multi-pronged anti-inflation policy centered on a credible inflation-targeting central bank, fiscal discipline, and long-term structural reforms. While the battle against inflation is far from over, the policy foundation now in place is robust and represents a fundamental break from the past, offering a credible path toward sustainable price stability and long-term prosperity.

REFERENCES:

1. **Элов, О., Касимов, А., & Холбоева, М.** (2024). ЭВОЛЮЦИЯ И БОРЬБА С ТЕНЕВОЙ ЭКОНОМИКОЙ В УЗБЕКИСТАНЕ. " Science Shine" International scientific journal, 14(1).
2. **Элов, О. К., & Исмоилов, У. Б**. (2023). ЦИФРОВИЗАЦИЯ ПОТРЕБЛЕНИЯ. ЭКОНОМИКА И СОЦИУМ, (6-1 (109)), 1202-1206.
3. **Elov, O. K., Xolboyeva, M. A., & qizi Pirmamatova, N. K. (2023).** MAKROMARKETING VA MIKROMARKETING O‘RTASIDAGI FARQLAR. Educational Research in Universal Sciences, 2(12), 112-116.
4. **Elov, O. K., Berdialiyeva, S., & Ortiqova, S. (2023).** B2B MARKETING VA SANOATDAGI O ‘RNI. Educational Research in Universal Sciences, 2(18 SPECIAL), 130-133.
5. **Komilovich, E. O., Xolboyeva, M., & Pirmamatova, N. (2023).** MIJOZLARNING ONLAYN XARID QILISHDAN QONIQISHI. Educational Research in Universal Sciences, 2(17), 485-487
6. **Elov, O., & Kuvandikova, B. (2025).** INTERNATİONAL MODELS OF MANAGEMENT: BY NAVOIY REGION. *Академические исследования в современной науке*, *4*(32), 141-146.
7. **Elov, O., Niyatova, I., & Toshtemirova, M**. (2025). FACTORS OF MANAGING AND RESOLVING CONFLICTS: THE CASE OF NAVOI REGION. *Академические исследования в современной науке*, *4*(31), 123-128.
8. **Elov, O., & Xidirova, S. (2025).** COMPARATIVE MANAGEMENT MODELS. *Академические исследования в современной науке*, *4*(30), 95-99.