Agency for Strategic Development and Reforms
under the President of the Republic of Uzbekistan

Proposals for Developing the Network of "Dry Ports" and Enhancing Uzbekistan's Transit Potential



Abstract

In recent years, **Uzbekistan** has built **a solid foundation** for becoming one of the key transport and logistics hubs of **Eurasia**. The rapid growth of the transport services market, the international recognition of **27** domestic "**dry ports**", the development of the **Trans-Caspian International Transport Route**, the construction of the "**China** – **Kyrgyzstan** – **Uzbekistan**" railway, and the high investment potential of the warehousing market are creating a unique "**window of opportunity**" to substantially strengthen the country's role in regional and global supply chains.

At the same time, the analysis shows that the existing "**dry ports**" do not yet function as a single national transport and logistics system. Moreover, the identified infrastructural, digital, financial and institutional constraints are holding back the development potential of the transport services sector and may, in the long term, adversely affect the **country's position** in the future architecture of Eurasian supply chains.

If these barriers are not removed in the near term, there is a **risk** that a significant share of the value added generated through the consolidation, handling and distribution of international cargo flows will be concentrated outside **Uzbekistan**.

The analysis showed that many developing countries, primarily landlocked states, faced similar challenges and were able to promptly develop **effective solutions**.

Based on the results of the analysis and taking into account international experience, a **set of systemic measures** has been developed to further improve state policy in the transport and logistics sector, aimed at increasing the efficiency of the industry and strengthening the position of **Uzbekistan** in international transport corridors.



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I. Current state and development trends of the logistics system of Uzbekistan



Over the past **8-9** years, the transport and logistics system of **Uzbekistan**, thanks to the reforms carried out on the initiative and under the leadership of the **Head of State**, has undergone a qualitative transformation and is now becoming an **independent driver** of economic growth, regional integration and the geo-economic positioning of the country.

A key indicator of the ongoing changes is the dynamics of the **market for transport services**, which is one of the fastest-growing segments of the national economy: since **2017**, the annual volume of transport services provided in the country has grown more than **5**-fold, from **36.0 trillion soums** to **188.2 trillion soums**. Within the services sector, transport firmly holds **third place**, second only to trade and food services.



The positive trend continues in **2026** as well: according to the **National Statistics Committee**, in the first half of **2026** the volume of transport services reached **85.3 trillion soums**, **43%** higher than in the same period of the previous year. Such growth rates reflect not only the expansion of domestic economic activity but also the growing role of **Uzbekistan** as a regional **transit and logistics hub**.

One of the visible structural changes in the industry is the emerging trend of replacing the transportation of raw and bulk cargo with **container technologies**. According to analysts of the **Eurasian Development Bank** (**EDB**), in **2025** the volume of rail container shipments in **Uzbekistan** for the first time reached **100 thousand TEU** (**twenty**-foot equivalent units), while the total volume of cargo carried by rail exceeded **107.9 million tonnes**.



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An important step in the development of the national logistics infrastructure was the decision adopted at the end of **2025** at the **6**th meeting of the **Working Group** of **UN ESCAP** in **Bangkok**, under which **27** of the largest transport and logistics centres of **Uzbekistan** were officially included in the international network of "**dry ports**" under the **Intergovernmental Agreement on Dry Ports** in **Asia**, which unites **17** countries.

For reference: *according to the terminology of the Agreement, a "**dry port of international importance**" is a facility within a country's territory equipped with a logistics centre connected to one or more modes of transport, where cargo handling, temporary storage, inspection and customs control operations are performed*.

The "**dry ports**" category includes such domestic hubs as **Navoi Cargo**, **Kungrad Cargo Impex**, **Multimodal Trans Terminal**, **Universal Logistics Services**, **Orient Logistics Centre**, **Termez Cargo Centre** etc. – together they expanded the international network of "dry ports" under the Agreement by **15%**.

Obtaining this status formally integrates these facilities into the regional transport planning system of **ESCAP**, including the **Asian Highway** and **Trans-Asian Railway** networks, and creates the basis for subsequent technical assistance to **Uzbekistan** in developing the infrastructure and standardising these centres.

For foreign investors and logistics operators, the assigned status serves as **additional confirmation** that the facilities meet international requirements, which strengthens the country's negotiating position in attracting relevant investment and developing transit corridors.

Of particular importance for **Uzbekistan** is the rapid development of the **Trans-Caspian Route**, which in recent years has become one of the most dynamically growing Eurasian transport corridors. According to the latest estimates, freight traffic along it in **2025** amounted to **4.2 million tonnes**, in **2026** it will increase to **5.2 million tonnes** (by **26%**), and by **2030** it will reach **11 million tonnes**. Particularly strong growth is seen in **container shipments**. In **2025**, about **77 thousand TEU** were transported along this route, with further growth forecast by **2030** to **300 thousand TEU**.

Notably, today the volume of rail container shipments in **Uzbekistan** is already **30%** higher than the cargo flow along the **Trans-Caspian Route**. At the same time, in relative terms containerisation remains at an early stage of development – the above-mentioned figure of **100 thousand TEU** accounts for

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less than 1.5% of the country's total rail freight turnover, the bulk of which is still made up of **raw and bulk cargo** such as coal, ore, construction materials, etc.

The gap becomes more evident in comparison with **Kazakhstan**, where, according to Kazakh media, the level of containerisation in **2026** reached **8.5%**, and the physical volume of container shipments amounted to a record **2.2 million TEU**. At the same time, **Kazakhstan** itself describes containerisation as an unfinished process: container operations are so far available at only **47** of the country's **445** railway stations.

Closing this gap and realising the existing potential produces an effect simultaneously at **two levels**.

In **economic terms**, the shift from bulk cargo to container technologies expands opportunities for exporting value-added products, reduces unit logistics costs and facilitates integration into global supply chains.

In **geo-economic terms**, the ability of **Uzbekistan** to build up its own container transport infrastructure will determine whether the country receives a **proportionate share** of the revenue from the development of the **Trans-Caspian Route** and other Eurasian corridors.

The accelerated development of the national network of "**dry ports**" and the rapid scaling up of containerisation are a basic prerequisite for capitalising on the positional advantages of **Uzbekistan** within such key corridors as the "**China** – **Kyrgyzstan** – **Uzbekistan**" railway (CKU), the multimodal routes **CASCA+** and **TRACECA**, the **CAREC** programme and, in the future, the **Trans-Afghan Railway**.

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II. Warehousing market of Uzbekistan: demand, supply and investment potential

A similar pattern can be seen in the **warehouse real estate** market, which is an integral part of "**dry port**" infrastructure: demand and development potential significantly outstrip existing capacity.

In April **2026**, the international consulting company **IBC Global** presented for the first time a global ranking of warehouse markets covering **200** countries, which assesses the **attractiveness of national markets** for logistics projects, taking into account rental costs, vacancy rates, availability of land resources, investment potential and the macroeconomic environment.

According to the assessment, **Uzbekistan** ranked **7**th in the world with **40.2 points**, placing between **Türkiye** and **Mexico** and ahead of a number of emerging economies, including **India** and **Kazakhstan**.


IBC GLOBAL

FINAL RANKING
COMPOSITE SCORE

#	Country	Market Cap (%)	Free Float (%)	Geo Factor	ESG	Total Score	Rank
1	Poland	58.4	55.9	0		97.9	
2	Lithuania	53.9	49.4	0		95.7	
3	UAE	79.5	59.6	−30		91.7	
4	Saudi Arabia	63.6	47.9	−20		90.4	1
5	Malaysia	44.6	47.5	0		89.4	2
6	Türkiye	40.6	40.6	0		88.5	
7	Uzbekistan	35.2	60.4	0		86.3	
8	Mexico	52.0	37.0	−9		86.1	
9	India	36.2	35.9	0		76.1	
10	Kazakhstan	33.5	47.3	0		56.5	

KEY FIGURES

UAE: 30 Free Float Penalty, (%)

Saudi Arabia: 20 Geographical Penalty (Points)

Mexico: 9 ESG Penalty, (Points)

Türkiye: 0 Penalty, (Points)

Malaysia: 0 Geographical Penalty (Points)

The country showed its strongest performance specifically in the **warehouse component** of the ranking (**60.4 points**), which reflects the commercial attractiveness of the market. At the same time, its scale does not yet match the growing demand.

Thus, with the current supply of class **A** and **B** warehouse space at around **795 thousand m²**, **unmet demand** is estimated at almost another **400 thousand m²**. Moreover, over **98%** of **class A** warehouse space is already occupied by tenants. This indicates that the existing infrastructure is operating practically at the limit of its capacity

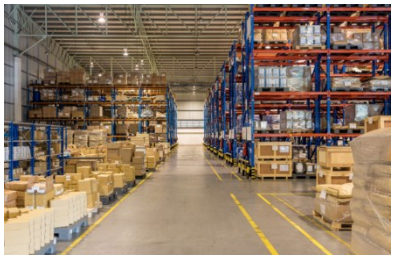
Currently, around **370 thousand m²** are under construction, but, as experts emphasise, this volume is categorically insufficient – the provision of modern warehouse space per capita in **Uzbekistan** remains one of the lowest among comparable markets, at just **0.02 m²** per person. By comparison, in **Russia** this figure is almost **19** times higher, in **Türkiye** – **35** times (about **0.7 m²**), in **Poland** – more than **40** times (about **0.9 m²**), and in **Germany** – more than **100** times (around **2.1 m²**).

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According to experts, the resulting shortage is not an anomaly or a consequence of insufficient state support for the industry, but rather a **natural result** of the country's rapid economic and demographic growth.

Tellingly, the main demand for modern warehouse space today is driven not so much by transit cargo flows as such, but by qualitative changes within the economy of **Uzbekistan** itself, namely the formation of more complex **domestic supply chains**, **diversification** and the deepening of **inter-industry linkages**.

It is important to note that high demand for warehouse infrastructure creates not only logistics but also significant **investment potential** for the industry. According to international consulting companies, the weighted average rental rate for modern **class A** warehouses in **Tashkent** has reached about **12 USD** per **m²** per month, which is comparable to the level of a number of leading foreign logistics centres.



At the same time, the estimated cost of building warehouse facilities is around **670-700 USD** per **m²**, which provides developers with a return of **15-18%** per annum with a payback period of **5-7** years. By comparison, residential real estate in **Tashkent** yields investors on average **8-12% per annum** and pays back in **8-12 years**, while the warehouse markets of **Europe** or **Russia** yield only about **7-9%** due to greater market saturation and strong competition. An additional factor of investment attractiveness is the extremely **low level** of "**vacancy**".

In addition, in the context of global economic fragmentation, particular importance is attached to the **geopolitical stability** and **pragmatic foreign policy of Uzbekistan.** Thus, in the global warehouse market ranking by **IBC Global**, the country received **0 penalty points** for geopolitical risks or sanctions pressure.

By comparison, due to regional instability, the **UAE** lost **30** points in the ranking, **Saudi Arabia** – **10** points, **India** – **8** points; against this backdrop, **Uzbekistan** looks like a kind of safe "**logistics haven**" capable of guaranteeing the long-term resilience of supply chains.

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III. Factors constraining the development of the transit potential of Uzbekistan

Despite the institutional recognition and ambitious plans of **Uzbekistan** for integration into transport corridors, the analysis revealed a number of **systemic constraints** that reduce the country's competitiveness as a regional transit hub.

1. Infrastructure constraints

Today, the key factor in the competitiveness of a transport corridor is not the speed of trains but **terminal time** – the speed of end-to-end container handling at hubs. However, as the analysis shows, at this stage the "**dry ports**" of **Uzbekistan** are not yet ready to ensure fast transshipment, sorting and further distribution of container cargo, facing the following barriers:

a. **shortage of rolling stock** – until August **2025**, on one of the country's key container routes ("**Tashkent** – **Altynkol**"), the national operator **JSC** "**Uztemiryulkargo**" was forced to use wagons of Kazakh companies.



In **2025-2026**, measures were taken to increase domestic wagon production and renew the locomotive fleet of **JSC** "**Uzbekiston Temir Yullari**"; however, given the faster growth of cargo flows, these measures may be of a "catch-up" nature;

b. **geographical and infrastructural imbalance** – of the existing **795 thousand m²** of modern warehouse space, more than **75%** is concentrated in the **Tashkent transport hub**, while key regional and border logistics centres have limited infrastructure. This problem is most acute in the **10** state-owned "**dry ports**" managed by **JSC** "**Uztemiryulkonteyner**".

Overall, **most** of the existing regional terminals correspond to **classes B** and **C**, and therefore lack automated process management systems (**TOS/WMS**), high-bay addressable storage racking, heavy-duty cranes and their own railway sidings;

c. **limited capacity of the railway network** of **Uzbekistan** – over the past **9** years the country's population has grown by almost **30%**, and nominal **GDP** by almost **2.5** times, while the length of main railway lines has increased by only **12-14%**, reaching about **4.8 thousand km**.

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Calculations based on standards show that the required network length is currently around **7.56 thousand km**, which creates a shortfall of main lines amounting to **2.8 thousand km**. Investment needs are estimated at **9-13 billion USD** with a project implementation horizon of **10-15** years;

d. **shortage of personnel** – the lack of competencies in managing multimodal terminals, dispatching and specialised IT systems is no less critical than the shortage of equipment. While equipment can be purchased and installed within a year, training qualified multimodal terminal operators takes **much longer** – from **3** to **5** years.

2. Digital and procedural constraints

According to reports of the **World Bank** and the **Center for Economic Research and Reforms** (**CERR**), the key vulnerability remains the technical and technological disconnection of the "**dry ports**" of **Uzbekistan** from the customs and logistics infrastructure of neighbouring countries, which is evident in several areas:

a. absence of a **unified digital ecosystem** linking railway operators, customs authorities and port administrations of transit countries through open digital gateways (**API**), which makes **end-to-end data exchange** in real time and automatic synchronisation of transport, customs and port documents impossible;

b. absence of a fully-fledged mechanism for **mutual recognition of electronic digital signatures** (EDS) between agencies of the countries in the region, which hinders the transition to **end-to-end** electronic **CIM/SMGS** consignment notes and forces carriers to repeatedly duplicate documents and undergo certain control procedures again at different stages of transit;

c. **absence of common commercial models** – for example, participants of the **Trans-Caspian Route** have still not developed a mechanism for agreeing "**through**" tariff rates, which prevents the formation of a single competitive transport product and reduces the attractiveness of the route for international shippers.

3. Economic factors

The third systemic challenge is distinctly macroeconomic in nature and is related to the **asymmetry** of goods flows, which gives rise to the chronic problem

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of “**empty running**” and a shortage of container equipment, as well as to the geographical features of the region.



According to **EDB** materials, import and transit container traffic to **Uzbekistan** from **East** and **South-East Asia** in physical volume many times exceeds the return flow of finished products in the European direction. This forces logistics operators to carry out the **repositioning** of empty containers back to **China** at their own expense, which is automatically built into freight rates and raises costs.

These additional costs are still offset by a kind of “**security premium**” that this route enjoys amid the growing fragmentation of the global economy; however, this advantage is temporary.

4. Financial and institutional factors

The modernisation of multimodal terminals, accelerated renewal of the specialised rolling stock fleet and large-scale construction of **class A** logistics complexes fall into the category of **capital-intensive projects** with a long investment cycle (**5**-**7** years).

At the same time, the current conditions of the domestic financial market of **Uzbekistan** significantly limit the possibilities for their financing. With weighted average rates on commercial loans in national currency at **21**-**23%** per annum, the **estimated return** on logistics and warehouse projects (**15**-**18%**) is lower than the cost of **borrowed capital**, which objectively constrains the inflow of private investment and leads to chronic **underfunding** of the industry.

In these conditions, it becomes crucial to attract **strategic investors** and leading international port operators such as **DP World**, **PSA International**, **APM Terminals** and others. Their participation can provide not only an inflow of **long-term** (“long”) capital on acceptable terms, but also the transfer of modern terminal management technologies, as well as access to global logistics networks and a **client base**.

A significant obstacle to attracting them is the **absence**, for most “**dry ports**” of **Uzbekistan**, of the international legal status of “**free ports**” (**Free Ports**), which provides for automatic and unconditional granting of extraterritorial tax, customs and currency preferences to their operators, aimed at the **maximum simplification** of cross-border trade and capital reinvestment procedures.

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In addition, **World Bank** experts point to a high degree of **bureaucracy** in land allocation and permitting processes, which extends the construction cycle from the usual **6-9** months to **2** years. In particular, an investor planning to build a logistics centre in **Uzbekistan** must complete, at the land allocation stage alone, **4 separate procedures**: obtaining a khokimiyat decision, issuing a permit for the right to use the plot, concluding a lease agreement and registering the plot with the cadastre authorities.

Furthermore, the "**bureaucratic circle**" includes repeated cadastral inspections, engineering and geological soil surveys, as well as obtaining separate, unrelated opinions from fire, sanitary and environmental services and from utility connection agencies. Due to the long investment cycle, the **internal rate of return** of warehouse and logistics projects drops sharply and the risks become disproportionate to the commercial benefits.

5. Sector governance model

JSC "**Uzbekiston Temir Yullari**" currently simultaneously performs the functions of railway infrastructure owner, carrier and terminal operator – through **JSC** "**Temiryulkargo**", which is also the **monopoly owner** of all main-line locomotives in **Uzbekistan**. Even with legal separation, such a model objectively creates a **conflict of interest**.



The adoption of the **Law of the Republic of Uzbekistan** "*On Railway Transport*" in **2023** was an important step in reforming the industry; however, the actual governance model still retains a high degree of **vertical integration**.

The constraints listed above should be seen not as individual shortcomings, but as an **interconnected system of factors** operating in the context of a rapidly closing "**window of opportunity**". If they are not removed in the near term, there is a risk that Uzbek "**dry ports**" may lose their significance in the architecture of regional transport corridors and supply chains.

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IV. Foreign approaches to building up transit potential

International experience shows that the transit competitiveness of a state, particularly of landlocked countries, is determined by **two** complementary factors: the quality of transit infrastructure and the conditions of the transport market.



For example, landlocked **Rwanda** until **2016** bore **prohibitive logistics costs**: delivering a container from the port of **Mombasa** (**Kenya**) to **Kigali** along a route totalling **1,600 km** cost **3-4 thousand USD** (more than **2** times as expensive as shipping it from **China** to **Kenya** by sea), and delays due to infrastructure shortages and customs bureaucracy reached **14** days.

The solution was a strategic partnership with **DP World** – a **25**-year concession to operate the **first** "dry port" in **East Africa**, **Kigali Logistics Platform**, with a capacity of **50 thousand TEU** per year and investment of **35 million USD**, linked to the **Special Economic Zone of Kigali**, where zero corporate taxes and import duties, guarantees of free profit repatriation, no currency controls and a high degree of digitalisation based on the "**Single Window**" principle were introduced.



Having agreed with **Tanzania**, **Kenya**, **Burundi** and **Uganda** to create a **Single Customs Territory**, integrate the digital systems of customs authorities and mutually recognise **navigation seals** (RFID), **Rwanda** was able to move customs clearance directly to **Kigali**, which in turn reduced transit time from **14** to **3** days and saved the country around **50 million USD** per year.

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Laos also faced high logistics costs at one time, since, **firstly**, it is cut off from the sea and, **secondly**, until a certain point it did not have its own containers. To export a batch of goods, a Lao producer first had to **pay for the delivery of an empty container** from a port in **Thailand** to the capital of **Laos**, **Vientiane**, and then load it and pay for the return of the full container to the port, which made exports **30-40%** more expensive. Moreover, the bulk of the costs went on transshipment and customs re-clearance at the **Thai-Lao border**.



To solve this problem, in **2021**, the "**dry port**" **Thanaleng** was built – a fully-fledged multimodal hub covering **55 ha**, which included an empty container depot, a customs terminal and an interface point for railway lines of different gauges (**1,000 mm** and **1,435 mm**).

A key role in the project was played by the **International Finance Corporation** (**IFC**), which structured the deal and, together with the **International Development Association** (**IDA**), provided financing of **67** million USD and the introduction of the **IFC Performance Standards**, which gave the project access to commercial financing and reduced reputational risks.

This also made it possible to integrate **Thanaleng** into the global network of accelerated container trains **China-Europe Railway Express** and the transit corridors of **South-East Asia**, as a result of which **Laos** successfully diversified its transport routes, reduced cargo delivery times to **Europe** from **45** to **15** days and transformed into a key **transit hub** of the region that retains value added within the country.



In **India**, the management and development of "dry ports" is systematised through the network-based **National Programme** "**Bharatmala**", launched in **2017**, under which, in parallel and following a single "cluster" logic, **35 multimodal logistics parks** (MMLP) are being developed, along with the railways and roads connecting them, whose management is integrated on the national digital platform **PM Gati Shakti**.

The strategic goal is to reduce historically high domestic logistics costs from **14%** to less than **10%** of GDP. This is achieved through the **consolidation of cargo** in multimodal parks and **accelerated transit** between them, which in turn is ensured by **dedicated** freight corridors (**DFC**), "**closed**" freight highways

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(**Expressways**), **double-stack** trains, "**green**" corridors between states and the **robotisation** of multimodal park operations.

The state promotes this programme through **PPP mechanisms** – it provides land, ensures rail and road connections, and then hands over the ready site to private investors for management for **45** years. For infrastructure construction, **special purpose vehicles** (SPV) are established, whose shareholders are the **Ministry of Road Transport and Highways**, the **Ministry of Railways** and **state governments** – this makes it possible to overcome the classic barriers of inter-agency inconsistency.



Sweden in **1988** became the first country in the world to pursue the **separation** of railway infrastructure and rail transport operations. The state retained control over the tracks, depots and dispatching system, while the national carrier **SJ** was stripped of its monopoly and made to compete with private operators on equal terms.



Based on the Swedish model, between **2001** and **2016** the **EU** adopted **4 railway legislative packages** that obliged the countries of the **Union** to eliminate state monopolies on transport, introduce the principle of "**open access**" (Open Access), remove any discriminatory barriers for private carriers, including in the purchase of "**train paths**", and introduce uniform standards.



In the post-Soviet space, one of the **first** countries to begin introducing elements of the European model was **Kazakhstan**. First, the freight wagon segment was privatised, as a result of which today **74%** of the wagon fleet belongs to the private sector. This was followed by a formal **vertical separation** of infrastructure management and transport functions, and in **2018** private companies were, on a pilot basis, allowed to run their **own locomotives** on the network.



Currently, **two** private carriers, **DAR Rail** and **Silkway Transit**, own a fleet of about **100** main-line electric and diesel locomotives and plan to purchase another **110** locomotives. Demand for locomotives is also stimulating their production – today **Kazakhstan** has **two** enterprises in this industry: "**Lokomotiv Kurastyru Zauyty**" and "**Elektrovoz Kurastyru Zauyty**", whose localisation rate, according to official data, is up to **40%**.

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The Kazakh authorities plan by **2027** to fully open the market to private carriers, complete the actual vertical separation of the functions of the national operator "**Qazaqstan Temir Joly**" and take it to an **IPO**.

An equally important factor of transit competitiveness today is **total ecosystem-wide digitalisation**, which literally "erases" the boundaries between continents and different modes of transport. For this purpose, **end-to-end** "**cloud**" **platforms** of the **CCS** class (**Cargo Community System**) are used.

For example, the **CARGOES** platform of the Emirati port operator **DP World** makes it possible to calculate and book a **multimodal route** "in one click", track cargo in real time, optimise warehouse space, assess insurance risks, and synchronise the actions of customs authorities, freight forwarders, "**dry ports**" and carriers.

For **Uzbekistan**, given its continental isolation, it is critically important to ensure not just the accelerated and large-scale construction of logistics capacity, but the formation of a **unified, balanced transport and logistics system** that would ensure a lower level of transport costs.

In this regard, it appears necessary to move to a **network model** for the development of "**dry ports**", providing for their integration into a single national transport and logistics system, digitalisation of key processes, improved management efficiency and synchronisation with the development of rail and road infrastructure.

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V. Proposals for further development of the transport and logistics system of Uzbekistan

For the purpose of a more **systemic**, **comprehensive and proactive development** of the national transport and logistics system and the formation of a fully-fledged national network of "**dry ports**", it is proposed to consider the following proposals for implementation:

1. Introduction in **Uzbekistan** of an **extraterritorial free port regime** based on existing and planned multimodal logistics centres and "dry" ports.

This regime provides for:

a. **full transfer** of customs, phytosanitary and veterinary control from border checkpoints directly to the terminals, reducing cargo clearance time by integrating the digital systems of customs authorities with terminal management systems;

b. **duty-free import**, long-term storage, labelling, sorting and pre-sale preparation of foreign goods without payment of customs duties, as well as the introduction of a special financial regime for residents;

c. guaranteeing the right to resolve commercial disputes at the **Tashkent International Commercial Court** of the **Tashkent International Financial Centre** (**TIFC**);

d. mandatory application of rules of neutral, non-discriminatory access for independent freight forwarders, carriers and cargo owners to the hub's transshipment capacity, excluding monopoly preferences for individual market participants (**Common Carrier**).

For the practical implementation of this initiative, it appears necessary to develop and adopt the Law **of the Republic of Uzbekistan** "**On Dry Ports**", as well as to make corresponding amendments to the **Customs Code**, **Tax Code** and other relevant legislative acts.

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2. Establishing a **strategic partnership** with leading international operators for the transfer of existing multimodal logistics centres to long-term management and the construction of new ones.

The partnership will be implemented under PPP models in **two areas**: the transfer of existing state-owned "dry ports" to long-term management for the purpose of their modernisation (**ROT**), as well as the construction of new high-tech multimodal hubs at the nodal points of promising corridors (**DBFOT**).

In these models, the state will be responsible for allocating sites and building infrastructure, including rail and road connections, as well as for reducing the investor's commercial risks, while the investor will be responsible for:

a. **design**, **construction**, **technological equipment and modernisation** of internal terminal infrastructure;

b. **digitalisation and integration of management systems**: introduction and maintenance of specialised port systems for terminal operations automation (**TOS**) and warehouse management (**WMS**), integrated with the platforms of customs and control authorities;

c. **connection to global logistics platforms**, giving domestic cargo owners access to end-to-end online tracking and "one-click" booking of multimodal freight to key global ports;

d. organising training and international certification of local staff in logistics hub management.

Promising partners may include **DP World**, **AD Ports Group** (**UAE**), **Duisburger Hafen AG** (**Germany**), **PSA International** (**Singapore**), **Lotte Global Logistics** (**Korea**) or **COSCO Shipping** (**China**), including the option of forming a consortium. Following the successful experience of **Laos**, it is proposed to engage the **IFC** as an institutional partner and independent consultant for the preparation of PPP agreements.

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3. Establishment of a **National Logistics Infrastructure Development Fund** based on blended finance principles.

Creating such a mechanism will ensure uninterrupted **project financing** for expanding the capacity of railways and roads, as well as for connecting tracks to existing and planned “dry ports” without additional burden on the state budget.

It appears advisable to build the architecture of the **Fund** on a **multi-layered model**, which is currently actively used in **India**, **Brazil**, **Indonesia** and other developing countries, and which includes the following elements:

a. **sovereign** “**anchor capital**” – may be provided by the value of allocated land plots, the book value of the infrastructure of existing “dry ports” transferred to the state, as well as fixed deductions from transit and customs fees;

b. IFI concessional capital – long-term “soft” loans, grants for project preparation and co-financing from the **Asian Infrastructure Investment Bank** (**AIIB**), the **European Bank for Reconstruction and Development**, the **Asian Development Bank** (**ADB**) and the **IFC**;

c. **strategic co-investments** – direct investments in the fund’s equity and joint project companies by foreign sovereign funds and investment companies, such as the **Abu Dhabi Fund for Development**, Singapore’s investment holding company **Temasek** and others;

d. **capital market instruments** – issuing targeted infrastructure bonds (including **sukuk**) on domestic and international platforms, exempt from profit tax for investors, in order to attract liquidity from commercial banks and private funds secured against future revenues of “dry ports”.

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To ensure the efficiency and transparency of the **Fund**'s activities, it appears advisable to form and approve a **single register of priority projects**, which must be integrated into the architecture of regional transport corridors, as well as to establish a special management company under the control of a **Supervisory Board** with the participation of relevant ministries and shareholders on a parity basis.

4. Introduction of a **pilot legal regime** allowing private railway operators to provide locomotive traction.

In particular, the following is proposed:

a. granting several internationally qualified private logistics operators and consortia the right to operate their own (or leased) main-line locomotives on **fixed pilot routes**;

b. allocation of **fixed time slots** for train movement, calculated by JSC "**Uzbekiston Temir Yullari**" strictly on the basis of the current technical capacity of sections to prevent congestion;

c. introduction of a mechanism whereby the infrastructure tariff for private operators will include a **targeted investment component**, the funds from which will be directed to eliminating bottlenecks in the railway network (construction of additional tracks, passing loops, electrification of pilot sections, etc.).

5. Deployment of the **National Digital Logistics Platform CCS** (**Cargo Community System**).

CCS will function as an "**umbrella**" **ecosystem**, integrating through a common gateway the digital platforms of rail transport (**e-nakl.railway.uz**), airport cargo terminals, customs authorities (**singlewindow.uz**, "**E-tranzit**"), sectoral agencies ("**E-logistika**"), warehouses and "dry ports" (**TOS**/**WMS**), as well as banks and insurance companies.

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Its creation will make it possible to ensure:

a. "**seamless**" one-time data entry, reducing the time for approving and issuing documents at the interfaces between transport modes from several days to **10**-**15** minutes;

b. end-to-end monitoring and forecasting of the load on transport and logistics infrastructure to prevent congestion and traffic jams, as well as optimisation of warehouse and terminal capacity;

c. reduction of market participants' **logistics costs** by eliminating duplicate operations, reducing rolling stock downtime and optimising document flow.

6. Encouraging the formation of **road transport cooperatives** through relevant legislative amendments.

In particular, it is proposed to amend the **Law** "***On Road Transport***" to allow small and micro carriers (including family businesses) to officially unite into **voluntary cooperatives** or establish **joint ventures** with large institutional logistics operators. This will allow small businesses to engage in "**pooling**" (joint cost sharing) for insurance, purchase of modern vehicles, use of IT monitoring systems and quality maintenance services – and thereby move away from **price dumping**.

7. Optimisation of administrative procedures and end-to-end digitalisation of logistics infrastructure construction processes.

In particular, it is proposed to revise the current procedure for allocating land plots and issuing the relevant permits for building logistics centres, including through maximum **digitalisation** and integration of intra-agency procedures – so as to minimise investment and construction cycles and reduce **costs** for entrepreneurs.

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