

Liberalization of Exchange Rate Policies: International Experiences and Lessons for Uzbekistan

Bakhtier A. Islamov, Doctor of Sci. (Econ.), Professor
E-mail: *bakhtiyor.is@gmail.com*

Nabi S. Ziyadullaev, Doctor of Sci. (Econ.), Professor
E-mail: *nabi926@mail.ru*

Ulugbec S. Ziyadullaev, Candidate of Sci. (Econ.)
E-mail: *uz2005@yandex.ru*

Donier B. Islamov
E-mail: *donier.is@mail.ru*

Abstract

Goals/objectives. Analysis of international experiences in exchange rate liberalization with the aim of extracting the necessary lessons for Uzbekistan. **Methodology.** Comparative analysis. **Results.** Comparative analysis of both positive and negative experiences of foreign states in exchange rate liberalization permits to extract certain lessons. The most important of which is the introduction of exchange rates reforms requires several steps. The first step is unification of exchange rates. The second step is free access to physical and legal persons to currency convertibility by commercial banks. The third step is to make currency freely convertible for current account transactions. Finally, without haste though, liberalization of capital accounts. A favorable internal and external environment is important for the proper timing of such reforms. The current liberalization of exchange rates in Uzbekistan envisaged by the Strategy of actions will be successful if proper lessons are drawn from its own and world experiences. **Application.** The proposed step-by-step method can be used in further liberalization of the exchange rate in Uzbekistan. **Conclusion/significance.** The authors suggest their own conclusions and approach for solving the dilemma between the “big bang” and “crown” concepts, one recommending not to start but also not to wait up to the end of reforms. The suggestion is to find a particular mix of government and market instruments, efficient and timely gradual steps related to exchange rate liberalization in each state and implement a currency convertibility consequently in the most appropriate time from viewpoint of domestic and external environment.

Keywords: *international experience, exchange rate liberalization, Uzbekistan*

About authors

Islamov Bakhtiyor, Doctor of Sci. (Econ.), Professor, Tashkent Branch of the REU after G.V. Plekhanov and Tashkent State University of Economics.

Ziyadullaev Nabi, Doctor of Sci. (Econ.), Professor, Market Economy Institute RAS, Moscow.

Ziyadullaev Ulugbek, Candidate of Sci. (Econ.), Tashkent State University of Economics, Tashkent.

Islamov Doniyor, Financial Manager, Super iMax LLC, Tashkent.