LABOR MARKET REVIEW

Q1 of 2026

Resume

- In Q1 2026, labor market activity remained at a high level, with the number of vacancies in March increasing by 9.8 percent compared to the corresponding period of the previous year.
- Demand for labor was concentrated mainly in the services, retail trade, catering, and manufacturing sectors.
- According to data from alternative sources, the number of active resumes in Q1 increased by 31.5 percent, reaching 636 thousand. This is leading to intensified competition in the labor market.
- Employment growth in the economy was primarily driven by the private sector, where employment grew by 5.2 percent in 2025. Notably, the highest employment growth was recorded in the services sector.
- The unemployment rate maintained its downward trend, amounting to 4.8 percent in the fourth quarter of 2025.
- In Q1 2026, the average nominal wage increased by 17.4 percent, while the real wage grew by 9.5 percent. At the same time, wage growth is gradually moderating.
- The deceleration in labor productivity growth rates indicates the growing importance of extensive factors, particularly the expansion of employment, in supporting economic activity. Simultaneously, the faster growth of real wages relative to labor productivity indicates that inflationary pressures persist in the economy.

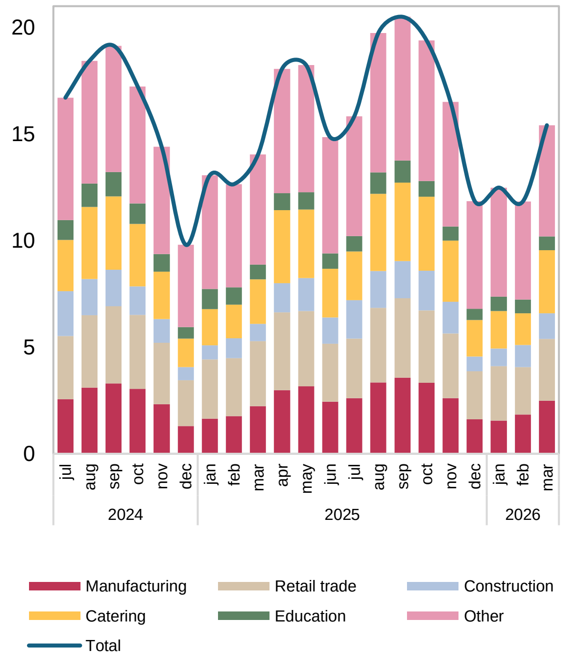
Labor Resources

In the first quarter, labor market developments were shaped by elevated economic activity. According to data collected by the Central Bank from open sources based on web-scraping methodology, labor market activity recovered significantly in March although the number of vacancies in January and February decreased in annual terms by 4.5 percent and 6.5 percent, respectively. Specifically, the number of vacancies in March amounted to 15.4 thousand, increasing by 9.8 percent compared to the corresponding period of the previous year *(Figure 1).* This indicates a growing demand for labor in the economy.

Driven by high consumer activity, the services sector and retail trade remain among the sectors with high labor demand. In the construction sector, however, employment dynamics depend on the investment cycle and seasonal factors. At the same time, labor demand in this sector exhibited an upward trend throughout the first quarter.

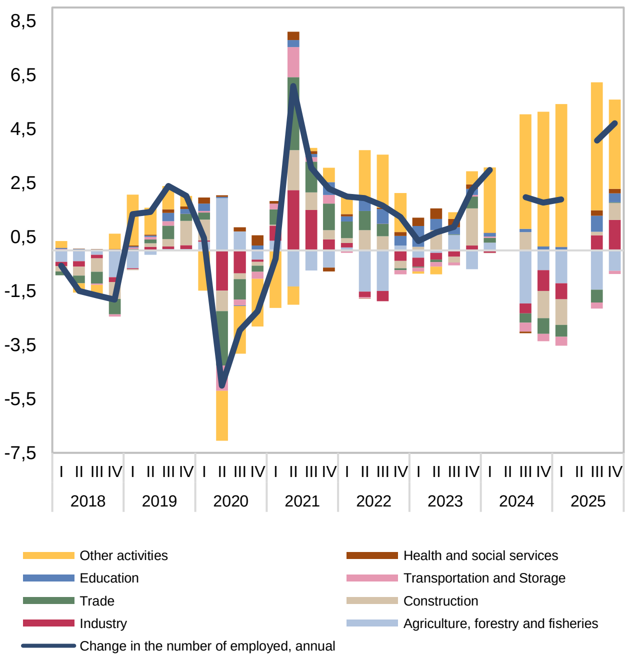
Labour demand remained strong in the catering and manufacturing sectors, with a marked increase in hiring activity.

Figure 1. Dynamics of the number of vacancies, *thousand*



Source: Central Bank calculations based on open website data.

Figure 2. Changes in the number of employed in the economy, *percent*



Source: Central Bank calculations based on data from the National Statistics Committee.

Alternative sources also indicate that the number of vacancies in the labor market of Uzbekistan continues to grow. At the same time, the growth rates of labor supply remain significantly higher than the growth in labor demand. According to HeadHunter Uzbekistan data[1], the number of active resumes increased by 31.5 percent in the first quarter of 2026, reaching 636 thousand. As a result of the faster growth in the number of job seekers, competition in the labor market is intensifying, which is also reflected in wage dynamics, indicating a stabilization in wage growth rates.

In recent quarters, a stable expansion of employment in the economy has been observed; the main part of employment growth was accounted for by the services sector, in which financial and insurance activities, professional and technical services, as well as administrative and support services played a significant role *(Figure 2).* Employment growth in these areas reflects the ongoing development of market infrastructure and the increasing demand for new sectors in the economy.

At the same time, structural changes in the economy are continuing; the contraction of employment in agriculture is explained by the reallocation of labor resources to other sectors. Meanwhile, employment in the industrial and trade sectors demonstrated moderate and stable growth.

Figure 3. Changes in the number of employed by sector, *percent*[2]

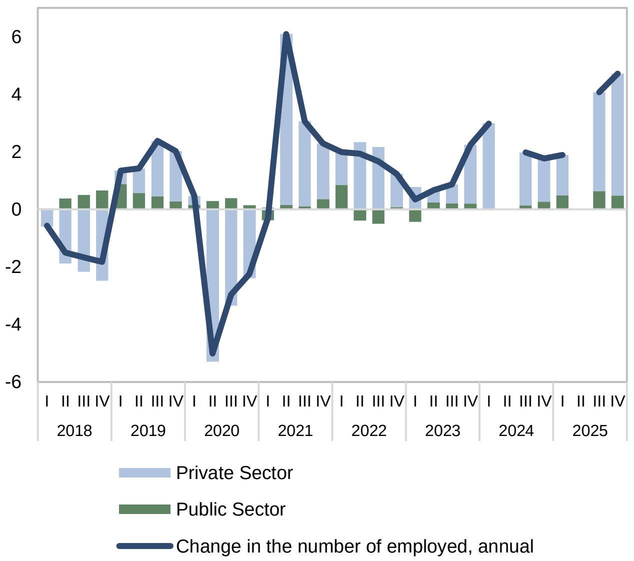
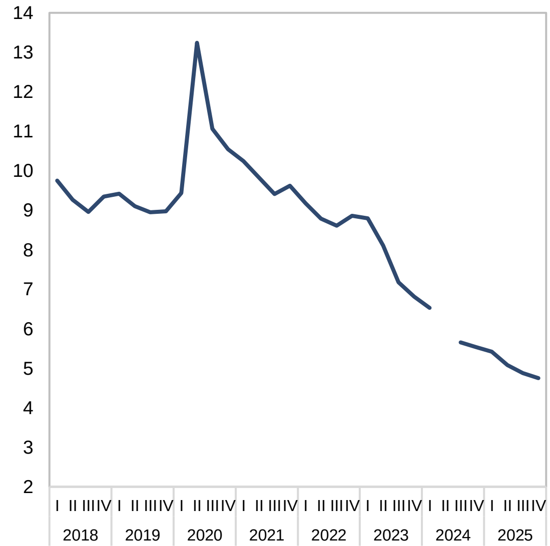


Figure 4. Unemployment rate, *percent*[2]



Source: Central Bank calculations based on data from the National Statistics Committee.

[1] https://tashkent.hh.uz/article/34296

[2] Due to the unavailability of data for the second quarter of 2024, a gap has formed in two parts of the timeline in Figure 3 and in Figure 4

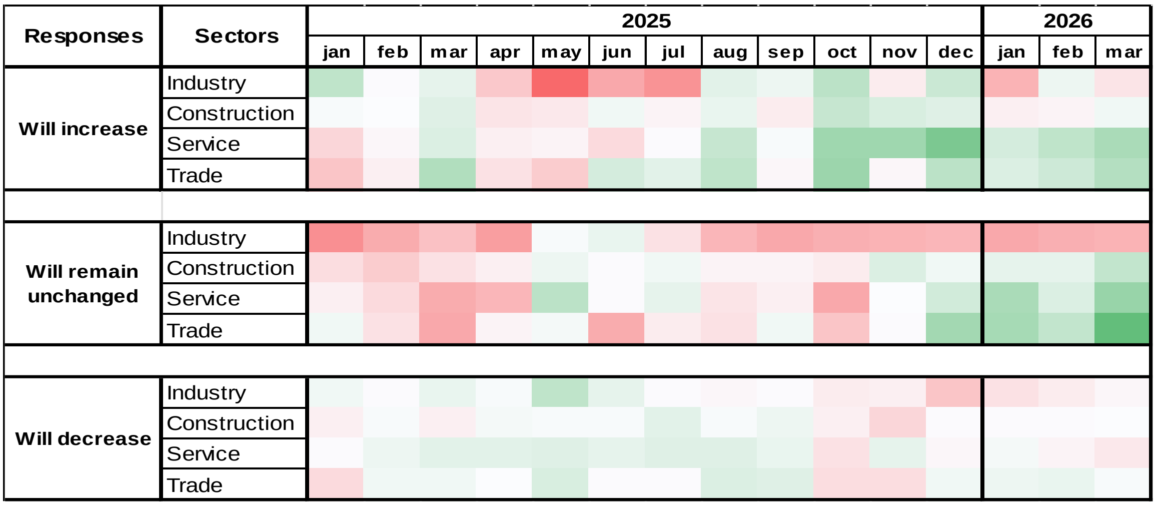
The private sector played a leading role in employment formation. Although the contribution of the public sector remained positive, its impact was relatively limited *(Figure 3).* Specifically, employment in the private sector grew by 5.2 percent in 2025, contributing 4.2 percentage points to overall employment growth, while in the public sector, these indicators amounted to 2.6 percent and 0.5 percentage points, respectively.

Against this backdrop, the unemployment rate gradually declined, amounting to 4.8 percent at the end of the fourth quarter of 2025 *(Figure 4).*

According to the results of surveys conducted by the Central Bank, businesses' expectations regarding hiring in the labor market remained positive in the first quarter of 2026. In particular, the share of businesses expecting an increase in employment grew in the services and trade sectors, indicating an increased demand for labor in these industries. In the industrial sector, expectations formed mostly stably, and the share of enterpri businesses expecting a reduction in employment remained at a low level. Overall, the survey results indicate the stability of demand in the labor market and the persistence of positive expectations regarding business activity *(Figure 5).*

Figure 5. Dynamics of businesses' expectations regarding hiring

Red indicates a decrease in the number of corresponding responses compared to the same period of the previous year, while green indicates an increase in the number of these responses.



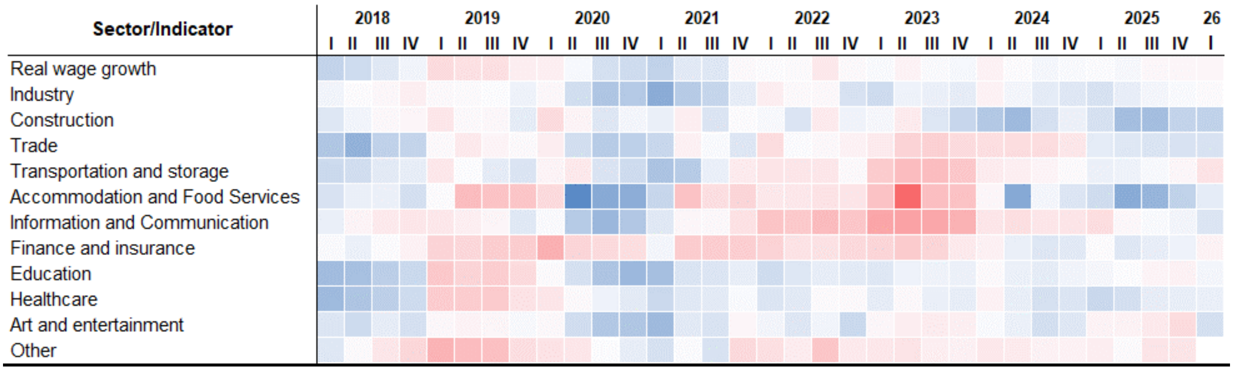
Source: Central Bank calculations

Wage Dynamics

Significant divergence in wage dynamics across sectors persists. At the same time, steady growth in labor remuneration was observed across economic sectors *(Figure 6).*

Figure 6. Real wage growth

Red color indicates high real wage growth, while blue indicates slow real wage growth.



Source: Central Bank calculations based on data from the National Statistics Committee.

The highest wage growth rates were recorded in financial and insurance activities, transport services (transportation and storage), as well as in other service sectors. Wage growth in these areas is primarily explained by the high demand for labor.

Wage growth in the retail trade and catering sectors remained relatively stable. Despite high labor demand, the limited wage growth in these sectors may indicate a relatively elastic labor supply.

Against the backdrop of decelerating inflation, nominal wage growth is also gradually moderating. At the same time, real wages are maintaining a stable, high positive dynamic. This suggests that households' purchasing power continues to be supported, thereby sustaining domestic consumer demand.

Overall, average nominal wages increased by 17.4 percent in the first quarter of 2026 (18.4 percent in the first quarter of 2025). Meanwhile, real wage growth reached 9.5 percent, compared with 7.5 percent in the corresponding period of 2025 *(Figure 7).*

In recent years, labor productivity growth has shifted to a downward trend; specifically, during 2018-2025, the average growth in labor productivity amounted to approximately 5 percent. However, over the past year, this indicator decelerated to about 3 percent. During this period, GDP growth stood at 7.7 percent, while employment growth amounted to 4.7

percent. As a result, the contribution of the employment factor to economic growth increased, and labor productivity growth rates formed at a relatively low level.

Figure 7. Nominal and real wage growth rates, *percent*

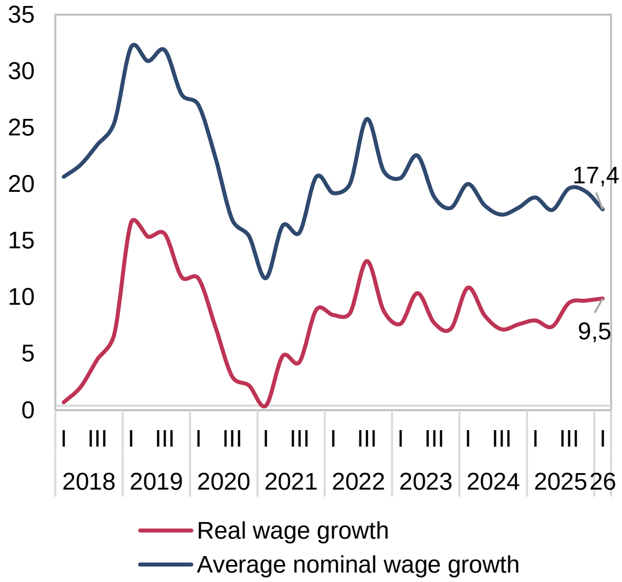
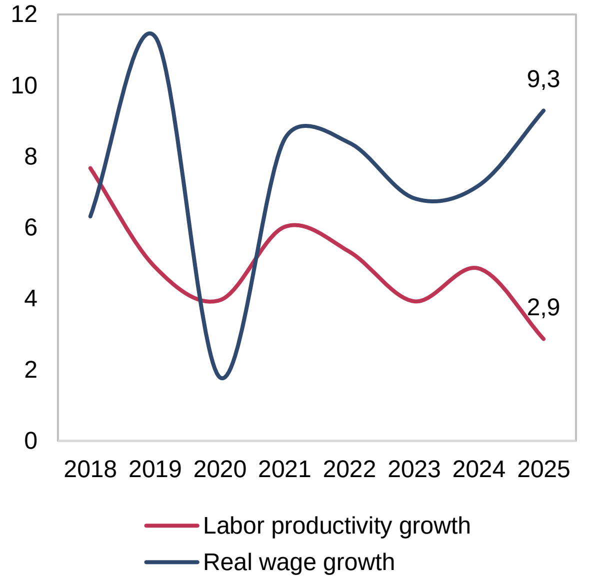


Figure 8. Real wage and labor productivity growth rates, *percent*



Source: Central Bank calculations based on data from the National Statistics Committee.

This suggests that extensive growth factors, particularly the expansion of employment and investment, are playing an increasingly important role in sustaining economic activity. Amid relatively modest labour productivity growth, the increase in output is being driven primarily by the mobilisation of additional labour resources.

In this context, future labour productivity dynamics will depend on improving the efficiency of labour utilisation, enhancing workers' skills, reallocating labour resources towards more productive sectors, as well as the scale and quality of investment activity.

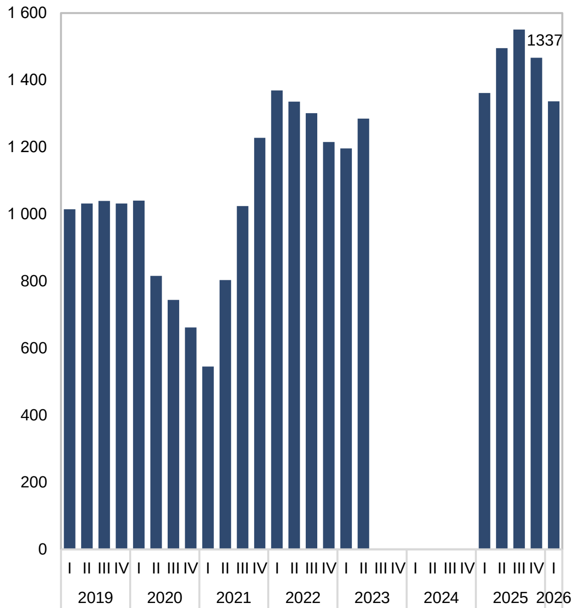
At the same time, the widening gap between labor productivity growth and real wage growth indicates that inflationary pressures persist in the economy. Recently, this pressure has become more widespread, driven by the faster growth of real wages relative to labor efficiency *(Figure 8).*

Dynamics of Remittances and Labor Migrant Flows

In the first quarter of the current year, population mobility continued to grow. During this period, the number of citizens of Uzbekistan who traveled abroad amounted to 1.63 million, increasing by 11.6 percent compared to the corresponding period of the previous year. Furthermore, in the current period, the number of passengers transported by air transport increased significantly, reaching 2.25 million. This indicator was 32 percent higher compared to the same period last year.

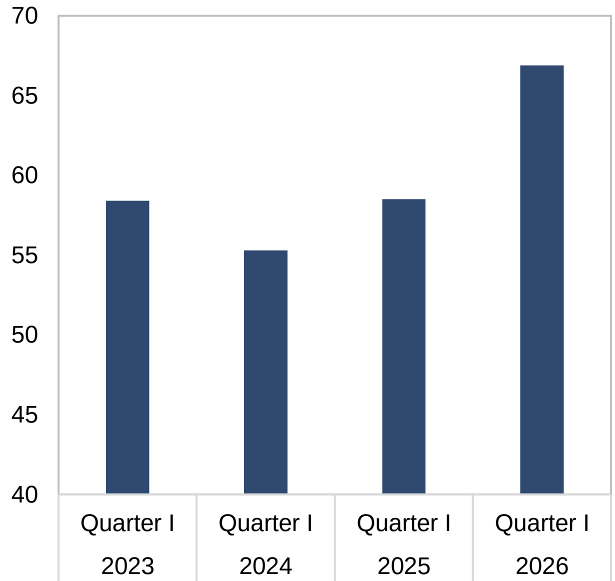
According to the latest available data, the number of citizens of Uzbekistan carrying out labor activities in Russia on the basis of a patent amounted to 1.34 million in the first quarter of 2026 *(Figure 9).* This is 8.8 percent less than in the previous quarter and 1.8 percent less than in the corresponding period of the previous year, which can be explained by seasonal factors and changes in external labor market conditions.

Figure 9. Number of citizens of Uzbekistan working in Russia on the basis of a patent, *thousand people*



Source: Federal State Statistics Service of Russia.

Figure 10. Number of citizens of Uzbekistan residing in Turkey on the basis of a permit, *thousand people*



Source: Presidency of Migration Management of Turkey.

At the same time, the process of diversifying labor migration destinations is continuing.

In particular, the number of official permits for migration to Turkey is increasing. According to data from the Presidency of Migration Management under the Ministry of Interior of the Republic of Turkey, the number of such permits in the first quarter amounted to nearly 70 thousand, increasing by 14 percent compared to the corresponding period of the previous year *(Figure 10).*

The number of citizens of Uzbekistan residing in South Korea also continued its steady growth in the first quarter, reaching 99.6 thousand.

The volume of remittances maintained an upward trend in the first quarter of 2026, amounting to 3.8 billion USD and increasing by 13 percent compared to the corresponding period of the previous year.

Diversification processes across countries also continue in the structure of remittances. However, the pace and continuity of this process remain dependent on external labor markets and macroeconomic conditions in major partner countries.

Specifically, in the first quarter of 2026, the share of remittances originating from Russia decreased from 77.6 percent in the corresponding period of the previous year to 72.4 percent. This is primarily explained by the increase in patent fees since the beginning of the year, the relative depreciation of the ruble in March, as well as the expansion of labor migration destinations.

At the same time, the share of Kazakhstan in total remittances increased by 1 percentage point to 4.1 percent, the share of European countries increased by 1 percentage point to 3.3 percent, and the share of South Korea increased by 0.6 percentage points to 4.1 percent. Meanwhile, the share of other countries increased by 2.6 percentage points, reaching 16.2 percent.

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