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Installment-Based Purchasing in Uzbekistan's Consumer Durables and Automotive Retail: Regional Benchmarks and a 2019–2029 Scenario Forecast

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Abstract: The research assesses the past and future development of installment-based purchasing in Uzbekistan consumer durables and automotive retail (2019-2029). The current installment market in Uzbekistan is still underdeveloped compared to regional counterparts in Russia, Kazakhstan, and Turkey, despite the rapid expansion of payment networks and credit information systems. This gap in knowledge reveals both the relatively small penetration of point-of-sale financing and the absence of Sharia-compliant non-bank point-of-sale financing in Uzbekistan's budding retail finance sphere. Using a hybrid qualitative methodology that integrates institutional analysis with quantitative diffusion modeling, we estimate adoption rates in a variety of economic and regulatory contexts. According to 2019 data from appliances and automotive transactions in Tashkent, installment purchases comprised 15–25% of retail sales, facilitated by an expanding payment infrastructure but limited by KYC burdens and lack of credit history depth. Under a moderate growth scenario, sales coming from installments originated accounts could stand at 50–60% in 2029, which would be a game changer for Uzbekistan's retail consumer lending system). The findings highlight the need for continued policy initiatives, fintech integration and Islamic finance adoption to ensure inclusive financial participation. The paper concludes that Uzbekistan is poised for a decade of rapid growth in retail credit; yet the influence of regulation and consumer awareness will dictate its path towards strengthening or undermining household finance. The implications are important for policymakers, financial institutions, and retailers trying to encourage responsible, widespread growth of consumer installment financing.

Keywords: Nasiya Savdo, Rassrochka, Point-of-Sale Financing, Consumer Credit, HUMO, Uzcard, Tashkent, Home Appliances, Auto Loans, Islamic Finance, Credit Bureau, Uzbekistan

1. Introduction

Pay-later buying, known locally in Uzbek as nasiya savdo and in Russian as rassrochka, fills the space between cash-heavy shopping and full-fledged consumer credit. In late 2019, Uzbekistan, and more specifically, Tashkent's home appliance and vehicle sectors, began developing the prerequisites for in-store, split-payment programs. The republic had already established extensive infrastructure, including "rails" such as a growing population of active payment cards, a corresponding rise in checkout terminals, a gradually tightening credit registry, and increasingly visible banners from both retailers and banks advertising deferred-payment plans. In the summer of 2019, HUMO, a second nationwide payment network, entered the field to complement the already-dominant Uzcard, while a newly adopted piece of legislation, Law "On Payments and Payment

Systems”, clarified the legal foundations for the electronic payment ecosystem [1]. Concurrently, the credit registry expanded its reach, covering nearly 50 percent of the adult population by year-end. In the most relevant categories, consumer electronics and automobiles, large retailers explicitly promoted deferred-payment offers, regularly highlighted in Uzbek marketing as *muddatli to’lov* (meaning “timely repayment”), either in collaboration with banks or through their own labeled financing arms. Still, substantial barriers were endured. Back in 2019, the bulk of loan requests required labor-intensive in-person identity checks under Know-Your-Customer (KYC) rules; large swaths of the population had “thin” credit histories, even though credit-agency records covered nearly 48% of adults [2]. In that same window, lending rates remained elevated in absolute NM terms, and financing options structured under Shariah-compliant principles disappeared in need markets.

To position Uzbekistan within the global installment finance landscape circa 2019, this investigation contrasts the country’s embryonic installment environment with historical pathways manifest in Russia, Kazakhstan, and Turkey, all of which have demonstrated pronounced consumer installment paradigms in the preceding decade. Russia’s early-century retail credit acceleration, culminating in the feature-rich Sovcombank Halva card in 2018, showed how coordinated merchant enrollment and bank-sponsored card infrastructure combined to integrate installment usage rapidly [3]. In the mid-2010s, a wave of fintech-centric installment initiatives emerged in Kazakhstan, epitomized by Kaspi Bank’s Kaspi Red offering. This initiative scaled from approximately 26,000 eligible cards in its inaugural year to well over 900,000 by mid-2019, reflecting a dramatic increase in consumer demand [4]. Concurrently, by the early 2010s, Turkey had already developed a second-nature installment habit, institutionalized through widely accepted credit instruments. The magnitude of utilization necessitated regulatory interventions in 2014, calibrated through limits and sector-wide credit-volume bans, to restore prudent debt-to-equity ratios [5] [6]. Synthesizing case insights, this work presents simulated, contiguous trajectories to assess incremental financing in appliance and automotive distribution in Uzbekistan from 2020 to 2029. Complementarily, the text interrogates the latent efficacy of Islamic finance in undergirding the inclusive proliferation of installment agreements, a subject of resonance within Uzbekistan’s Sunni-majority demographic and one that is privy to incipient, production-oriented alliances with dedicated Islamic development institutions formally inaugurated in 2019.

The sequence that follows explains the study’s approach, showcases relevant international benchmarks, summarizes the 2019 market data for Uzbekistan, and subsequently outlines possible future paths through 2029, concluding with insights intended for decision-makers and industry leaders.

2. Materials and Method

The present research adopts a convergent parallel mixed-methods framework, integrating qualitative case examination and quantitative diffusion modeling, to interrogate the calendar-year 2019 expansion of instalment financing across consumer durables and light-vehicle segments in Uzbekistan. Primarily, the study relies on archival and administrative datasets, including central bank transaction and terminal counts, statutory texts related to payments, consumer credit information, and disclosures published by multilateral financial authorities. Complementary evidence is derived from classified corporate directories, correspondence with principal suppliers and processors, and comparative benchmarks on similar financing platforms in the post-Soviet and Southeastern European contexts. Specific comparative cases comprise the Halva payment scheme (Sovcombank, Russia), the Kaspi Red instalment offering (Kaspi, Kazakhstan), and the series of notices promulgated by the Banking Regulation and Supervision Agency (BRSA, Turkey) between 2018 and 2019. Informal dialogues with retail personnel and banking officers were conducted solely to validate the longitudinal framework

benchmarks for 2019. All documentary and conversational evidence is chronologically restricted to the period 2018 to 2019, encompassing published materials and administrative records subsequently coded with the indicators CBU 2019, Uzbekistan 2011, 2019, IMF 2019, World Bank 2019, Kaspi.kz 2019, Sovcombank 2018, and BDDK 2018–2019.

Comparative historical modeling provides the scaffold for projection. Uzbekistan 2019 is treated as lagging Kazakhstan's mid-2010s and Russia's early to mid-2010s by roughly five to ten years; Turkey's early 2010s serves as a mature, policy-capped end state. We align Uzbekistan's 2019 infrastructure and penetration levels with the corresponding points on these comparators' time series and then forward-map their subsequent paths, adjusting for structural differences (e.g., automotive supply constraints, fintech depth, merchant concentration). This lagged-trajectory logic, therefore, anchors the shape and ceilings of Uzbekistan's projected adoption curve. Projection is systematically bounded above by Turkey's final levels and below by an adjustment lagged by five to ten years from the analogous historical series of the other comparators. Three forward scenarios, Base, High, and Low, are then constructed for two product categories (appliances/electronics; passenger automobiles). The Base case assumes steady improvements in rails (cards/POS), credit-information coverage, and merchant participation without major external shocks; the High case overlays a structural catalyst typified by a bank- or fintech-led installment-cards/app channel achieving a rapid adoption scale; the Low case embeds a structurally tighter credit supply or a distinctly anticipatory backlash from earlier regulators. To isolate the sign of structural catalysts, we hold definitions constant (ratios of installment share to segment sales) and empirically treat the 2019 estimates as the calibrated baseline. A small additive channel, effectively a domestic bump, is reserved for retail Shariah-compliant installment products (*murabaha/ijara*) to capture financial inclusion effects in both the Base and High trajectories.

Two analytical frameworks steer the parameterization process. The first, diffusion theory, diagnoses the adoption profile as an S-curve characterized by an early phase of hesitant uptake, a central period of accelerating adoption due to escalating consumer knowledge and strengthening merchant networks, and a terminal plateau of saturation. The second, financial inclusion, associates the adoption capacity with the availability of enabling rails and the pervasiveness of risk-relevant data. The twin expansions of point-of-sale and card-reader provisioning, as well as the growth of credit bureau reach, enlarge the share of the population deemed financeable. In contrast, demand responsiveness to credit supply induces installment acceptance, thereby propelling both transaction volume and gross merchandise value during the ascending segment of the diffusion trajectory.

Suspicious projections are housed in an Excel environment constructed with a priority on reproducibility. The input deck contains 2019 historical baselines, reference implied terminal-penetration benchmarks, macroeconomic anchors (income and retail-sector growth), and measures of the temporal lag to the S-curve inflection point. The central analytical engine employs a piecewise logistic growth process that assigns steep segmental increments to the early and mid-2020s and progressively shallower slopes thereafter; an explicit lag mapping technique synchronizes reference penetration series with the Uzbekistan adoption calendar and rescales their gradients to observe region-specific constraints. Sensitivity modules allow disabling an infrastructure ceiling (binding when aggregated point-of-sale and credit penetration thresholds are not met), enabling an Islamic finance acceleration (permitted only under the Base or High scenario), and activating a systemic shock switch (off in the 2019 analytical benchmark). The engine concurrently computes both penetration and installment merchandise-value indices to articulate the linkage between financial deepening and recorded transactions.

An exploratory OLS regression is employed here purely as a plausibility appraisal rather than as a predictive tool. The dependent variable is the installment share of total retail transactions. Explanatory variables include the natural logarithm of cards per capita,

the density of point-of-sale terminals measured in railing analogues, the extent of credit bureau coverage measured by the number of risk-deduction data points, and the intensity of retailer installment programs as captured by the availability of financing partnerships for merchants, all constrained by a vector controlling for income levels. The estimated coefficients display signs and magnitudes that are both positive and substantively meaningful, corroborating the underlying theoretical model. The limited cross-country coverage, however, renders the magnitude of the coefficients suggestive rather than conclusive and primarily serves to reaffirm the policy focus on expanding rail infrastructure, improving data availability, and facilitating merchant onboarding. All referenced material is cited parenthetically in the author–date format, using the Chicago Manual of Style, for example: IMF (2019); World Bank (2019); Kaspi.kz (2019); Sovcombank (2018); BDDK (2019).

Background: International Comparisons

A survey of neighboring markets reveals instructive precedents for Türkiye’s emerging pattern of installment-based retail financing. The experiences of Kazakhstan, Russia, and Türkiye serve as comparative benchmarks, each illuminating distinctive trajectories and the milestones that condition consumer adoption of installment credit. In Kazakhstan, an algorithmically driven fintech paradigm has underpinned the acceleration of installment expenditure. Kaspi Bank’s introduction of the dual-purpose Kaspi Red card in 2016 allowed clients to make in-store and online purchases with repayment segmented into short horizons, typically three months, at nominal or zero interest, with the merchant absorbing the implicit financing cost. The offering scarcely tapped the latent borrower appetite: the active Red cardholder base, initially 26,000, surged to 937,000 within three years, according to the issuer’s disclosures. The registrar’s benign posture, as enshrined in the National Bank’s measured consumer credit guidelines, and the prior establishment of an interinstitutional credit registry, jointly understated latent counterparty risk and enabled frictionless account onboarding via smartphone. The Kaspi Red case effectively encapsulates the dynamic interdependence of merchant card acceptance, entrenched consumer comfort with mobile payments, and strategically priced installment products as critical success vectors. Implicit within the rapid adoption curves is an inflection point subsequently observed by domestic aspirants, when late-2019 emergent challengers that directly emulated the Kaspi framework entered the Uzbek credit landscape.

Russia’s trajectory during the 2010s illustrates how a bank-driven framework popularized consumer-installment financing. By the onset of the decade, strategic alliances were formed between major retail chains (notably electronics leaders Eldorado and MVideo) and banking institutions, which jointly deployed point-of-sale credit solutions. These arrangements provided governance architecture for subsequent mainstream uptake. a crucial inflection point occurred in 2017 with the nationwide rollout of Sovcombank’s Halva, a proprietary credit card engineered exclusively for the installment environment and accepted at a vast array of retail partners. Within the Halva paradigm, cardholders could disperse payments over predetermined horizons of 3 to 12 months at a zero-interest rate, with the financial charge shifted to the merchant via a defined commission schedule. The innovation elicited rapid consumer acclimatization: Halva’s membership reached approximately 1.0 million holders by March 2018 and accelerated to 1.5 million by August (Sovcombank, 2018), while the transaction count for the semester approached nine million installment operations [7]. Following Halva’s success, the market witnessed a proliferation of zero-interest installment credit card offerings from alternative banking actors, alongside a substantial expansion of merchant-specific deferred payment programs. The Russian experience demonstrated acute consumer responsiveness to installment contracts characterized by transparency, ubiquity, and practical zero-cost optics, albeit the surge also underscored the need for judicious underwriting protocols. The rising profile of

unsecured retail debt prompted recoiling by prudential authorities and consequent regulatory scrutiny in the mid-part of the decade.

Turkey exemplifies the trajectory of developed installment-buying customs that require corrective regulatory action. During the 2000s, Turkish banks systematically encouraged the proliferation of multipurpose, multi-installment credit cards, enabling most retail purchases to be converted into monthly installments of 6 to 12 payments. By the end of the 2013 calendar year, six out of ten credit card operations materialized as instalment rather than lump-sum transactions [8]. Although this adaptation furnished strong momentum to retail turnover, it concurrently generated sustained growth in household liabilities and heightened dependence on foreign merchandise, the latter aggravating the already adverse current account trajectory. Since the systemic spillovers posed significant balance-sheet and external-economy risks, the Banking Regulation and Supervision Authority (BDDK) intervened early in 2014, prohibiting instalment payments for distinct classes of retail imports, most saliently, electronics, jewelry, and telecommunication devices, and restricting all remaining transactions to a maximum of nine monthly fractions [9]. Though the authority and the monetary authority subsequently moderated the scope of the limitations between 2018 and 2019, permitting a twelve-month ceiling on generic transactions and extending the duration to eighteen terms in the case of household furniture to accentuate domestic manufacture, the episodic episodes unequivocally signal that pre-existing instalment usage represented a macro-financial systemic hazard (BDDK, 2018; BDDK, 2019). By the close of the 2010s, the conversion of domestic expenditure into nine- to eighteen-month instalments had solidified into standard Turkish consumer practice, signifying the methodology's maturity and simultaneously constituting a prospective condition for the neighboring country of Uzbekistan, underscoring the irreducible requirement of supervisory prudence.

Several important lessons emerge from a comparative analysis of selected international consumer credit lines. First, cultural orientation and consumer experience with non-cash transactions consistently moderate the adoption of these methods. Turkish retail environments, for instance, have integrated installments as a normative practice. At the same time, the phrase “nasiya savdo” (“deferred sale”) already circulates among Uzbek consumers, underscoring a pre-existing cognitive space for credit that surges of modern supply can easily colonize. Second, the political economy maintains a sustainable equilibrium: household credit accounted for less than 5 percent of Uzbekistan's nominal GDP as of 2019, providing a buffer that, if abruptly overextended, could curdle into systemic weakness. A preliminary Turkish experience suggests that precautionary product caps or interest ceilings may no longer be optional in the medium term once product density obscures residential equilibrium. Finally, a resilient backbone of financial infrastructure is a sine qua non for progressive scaling; Turkish saturation derives from historically elevated banking coverage and burgeoning acquisitional points of sale, while comparable developments in Russia and Kazakhstan follow truncated trajectories. Uzbekistan, for its part, has been assembling complementary attitudinal and operational foundations over the latter part of the previous decade, reinforcing a developmental arc that graphically arrives 5–7 years after that of either Russia or Turkey, yet otherwise mirrors the common vector. Photographic evidence of these lessons, as well as subsequent reviews of the Uzbek marketplace and collaborative scenarios, is rendered on comparative, meso-structural foundations.

Findings: Uzbekistan's Retail Finance Landscape

Payment Infrastructure and Adoption

As of early 2019, Uzbekistan's retail payments infrastructure had matured sufficiently to support scaled, sale- and salary-linked financing at the point of sale. Central Bank data recorded 17.68 million active debit and multi-purpose bank cards, as well as 244,910 merchant and enterprise-grade POS terminal locations, supplemented by an

additional 6,860 ATMs and touchscreen kiosks associated with the Uzcard brand [10]. Deployment density was notably higher in the capital, metropolitan Tashkent, providing the consumer segment with the necessary hardware to contemplate small-value, post-purchase, installment financing. Throughout the late 2010s, these terminals accelerated the conversion of in-store payment behavior, driven by national policy mandating terminal point coverage at supermarkets and similar retail formats. A seminal event during the review interval was the operational launch of the HUMO national switching network, initiated by the National Bank of Uzbekistan. HUMO's entrance revived competitiveness among the card and terminal supply chain, allowing issuers and merchants to negotiate more favorable interchange and transaction terms [11]. Cumulatively, these developments contributed to the 2019 enactment of the revised Law "On Payments and Payment Systems," whose provisions strengthened interoperability, risk management, and the regulatory environment for electronic money, thereby providing a clear policy framework for near-field, crypto, and mobile-client wallet players.

By the close of 2019, the payments environment in Uzbekistan had, in aggregate, developed to the point of accommodating the requirements of point-of-sale installment purchases, notwithstanding the residual predominance of cash and sealed-sale card payments in most commercial transactions.

Parallel to the expansion of payment architecture, the architecture of consumer credit information was maturing. Traditionally, Uzbekistan had been underserved in comprehensive credit reporting; however, the watershed 2011 "Law on Exchange of Credit Information" opened the pathway for licensed, privately managed credit bureaus, placing the landscape on a trajectory of progressive development. By the 2019 cut-off, approximately 47.8% of the nation's adult population had at least one record in a commercial repository, according to the World Bank (2019); the base had been 36% the previous year, suggesting an accelerating enrollment trajectory. The compressed time series, as evidenced by the structural data, stems from broader compulsory reporting by the universal banking segment and the deliberate assignment of retail-interest debts. This upward cohort of records has, in quantifiable terms, permitted a gradual contraction of the "thin file" compromise. Therefore, when commercial practitioners-initiated credit evaluations for point-of-sale term purchases in 2019, empirically derived scores, typically based on file age and credit utilization, were applied, even to first-time acquirers. Nonetheless, a substantial proportion of the applicants were generically termed 'novice borrowers' and presented truncated formal histories. The lending community, in consequence, retained an extra-analytic toolkit that included the electronic extraction of utility disconnection data, the extraction of mobile telco repayment streams, and the conditional covenants of family or co-signature. Parallely, identity authentication and operational sanctions imposed a primary reliance on analogue files. The quiet corollary feature associated with each micro-installment acquisition was that compliance demanded the presentation of identity or travel documents and the concurrent creation of archival micro-forms, moderating transactional velocity across the retail interface. Such lags were progressively ameliorated by analytically poisoning strategic paper digitization, strengthening difficulty-driven, empirically oriented credit artefacts.

Government and IMF analyses published in 2019 highlighted the importance of enhancing credit information systems as a strategic prerequisite for the sustainable expansion of consumer lending (IMF 2019). The notable increase in bureau coverage that emerged during that period provided an encouraging indicator for the prospective development of installment financing markets.

Retailer Programs and Key Market Players

Beginning in 2019, a cohort of retail enterprises in Uzbekistan's household appliances and consumer electronics sector, in concert with associated banking partners, launched a concerted effort to popularize installment payment schemes. These

foundational players offer insight into the nascent consumer-layer installment infrastructure:

Texnomart, the dominant household appliance and electronics retailer established in 2008, had achieved a network of over 30 outlets by 2019, bolstering its market profile, in part, through installment financing [12]. The retailer's standard installment proposal required a modest down payment, followed by equal monthly installments ranging from three to twelve months, an arrangement frequently advertised under the phrase *muddatli to'lov*. By aligning with banking institutions, most notably InFinBank, for co-branded installment products, and by relaxing credit screening criteria to the submission of a national passport and a modest verifiable income document, Texnomart allowed consumers to take immediate possession of products, be they large-screen televisions or low-energy refrigerators, with repayment spreading conveniently across forthcoming months. The retailer's systematic and visible marketing of financing options attracted both market and academic attention, earning it a "Brand of the Year 2018" accolade, with consumer credit activations cited in the adjudication (Marketing Association of Uzbekistan 2019). Competitors, observing the observable lift in revenue and foot traffic, recognized that marketing proprietary credit facilitates could catalyze pronounced sales acceleration.

Mediapark - launched in the middle 2010s and managing around ten outlets by 2019, emerged as the nation's preeminent consumer electronics distributor in terms of revenue, propelled in large part by installment sales strategies. The retailer carved out competitive space by periodically providing zero-interest installment schemes. In the second quarter of 2019, Mediapark launched a promotion in partnership with Xalq Bank whereby consumers could acquire durable goods under the terms of "0% initial payment, 0% final fee" over six months, de facto an interest-free consumer loan, requiring the submission of a passport as the sole identifying document (Mediapark 2019). The campaign generated exceptionally high demand, leading to a notable sales surge that compelled rival chains to replicate similar financial offers. Absent campaigns, Mediapark customarily marketed installment terms of 6 to 12 months with moderate, disclosed administration fees. The retailer consistently featured these plans in advertisements in both Uzbek and Russian, employing messages such as "выгодная рассрочка" (translation: "advantageous installment payment"). By the end of 2019, the firm had integrated an electronic channel for installment applications, permitting consumers to arrange the purchase, credit underwriting, and doorstep delivery of goods, thereby exemplifying an omnichannel financing experience.

Founded in the early 2000s, Elmakon emerged as one of Uzbekistan's pioneering consumer electronics specialists, operating a modest network of five outlets. By the late 2010s, the retailer had firmly entrenched itself in the market as a provider of both proprietary and jointly structured bank-affiliated financing solutions, enabling customers to acquire devices through structured monthly payments. The 2019 iteration of the firm's digital platform featured a streamlined interface, allowing prospective buyers to initiate and secure installment transactions entirely online, with subsequent home delivery. This reinforced the e-channel's operational maturity and broadened consumer access to affordable technology. Although Elmakon's sales volume was eclipsed by larger competitors, such as Texnomart and Mediapark, and its promotional expenditure remained comparatively restrained, it maintained a persistent market. The activity substantiated the conclusion that extended-credit schemes had evolved from a discretionary value proposition into an essential operational condition for profitability in Uzbekistan's rapidly developing consumer electronics sector.

Founded in 2017, Olcha.uz emerged as a pioneering all-digital platform for retail installment sales in Uzbekistan. Operating under an online marketplace model, Olcha, whose name translates as "cherry," leverages a proprietary, interest-free installment plan and intentionally eschews partnerships with traditional banks. Customers navigate the site

to select a desired item and specify a repayment tenor (most commonly 3, 6, 9, or 12 months). They can finalize the transaction within minutes by providing only a photograph-based national identity document and an Uzcard or HUMO payment card [13]. Olcha itself finances the deferred payments, functioning as a buy-now-pay-later (BNPL) provider without explicitly advertising or late penalties; nominal attention fees, if ever applied, are absorbed and factored into the final retail pricing. Given the absence of an explicit margin on deferred funds, the pricing model implicitly adheres to Islamic financing principles by avoiding *ribā* (interest), which, in turn, is likely to resonate with a customer base traditionally averse to usurious products. Through online transaction corridors, the model circumvents physical store visits and lengthy bank underwriting, thereby capturing a disproportionate share of millennial and Gen Z consumers while simultaneously nudging established merchants to enhance their own installment products digitally. Olcha's traction, hence, serves as an illustrative corridor-proof example of an Uzbekistan installment-economy surging directly into embedded fintech modalities, minimizing prior reliance on entrenched, physical-distribution financing networks.

Credit Asia, subsequently marketed as CA Store in select outlets, commenced operations in approximately 2012, adopting a dual-modality approach as both a distributor and a domestic consumer lending institution. The enterprise, which began as a licensed non-bank credit institution focused on personal-use financing, rapidly escalated its vertical integration strategy by inaugurating proprietary showrooms devoted to consumer appliances, which simultaneously served as points of credit disbursement. By 2019, the company had established a network of 11 retail spaces across Tashkent and several regional urban centers [14]. Within these facilities, patrons were afforded the option to acquire merchandise without the burden of an initial instalment, with the residual cash flows structured into monthly repayment schedules enforced by Credit Asia's in-house lending division. The enterprise effectively internalized credit risk, generating sustainable margins through either a marginal premium on retail prices or negotiated manufacturer incentives. The decision to eschew overt interest charges served to obfuscate the cost of lending. The arrangement was designed to prioritize clients otherwise marginalized by conventional banking prudential criteria. In a concurrent evaluation of the firm's disruptive market stature, the European Bank for Reconstruction and Development (EBRD) informally advanced a \$10 million credit proposal in 2019 to support sustained geographical expansion [15]. Overall, the rapid scaling trajectory revealed that licensed non-bank intermediaries could effectively penetrate the point-of-sale financing segment, eclipsing established deposit-taking banks and proprietary retail chains while simultaneously broadening access to affordable credit for historically underserved demographic segments.

Cumulatively by late 2019, actions undertaken by larger retailers and dedicated consumer finance providers had effectively positioned a pilot phase of deferred-payment consumer purchases within Uzbekistan's economic landscape. While direct cash transactions remained numerically dominant, discerning buyers could increasingly identify "buy now, pay later" terms for more expensive categories of merchandise, whether in brick-and-mortar stores or on digital marketplaces. The observable rivalry between merchants - each orchestrating promotional credit terms calibrated to encourage foot and digital traffic - constituted a persuasive empirical marker that amortizing payment schedules were migrating beyond a narrow circumstantial usage and were, in fact, consolidating their status as a standard operational mechanism in national trade practices.

3. Results

The Projected Installment Growth Scenarios (2020–2029)

To estimate the prospective path of installment-driven consumption in Uzbekistan, three scenario frameworks were developed for the decade from 2020 to 2029, with an empirical emphasis on the household appliance/electronics and passenger vehicle sectors. This analytical grouping encompasses a Base Case, a High Case, and a Low Case. Each scenario is underpinned by a comparative benchmark analysis, juxtaposing Uzbekistan's envisaged performance against the empirical trajectories recorded in Kazakhstan, the Russian Federation, and the Republic of Turkey, with the derived time series advanced approximately five years (thus, Uzbekistan's 2019 is treated as a proxy equivalent to Kazakhstan's 2014 or to Russia's 2013 during the respective stages of market maturation). It is further stipulated across the three pathways that the macroeconomic context will remain on a relatively stable course, free from systemic shocks, and that the state will sustain an overarching framework of generally accommodating public policies in consumer and household credit.

Base Case

The base-case scenario entertains entrenched yet exhibit moderate growth in installment adoption among Uzbek retailers, approaching Kazakhstan's emergence during 2016–2019 while also recalling the slowest Russian regional expansions. Under this backdrop, well-calibrated incremental amendments transpire: by the onset of 2024, virtually the entire large-format retailer base incorporates installment financing; by the close of the subsequent year, credit bureau penetrations redefine 70 per cent of the adult population; and by the mid-2020s, disparate digital orchestration, notably e-KYC and alternative credit-scoring algorithms, render point-of-sale credit adjudication efficient. The installment ratio, measured here as the percentage of aggregate retail turnover compensated through any structured credit mechanism encompassing proprietary installments, point-of-sale arrange through banks, installment-linked payment cards, or payment-by-installment applications, expands, 2019 serving as the base datum of 15 per cent, escalating first to 35 per cent within white and brown goods segments by mid-2020s, and to 55 per cent by the terminal retail year of the 2020s. Accordingly, the decade's terminal year is dominated by the emergence of substantive financing, whereby more than 50 percent of long-lived appliances and electronics are advanced via consumer credit arrangements.

Adoption trajectories are projected to approximate a classic S-curve: a sharp ascent during the early 2020s, possibly attaining a quarter market share by 2021–2022 as consumer familiarity expands and retail participation deepens, followed by a gradual taper toward the end of the decade as predominant urban centers near adequate market saturation. In the context of the passenger-vehicle segment, wherein predetermined financing, comprising both amortizing auto loans and lease structures, managed a share of roughly 25 per cent of new-passenger registrations in 2019, the reference growth scenario foresees a more than proportionate extension toward 2029, with a terminal constraint approximating 50 per cent of such transactions by the end of the decade. Notwithstanding lags arising from elevated fixed financing amounts and latent supply impediments, most notably the constrained throughput of the domestic UzAuto Motors assembly complex, financing prevalence may yet exceed the growth rates recorded in consumer electronics categories. Under the prescribed reference case, the administrative macro environment remains favorably oriented, characterized by sustained real income growth and the absence of regulatory credit-tightening interventions. The scenario also acknowledges a moderate curvature effect attributable to nascent Sharia-compliant financing initiatives, projected to add 5 to 10 percentage points to total new-vehicle financing by 2029, as appropriately structured halal financing instruments enter the market and progressively mobilize previously underserved consumer cohorts.

High Case

This analysis presents an exceptionally accelerated trajectory of installment financing adoption, characterized as a heuristic leapfrogging phenomenon that occurred during the early 2020s. Adoption processes can move at astonishing speed, driven by simultaneous expansionary forces: sustained macroeconomic uplift, the aggressive entry of digital lenders and incumbent financial institutions into mass-market installment products, and de jure and de facto incentives from public authorities that favor consumer debt. A viable manifestation would entail, by the 2021–2022 biennium, the emergence of a high-engagement card or mobile application launched by a systemically important fintech or banking institution observing overwhelming consumer preference (analogous to Sovcombank's Halva initiative or an imagined, high-velocity analogue of Kazakhstan's Kaspi expansion into Uzbekistan). If successful, these mechanisms tend to increase the proportion of retail transactions enrolled in deferred-payment schemes rapidly. Actual results would position the durable consumer electronics and white-goods sector above a 20% installment-financed value share as early as the 2020 calendar year, hover at 40%–45% at the decade's apex, and harvest approximately 65% by 2029; contemporaneously, the passenger-vehicle sector could converge toward a 60% financing-index by the same horizon. These penetration ratios would constitute de facto market saturation in metropolitan core areas and extended de jure spread in mid-sized municipalities and rural hinterlands. An analogous market reference to frame the magnitude would note that the threshold outlined in this discussion, 60%, matches the pre-disruptive threshold observed in the Republic of Turkey for card-based instalment transactions before the application of macro-prudential regulatory instruments.

Reaching the upper-bound projection appears contingent on the absence of timely and stringent regulatory interventions by financial authorities, which would necessitate deferring such measures until the latter part of the decade. Concurrently, enabling mechanisms — particularly the refinement of digital credit-scoring methodologies, and the alignment of retail and lending ecosystems through frictionless partnerships — must evolve incrementally. A further complementary axis of growth could be the proactive integration of Islamic financing principles, which, by fostering greater confidence and broadening participation among previously hesitant demographic segments, may generate additional demand. Consider, by way of illustration, a hypothetical scenario in which a well-established banking institution introduces a Shari'ah-compliant, no-interest "halal credit" instalment facility during the early 2020s; such a product would likely resonate with consumers who have conventionally eschewed standard forms of credit.

Low Case

This scenario anticipates a more subdued trajectory for installment financing, driven by either persistent macroeconomic challenges or a consumer base adopting a wait-and-see stance. Under these conditions, the share of sales made on installment plans grows at a moderate pace. Forecast for durable goods, including fridge/freezer clusters and consumer electronics, indicates a rise in the installment share from approximately 15 percent in the base year of 2019 to a probable 30–35 percent by the terminal year of 2029; the respective trajectory for passenger vehicles suggests an increase from 25 to roughly 40 percent. Such subdued penetration may result if, for instance, intermittent macroeconomic decelerations provoke a broad pullback in private consumption, if credit policies in the banking sector remain prudent, or if supervisory authorities, reacting earlier to nascent signs of household leverage, deploy macroprudential ceilings akin to Turkey's recent measures. Nevertheless, even under this tempered outlook, the volume of installments expressed in monetary terms continues to advance, sustained by an undercurrent of financial inclusion imperatives and ongoing retail digitalization in the Uzbek market. The pace of advance at the aggregate level would converge toward a ceiling that is narrower than that projected in more optimistic outlooks.

The constructed scenarios were explicitly anchored in the 2019 analytics and intentionally excluded consideration of later systemic disruptions. The outbreak of the COVID-19 pandemic within the subsequent year qualifies as a paradigmatic perturbation, briefly impairing the dynamism of point-of-sale financing and potentially curtailing the adoption of consumer loans delivered at the retail margin. Nonetheless, the pandemic concomitantly intensified the transition toward a global, digitally mediated commerce. This structural adjustment may, over a lengthy horizon, enhance the adoption and effectiveness of point-of-sale installment solutions similar to those offered by Olcha. The future path of the 2020s decade, of course, remains contingent upon subsequent empirical developments; irrespective of actual behavior, the scenarios provide a hermeneutic scaffold to conjecture the modalities by which installment-based consumer procurement might proceed under differing macro- and microeconomic configurations within the Uzbek context.

4. Discussion

The analysis indicates that Uzbekistan stands at the threshold of an installment retail expansion that could fundamentally alter the structure of consumer finance over the next 10 years. To realize the projected benefits of installment purchasing, authorities must deliberately align legislative, supervisory, and institutional capacities, purposefully regulating the emerging framework while safeguarding consumer interests. Comparative studies of more mature markets reveal that benefits may otherwise be offset by overleveraging, opaque pricing, and inadequate dispute redress, reinforcing the imperative of preemptive, data-driven policy calibration.

Policymaking in the consumer lending domain requires a dual posture: the state must promote activity while remaining watchful. In 2019, the Uzbek authorities intentionally sought to deepen consumer credit on a nominal basis, reasoning that the outstanding volume, expressed as a share of GDP, remained insufficient to animate durable domestic consumption. As receivables on point-of-sale goods and services steadily accumulate, supervisors should maintain a steady stream of margin-reducing novelty by admitting verified fintech operators, fortifying credit register architecture, and revising statutes that lag other Shari'a-aligned offers. However, they must also prepare scalable throttles once initiation, turnover, and delinquency metrics breach long-range trend thresholds. Reference to the epochal credit reversals in Russia and Turkey suggests an immediate procedural preference for calibrated preemption, preventive ceilings on outstanding debt fractions relative to typically liquid income, on the lifespan of individual financing agreements, and on the otherwise volatile aggregate of non-housing consumption debt. Servicing requirements, transparency duties, and stress-testing exercises conducted independently of monetary stimuli should accompany the baseline slide. Continuation of rudimentary entry into and exit from the credit assembly, coupled with an authorized anchor benchmark, stands as the sine qua non for rates, and hence inclusive pricing, to respond primarily to variations in the underlying cost of funds, rather than monopolistic assessment architectures.

Consumer protection and financial literacy are critical dimensions of the financial inclusion agenda in Uzbekistan. Given that a large segment of the populace is entering the formal credit market for the first time, and that some consumers may have cultural and religious aversions to interest-bearing loans, education, and transparency, these assumptions take on paramount importance. To that end, the rapid expansion of installment financing obliges all market participants, retailers, financial institutions, and supervisory authorities alike to disseminate information clearly and accessibly. Product disclosures and promotional materials must use ordinary Uzbek to clarify the consequences of late payment, demonstrating that even arrangements labeled as *nasiya* or "deferred sale" require prompt adherence to the repayment schedule to prevent sanctions. Supervisory authorities should therefore issue binding codes that cap default fees and

require references to “zero percent” pricing to be accompanied by unambiguous explanations of the underlying cash price and the operational consequences of forbearance.

Alongside transparency, targeted offerings for consumers who reject conventional interest for religious reasons represent a path to integrate the underserved. Well-structured murabaha or ijara products, when implemented in rigorous compliance with Shariah norms, provide an alternative recourse to credit and help expand the formal borrowing base. To avert the all-too-common malady of disguised interest, programs must establish clear sale, risk, and ownership transfer steps, subsidize the operational costs of risk hedging, and endow utilities with tangible underlying assets. Concerted governance will be required, and drawing upon qualified Shariah scholars, who may constitute an autonomous national Shariah advisory board for the banking sector, will afford sustained oversight. Such a structure will not only harmonize conflicting interpretations but also fortify consumer confidence, enabling broader socio-economic participation in a rigorously Shariah-compliant, procedurally secure formal credit system.

The embedding of installment purchase arrangements into Uzbek economic life cannot be understood outside its historical context. The nomenclature itself, *nasiya savdo*, denotes a centuries-old mechanism of deferred payment employed in merchant transactions, particularly within intra-community trade. Today’s formal credit schemes may be interpreted as technical reframings, yet they evoke a culturally instantiated ritual in which obligations are settled incrementally. Financial institutions that strategically anchor contemporary credit modalities within this mnemonic reservoir experience smoother diffusion, a phenomenon that becomes more robust when these modalities are structured in accordance with ethical strictures that many consumers already recognize. Since upwards of eighty percent of the adult citizenry self-identifies as Muslim, the doctrinal disavowal of *riba* offers an endogenous arbitration criterion. A quantitative inquiry conducted in 2021 demonstrated a marked readiness among the public to adopt Shari’ah-compliant credit, provided that such modalities were explicitly structured and readily accessible [16]. Therefore, expanding the vector of deferred payments within a Shari’ah-compliant framework is consequential, both as a domestic allocation strategy and as a mechanism of financial inclusion. Preliminary calibrations materialized during the 2019–2020 biennium, during which state banking actors, such as Trustbank, entered a phase of regulatory experimentation, courtesy of a memorandum with the Islamic Corporation for the Development of the Private Sector. Meanwhile, the legislative apparatus drafted enabling statutes to authorize Islamic banking windows [17]. Systematic advancement of these nascent arrangements will expand the menu of debt obligations analyzed and anticipated by economic agents across diverse income and literacy strata, thereby affording a still unrealized cohort of consumers the cognitive simplicity and legal certainty required for deliberate, informed credit expansion.

In conclusion, Uzbekistan’s nascent installment finance segment possesses the requisite elements for substantial growth: a broadening digital payments infrastructure, progressively refined credit registries, receptive merchant participation, and heightened engagement from both conventional and Shariah-compliant investors. While the nation draws upon neighboring exemplars, it remains incumbent upon authorities to integrate, with equal vigor, the lessons of moderation. Sustaining a dynamic, responsible, and disclosure-driven retail finance ecosystem should be adopted as a strategic priority, thereby positioning Uzbekistan to secure a durable source of consumer-led economic momentum while mitigating the risk of systemic overcommitment.

5. Conclusion

By late 2019, Uzbekistan was poised for an impending shift in consumer credit, similar to that of its neighbors, yet tempered by idiosyncratic local factors. The subsequent decade is likely to witness an accelerated uptick in the volume of retail transactions

financed by deferred liabilities, encompassing in-store installments, secured retail loans, and evolving digital credit ecosystems. Firms that embed structured credit offers within the purchase funnel may experience significant sales growth; correspondingly, commercial intermediaries and technology service providers structuring these furnishers of deferred payment will acquire an expanding demographic of credit-ready buyers. The infrastructural propositions observed by 2019, multipart payment networks, thickening risk databases, embryonic bilateral retail-financial alliances, and tentative consumer appetite for Sharia-compliant solutions, cumulatively insinuate an unmistakable horizon of proliferation throughout the 2020s.

Yet adoption must be calibrated within exacting provisional regimes. Systemic protagonists require disciplined emulation of neighboring patterns, evading the fallout of unregulated consumer lending that triggers credit market retrenchment and erodes protections, while also counteracting the languor of excessive regulatory circumspection that inhibits proliferation. By 2029, Uzbekistan's retail credit ecosystem is expected to demonstrate the virtues of structural stability, alongside widespread accessibility, thereby fueling innovation in last-mile personal consumption and meeting the twin requirements of macro-financial stability and societal resonance.

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