Development of government securities markets: experience of Uzbekistan, Kazakhstan, and Poland in 2015-2025

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Abstract: This work looks into how government bond markets evolved in Uzbekistan, Kazakhstan, and Poland between 2015 and 2025, paying close attention to shifts in institutions, market size, and variety among investors. Through comparison, patterns emerge showing shared challenges typical of economies shifting structure - yet some reforms clearly boosted trading activity and smoothness. Improvement did not come automatically; it followed deliberate changes in rules and broader access for buyers. Longevity in these markets hinges less on short bursts of growth, more on steady upgrades to systems alongside wider participation. When frameworks strengthen over time, outcomes tend to follow.

Keywords: government securities, sovereign bonds, securities market, Uzbekistan, Kazakhstan, Poland, public debt management, T-bills, bond market development, institutional investors, market liquidity, primary market, secondary market, financial regulation, transition economy

Introduction

At the heart of every modern financial setup sits government bond trading. These markets handle national borrowing needs, set reference rates for other investments, also guide how interest rate shifts spread across the economy. Still, in numerous developing and shifting nations, such markets lack depth, trade slowly, mostly rely on local banks alone. That tight structure weakens broader economic function while making state funding vulnerable when debts need rolling over.

One reason comparing Uzbekistan, Kazakhstan, and Poland works well lies in how each sits at a different point on the same path. Reaching EU membership by 2004 gave Poland time to build strong ties within an open bond market system. Instead of trailing far behind, Kazakhstan stands ahead as Central Asia’s top financial performer - yet hurdles remain built into its structure. Since 2017, steps toward reform in Uzbekistan have just begun; learning from those further along seems almost inevitable now.

One goal here sits clear: follow how government debt markets grew across these nations between 2015 and 2025. Instead of just listing events, it digs into what shaped progress - rules, systems, hidden roadblocks. Behind each shift lie certain structures, some helping, others holding things back. To uncover patterns, numbers meet context - hard stats blend with close readings of laws and oversight setups. Sources range from national reports to global evaluations by the IMF and World Bank, plus peer-reviewed studies adding depth. From all this, practical insights emerge, aimed at guiding future changes without grand claims or empty advice.

Comparative assessment: Key metrics, 2015–2025
Table 1 summarizes selected comparative indicators for the three countries.

Table 1

Indicator	Uzbekistan	Kazakhstan	Poland
Dom. gov. debt / GDP (2015)	~2%	~20%	~47%
Dom. gov. debt / GDP (2024)	~7%	~22%	~53%
Yield curve maturities	1–5 yr	1–10 yr	3M–30 yr
Foreign investor share (2024)	<1%	~5%	~20%
Secondary market turnover	Very low	Low–moderate	High
Primary dealer system	In development	Yes (since 2010s)	Yes (since 1990s)

One clear pattern stands out across the three nations: growth paths differ sharply. Though starting small, Uzbekistan saw its internal government debt climb fast since 2015. By 2024, that measure stood nearly three times higher. Meanwhile, Kazakhstan held steady, its leaders choosing restraint in local borrowing to leave room for business loans. Different still, Poland pushed further into financial maturity without losing touch with global markets. **Structural Challenges and Their Determinants**

Looking closely at how things have changed in Uzbekistan lately, I've noticed it's less about people not wanting government bonds and more about lacking the systems to turn interest into real action. In each of these countries, three big hurdles show up clearly - even if their size differs here and there. What matters is how they shape what can actually happen on the ground.

One big worry is how few types of buyers hold most investments. State-run banks in Uzbekistan take up large shares of government debt auctions, yet show no real push to trade those holdings later. Over in Kazakhstan, the heavy presence of the UAPF shapes trading patterns, leading to limited movement despite steady participation. Poland sees another twist: local insurers and retirement funds lately favor shorter-term, easier-to-sell assets, which sometimes leaves longer-dated bonds less wanted without overseas interest.

Here and there across Central Asia, finding buyers or sellers for bonds takes time. When trades happen too seldom, figuring out fair prices gets shaky at best. Interest rate patterns start reflecting guesses instead of real deals. That lack of clarity spreads wider than state debt - companies borrowing money, home loans, even long-term contracts rely on those signals. Miss that foundation, and every part built on top wobbles just a little more.

Out in front, Uzbekistan shows almost no rules at all for repos or securities lending - those quiet engines behind bond trading - while Kazakhstan has just fragments. Not so in Poland. There, clear laws shaped by EU standards let repurchase agreements thrive. Because of this, dealers move Polish government debt over and over, circulating far more than what actually exists. Turnover dwarfs supply, proof that short-term borrowing fuels daily trades. **Conclusion:**

One way to look at Uzbekistan, Kazakhstan, and Poland between 2015 and 2025 is through their bond markets - progress takes time, yet it's possible. Though now advanced, Poland's system grew slowly, shaped by three decades of steady work on rules, institutions, and trust. For countries nearby, Kazakhstan stands out - not quite finished, though already further ahead than most.

What matters most for Uzbekistan isn't big-picture economics - government credit and budget health are already acceptable - it's about building systems behind the scenes. Setting up a network of primary dealers, creating laws that allow repurchase agreements, bringing in varied investors, lasting maturities beyond current norms - these can happen in five to seven years if efforts stay focused. Each change feeds into the next: moving forward on just one pushes the rest ahead too.

Looking at how things are changing, I see Uzbekistan has a chance right now - one that won't last forever. Public debt know-how takes years to build, yet vanishes fast when people leave. The team growing inside the Finance Ministry and Central Bank? That group holds what comes next together. Keeping them strong matters just as much as rewriting laws.

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