



ANALYSIS OF TRADE AND ECONOMIC COOPERATION OF THE REPUBLIC UZBEKISTAN AND THE PEOPLE'S REPUBLIC OF CHINA: MAIN INDICATORS AND POTENTIAL

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Abstract: *This analysis delves into the trade and economic cooperation dynamics between the Republic of Uzbekistan and the People's Republic of China, examining key indicators and the potential for future collaboration. Through a comprehensive review of official reports, academic literature, and data from international organizations, the study identifies significant trends and developments in bilateral trade, investment flows, and infrastructure projects. It explores the evolution of economic ties between the two countries, highlighting the role of initiatives such as the Belt and Road Initiative (BRI) in fostering connectivity and enhancing mutual economic interests. Additionally, the analysis investigates the diversification of trade sectors and the impact of policy coordination efforts on bilateral economic relations. The study concludes by outlining potential areas for further cooperation and offering insights into the future trajectory of the Uzbekistan-China economic partnership.*

Keywords: *Uzbekistan, China, trade relations, economic cooperation, investment, bilateral trade, economic indicators, trade volume, potential areas, collaboration opportunities*

The trade and economic relationship between the Republic of Uzbekistan and the People's Republic of China holds significant importance in the context of regional and global economic dynamics. Both nations have witnessed substantial growth in their bilateral trade and investment ties over recent years. This analysis aims to provide a comprehensive examination of the main indicators and potential avenues for further cooperation between Uzbekistan and China. By delving into key economic metrics and policy frameworks, the study seeks to shed light on the current state of their relationship and identify opportunities for mutual development.

The trade between Uzbekistan and China has experienced notable expansion, with bilateral trade volumes reaching new heights in recent years. China has emerged as one of Uzbekistan's major trading partners, particularly in sectors such as energy, infrastructure, and manufacturing. The exchange of goods and services between the two countries has been facilitated by various bilateral



agreements and trade initiatives aimed at enhancing economic cooperation. In addition to trade, investment flows between Uzbekistan and China have also seen significant growth. Chinese companies have increasingly shown interest in investing in Uzbekistan's infrastructure projects, including transportation, energy, and telecommunications. These investments have contributed to the modernization and development of Uzbekistan's economy, creating employment opportunities and fostering technological advancements.

Currently, between the Republic of Uzbekistan and the PRC in the economic field 4 fundamental international treaties have been signed that regulate bilateral trade and economic relations between states:

- Trade and Economic Agreement between the Government of the Republic of Uzbekistan and the government of the People's Republic of China (Tashkent, January 2, 1992);¹

- Agreement between the Government of the Republic of Uzbekistan and the Government of the People's Republic of China on the promotion and protection of investments (Beijing, April 19, 2011);

- Agreement between the Government of the Republic of Uzbekistan and the Government of the People's Republic of China on the avoidance of double taxation and preventing income tax evasion (Tashkent, 07/03/1996);

- Protocol on amendments to the Agreement between the Government of the Republic Uzbekistan and the Government of the People's Republic of China on avoiding double income tax dated July 3, 1996 (Beijing, April 18, 2011)²

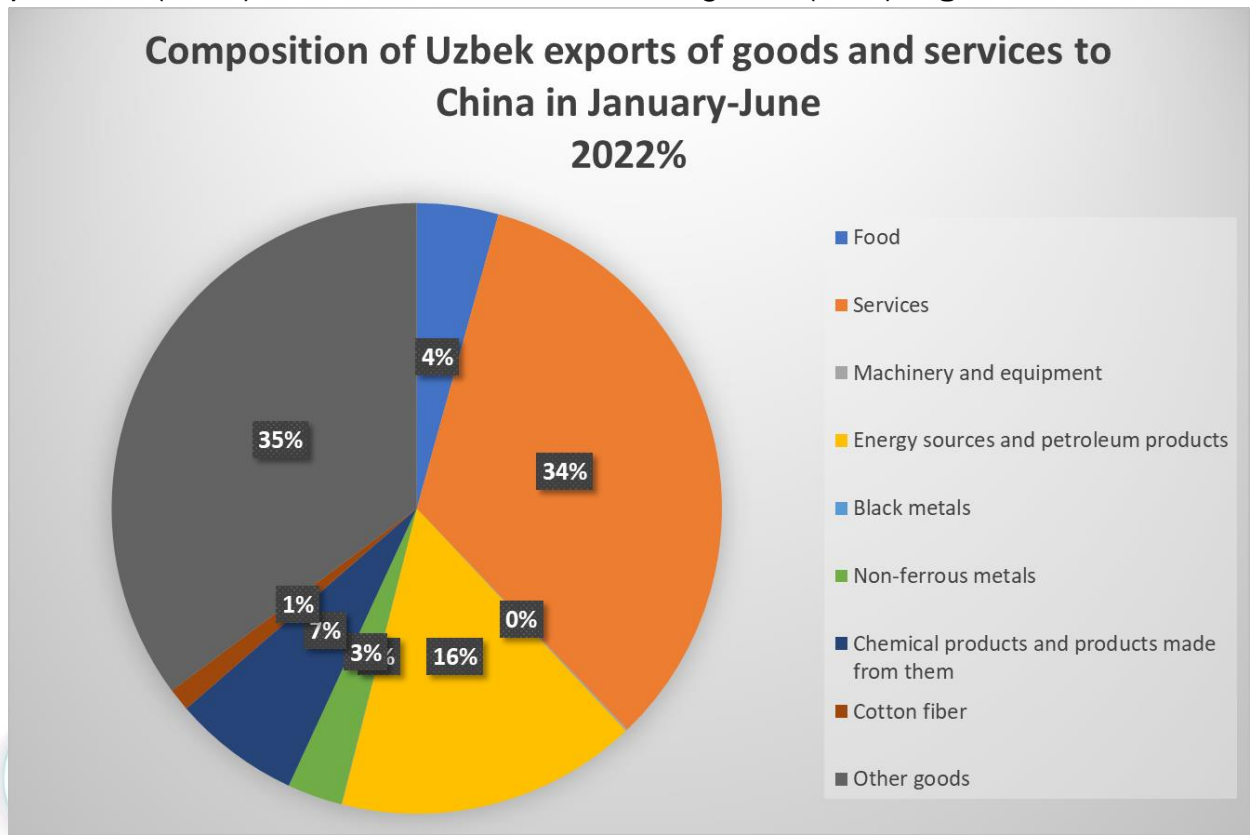
In January-June 2022, goods and services were imported from China to Uzbekistan by 2256.5 million US dollars (an increase of 10.5% compared to the corresponding period in 2020 of the year). China's share in domestic imports was 20.6%. [9] During the analyzed period, services and goods worth 349 million were exported from Uzbekistan. US dollars (33.4% of the total volume), in addition to 12.4 million US dollars - cotton fiber (1.2%), by 69.2 million US dollars - chemical products and products made from them (6.7%), by 30.2 million US dollars - non-ferrous metals (2.9%), 0.2 million US dollars - ferrous metals (0.02%), by 163.5 million US dollars - energy resources and petroleum products (15.9%), by 0.9

¹ Information retrieval and expert systems all legislation of Uzbekistan, [https://nrm.uz/contentf?doc=17571_torgovoekonomicheskoe_soglashenie_mejdu_pravitelstvom_respubliki_uzbekistan_i_pravitelstvom_kitayskoy_narodnoy_respubliki_\(tashkent_2_yanvarya_1992_g_vstuplenie_v_silu_so_2_yanvarya_1992_g_\)&products=1_vse_zakonodatelstvo_uzbekistana](https://nrm.uz/contentf?doc=17571_torgovoekonomicheskoe_soglashenie_mejdu_pravitelstvom_respubliki_uzbekistan_i_pravitelstvom_kitayskoy_narodnoy_respubliki_(tashkent_2_yanvarya_1992_g_vstuplenie_v_silu_so_2_yanvarya_1992_g_)&products=1_vse_zakonodatelstvo_uzbekistana)

² Protocol on Amendments to the Agreement between the Government of the Republic Uzbekistan and the Government of the People's Republic of China on avoiding double taxation on income tax dated July 3, 1996



million. US dollars - machinery and equipment (0.1%), by 44.4 million US dollars - food products (4.3%) and USD 360 million - other goods (35%).**Figure1³**



Source: Statistical Bulletin of the State Committee of the Republic Uzbekistan according to statistics “Export and import of goods and services in January-June 2022”.

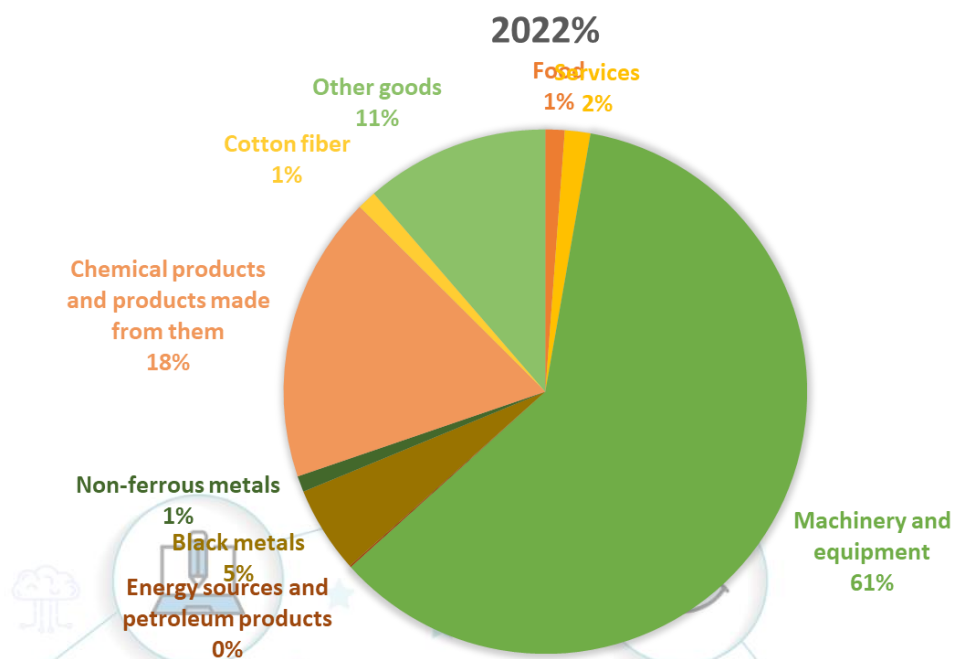
Uzbekistan imported machinery and equipment worth \$1,384 million from China (61.3% of the total), in addition 404.6 million US dollars. compiled chemical products and products made from them (17.9%), 23 million US dollars - non-ferrous metals (1%), 121.9 million. USD - ferrous metals (5.4%), USD 1.9 million – energy resources and petroleum products (0.1%), \$26.8 million - food (1.2%), \$35 million- services (1.6%) and \$259.3 million - other goods (11.5%) **Figure 2.**⁴

³ Statistical Bulletin of the State Committee of the Republic Uzbekistan according to statistics “Export and import of goods and services in January-June 2022”.

⁴ Statistical Bulletin of the State Committee of the Republic Uzbekistan according to statistics “Export and import of goods and services in January-June 2022”.



THE STRUCTURE OF IMPORTS OF GOODS AND SERVICES FROM CHINA TO UZBEKISTAN IN JANUARY-JUNE 2022%



Source: Statistical Bulletin of the State Committee of the Republic of Uzbekistan according to statistics “Export and import of goods and services in January-June 2022”.

It is predicted that in the coming years, exports and imports will increase, and the passive foreign trade balance will remain. By 2025 foreign trade turnover between our countries can reach 12,225.2 million US dollars (Figure 3).

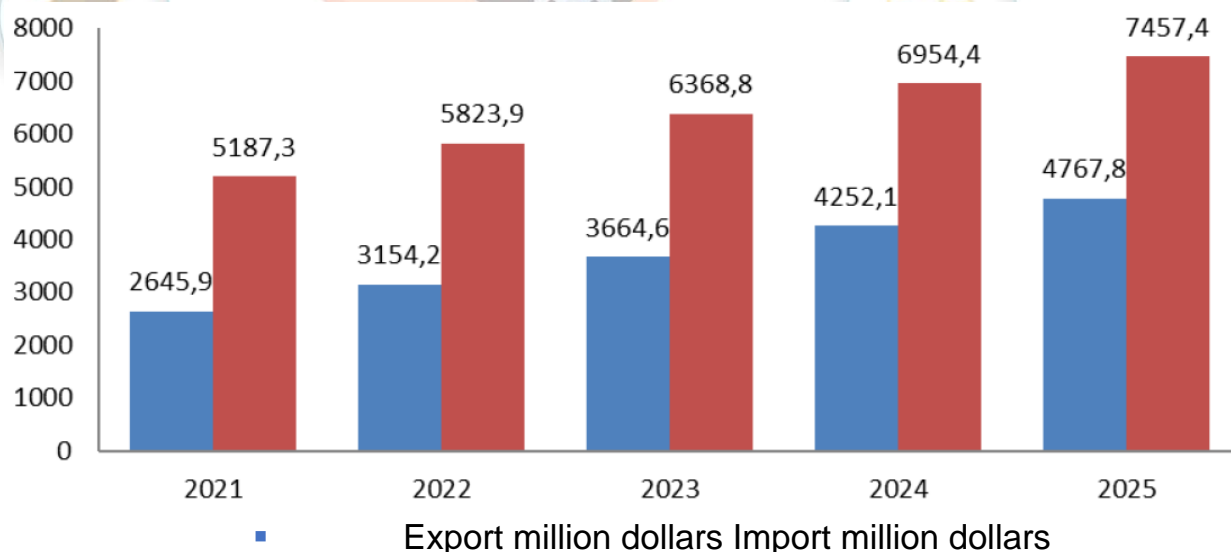


Figure 3. Forecast of the dynamics of trade relations of the Republic of Uzbekistan with People's Republic of China, million dollars

The analysis of trade and economic cooperation between the Republic of Uzbekistan and the People's Republic of China underscores a relationship



characterized by significant growth and mutual benefit. Examining key indicators reveals a steady increase in bilateral trade volume and substantial investments, particularly in infrastructure projects. The partnership has been further strengthened by initiatives such as the Belt and Road Initiative (BRI), which has facilitated connectivity and trade between the two nations.

Despite these positive trends, there remains untapped potential for deeper collaboration. Diversification of trade sectors and continued policy coordination efforts can further enhance the resilience and sustainability of the economic partnership. Moreover, exploring new avenues for cooperation, such as technology transfer, agriculture, and tourism, holds promise for future growth and prosperity.

Looking ahead, the Uzbekistan-China economic relationship is poised for continued expansion and diversification. By leveraging their respective strengths and fostering an enabling environment for trade and investment, both countries can unlock new opportunities and create lasting benefits for their economies and people. The commitment to mutual cooperation and shared prosperity paves the way for a vibrant and dynamic partnership in the years to come.

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