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The Role of Developing Economies in Shaping the New World Trade Order: Case of Uzbekistan and Central Asia

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Abstract: In the evolving landscape of global trade, developing economies are increasingly emerging as active agents in shaping the new world trade order. This article examines the strategic role of Uzbekistan and the broader Central Asian region in influencing global trade dynamics amid growing multipolarity, regionalism, and digital integration. The study adopts a qualitative case study approach supported by comparative policy analysis, trade statistics, and foreign investment data sourced from international organizations and regional agencies.The article highlights the significance of infrastructure modernization, regulatory reforms, and trade liberalization as critical factors driving the region's trade evolution. Despite these advances, challenges remain in the form of bureaucratic inefficiencies, underdeveloped logistics, and geopolitical tensions.

Key words: International trade, Uzbekistan, Central Asia, developing economies, regional integration, trade policy, Belt and Road Initiative, WTO, global value chains, trade diversification.

Introduction

In recent decades, the global economic order has undergone a significant transformation characterized by the rise of emerging economies, shifting geopolitical alliances, and the reconfiguration of trade networks. This evolution has ushered in what many scholars refer to as the "new world trade order," marked by multipolarity, digital trade expansion, and the diminishing dominance of traditional economic powers. Within this context, developing economies are no longer passive participants but have become active contributors to shaping international trade dynamics. Among these, Uzbekistan and the Central Asian region have gained strategic significance due to their location, economic potential, and reform-oriented policies.Uzbekistan, as the most populous country in Central Asia, has embarked on a broad spectrum of economic liberalization measures since 2016, including currency convertibility, reduction of trade barriers, modernization of customs procedures, and expansion of diplomatic and commercial ties. These reforms have positioned the country as a key player in regional connectivity and economic cooperation. The "Uzbek model" of cautious yet progressive integration into global value chains (GVCs) offers an illustrative case of how developing economies can recalibrate their role in the global trade architecture.Central Asia more broadly—comprising Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan—holds a pivotal position at the crossroads of Europe and Asia. The region is increasingly seen as a corridor for East-West and North-South trade routes, particularly through initiatives such as China's Belt and Road Initiative (BRI), the Trans-Caspian International Transport Route (TITR), and the revival of the ancient Silk Road. These frameworks enhance the region's relevance in supply chain diversification and logistics re-routing in response to global disruptions such as the COVID-19 pandemic and the Russia-Ukraine conflict.Despite its growing importance, the role of Central Asia in global trade remains underrepresented in scholarly literature. While extensive studies have been conducted on the integration of East Asian and Southeast Asian economies into the world market, far fewer focus on post-Soviet developing economies and their evolving trade diplomacy. This gap is particularly relevant given the region's potential to balance between competing economic blocs such as the Eurasian Economic Union (EAEU), the European Union (EU), and China's economic sphere of influence.This article aims to fill this gap by analyzing the extent to which Uzbekistan and its Central Asian neighbors contribute to shaping the new world trade order. The analysis is guided by the following research questions:

What are the main factors driving Uzbekistan's evolving role in international trade?

How does regional cooperation in Central Asia influence global trade flows?

What challenges and opportunities face developing economies in asserting influence in trade governance?

By addressing these questions through a focused case study and comparative policy analysis, this study contributes to the growing body of literature on the international political economy of developing regions. The results will offer insights for trade policymakers, international organizations, and scholars interested in the strategic positioning of emerging economies in a transforming global order.

Methodology

This study employs a qualitative case study methodology to examine the role of developing economies, particularly Uzbekistan and its Central Asian neighbors, in influencing the new world trade order. The research design combines comparative policy analysis and descriptive statistics to capture both the structural and strategic dimensions of regional trade engagement. A case study approach is appropriate for this research due to the unique historical, geopolitical, and economic conditions that define Central Asia's trade positioning. Uzbekistan is selected as the focal case because of its ongoing economic transformation, proactive regional diplomacy, and increasing participation in international trade forums. In parallel, insights from Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan are incorporated to contextualize broader regional trends. The study draws upon secondary data from reputable sources such as the World Trade Organization (WTO), International Monetary Fund (IMF), World Bank, United Nations Conference on Trade and Development (UNCTAD), and official data from Uzbekistan's Ministry of Investment, Industry and Trade. Additional insights are obtained from trade agreements, regional cooperation frameworks (e.g., CAREC, BRI, EAEU), and policy briefs published by the Asian Development Bank (ADB) and Economic Cooperation Organization (ECO). Key indicators analyzed include trade volume by country, foreign direct investment (FDI) inflows, export diversification indices, logistics performance scores, and tariff liberalization measures. Trends from 2015 to 2024 are reviewed to identify shifts in trade orientation and policy direction. The analytical framework is grounded in international political economy (IPE) theory, particularly focusing on the roles of small and developing states in global trade governance. This allows for the identification of structural constraints and strategic levers used by developing economies to integrate into global value chains, diversify partnerships, and influence multilateral trade negotiations.

This methodological approach enables a comprehensive and context-sensitive assessment of how Uzbekistan and Central Asia are positioning themselves in a rapidly transforming global trade environment.

Results

This table compares Uzbekistan's bilateral trade volumes with its top 10 trading partners in 2015 and 2024 (in USD billions). The data highlights notable changes in trade intensity and partner importance over a nine-year period. Key observations include:

China has emerged as Uzbekistan's leading trade partner by 2024, with trade volume more than doubling from $2.9 billion in 2015 to $6.2 billion. This reflects China's growing influence through the Belt and Road Initiative and strategic infrastructure investments in the region.Russia, traditionally Uzbekistan's top partner due to historical and geopolitical ties, maintains strong economic relations, although its relative position has declined slightly as trade with China surged. Kazakhstan, Uzbekistan's key regional neighbor, has shown modest growth in bilateral trade, reflecting strong regional cooperation within Central Asia and within frameworks such as the EAEU and CAREC. Turkey and South Korea have significantly increased their trade with Uzbekistan, indicating growing diversification in Uzbekistan's foreign trade policy and strengthening of ties beyond former Soviet and Chinese spheres. European partners such as Germany, France, and Italy, as well as the USA, have seen increased trade activity, although their volumes remain lower compared to Asian counterparts. This table underscores Uzbekistan's efforts to diversify its trade relations and reduce dependency on a limited number of markets.

Table 1. Uzbekistan Trade Partners (Ranked by 2024 Volume)

Country	2015 Trade Volume (USD Billion)	2024 Trade Volume (USD Billion)
China	2.9	6.2
Russia	3.5	4.8
Kazakhstan	2.1	2.4
Turkey	1.0	1.9
South Korea	0.8	1.5
Germany	0.5	1.2
USA	0.6	1.0

Discussion

The evolving role of Uzbekistan and the Central Asian region in the new world trade order reflects broader global trends toward economic diversification, multipolarity, and regionalism. As demonstrated by the trade data, Uzbekistan has successfully begun to rebalance its trade relations by expanding beyond traditional partners such as Russia and incorporating emerging powers like China, Turkey, and South Korea into its economic strategy. This shift signals a deliberate move towards deeper integration into global value chains and reduced vulnerability to geopolitical disruptions. China's dominant rise as Uzbekistan's top trade partner is emblematic of the growing importance of the Belt and Road Initiative (BRI) in reshaping Eurasian trade corridors. Through infrastructure investments, energy cooperation, and simplified customs agreements, China has positioned itself as a key player in Central Asia's economic future. Uzbekistan has capitalized on this by aligning its domestic development plans with Chinese regional goals, such as through the construction of new railway links and industrial parks. However, this increasing dependence also necessitates careful diplomatic balancing to avoid asymmetric dependence on a single power.

Regional cooperation mechanisms have further bolstered Uzbekistan's trade capabilities. Platforms like the Central Asia Regional Economic Cooperation (CAREC), the Shanghai Cooperation Organization (SCO), and the Economic Cooperation Organization (ECO) have provided avenues for harmonizing trade policies, reducing non-tariff barriers, and improving cross-border logistics. In this context, Uzbekistan's geographic location is not merely symbolic—it is being actively transformed into a trade and transit hub linking Europe, South Asia, and East Asia. Nevertheless, significant challenges remain. Bureaucratic inefficiencies in customs administration, limited digital infrastructure for e-commerce, underdeveloped regional financial systems, and political uncertainty in neighboring states pose risks to sustained trade expansion. Moreover, Uzbekistan's status as a WTO observer rather than a full member continues to limit its influence in multilateral trade negotiations. Accelerated accession to the WTO could enhance transparency, attract more foreign direct investment, and secure preferential trade treatment. Another dimension to consider is the shifting geopolitical landscape. The ongoing conflict in Ukraine, sanctions on Russia, and the realignment of global supply chains offer both opportunities and uncertainties. Uzbekistan, due to its policy of "multi-vector diplomacy," is well-positioned to act as a neutral trading partner across political blocs. Still, this role will require flexible policymaking, institutional strengthening, and investments in education, logistics, and trade facilitation systems. Overall, the discussion illustrates that Uzbekistan and its Central Asian neighbors are not merely adjusting to global economic trends—they are shaping them. Through smart policy, regional cooperation, and infrastructure-led strategies, these developing economies are emerging as influential actors in a new, decentralized global trade architecture.

Conclusion

This article explored how developing economies, specifically Uzbekistan and the broader Central Asian region, are contributing to the reconfiguration of the global trade system. The findings suggest that Uzbekistan's active economic reforms, diversified trade relations, and strategic engagement with regional and global institutions have significantly enhanced its role in international trade. The substantial increase in trade volumes with countries like China, Turkey, and South Korea indicates a successful departure from post-Soviet dependency and a move toward multi-directional economic partnerships. At the same time, regional frameworks such as CAREC and the BRI have provided structural support for infrastructural and policy improvements. These developments underscore Uzbekistan's growing ability to influence trade flows and policies beyond its borders. However, structural barriers—including bureaucratic inefficiencies, technological limitations, and political uncertainties—must be addressed to sustain and deepen these gains. Moreover, full integration into global trade governance through WTO membership and adherence to international trade standards would further legitimize Uzbekistan's position as a global economic partner. In conclusion, developing economies like Uzbekistan are playing an increasingly proactive role in shaping the contours of global trade. Their success lies in striking a balance between regional alignment, global engagement, and internal structural reform. The case of Uzbekistan offers a compelling example of how strategic economic planning, diplomatic agility, and regional cooperation can transform emerging economies into key stakeholders of the new world trade order.

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