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## Analysis on Industrial Economic Cooperation between China and Uzbekistan

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### Annotatsiya

Ushbu maqolada Xitoy-O'zbekiston sanoat hamkorligining afzalliklari ko'rib chiqilib, Xitoyning iqtisodiy yo'nalishi ehtiyojlari tahlil qilinadi.

Ikki mamlakat o'rtasidagi kelajakda sanoat kooperatsiyasi.

**Kalit so'zlar:** "Kemer va yo'l", iqtisodiy rivojlanish, ikki tomonlama savdo, samarali hamkorlik, mahalliy valyutada hisob-kitob operatsiyalari.

**Abstract.** This article considers the advantages of China-Uzbekistan's industrial cooperation, and analyzes the needs of the economic direction of the future industrial cooperation between the two countries.

**Keywords:** "Belt and Road", economic development, bilateral trade, efficient collaboration, local currency settlement transactions.

### Аннотация

В статье рассматриваются преимущества промышленного сотрудничества Китая и Узбекистана, а также анализируются потребности экономического направления будущего промышленного сотрудничества между двумя странами.

**Ключевые слова:** «Один пояс, один путь», экономическое развитие, двусторонняя торговля, эффективное сотрудничество, расчетные операции в национальной валюте.

### Introduction

Now the world is affected by the epidemic and the world economy is changing: the Western economic model has declined, and the world economy is facing challenges. Under such a world economic pattern, building a community with a shared future for mankind and achieving win-win sharing has become an inevitable demand of the times. The "One Belt, One Road" is the concrete practice of working towards this goal. The "Belt and Road" emphasizes the equal participation of all countries, inclusiveness and inclusiveness, and advocates joining hands to meet the challenges facing the world economy, create new opportunities for development, seek new impetus for development, expand new space for development, and jointly move towards the direction of a community with a shared future for

mankind. With the advancement of the Belt and Road Initiative, economic and trade relations and industrial cooperation

between China and Uzbekistan have been continuously strengthened. This paper conducts an economic analysis of the industrial cooperation between China and Uzbekistan from a macro perspective.

Uzbekistan and China are two countries with a long history and cultural heritage, and have also carried out extensive economic cooperation in recent years.

Especially in terms of industrial cooperation, Uzbekistan and China have established close ties and achieved remarkable results.

First of all, from the perspective of Uzbekistan, industrial cooperation with China can not only promote its industrial modernization process, but also attract more foreign capital to enter the country's market. In fact, with the continuous deepening of the strategic partnership between China and Uzbekistan, more and more Chinese companies have begun to invest in Uzbekistan. These projects cover many fields such as textiles, pharmaceuticals, agriculture, etc. This close cooperation will have a positive impact on improving Uzbekistan's economic development level, increasing employment opportunities and improving people's living standards.

From China's perspective, industrial cooperation with Uzbekistan has the following advantages: First, it can accelerate the advancement of the "Belt and Road" initiative. Uzbekistan is at the heart of this initiative, and its strategic and economic importance is evident. Second, it has a higher market prospect. With the continuous deepening of China-Uzbekistan cooperation, with the joint efforts of both parties, a huge consumption and investment market will be

created. Chinese enterprises can continue to expand Uzbekistan's market share and increase the trade volume in the local market through technology transfer and project contracting.

From the perspective of China-Uzbekistan trade in 2022, according to the news from the Statistics Office directly under the President of Uzbekistan on January 21, in 2022, Uzbekistan's total foreign trade will be about 50.01 billion US dollars, a year-on-year increase of 18.6%. Among them, Uzbekistan exported about US\$19.31 billion, an increase of 15.9%, and imported about US\$30.7 billion, an increase of 20.4%. China is Uzbekistan's second largest trading partner, with a bilateral trade volume of US\$8.92 billion in 2022, a year-on-year increase of 19.7%, accounting for 17.8% of Uzbekistan's total foreign trade.

Among them, China's exports were US\$6.4 billion, a year-on-year increase of 30%. China is Uzbekistan's largest source of imports and its second largest export destination (after Russia). Industrial cooperation between China and Ukraine is the most ideal choice for both parties. In this process, we can achieve the goal of complementary resources and win-win development, promote equal and mutually beneficial economic exchanges among countries in the region, and promote the continuous development of the "Belt and Road" initiative.

In the future, the economic direction of industrial cooperation between China and Uzbekistan needs to be strengthened in the following points

The advantages and complementarities of both parties promote industrial cooperation

In industrial cooperation, the two parties have significant advantages and complementarities. First of all, China is the world's manufacturing factory and has a huge foundation in many fields such as textiles and machinery, while Uzbekistan has abundant

resources and cheap labor. Therefore, this situation prompts both parties to give full play to their respective advantages and achieve efficient synergy.

In terms of agriculture and animal husbandry, Chinese technology can provide Uzbekistan with better production and management methods, increase output and product added value; Uzbekistan can provide China with cheaper raw materials and expand the needs of small and medium-sized enterprises. Markets – such as cotton and its related textiles, etc.

Promoting mutually beneficial cooperation by reducing transaction costs Industrial cooperation between China and Ukraine also needs to solve some problems. For example, China needs to overcome the differences in language, culture and legal system, and meet the relevant requirements for details such as quality. Uzbekistan may also encounter difficulties in logistics and transportation.

In addition, many challenging issues such as intellectual property rights, patent protection, and regulatory approvals need to be resolved before cross-border investment and technology transfer can be realized. However, both governments can take steps to reduce monopoly costs and increase utilitarian returns. For example: use RMB or local currency to settle transactions, establish efficient

and safe transportation routes, optimize import and export procedures and access restrictions, and eliminate trade barriers, etc.

Stable trade relations are the cornerstone of sustainable development China and Uzbekistan have close economic ties, providing both sides with

broader market space and opportunities, and these ties have accumulated based on mutual trust and respect. The two parties can pursue various methods of reliable balance, such as importing "resource" raw materials in exchange for access to new channels, focusing on concentrating efforts to create production areas with different characteristics, and establishing a stable end-of-supply chain system.

In general, the industrial cooperation between China and Uzbekistan is an opportunity to deeply explore advantages, expand markets, and realize respective and common development. However, the future cooperation between the two parties in the field of economic interconnection still needs to face up to the challenges and constraints faced, such as environmental protection and technological innovation, which need to be continuously improved. Only through consultation, communication and the guidance of standardized practices can the two countries achieve mutually beneficial results to a greater extent, and finally achieve compatibility and common prosperity in the true sense.

#### **References:**

- [1] The trade volume between Uzbekistan and China in 2022 is 8.92 billion US dollars: Economic and Commercial Office of the Chinese Embassy in the Republic of Uzbekistan <http://uz.mofcom.gov.cn/article/jmxw/202301/20230103381306.shtml> (release date: January 31, 2023).
- [2] On the official website of the General Administration of Customs of China, the growth rate of trade volume between China and Ukraine exceeded 20% (<http://www.customs.gov.cn/customs/302249/302266/302267/1800842/index.html>)
- [3] International Online, a number of Chinese companies signed a cooperation agreement with the Uzbek government (<https://gb.oversea.cnki.net/KCMS/detail/detail.aspx?filename=GJYJ2019660>

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