

GENERAL STATUS OF TRADE AND ECONOMIC COOPERATION BETWEEN
UZBEKISTAN AND INDIA (1991-2018)

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Abstract: This article analyzes the general state of trade and economic cooperation between Uzbekistan and India, a country with great economic potential in South Asia. The research examines the economic relations, export and import products of the Republic of Uzbekistan with India from the time of its independence in 1991 to 2018.

Keywords: Uzbekistan, India, international relations, trade and economic relations, foreign policy, export, import, economic cooperation.

Uzbekistan, as an equal subject of international relations, has entered into bilateral and multilateral cooperation relations with the countries of the world and is developing them on a mutually beneficial and constructive basis. The leadership of Uzbekistan, paying attention to the country's foreign policy activities, first of all determined its strategy, principles and priority areas. On this basis, the Republic of Uzbekistan in a short period of time joined the process of formation of the modern system of international relations as a full-fledged member and began integration with the world community.

It should be noted that the foreign policy cooperation initiated and consistently continued by the Republic of Uzbekistan has been distinguished by its stability. Over the past years, relations established with most countries of the world have been developing on a reliable and mutually beneficial basis to this day. In this regard, today, the study of Uzbekistan's equal and mutually beneficial cooperation with South Asian countries, in particular India, occupies a special place as an object of scientific research. The region in which this state is located is distinguished not only from the point of view of Uzbekistan, but also by the fact that it includes a number of developing countries that have taken their place in the world economically. "We are committed to further developing cooperation with India, Pakistan and other countries of South Asia in the political, trade-economic, transport-communication, and cultural-humanitarian spheres," it was emphasized [1].

Economic relations play an important role in the relations between Uzbekistan and India. Over the past years, relations in this area have been developing steadily. In fact, the main issue of interstate cooperation in world politics is primarily mutually beneficial economic relations. If economic interests are not ensured in the relations between states, relations between states will cease to develop. That is why the leaders of states and governments enter into relations with foreign countries, first of all, based on the interests of their own states.

That is why the states attach great importance to the economic aspect of their relations and develop the necessary measures to develop relations in this direction. Trade and economic relations occupy a large place in the economic relations of the states. The basis for Uzbekistan's trade and economic relations with India is the "Trade Agreement between the Republic of Uzbekistan and the Republic of India", signed on October 24, 1991, and the "Agreement between the Government of the Republic

THE MULTIDISCIPLINARY JOURNAL OF SCIENCE AND TECHNOLOGY

VOLUME-5, ISSUE-5

of Uzbekistan and the Government of the Republic of India on Trade and Economic Relations", signed on May 24, 1993.

In particular, the "Trade Agreement between the Republic of Uzbekistan and the Republic of India" signed on October 24, 1991 specifically states that the governments of Uzbekistan and India allow all legal entities and individuals to conclude agreements on the import and export of goods between them; and to open their accounts in banks of the Republic of Uzbekistan and the Republic of India.

When analyzing data on trade turnover between the two countries in the last years of the 20th century, it can be observed that there is a tendency towards considerable stability and continuous growth.

In 2000, trade turnover increased by 3.2 million US dollars compared to 1998. In 2000, trade turnover increased by 12 times compared to 1992, including exports by 10 times and imports by almost 15 times [2, 161]. The main factor in trade turnover is explained by the increase in the volume of Uzbekistan's exports and its purchase of various raw materials, materials and other products from India.

In the first half of 2001, trade turnover between the two countries amounted to 15.61 million US dollars. Of this, exports amounted to 7.94 million dollars, and imports to 7.66 million dollars [2, 161]. Uzbekistan imports aircraft, non-ferrous metals and products made from them, basic metals, vegetables, construction materials used for decoration, chemical staple fibers and services to India. The list of goods imported from India includes: paper and cardboard, pharmaceutical products, organic chemical compounds, glass and products made from it, tobacco, chemical preparations, mechanical equipment, various instruments, optical devices, coffee, tea and sweets, plastic and products made from it, sugar, etc.

The "Memorandum of Understanding" signed in June 2002 played an important role in the development of economic relations between the two countries after the 2000s. At the end of 2002, the trade turnover between Uzbekistan and India amounted to 40.5 million US dollars, and during the 11 months of 2003 this figure reached 105.4 million US dollars. At the end of 2004, the trade turnover between Uzbekistan and India increased by 38% and amounted to 150.1 million US dollars [3].

In addition, the "Agreement on Cooperation in the Field of Small Business and Private Entrepreneurship", signed during the state visit of the First President of the Republic of Uzbekistan to India in April 2005, the "Agreement on Trade and Economic Cooperation", "Agreement on Protection and Promotion of Investments", and "Agreement on Avoidance of Double Taxation", signed during the visit of Indian Prime Minister M. Singh to Uzbekistan in April 2006, have become an important legal basis for the further development of economic relations between the partner countries since the beginning of the 21st century.

In the 2007-2008 fiscal year, Uzbekistan-India trade turnover amounted to 73 million US dollars, while in the following fiscal year, 2008-2009, this figure increased by 15% to 120 million US dollars. Uzbekistan's exports in that year increased by 352%, mainly due to the sale of raw cotton [4]. At the end of 2010, the volume of mutual trade between Uzbekistan and India increased by 1.4 times, reaching 150 million US dollars. In 2011, this figure amounted to 160 million US dollars [5].

As of 2016, the volume of mutual trade turnover amounted to 370 million US dollars. It is worth noting that in the period up to 2017, the volume of mutual trade between the two countries increased by 5 times [6]. When compared with our official statistical data, a discrepancy can be seen. The reason for this discrepancy is probably that the financial year in India begins on April 1 every year.

According to the results of 2017, Uzbekistan conducted trade relations with more than 160 countries of the world. The volume of foreign trade turnover increased by 26.9 billion US dollars in 2017

THE MULTIDISCIPLINARY JOURNAL OF SCIENCE AND TECHNOLOGY

VOLUME-5, ISSUE-5

compared to 2016, or 11%. Of this, 13.9 billion US dollars (51.7%) accounted for exports, while another 13.0 billion US dollars (48.3%) were imported. These figures are 114.9% and 107.2%, respectively, compared to 2016. The foreign trade balance amounted to 880.2 million US dollars. Of this, 729.3 million US dollars were with the CIS countries, and 150.9 million US dollars were with other countries [7]. India's total foreign trade with Uzbekistan this year amounted to 323.6 million US dollars, with Uzbekistan's exports amounting to 32.5 million and imports amounting to 291.1 million US dollars.

Over the years, India's main exports have been pharmaceuticals, mechanical equipment, vehicle parts, and optical instruments. Uzbekistan's exports to India have included fruits and vegetables, services, mineral fertilizers, juice products, extracts, and oils. It is important to note that fruits and vegetables are among the main products exported from Uzbekistan to India, and India is even among the top 10 countries in Uzbekistan's fruit and vegetable exports.

Currently, India's trade volume with the CIS countries is \$100 billion, of which \$1.5 billion is with Central Asian countries. Kazakhstan is the main leader in this indicator. India's trade volume with it is \$1 billion.

Another aspect that Indian analyst P. Stop cites is that while Central Asian countries, including Uzbekistan, may not be an important export market for India or an investment market for Indian companies, they are increasingly connecting to the global manufacturing market. They provide raw materials and services [8].

In order to expand mutual trade relations, the Uzbekistan-India Intergovernmental Commission for Trade, Economic, and Scientific and Technical Cooperation was established in 1993 [9].

From 1993 to 1999, four meetings of this commission were held, and in March 2006, the 6th meeting of the Uzbekistan-India Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation was dedicated to the implementation of the "Intergovernmental Agreement on Cooperation in the Field of Small Business and Private Entrepreneurship."

In September 2008, the 8th meeting of the Uzbekistan-India Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation was held in Delhi, where issues of developing bilateral relations were also on the agenda. Measures taken to further develop trade and economic relations between the two partner countries include business forums, trade exhibitions and fairs organized in both countries.

Uzbekistan and India also cooperate effectively in organizing various exhibitions. In September 1991, a large-scale exhibition dedicated to India was held in Tashkent. The exhibition featured products from 65 firms and companies [2, 170].

In 1995, the Indian Trade Fair was held in Tashkent. It showcased various engineering goods, automobiles, chemicals, pharmaceuticals, fabrics, and leather goods. The exhibition was also attended by the Uzbek-Indian-Swiss joint venture "East Butterfly", which produces about 18 products [2, 170].

In January 2004, the Federation of Indian Exporters' Organizations (FIEO), the Foreign Economic Relations Agency of the Republic of Uzbekistan, and the Chamber of Commodity Producers and Entrepreneurs organized an exhibition and meeting at the Intercontinental Hotel in Tashkent. This federation brought together more than 100,000 Indian exporters, and 17 leading companies and firms operating in the fields of consumer goods, textiles, pharmaceuticals, medical products, automotive spare parts, and information technology participated in this forum [3].

THE MULTIDISCIPLINARY JOURNAL OF SCIENCE AND TECHNOLOGY

VOLUME-5, ISSUE-5

At the next meeting of the Uzbekistan-India Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation, held in May 2011, the further development of mutual trade relations was discussed as a key issue.

A large delegation led by the All India Industrial Manufacturers Association participated in the international fair held in January 2016. Since 2017, the Uzbekistan-India Trade House has been established in Delhi to increase trade between Uzbekistan and India [9].

At the business forum in New Delhi on August 22, 2017, 22 agreements worth more than \$88 million were signed between the participants. In addition, 20 investment agreements worth more than \$70 million were reached. The last meeting of the Uzbekistan-India Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation was held in Tashkent on August 16, 2018. It was attended by representatives of the Confederation of Indian Industry, the Chamber of Commerce and Industry, the India-CIS Chamber of Commerce and Industry, as well as more than 100 officials of large companies and enterprises of this country. At the meeting of the Intergovernmental Commission, useful agreements were reached on further developing cooperation in the fields of information technology, tourism, medicine and pharmaceuticals, and implementing promising projects [11].

To sum up, at the current stage, relations between Uzbekistan and India continue to develop at a steady pace. The main factors contributing to this are the compatibility of the foreign policy principles of the two countries, historically close ties and commonalities between the peoples of the two countries, and most importantly, the attention paid by the leaders of the two countries to the development of cooperation.

However, the analysis shows that there is still a lot of potential for developing relations in many areas, based on the real opportunities and potential of the countries. The current trade and economic relations of the countries are "modest" compared to Uzbekistan's potential with countries like India. The main reasons for this are a number of factors that hinder the further expansion of trade and economic relations between the two countries.

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THE MULTIDISCIPLINARY JOURNAL OF SCIENCE AND TECHNOLOGY

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