



## PROSPECTS FOR THE DEVELOPMENT OF ECONOMIC COOPERATION BETWEEN THE REPUBLIC OF UZBEKISTAN AND THE REPUBLIC OF KOREA

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### Abstract

In this article was considered the trade and economic cooperation between the Republic of Uzbekistan and the Republic of Korea. In particular, the foreign trade turnover of the Republic of Uzbekistan with South Korea, the main exported, imported goods and investment cooperation were studied in this direction separately. At the same time, in the article were analyzed the promising directions of the Republic of Uzbekistan with the Republic of Korea and the corresponding proposals were given in his final part.

**Keywords:** foreign trade turn over, export, import, investments, “green” economy, industry, prospects, cooperation, hub, production, developing, “|smart agriculture”, “vertical farming”, “smart farms”.

### 1. Introduction

After gaining independence, the Republic of Uzbekistan became an equal member of the world community. Since 1991, Uzbekistan has been establishing relations with all countries of the world. In foreign policy, independent Uzbekistan emphasizes close cooperation with all countries of the rapidly developing in the world, as well as with the Republic of Korea.

Despite the fact that geographically Korea and Uzbekistan are far from each other, they are united by historical and human ties.

If we look at the recent history of relations between the two countries, the Republic of Korea was one of the first to recognize the independence of Uzbekistan, that is, at the end of 1991, and diplomatic relations were established on January 29, 1992.

The Republic of Korea is an important strategic partner for Uzbekistan. In turn, official Seoul also evaluates economic cooperation with Uzbekistan as a promising direction.

In order to further strengthen relations between Uzbekistan and the Republic of Korea, in 2006 between our countries was signed a Joint Declaration on Strategic Partnersh.





In 2014, was signed further development of strategic partnership and a joint declaration on dredging. This document made it possible to raise relations between the republics to a qualitatively new level in the political, trade-economic and cultural-humanitarian spheres.

The mutual state visits carried out in 2017, 2019 and 2021 have raised the relations between the two countries to a higher level.

## **2. First Section**

Experts note that the prospects for the development of economic cooperation between the Republic of Uzbekistan and the Republic of Korea are very favorable.

The companies from Korea are actively developing deposits of silicon and tungsten ore, building mining and processing complexes, including Southbay, the largest in the CIS. Uzbekistan's leading Ustyurt gas chemical complex was created jointly with South Korea.

According to the State Committee of the Republic of Uzbekistan on Statistics, the foreign trade turnover between the two countries in 2021 amounted to **2,142.3** million US dollars. Of these, exports amounted to 45.5 million US dollars, and imports - 1,872.7 million US dollars.

The main exported goods of Uzbekistan to South Korea are transport services, tourism (33.5%), wood and wood products (20.6%), textiles (13.4%), chemicals (10.3%), electrical equipment and its components (6.2%), food (4.3%), building materials (4.1%), oilseeds, fruits (2.6%), etc.

The main volume of imports from Korea are vehicles and spare parts for them (41.1%), various mechanical and electrical equipment (23.1%), plastics and products from it (5.5%), building materials (5.3%), ferrous metal products (4.1%), optical equipment and apparatus (3.2%), chemical industry products (2.4%), rubber and rubber products (2.3%), etc.

## **3. Second section**

There is a great potential for deepening economic cooperation in various sectors of the economy and areas of cooperation. Estimates of the Korea Institute for International Economic Policy also speak about this.

Today, more than 70 representative offices of Korean companies are accredited in Uzbekistan, 440 enterprises with Korean investments operate in almost all sectors of the economy. The signed agreements on loans from the Fund for Economic Cooperation and Development in the amount of **500** million US dollars will allow the





implementation of projects to create the Uzbek-Korean textile Technopark, a highly specialized medical center, the House of Korean Culture in Uzbekistan and others. Reliable and dynamic transport and logistics links are of great importance for the development of trade relations between countries. The development of a project to create a modern transport and logistics “hub” in the Tashkent region with the involvement of leading Korean cargo air carriers can be of great importance in this direction

In the development and expansion of bilateral trade, cooperation between the customs services of Uzbekistan and the Republic of Korea can give a good effect. First of all, this is due to the improvement of electronic customs services in Uzbekistan, the interaction between the Korean (KONEPS) and Uzbek (dxarid) e-procurement systems in order to introduce the latest IT technologies in public procurement and create an individual information service based on CRM (Customer Relationship Management System).

Promising in the industrial sector is the creation, on the principles of cooperation, together with the Korean side, based on the experience of Korea, of technopolises specializing in metallurgy, petrochemistry, mechanical engineering in integration with clusters for the production of ferrous metal products.

Considering that metallurgy is traditionally one of the leading industries in Korea, the creation of joint metallurgical enterprises in Uzbekistan through the development of iron ore deposits is of great interest.

Since Korea is one of the leading glass producers in Southeast Asia, the creation of joint ventures in Uzbekistan with large Korean manufacturers of building materials, in particular, for the production of this type of product, based on local raw materials, may be very promising.

In the electrotechnical industry, there are significant prospects for continuing cooperation with leading Korean companies (Samsung Electronics, LG) in the implementation of projects to create new joint ventures, in particular for the production of new generation household appliances - TVs, refrigerators, washing machines, air conditioners (for example “Samsung Electronics” has launched a new generation of TVs “Neo QLED”, “Micro LED” and “Lifestyle TV”, which are rated as the best in the world.). The study of Korea’s experience in supporting investment in innovation and R&D spending in the electrotechnical industry can also give a lot for the development of the electrotechnical industry in Uzbekistan.

We need to think about practical measures to start production in Uzbekistan modern integrated circuits (microchips) using the latest technology. Deepening cooperation in the chemical industry also has good prospects. In particular, as the calculations





show, cooperation in this area will make it possible to increase exports of nitrogen and potash fertilizers from Uzbekistan to Korea in the event of the signing of a Free Trade Agreement.

Very promising is the creation in Uzbekistan of a joint venture for the production of silicone polymer catalysts (raw materials for the production of solar cells) based on advanced Korean technologies. Due to the fact that Korea pays increased attention to the development of a “green” economy, it would be advisable for it to participate in the development of a “green” strategy for the production of chemical products in Uzbekistan.

Cooperation between Uzbekistan and the Republic of Korea in the automotive industry has a long history since the creation in the nineteen nineties the automobile plant UZ-Daewoo Auto in the city of Asaka, which gave rise to the development of the automotive industry in Uzbekistan. Nevertheless, the potential for developing cooperation in this area continues to be quite high.

Great opportunities are opened up by cooperation in training personnel in the automotive industry, including the training of domestic personnel in Korea within the framework of the localization of car production in Uzbekistan (Hyundai, KIA), the creation of training centers in Uzbekistan, the training and internships of Uzbek specialists at universities in Korea in the areas of mechanical engineering and engineering.

In the textile and clothing industry, it may be promising to attract Korean fashion clothing brands from textile companies to open production facilities in Uzbekistan.

The South Korean experience in the development of the high-tech sector of agriculture is interesting.

In this area, it is promising to develop and implement pilot projects in the areas of “smart agriculture”, “vertical farming” and “smart farms” which in the conditions of Uzbekistan will become the basis for the creation of agricultural enterprises (agricultural firms) of a closed cycle.

Uzbekistan is interested in attracting companies such as Gaia Corporation.Ltd and technologies in the field of food waste recycling with processing into fertilizers and animal feed in Uzbekistan.

### **3. Conclusion**

In conclusion, it can be noted that trade and economic cooperation between the Republic of Uzbekistan and the Republic of Korea is developing in all directions. Especially in the last 5 years, there has been a sharp increase in the volume of trade, investment, and technical assistance. In the future, it would be expedient to attract





investments from South Korea in new areas such as pharmaceuticals, nanotechnologies, science and education.

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