



Analysis on the Development Potential of Bilateral Trade Cooperation between China and Uzbekistan

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Abstract: The economic and trade cooperation between China and Uzbekistan has been continuously strengthened. China is Uzbekistan's largest trading partner. In order to better promote the development of Sino-Uzbek relations, this article analyzes the current situation of Sino-Uzbek bilateral trade development. In this regard, it puts forward suggestions on promoting bilateral exchanges and so on, in order to seek a broader space for cooperation between the two countries.

Keywords: China, Uzbekistan, bilateral trade, cooperation, development

Introduction

Since the establishment of diplomatic relations between China and Uzbekistan, the relations between the two countries have become increasingly friendly. In 2017, Uzbek President Mirziyoev adopted relevant policies and measures, which brought new opportunities for the development of Sino-Uzbek trade. However, due to Uzbekistan's weak foundation, there are still constraints on economic development. Therefore, it is of practical significance to study the development of Sino-Uzbek trade along with the development of bilateral trade and find a way out for more extensive cooperation between China and Uzbekistan in the future.

1. Overview of China-Uzbekistan bilateral trade development

1.1 The scale of bilateral trade between China and Uzbekistan has grown rapidly

Table 1. Statistics of bilateral trade volume between China and Uzbekistan from 2010 to 2020

years	total export-import volume		China imports from Ukraine		Export to Ukraine in the middle		gap between imports and exports
	Amount / \$100 million	rate of rise /%	Amount / \$100 million	rate of rise /%	Amount / \$100 million	rate of rise /%	Amount / \$100 million
2010	24.82	29.95	13.01	272.27	11.81	-24.32	-1.20
2011	21.67	-12.71	8.07	-37.94	13.59	15.09	5.52
2012	28.75	32.70	10.92	35.24	17.83	31.20	6.92
2013	45.51	58.30	19.38	77.51	26.13	46.54	6.75
2014	42.76	-6.04	15.98	-17.55	26.78	2.48	10.80
2015	34.96	-18.24	12.67	-20.70	22.29	-16.78	9.62
2016	36.15	3.40	16.07	26.83	20.07	-9.93	4.00
2017	42.21	16.76	14.71	-8.44	27.49	36.96	12.78
2018	62.66	48.45	23.24	57.99	39.42	43.40	16.18
2019	72.24	15.28	21.8	-6.5	50.44	27.95	28.64
2020	66.28	-8.25	14.83	-31.97	51.45	2	36.32

Data source: According to data compiled by UN comtrade

From Table 1, the total value of China-Uzbekistan's imports and exports from 2010 to 2020 increased from US\$2.482 billion to US\$6.628 billion, an increase of 2.67 times. Among them, exports increased by US\$4.264 billion, and the bilateral trade volume between China and Ukraine was in a surplus except in 2010.

In 2011, due to China's reduction of imports of cotton from Uzbekistan, the trade volume declined. In 2017, Uzbekistan's internal inflation pressure was huge. Due to the sharp depreciation of the currency and the impact of currency liberalization

policies, Uzbekistan's inflation rate that year was 14.4%. Affected by this, China's imports from Uzbekistan have decreased. As Uzbekistan realizes the integration of domestic and international exchange rates, bilateral trade between China and Uzbekistan continues to expand. As of 2018, China-Uzbekistan imports increased by 57.99% year-on-year to US\$2.324 billion; China's exports to Ukraine were US\$3.942 billion, a year-on-year increase of 43.40%. China-Uzbekistan trade accounted for 22.20% of Ukraine's total foreign trade, and bilateral trade continued to strengthen.

1.2 The bilateral trade between China and Uzbekistan is mostly concentrated in electromechanical, mineral, and raw material products

As shown in Table 2, China's exports to Ukraine are mainly electromechanical products, base metals and products. Uzbekistan's imports of mechanical and electrical products amounted to US\$1.751 billion, accounting for 44.4% of the total, an increase of 71.7% over the same period in 2019. Uzbekistan's largest imports of goods; in addition, Ukraine's China's exports of these three types of products to Ukraine in 2020 have increased by 150.4%, 97.1% and 92.0% year-on-year, respectively, compared with 2019 expand.

Table 2. Major commodities exported from China to Uzbekistan in 2020

Commodity category	China exports US / \$100 million to Uzbekistan	proportion /%	on year-on-year basis /%
mechanical and electrical products	17.51	44.4	71.7
Base metals and products	5.87	14.9	31.1
Plastic, rubber	4.00	10.2	37.2
chemical products	3.72	9.4	150.4
delivery equipment	2.35	6.0	97.1
Textile and raw materials	1.72	4.4	-52.5
Optics, clocks, medical equipment	1.25	3.2	92

Data source: According to the UN comtrade data collation

2. Measuring and analysis of bilateral trade potential

China and Ukraine are closely dependent on their trade, and their dependence on China is on the rise. Since 2017 marks the 25th anniversary of the establishment of diplomatic ties between China and Ukraine, Ukraine put forward the Action Strategy for the Five Priority Development Direction from 2017 to 2021, especially emphasizing the need for strengthening cooperation with major sources of investment such as China. Therefore, its trade dependence on China has increased steadily. China and Uzbekistan have strong trade complementarity in wood products, furniture, stone materials, textiles, machinery and electronics, and plastics. Among them, wood and wood products are the most mutually complementary industries between the two countries. The commodities with high trade complementarity between China and Uzbekistan happen to be commodities with strong international competitiveness in China. Therefore, the possibility of trade between China and Uzbekistan is stronger. China should continue to tap products with complementary potential between China and Uzbekistan, and further enhance the competitiveness of China's exports to Uzbekistan in order to promote the sustainable development of bilateral trade between China and Uzbekistan.

3. Suggestions on promoting bilateral trade development between China and Uzbekistan

3.1 Strengthen bilateral and multilateral political, economic and cultural communication

With the further deepening of economic globalization, international competition is becoming more and more fierce, and challenges from various aspects will continue to increase. my country should make full use of its geographical advantages and rely on the SCO to strengthen its political and diplomatic ties with Uzbekistan. , Continue to deepen the comprehensive strategic partnership between China and Uzbekistan, keep abreast of Uzbek's political, economic developments, laws and regulations, etc., make risk prediction and prevention, understand the demands of both parties, and it is best to sign an agreement with the local government to raise trade to a legal level. Get more protection.

3.2 Take advantage of their respective advantageous industries

At present, China has strong advantages in manufacturing, infrastructure and other industries. China can actively

improve China-Uzbekistan railway and highway construction, strengthen China-Uzbekistan cooperation in transportation infrastructure, and optimize trade channels. Uzbekistan supports foreign entrepreneurs to build large-scale production enterprises in the local area, encourages the use of local resources and raw materials, and promotes local economic development. China should seize the opportunity and use its own advantageous industries, such as machinery manufacturing and infrastructure construction, to give full play to the greater potential for the development of bilateral trade between China and Uzbekistan.

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