

Uzbekistan pays special attention to deepening trade relations with member countries of the Organization of Turkic States



At the 8th Summit of the Organization of Turkic States, the President of the Republic of Uzbekistan Shavkat Mirziyoyev proposed to establish Research Center for trade cooperation between the participating states.

The initiative of the President of Uzbekistan is timely and relevant against the background of the continuing low level of mutual trade between the Turkic countries. Thus, with a total trade turnover of more than \$ 815 billion, mutual trade of the Organization's members with a potential market of 160 million people in 2020 amounted to only \$ 33.2 billion (more than 4% of their total foreign trade). At the same time, domestic imports accounted for \$ 21 billion.

For example, the share of member countries of the Organization of Turkic-Speaking States in the total trade turnover of Uzbekistan is 17%, Kazakhstan - 8.1% and Azerbaijan - 14.5%. At the same time, according to the nominal value, the largest volume of trade with the countries of the Organization falls on Turkey - almost \$ 10 billion. This indicates that the foreign trade of the Turkic states is mainly focused on their traditional markets.

It is also worth noting that a high share of primary goods remains in the structure of the trade turnover of the Organization's countries - primary commodities account for 50%, medium-tech products - 26%, low-tech products - 19%, and high-tech products - only 5%. Technological products are mainly exported by Hungary and Turkey.

In addition, there is a high degree of dependence of the Turkic states on imported food. For example, Azerbaijan in 2019 increased imports of food products by 19.9% (up to \$ 1.6 billion). A similar situation is observed in Kyrgyzstan - the share of food products and agricultural raw materials in the country's import structure increased from 7.6% in 2019 to 10.3% in 2020. Kazakhstan also remains dependent on imports for a number of food products, while for some of them (sugar, chicken meat, etc.) the consumer market is

covered by more than 80% from foreign products.

At the same time, coronavirus pandemic impact needs to be taken into account, which affected all sectors of the Organization's countries economy. The unprecedented measures taken to combat the spread of coronavirus infection had direct proportional consequences on the reduction in production and consumption, disruption of trade relations, lower prices for commodities and deterioration of the financial situation in the Turkic states.

Based on the foregoing and against the background of the fact that the current trade indicators between the countries participating in the OTC are several times behind the potential level of mutual trade, the issue of creating favorable and attractive conditions for expanding trade relations within the Organization is becoming one of the key tasks for the medium term.

In this context, we firmly believe that the Research Center for Trade Cooperation between Turkic-speaking States, the creation of which was initiated by the President of the Republic of Uzbekistan Shavkat Mirziyoyev, is able to act as an effective tool to identify growth points in the field of trade relations.

The Research Center will also let the member states of the Organization jointly identify existing and emerging problems that obstruct the growth of mutual trade and contribute to the development of innovative solutions to deepen multilateral trade between the Turkic countries.

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