

Korea-Asia: opportunities for development

Korea-Asia: opportunities for development

By Vladimir Norov



December. 29. 2018

First of all, I would like to note that one of the main results of the "New Northern Policy" of President Moon Jae-in is undoubtedly the inter-Korean summit held in April of this year and adoption of the Panmunjeom Declaration following its results.

This political phenomenon became an important historical event of the 21st century and has already been recognized as epochal. The declaration which consolidated the most important agreements of the parties' intention to sign a peace treaty and complete denuclearization of the Korean Peninsula inspires hope and confidence in the beginning of a "new era of peace and prosperity" in the region.

Uzbekistan as an initiator of the creation of a nuclear weapon-free zone in Central Asia fully supports the process of denuclearization on the Korean Peninsula which will definitely further develop comprehensive inter-Korean relations and promote integration in the region.

At the same time our country supports the efforts of Seoul and the entire global community aimed at resolving the situation on the peninsula only by political and diplomatic means.

I would also like to emphasize that the productive outcomes of the historic meeting between the Korean leaders, despite all the obstacles, became possible because of the firm position and strong political will of President Moon on the implementation of the strategic course — the New Northern Policy aimed at improving relations with North Korea, ensuring security and stability and building confidence in the region.

Another key point is that the new vision of Korean leadership is aimed at creating a huge economic territory that will expand from the Korean Peninsula and the Russian Far East to the whole of Eurasia.

In addition, this initiative will not only create additional opportunities for economic growth in Eurasia, but also favorable conditions for peace and economic prosperity for North Korean people which will doubtlessly become a solid basis for further peaceful unification of Korea.

I think President Moon's determination and confidence in achieving this great goal is expressed in his words declared last September in an interview: "We are one people who lived together for 5,000 years of history. Therefore it does not matter how difficult the path will be, unification is equivalent to the fate that our people must follow. And we must protect this fate."

It is important to note that this long-term vision of Seoul is supported by the majority of representatives of the South Korean expert community. According to the "Statista Global Consumer Survey," about 65 percent of experts and scientists from South Korea (7.6 percent — to a greater extent, 56.5 percent — to a certain extent) noted that the strategy of the New Northern Policy will improve relations between the two Koreas.

We consider the New Northern Policy initiated by the Republic of Korea as a very relevant and important contribution to the revival of the Great Silk Road in the new modern realities.

The restoration of rail and road connections envisioned in the framework of the New Northern Policy will undoubtedly open up new prospects for broadening cooperation between the Korean Peninsula and the countries of the vast Eurasia region, including Central Asia, its transformation into a

continent with a common transport and logistics system and intensive trade and economic ties.

However, according to experts, the current relations of Seoul with the countries of Eurasia do not correspond to their potential and capabilities.

In this regard, the New Northern Policy will undoubtedly be able to "reverse" this situation by creating a single economic space and implementing popular joint investment projects using modern Korean technologies and financial resources, as well as huge energy, mineral, raw materials and human resources of the Eurasian countries, including Central Asia.

I am convinced the new strategy will provide additional opportunities for the countries of Central Asia in developing bilateral and multilateral cooperation with both the Republic of Korea and other participants of the project. I believe the New Northern policy should become an important practical component of the Central Asia-Republic of Korea Forum, the 11th meeting of which was held in Seoul, Nov. 6 and 7, at the level of deputy foreign ministers.

For more than 10 years we have been observing how the forum is evolving and growing stronger, how the number of mutually beneficial cooperation projects is expanding, which are aimed at strengthening mutual trust and enhancing contacts and human exchanges among the participating countries.

Since 2017, the Secretariat of the Forum began operating in Seoul, which marked the beginning of a qualitatively new stage of interaction within this format. Now we can feel its active work in promoting new initiatives and ideas to expand interaction in the fields of investment, innovation, transport, health, education and culture.

I want to emphasize that Uzbekistan highly appreciates the efforts of the government of the Republic of Korea as the main initiator and coordinator of the forum, and thanks to the diligent efforts to turn it into an important platform to strengthen multidimensional cooperation and an effective mechanism for the practical implementation of priority projects that meet the interests of all participants.

In the context of the development of regional cooperation in Central Asia, thanks to the new regional policy of the President of Uzbekistan Shavkat Mirziyoyev, the past two years have truly become historical and breakthrough. During this period, previously unprecedented important results have been achieved in all spheres of interaction, and a new political atmosphere was created in the region.

Central Asian countries demonstrate strong commitment and enormous potential in the development of constructive cooperation in all areas based on the principles of good neighborliness, mutual benefit and respect, taking into account mutual interests.

Relations between our countries have reached high strategic-level partnerships, which are filled with concrete content in the political, economic, cultural and humanitarian spheres. In a relatively short time, a high level of political trust has been achieved among the countries of Central Asia, and interstate relations in the region are developing in a completely new paradigm.

In less than two years, mutually beneficial solutions have been reached on the basis of reasonable compromises on a number of critical problems relating to water use, demarcation and delimitation of borders and the resumption and expansion of transport links and mutual electricity supply. The leaders of the countries of the region showed an unprecedented readiness to eliminate all the issues and preconditions that fueled the conflict potential in Central Asia.

As a result of the intensification of regional cooperation, the trade turnover of Uzbekistan with the countries of the region from January to August of this year grew by an average of 38 percent, and with individual states by 52 percent (in total, \$2.57 billion, for the same period in 2017, \$1.77 billion).

The improvement of trade and economic relations among the countries of Central Asia contributed to increasing the investment attractiveness of Uzbekistan and the region as a whole.

In particular, since the beginning of 2017, over 400 contracts have been signed between Uzbekistan and foreign countries, as well as contracts and agreements worth about \$100 billion.

Last year in March, saw the launch of the implementation of the important Uzbekistan-Turkmenistan-Iran-Oman transport corridor section — the Turkmenabat-Farab railway and road bridges across the Amudarya River opened. Due to their launch, the volume of freight transport has already increased 2.5 times.

The project will also be an opportunity to access European markets after launching the Baku-Tbilisi-Kars railroad. In addition, after 20 years of negotiations, significant progress has been made in the construction of a railway connecting China and Central Asia through Kyrgyzstan.

On Sept. 21 of this year in Tashkent, a high-level international conference organized on the topic: "Central Asia in the system of international transport corridors: strategic perspectives and unrealized opportunities." The conference participants emphasized that Central Asian countries need to find joint solutions to such acute issues as: the lack of logistics centers and the necessary infrastructure along all the highways involved in transit traffic.

It was also mentioned the importance of introducing information and communication technologies and marketing and digital transport services in the road sector, automotive, air and railway industries of the countries of the region.

We consider that attracting modern Korean technologies and investments in the development of the transport and logistics infrastructure of the region can contribute to practical solutions to the above urgent problems in the field of transport.

In addition, in the framework of the "New Northern Policy," Korea could provide substantial assistance in ensuring the dynamic and advanced development of the economies of the countries of the region by strengthening industrial cooperation, creating joint economic zones, expanding investment cooperation, developing the digital economy, rational use of water and energy resources and taking preventive measures in the field of food security.

At the same time, Korean companies can play an important role in the integration of Central Asian countries into global trading chains.

I would also like to draw your attention to the fact that active regional policy conducted by the President of Uzbekistan Shavkat Mirziyoyev creates the necessary favorable conditions for expanding the presence of South Korea throughout Central Asia which, taking into account all countries of the region and Afghanistan, constitutes a market with a population of about 90 million people.

Uzbekistan, while having a geographical advantage, is ready and interested in becoming a "center of gravity" for South Korean businesses in accessing Afghanistan and other markets of the former Soviet Union, the Middle East, South and Central Asia.

On Oct. 10 of this year for the first time, a triple Business Forum of the business circles of Tajikistan, Uzbekistan and the Republic of Korea held in Dushanbe with the support of the Uzbek side. Over 200 representatives of companies and enterprises from Tajikistan, Uzbekistan and Korea attended the event.

Today the policy of liberalization conducted in Uzbekistan in the financial and currency, trade, economic, investment spheres and the development of an innovative approach in all sectors of the economy significantly increases the strategic attractiveness of the Uzbek market for South Korean companies and vice versa.

So far, Uzbekistan and South Korea have successfully completed and continue to implement a whole series of strategically important large joint projects in various sectors of the economy.

These are the automobile industry, transport infrastructure, the oil and gas sector, information and communication technologies, mining and others. In particular with the leading Korean airline company Korean Air, a project to create an International Intermodal Logistics Center was implemented.

At Navoi International Airport in Uzbekistan, a cargo terminal with a capacity of transshipment and handling of 100,000 tons per year was launched. At present through this logistics center freight transportation is carried out to 15 destinations of Europe and Asia.

South Korea is one of the leading trade, economic and investment partners of Uzbekistan. The annual mutual trade turnover exceeds \$1 billion and the volume of attracted investments is \$7 billion. Uzbekistan's share in South Korea's trade with all countries of Central Asia is almost 50 percent.

Since the beginning of this year, Uzbekistan introduced a visa-free regime for citizens of South Korea with the aim of enhancing tourist exchanges between the two states. In turn, a high level of political trust and mutual understanding between Tashkent and Seoul creates the most favorable conditions for further strengthening and expanding economic cooperation between our countries.

According to international observers, the state visit of Shavkat Mirziyoyev to the Republic of Korea in November last year was "breakthrough" in view of the adoption of a joint statement on comprehensive deepening of the strategic partnership and signed agreements in the economic and investment fields worth more than \$10 billion.

In this regard, in our country, we are looking forward to a return visit of the President of the Republic of Korea to Uzbekistan next year.

For Uzbekistan and other Central Asian countries, open access to international seaports is crucially important. Due to the geographical isolation of the region, according to estimates of Boston consulting groups, Uzbekistan loses up to 20 percent of its GDP because transport and transit costs reach 70 percent to 80 percent of the value of exported products. Freight carriers lose up to 40 percent of their time for transporting goods due to imperfect customs procedures.

A joint research report will be prepared on the development of bilateral relations between Uzbekistan and South Korea, as well as concrete proposals for the upcoming visit of President Moon to Uzbekistan.