

## Uzbekistan is ready to become an effective and reliable platform for German business



Germany, being one of the key, time-tested, reliable friends of Uzbekistan, is the most active trade and investment partner of our country among the EU countries.

Thanks to the most favored nation treatment established between the states, bilateral trade over the past 6 years (2016-2022) has more than doubled – from \$529.1 million to \$1.16 billion. This is more than 26% of all trade of Uzbekistan with the EU (\$4.4 billion).

The economic liberalization policy and the improvement of the business climate in our country are attracting investors from Germany. Since 2016, the number of enterprises with the participation of German capital has doubled and reached 219. Representative offices of 31 German companies are accredited in Uzbekistan.

Since 2016, such large companies as BASF, Thyssen Group, Roland Berger, Adidas Group, Papenburg, Falk Porsche have entered the Uzbekistan market.

The volume of German investments in the economy of Uzbekistan reached \$5.5 billion, of which 4 billion were attracted over the past few years to the basic sectors of the Uzbek economy – energy, mining, chemical industry, production of building materials, pharmaceuticals, agriculture, transport. With the participation of German partners in Uzbekistan, more than 60 projects are being implemented for 5 billion euros. Currently, such major German fashion brands as Hugo Boss, Karl Gross, Digel, Engelbert Strauss and others have begun placing production orders with textile enterprises in Uzbekistan for outsourcing production.

Most importantly, Germany is the largest supplier of modern machinery and equipment needed to modernize Uzbekistan's economy.

The total amount of financial and technical assistance from Germany for the implementation of priority projects in Uzbekistan is 656.5 million euros, including 447 million euros – concessional loans and grants from the KfW Development Bank and 209.5 million euros – grants through the German Society for International Cooperation (GIZ).

In turn, Uzbekistan opens up a vast German market. In 2022, the export of Uzbek goods for the first time showed record results – \$88.9 million. According to experts, the agreements reached at the seventh meeting of the Uzbek-German Business Council in February-March 2023 in Berlin will increase this figure by 4 times.

The main export items are manufactured goods, fruit and vegetables, textiles and chemical products. Germany, recognizing the high dynamics of reforms and the development prospects of Uzbekistan, is increasing financial and technical assistance, the volume of which in 2022 amounted to \$650 million.

At the same time, Germany's interest in cooperation with Uzbekistan is huge. According to the expectations of the Regional Director of the German Eastern Business Association, Eduard Kinsbruner, expressed during the recent conference "Uzbekistan – Germany: New Horizons of Cooperation", "the readiness of the German business, interested in diversifying foreign economic relations, to increase interaction will only increase".

As part of the official visit of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Federal Republic of Germany, the third business forum this year was held with the participation of more than 250 heads of large companies, holdings and industrial enterprises, banks, ministries, agencies and industry associations of the two countries. As a result of the forum, agreements were reached on the implementation of new trade, investment and technological projects worth \$9 billion. The most promising areas for building long-term cooperation are energy, chemical, food and textile industries, metallurgy, automotive, agriculture, production of building materials, electrical engineering, as well as pharmaceuticals and healthcare.

Shavkat Mirziyoyev once again noted Uzbekistan's readiness to become an effective and reliable platform for German business in the new realities of large-scale and serious shocks in the global economy.

"A foreign investor should associate Uzbekistan first of all with stability, reliability and predictability. We are ready to create all conditions for every German businessman to feel free and confident in our country. By combining the advanced developments and innovative technologies of Germany with the resources and human potential of Uzbekistan, we will be able to achieve great results", he stressed.

To support the projects of German companies in Uzbekistan, an agreement was reached on a full-scale partnership with KfW Bank, Deutsche Bank and the German Society for International Cooperation.

During the visit, a solid package of agreements was signed, including the Financial Cooperation Agreement between the Government of the Republic of Uzbekistan and the Government of the Federal Republic of Germany, which provides for the allocation of 130 million to support the sustainable development of Uzbekistan cities.

In confirmation of the strategic nature of cooperation between the countries, the Declaration of the Joint Agreement on Strategic Cooperation for 2024-2030 was signed between the Ministry of Investment, Industry and Trade of the Republic of Uzbekistan and the Federal Ministry for Economic Cooperation and Development of Germany.

The President of Uzbekistan emphasized that it is the business community that can and should play a key role in the implementation of the breakthrough agreements reached during the current visit and further joint plans.

In general, the current state of relations between Uzbekistan and Germany shows a mutual desire to

increase cooperation and partnership. For our country, relations with Berlin now and in the future remain the most important direction of the foreign policy strategy. Both sides have clear guidelines and priorities for interaction, an understanding of the demand of each other. And today there is reason to believe that the comprehensive dialogue between Uzbekistan and Germany, following the results of the high-level visit, is moving into a new qualitative stage, closer and targeted cooperation in the most important areas of cooperation.

**Sharif Akhmedov,**

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**Source**