

# Uzbekistan - Japan: traditional friendship and mutually beneficial cooperation

Despite the coronavirus pandemic continuing to change the international landscape, there is a strengthening of multifaceted cooperation in relations between Uzbekistan and Japan, which meets the strategic interests of the two countries.

An active high political dialogue contributes to the deepening of mutually beneficial economic relations between the two countries. The positive dynamics of trade and economic relations between the two countries is the basis for the further development of cooperation between Uzbekistan and Japan.

In the context of the spread of the pandemic, in April 2020 a video conference was held with the participation of Deputy Prime Minister - Minister of Investments and Foreign Trade of the Republic of Uzbekistan Sardor Umurzakov and Deputy Prime Minister - Minister of Finance of Japan Taro Aso.

During the conversation, topical issues related to the implementation of projects in the field of agriculture, chemical and energy industries were considered. The sides discussed prospects of provision of Japanese financial support to Uzbekistan in the framework of countering the spread of coronavirus infection, eliminating the economic consequences of the pandemic and attracting additional funds from Japanese financial institutions to implement further steps within the framework of joint investment projects.

Although the global economy suffers from negative consequences of the pandemic, Tokyo maintains a leading position as an investment giant. In April 2020 Japan's foreign direct investment increased by \$ 14.5 billion, in comparison with \$ 132 billion in March month. In terms of GDP, Japan ranks third in the world (\$ 4.9 trillion), and in terms of trade, it ranks fourth, with annual imports exceeding \$ 700 billion.

Since 2019, Uzbekistan has established additional supplies of trial consignments of dried fruits to Japan: raisins, dried apricots and prunes. Since Japanese importers set very high standards for the safety and quality of products supplied to the country, the presence of Uzbekistan in the lists of dried fruit suppliers to Japan is an important achievement. Experts note that if Uzbek exporters are able to ensure the stability of supply and quality of products, then the demand of Japanese consumers for these products will grow.

Moreover, the improvement in the rating of Uzbekistan in the annual report of the World Bank and the International Finance Corporation "Doing Business" from 166th to 76th place is a positive signal for Japanese business circles. At the same time, according to the International Finance Corporation, Uzbekistan entered the top ten reformer countries in terms of creating favorable conditions for doing business.

Several dozen enterprises with Japanese companies as JOGMEC, Mitsubishi, Itochu, Sumitomo, Marubeni, Isuzu and others operate in Uzbekistan. Leading Japanese Representative offices of 15 Japanese companies were accredited.

The functioning of the Uzbekistan-Japan Economic Cooperation Committee makes a significant contribution for the development of bilateral trade. Japanese businessmen highly appreciate the reforms and transformations carried out in Uzbekistan, and emphasize that the liberalization of the currency and tax systems, simplification of visa procedures have created additional opportunities for successful business in Uzbekistan. The partners point out that the first official visit of the President of Uzbekistan Shavkat Mirziyoyev to Japan gave new dynamism to mutually beneficial ties between the business circles of the two countries and became an incentive for more active participation of Japanese businesses, including small and medium-sized ones, in the implementation of investment projects in the country.

This is also evidenced by a solid package of agreements concluded in 2019 with Japanese business circles in the amount of \$ 6.5 billion for the implementation of a number of joint projects in the field of energy, industrial and agricultural modernization, infrastructure, ecology, healthcare and other industries.

Japan's powerful industrial potential based on the most advanced scientific and technological solutions turns this country into an important partner that capable of playing a positive role in the economic development and technological modernization of Uzbekistan.

Need to note that cooperation mechanisms have already been established in this direction; the parties have a positive experience of interaction. In particular, in cooperation with the Japanese international cooperation agency JICA, the Uzbek-Japanese youth center for innovation was created at the Tashkent State Technological University. The center specializes in research in such areas as chemistry and petrochemistry, mining and deep processing of mineral resources, energy, renewable energy sources and energy conservation, mechanical engineering and materials science.

It is necessary to underline the importance of signing agreements between Uzbekistan and Japan on the creation of a High-Tech Park in Tashkent. These structures will become a solid platform for ensuring the technological development of key areas of the economy of our country, laying the foundation for the training of young, promising personnel.

Another achievement of bilateral cooperation in the field of science and technology was the approval of the project presented with the assistance of the Ministry of Innovative Development of the Republic of Uzbekistan and Professor Christina Toderich (Tottori University, Japan) in the prestigious SATREPS-2020 competition in Japan. In June 2020, this project was recognized as the best among 10 international projects selected by the Japan Science and Technology Agency.

The project "Development of new technologies for monitoring and controlling the use of water resources to combat salinization and improve land productivity and food security in the Aral region" was presented by the International Innovation Center of the Aral Sea region under the President of the Republic of Uzbekistan together with leading scientists from 8 universities in Japan.

Japan regards Uzbekistan as a key state in the Central Asian region in terms of geographic location and economic potential. This is evidenced by the fact that about 57% of the total amount of Japanese aid allocated to the region falls on Uzbekistan.

In general, from 1993 to 2019, JICA provided: concessional loans totaling \$ 2.52 billion. Also, 329 students became applicants for Japanese government grants for master's and doctoral studies in Japanese universities, 2,416 Uzbek specialists completed internships in Japan. 335 volunteers were sent to Uzbekistan in the specialties of Japanese language, computer technology, business management, economics, law, healthcare, sports and tourism.

7 projects were implemented for a total of \$ 1.9 billion through the Japan Bank for International Cooperation (JBIC). Commercial loans totaling \$ 721 million were provided, including for the construction of the Shurtan Gas Chemical Complex (\$ 622.2 million), the Bukhara Oil Refinery (59 million), a compressor station at the Kokdumalak field (76 million), reconstruction of the Fergana refinery (83 million).

The fact that many Japanese projects are social oriented is also noteworthy. The projects directly improve the quality of life of citizens. In the context of the spread of the coronavirus, Tokyo is helping to develop and modernize the medical sector of our country.

On June 17, within the framework of an economic and social development project, Japan donated to Uzbekistan scanners for computed tomography and medical containers. Medical containers are equipped with technology that can be used in mobile clinics to diagnose and treat coronavirus. This is a demanded contribution to strengthening the material and technical base of the healthcare system in Uzbekistan during the COVID-19 pandemic. Earlier, the Japanese side also provided humanitarian aid in the form of test kits and antiviral drugs.

In May, Tokyo allocated \$ 1.9 million to expand UNDP's work to address the socio-economic impact of the COVID-19 pandemic in Uzbekistan. This project will certainly strengthen a multi-sectoral and people-

centered response to mitigate the impact of COVID-19 in Uzbekistan, as well as create conditions for sustainable development.

Thanks to financial and technical cooperation with Japan, a number of socially significant and infrastructural projects are being implemented in our country in the fields of education, provision of services and other areas.

Need to emphasize the dynamic development of the tourism industry within the framework of the “Memorandum of Cooperation in Tourism between the State Committee of the Republic of Uzbekistan for Tourism Development and the Japanese Tourism Agency for 2020-2022,” concluded during the visit.

The decision of the Japanese company H.I.S. Holdings to build Japanese-style hotels in Tashkent, Samarkand and open its branch to attract tourists from Japan demonstrates the great interest of the Japanese population in the tourist heritage of our country.

According to experts, in order to recover the tourism industry during the pandemic, local entrepreneurs can introduce modern Japanese technologies, methods to ensure sanitary and epidemic standards and safe tourism. For example, in July this year, the Japanese company Global Agents announced that it would introduce a contactless guest service system in all of its hotels. In addition to implementation of new technologies to cleaning rooms, the company began to serve guests with new applications and keep social distance between hotel staff and guests.

It is remarkable that in order to promote domestic travel and to help boost local businesses, the Japanese government has set up the “Go to Travel” campaign. By providing subsidies of up to 50 percent on travelers’ costs for transportation, hotels, restaurants, tourist attractions and shopping, all within Japan, the government attempts to revive travel and tourism industry.

The huge financial investment, scientific and technical potential of Japan turns it into one of the most important partners in the implementation of the programs of the Strategy of Actions on Further Development of Uzbekistan 2017-2021 and in the subsequent development of the country.

In this regard, it can be noted with confidence that Japan has been and remains a strategic and reliable partner for Uzbekistan, which consistently supports the process of radical reform and deep modernization of the economy and social sphere of our state.

In general, friendly and trustful relations between the two countries create a solid and favorable basis for the development of mutually beneficial and progressive cooperation in the economic, trade, investment, scientific and technological, cultural and humanitarian spheres. Further expansion and deepening of the bilateral partnership is a policy that meets the national interests of both Uzbekistan and Japan.

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