

## Uzbekistan and Iran – a new impetus for enhancing trade-economic collaboration



The visit of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to Iran, according to Dmitry Trostyansky, Doctor of Economics, Chief Researcher at the Institute for Strategic and Regional Studies, will give a new impetus to comprehensive mutually beneficial cooperation between Uzbekistan and Iran.

This is the first visit of the President of Uzbekistan to Iran in 20 years, which the two countries called historic, of particular importance for strengthening bilateral relations.

An important outcome of the talks at the highest level became the signing of a Joint Statement on strengthening cooperation between the two countries and 15 documents at the level of governments, agencies, and regions.

At the meeting, the Presidents of Uzbekistan and Iran focused on developing and expanding trade-economic and investment cooperation.

To date, the dynamics of mutual trade have a steady upward trend. Over the past 3 years, it has increased by 1.7 times, and by the end of 2022 amounted to \$435.7 million. In January-April 2023, it reached \$186.3 million, which exceeds by more than 1/3 the level of last year. It is also a positive fact that along with the increase in imports for the same period in 2022 (from 116.8 to 119.4 billion USD), Uzbekistan's exports to Iran are increasing at a higher rate (from 49.7 to 66.9 billion USD).

Today, the interest of Iranian business in Uzbekistan is also quite active. So, in recent years, the investment activity of Iranian entrepreneurs in Uzbekistan has increased by 3 times. In 2022 alone, 105 new Iranian enterprises were registered. About 397 enterprises with Iranian investments are currently operating in the country, of which 212 are joint ventures, and 185 are foreign.

Undoubtedly, the forum held on the eve of the official visit of the Head of our state with the participation of

prominent representatives of Uzbekistan and Iranian businesspeople will contribute to the intensification of trade-economic cooperation between the two countries. Following the event, several investment and trade agreements worth about \$200 million were signed.

During the talks, special attention was paid to the use of the shortest transport and logistics corridors connecting Central Asia with Iran, as well as measures for the implementation of joint investment projects in energy, mechanical engineering, chemical, light, and food industries, industrial materials, pharmaceuticals, instrumentation, and electrical engineering.

At the meeting, the heads of the two countries set an ambitious goal - to increase trade turnover from the current \$435 million to \$3 billion and instructed to prepare several joint action plans and establish mechanisms to implement the agreements effectively.

In particular, the establishment of mutually beneficial cooperation based on industrial collaboration between the Iranian free economic zones Kish (tourism, trade), Chabahar (trade, industry), Aras (business, industry), and FEZ Navoi and Angren in Uzbekistan will serve to achieve the intended goal.

One of the important areas of bilateral cooperation also became the establishment of direct contacts between Bukhara region and Hamadan province, as well as the cities of Samarkand and Isfahan.

All this will make it possible to establish cooperative ties between entrepreneurs, use Iranian technologies to produce products with high added value based on the processing of local raw materials, create new jobs and saturate regional markets with competitive products.

The talks showed that a growing convergence of interests in such areas as the development of regional trade, transit, and transport potential and the implementation of joint value-added cooperation projects currently characterizes relations between Uzbekistan and Iran in the trade-economic sphere. This creates good prerequisites for bringing the relations between the two countries to a qualitatively new level.

### **Source**