

Changing Dynamics of Uzbekistan's Foreign policy: Prospects for Central Asian Regional Economic Integration

By

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Introduction

- Shavkat Mirziyoyev in his first address to the Parliament (*Oliy Majlis*) in May 2017 stated that Uzbekistan needs a ‘modern’ foreign policy.
- Visit to all Central Asian states under the policy of “Central Asia First.”
- Landlocked region.
- Dependency on Russia and China for exports.
- Reserved Karimov and active Mirziyoyev.
- Attended CSTO meeting.
- Shown interest in EurAsEc.

Background

- Fluctuating foreign policy of Uzbekistan.
- Ethnic tensions in the region.
- Water issues.
- Border conflicts.
- Extremism and terrorism.
- Uzbekistan's conflict with all the neighboring states.

Map of Central Asia

Map of Central Asia

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Economic Realities of Central Asia

- Next Middle East.
- TAPI and Trans-Caspian Pipelines.
- Cotton production.
- Light machines, automobiles, Pharmaceuticals.
- But Landlocked.
- Less regional integration.

Central Asian states Profile

Country	Population in Million (2016)	GDP (PPP)	Unemployment	Inflation (CPI)	FDI Inflow
Uzbekistan	31.85	\$205.7 billions 8.0% growth	8.9%	8.0%	\$66.5 Millions
Tajikistan	8.7	\$26.0 billion 3.0% growth	10.8%	5.9%	\$432.2 Millions
Kazakhstan	17.9	\$451.3 billions 1.2% growth	5.2%	14.6%	\$9.1 billion
Kyrgyzstan	6.1	\$21.5 billion 3.5% growth	7.7%	0.4%	\$466.8 Millions
Turkmenistan	5.5	\$95.5 billion 6.5% growth	8.6%	3.5%	\$4.5 billions

Crude Oil Statistics of Central Asia (end 2016)

Country	Proven oil reserves	Production/ day	Consumption/ day	Production in millions tons/day	Consumption in millions of tons/day
Kazakhstan	30,000 million barrels	1612 thousand barrels	287 thousand barrels	79.3	13.2
Turkmenistan	600 million barrels	261 thousand barrels	148 thousand barrels	12.7	6.7
Uzbekistan	600 million barrels	55 thousand barrels	58 thousand barrels	2.6	2.8

Natural Gas Statistics of Central Asia (end 2016)

Country	Proven Gas reserves	Production/ day	Consumption/ day	Production in million tons/day	Consumption in million tons/day
Kazakhstan	34 trillion cubic feet	19.9 billion cubic feet	13.4 billion cubic feet	17.9	12
Turkmenistan	617 trillion cubic feet	66.8 billion cubic feet	29.5 billion cubic feet	60.1	37.9
Uzbekistan	38.3 trillion cubic feet	62.8 billion cubic feet	51.4 billion cubic feet	56.5	46.2

Coal and Hydro-electricity Statistics of Central Asia (end 2016)

Country	Proven reserves	Coal	Production/ year	Consumption/ year	Electricity production/year	Electricity consumption/year
Kazakhstan	25605 tons	million	44.1 million tons	35.6 million tons	94.5 terawatt hours	2.7 terawatt hours
Turkmenistan	NK		NK	NK	22.6 terawatt	NK
Uzbekistan	1375 tons	million	1.1 million tons	1.0 million tons	58.9 terawatt hours	2.1 terawatt hours
Tajikistan	NK		NK	NK	16.4 billion kwh	15 billion kwh
Kyrgyzstan	NK		NK	NK		

Challenges to Regional Integration in Central Asia

- Mistrust, personal animosities, ethnic division, border and water disputes, drugs and human trafficking, extremism and terrorism, lack of will, inadequate and old physical infrastructure especially the transportation network, harsh physical terrain, smuggling, time and cost effective and selective border crossings, weak role of regional organizations, reserved attitude of ex-Uzbek and ex-Turkmen presidents, lack of funds, corruption, and the role of external players.

Shovkat Mirziyoyev and Prospects for Regional Economic Integration in Central Asia

- foreign minister Abdulaziz Kamilov stated that “transforming the Central Asian region into an area of stability, sustainable development and good-neighborliness” is the main priority of Tashkent.
- President Mirziyoyev says that “Our main goal is to transform Central Asia into a stable, economically developed and prosperous region by common efforts...On the very basis of the principles of good-neighborliness and mutually beneficial partnership our countries will be able to more effectively implement their potential in trade-economic, transport-communication, cultural and humanitarian spheres, as well as in the issues of security and stability.” Uzbek Ministry of Foreign Affairs (2017). “Speech of the President of Uzbekistan Shavkat Mirziyoyev at International Conference in Samarkand.”

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- Mirziyoyev regime has shown interest to join Rogan and Karambata-1 projects. It has also shown desire to join CASA-1000 and TAPI projects.
- It also suggests TUTAP.
- ‘Uzbekistan-Turkmenistan Strategic Partnership’.
- Renewed rail and road connectivity with Turkmenistan.
- \$ 250 million agreements in April 2018.
- Increase of bilateral trade by 55% during the first quarter of 2018.

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- Uzbekistan-Kazakhstan signed bilateral trade agreements worth \$ 1 billion in 2018.
- Opening up of high speed railway and M-39 highway.
- 32% increase in bilateral trade during 2017.
- Around “230 enterprises work in Uzbekistan with the Kazakh capital while there are 130 enterprises working in Kazakhstan with Uzbek capital.”

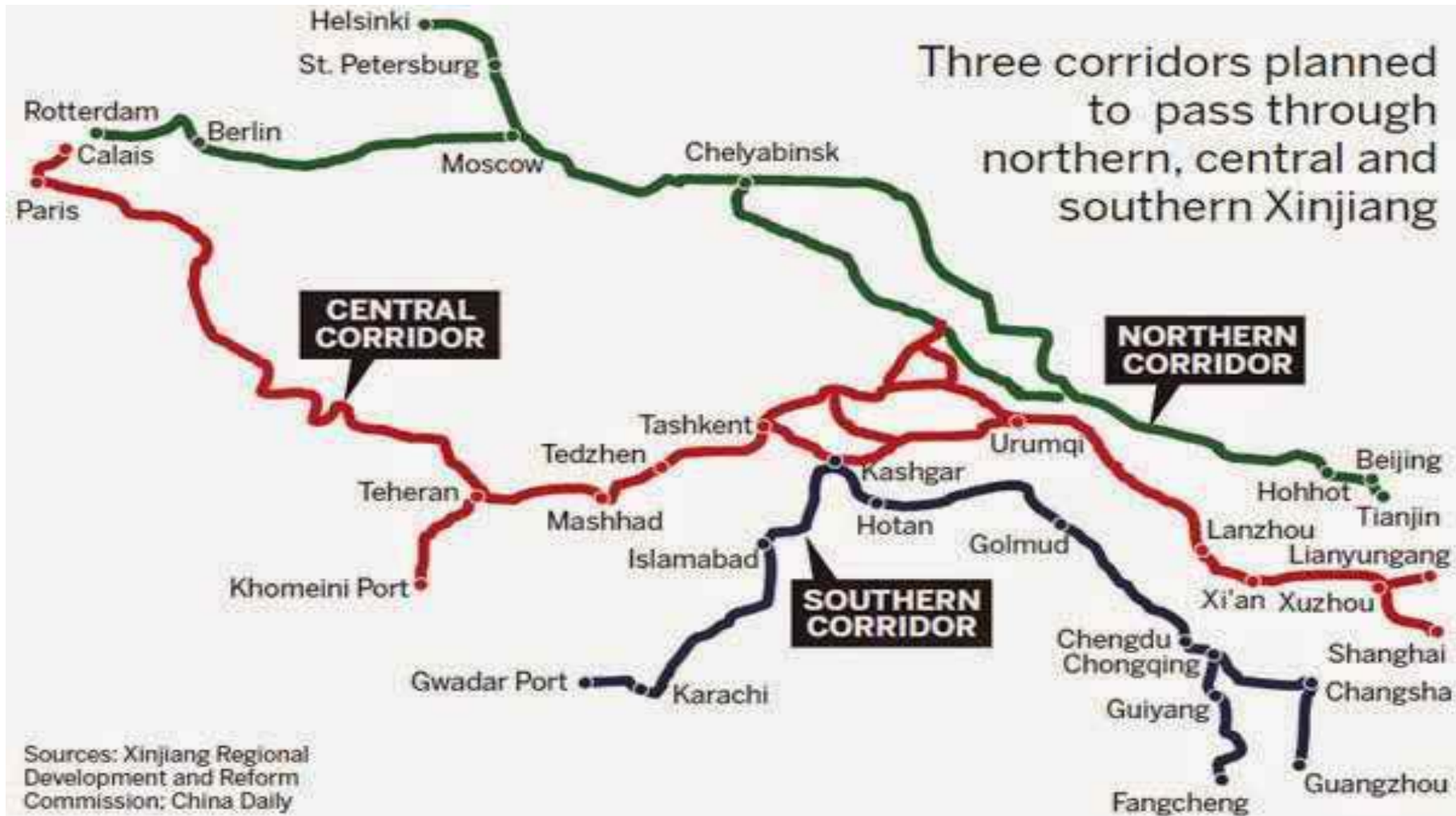
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- Had worst relations with Tajikistan.
- During March 2018, 27 bilateral agreements including opening up of 16 border crossings and a 30 days visa free entry for each other citizens. Bilateral trade up to \$ 240 million by end 2017 which is expected to reach \$ 1 billion by end 2018.
- Around three million Tajiks visited Uzbekistan during the first month.

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- The trade volume between Kyrgyzstan and Uzbekistan has increased by 56% by 2017. The bilateral trade reached up to \$235 million which both states intend to increase by \$500 million by the end of 2018.
- Resolution of border disputes.
- Bus service between Tashkent and Issyk-Kul.
- Uzbekistan-Kyrgyzstan-China rail and road links.

BRI Project and Central Asian Regional Integration



Recommendations

- Any major regional projects in the spheres of transport, communication and energy cannot be realized without active interaction with the countries of the region, without ensuring a high level of their integration.
- Resolution of borders and water issues.
- Policy of open regionalism.
- Easy visa regimes.
- More border crossings.
- Creation of regional economic forums.

Conclusion

- Less connectivity.
- Leadership's unwillingness.
- Mirziyoyev's policy of positive and multilateral engagement.
- Potential role of BRI.
- Bright future of the region.