



Development Trends of Uzbekistan-Korea Relations in Foreign Economic Relations

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Annotation: Through this article, we are going to explore important facts about economic relation between two Asian countries. Moreover, peculiar points and statistics according to reforms implemented in the economic life of countries in the recent period were given.

Keywords: Asia-Pacific region, Cooperation, trade relations, diplomatic, Intergovernmental Commission, digital medicine, the industrial policy.

South Korea became the first country in the Asia-Pacific region to recognize independence of Uzbekistan in December 1991. Diplomatic relations between the two countries were established in January 1992. Bilateral relations have grown steadily since that time. Cooperation between the two nations has grown in political, economic, and educational spheres. Uzbekistan is South Korea's largest trading partner in Central Asia. Following the 2005 Andijan unrest, which led to the United States and European Union placing trade and economic sanctions against Uzbekistan, South Korea along with China, Japan and Russia continued economic and trade relations with Uzbekistan, with no demands on human rights.

In 2006, South Korea and Uzbekistan signed a declaration on strategic partnership, which they agreed to develop and deepen further in a new Joint Declaration signed during President Park Geun-hye's visit to Tashkent in 2014. During President Karimov's visit to South Korea in 2015, 60 documents relating to trade, investment, economic and technical cooperation and other spheres were signed, at a total worth of US\$ 7.7 billion. In 2015, bilateral trade turnover between the countries exceeded US\$ 1.7 billion, corresponding to 50 percent of South Korea's trade with Central Asian republics [1].

Cooperation in various areas between the Republic of Uzbekistan and the Republic of Korea has been developing steadily, dynamically and fruitfully since the establishment of diplomatic relations between our countries in 1992. The Joint Declaration on Strategic Partnership was adopted in 2006. There is a most favored nation regime in the field of trade between our countries. The Republic of Korea is Uzbekistan's fourth most important foreign trade partner. The Intergovernmental Commission on Trade and Economic Cooperation plays an important role in bilateral relations. Since 2018, a format has been introduced for meetings of the Deputy Prime Ministers of the two countries on economic issues. In 2018, an Uzbek-Korean trading house was opened in the city of Incheon, which plays an important role in the supply of Uzbek products to the markets of South Korea.

Uzbekistan and South Korea today support fruitful cooperation in the fields of information technology, digital medicine, education and culture. The experience of South Korea is being widely introduced into the system of preschool education in our country. Korean universities have branches in Tashkent. There is also a significant similarity in the model of economic reforms - in both countries, the state plays a leading role in economic transformations, great attention is paid to the development of small and medium-sized businesses, the industrial policy of the first stages in the



reform process smoothly flows into an export-oriented policy. A new page in relations between the Republic of Uzbekistan and the Republic of Korea was opened by the state visit of the President of Uzbekistan Shavkat Mirziyoyev to Seoul on November 22-25, in 2017. Documents and agreements worth about USD 10 billion were signed, including several large investment contracts with companies such as Hyundai, Evergreen Holdings, Youngone Corporation, Hwachon Plant-Gemco. At the same time, an agreement was reached on technical, advisory and expert support from the Korean specialists of Uzbekistan in the issue of joining the World Trade Organization.

The President of the Republic of Korea, Moon Jae-in, made a state visit to Uzbekistan on April 18, 2019. During this visit, a Joint Declaration on a Special Strategic Partnership was signed between the Republic of Uzbekistan and the Republic of Korea, important agreements were reached and agreements worth more than USD 12 billion were concluded. They cover such industries as energy, oil and gas, chemical, mining, mechanical engineering, electrical engineering, textile and light industries, transport and logistics, infrastructure, ICT, digital medicine. Among them, in particular, the agreement on the transfer of the "Angren" economic zone to the management of the "Incheon" free economic zone deserves attention, in order to launch the production of drugs in demand. Because of the pandemic situation, the summit of the Presidents of Uzbekistan and South Korea Shavkat Mirziyoyev and Moon Jae In was held in the format of a video conference on January 28, 2021. As a result of the online summit, a Memorandum of Cooperation in the field of "digitalization" was signed in order to promote the "fourth industrial revolution", an Agreement with the South Korean Economic Cooperation Development Fund (EDCF) in the amount of USD 1 billion, digital and green sectors, which are a key element of the Korean New Deal project [2].

Moreover, trade and economic cooperation between Uzbekistan and Korea has been expanding especially dynamically in recent years. Foreign trade turnover increased from USD 1,070.4 million in 2016 to USD 2,767.7 million in 2019, slightly decreasing under the influence of the pandemic to USD 2,150.7 million in 2020. Growth in relation to 2016 in 2019 was 258.6%, and in 2020 - 200.9%. If the share of Korea in trade with Uzbekistan in 2016 was 4.4%, then in 2020 it is already 5.9%. The share of Korea's imports in trade with Uzbekistan rose over the same period from 7.2% to 9.9%.

If at the end of 2017 the number of operating enterprises with capital from Korea was 510, then on November 1, 2021, there were already 928 similar enterprises operating in Uzbekistan. In the period from January to October 2021, 80 enterprises with Korean capital were created. In general, the number of operating enterprises with capital of Korea increased by 1.8 times in 2018-2021. The total volume of Korean investments in Uzbekistan has already exceeded USD 7 billion. Labor migrants are essential for the economy of Uzbekistan and for maintaining a balance of supply and demand in the Korean labor market. South Korea was one of the first countries with which Uzbekistan entered into an agreement on organized labor migration, which has been growing dynamically in recent years[2].

In 2009, Korean Air Cargo took over the management of Navoi International Airport and, under the 10-year development plan, further accelerated the modernization program. Construction of the largest air cargo terminal in Central Asia that can handle 100,000 tonnes of cargo annually using latest equipment. In August 2010, Hanjin Group, the parent of Korean Air, inaugurated the cargo terminal at Navoi, which now serves as the intercontinental logistics center from Central Asia. South Korea has been active in numerous projects and programs in different regions of Uzbekistan, including the free economic zones at Navoi and Angren [3]. On 2016, South Korean Prime Minister Hwang Kyo-ahn visited Uzbekistan, where he joined then Prime Minister of Uzbekistan Shavkat Mirziyoyev in the inauguration of the largest bilateral cooperation project, the Ustyurt Gas Chemical Complex in Karakalpakstan. The cost of the project was US\$ 4 billion. South



Korea and Uzbekistan also founded the joint venture LG CNS Uzbekistan on 2015, to support the implementation of information systems and databases for E-Government in order to facilitate the mobility of people, business and government system in Uzbekistan. Uzbekistan and South Korea have also agreed on training programs, under which thousands of representatives of Uzbek small and medium-size businesses annually work and receive training in Korean enterprises and companies.

As of 2019, Uzbekistan is South Korea's third largest partner in emerging Europe and Central Asia, with trade reaching \$2.36 billion and South Korean investment in Kazakhstan and Uzbekistan exceeding \$7 billion. Uzbekistan is also the third largest training partner among countries in the Commonwealth of Independent States, after Russia and Kazakhstan. South Korea primarily exports vehicles, machinery, construction material and equipment, while Uzbekistan exports natural resources and agricultural products. In April 2019, South Korean President Moon Jae-in made a state visit to Tashkent. After a meeting between Deputy Prime Minister of Uzbekistan Aler Ganiev and Deputy Prime Minister of South Korea Hong Nam-ki, South Korea and Uzbekistan have agreed to work on implementing a free trade agreement to expand bilateral economic and trade relations. In March 2020, the two countries met for a virtual conference to organize a joint study on bilateral free trade, with the feasibility study concluding in November 2020.

In November 2020, South Korea and Uzbekistan met during the 13th Central Asia-South Korea Cooperation Forum in Seoul, in which they discussed the consequences and opportunities for economic cooperation in the context of the COVID-19 pandemic, as well as the removal of remaining barriers to trade and improving product quality and competitiveness.[4] In January 2021, the countries declared the start of discussions for a bilateral free trade agreement to be called the "Agreement for Sustainable Trade and Economic Partnership".

To sum up all facts above it should be highlighted that Uzbekistan and South Korea are geographically far from each other, but they are close in spirit and share the goal of peace and development. It is known from history that our countries have been visiting each other since the times of the Great Silk Road. A vivid example of this is the wall paintings kept in the "Afrosiyob" museum in Samarkand depicting the reception ceremony of the ruler of Samarkand in the middle of the 7th century for the ambassador of ancient Korea - Choson. Our countries are reliable strategic partners that have passed the test of time. As a result of high-level dialogues and common aspirations, the cooperation of our countries is consistently developing in all directions. The state visit of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Republic of Korea brought the relations to a qualitatively new level.

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