



## Transportation as a Service for International Trade in Uzbekistan: an Analysis from Export and Import Development

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### ABSTRACT

Transportation is the most important part of international trade. This paper examines the role of transportation as international trade in Uzbekistan from export and import perspectives. The paper reveals the types of developed transportations in Uzbekistan for export and import business. Export and import business development depends on transportation service because of movement of products and services. The facilitation of cross-border trade in products and services is one of the major contributions of the transportation industry to Uzbekistan's economy. Proper methods and recommendations that may help for the further development of international trade through transportation in Uzbekistan. It is essential to focus on this topic, as it offers both the necessary human mobility and distribution for production, directly connecting companies to global markets. Transport networks that are economical and efficient enhance the prospects for both individuals and enterprises to reap the benefits of globalization.

## **INTRODUCTION**

In Uzbekistan, transportation plays a vital role in international trade. The World Bank estimates that 64% of Uzbekistan's GDP came from exports in 2021. Natural resources including gold, oil, and gas as well as cotton, machinery, and food make up the majority of the nation's exports. Imports into the nation include automobiles, boilers, iron, steel, machinery, and pharmaceuticals.

The railway network in Uzbekistan is still heavily focused on the former USSR. Its road network is actively being developed. The nation has inked trade agreements with 45 countries and has commercial contacts with approximately 140 other nations. "Transport services" accounted for 52% of Uzbekistan's overall commercial services trade in 2021, according to a report published by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

### ***The Railway Transports***

Uzbek railway transport, which carries out the majority of the shipping of commodities for international trade. It is modernizing its rolling and carrying stock, and steps are being done to enhance the throughput capacity of its principal transport routes. Approximately 5,600 covered wagons, 1,280 freezers, and customized wagons were used in international goods transportation during the epidemic. Meanwhile, initial projections indicate that the railroad industry will need an extra 7,000 freight cars over the course of the next five years. Establishing the operations of private logistics companies that have wagons and containers available to them is intended in this regard.

The advantages of importing railroad cars for private business owners are extended through January 1, 2025. As an interior nation, Uzbekistan contributes significantly to the contractual value of exports in terms of transportation expenses. For global market the exporter must increase some elements like as processed goods, expend percentage of high-tech items and decrease the cargo intensity of their export.

### ***The Road Freight Transport***

The development of road freight transport must be prioritized in light of this demand. As of July 1, 2021, the number of vehicles engaging in international freight transport increased by 3.1 times compared to 2017, according to the Association of International Freight Forwarders of Uzbekistan. The introduction of Euro 4-6 trucks led to an update of the cargo fleet, and in 2017, the granted customs advantages caused a 1.5-fold rise in the volume of international freight trade. Thus, 1127 businesses engage in the worldwide shipping of commodities, with 62% of their fleet made up of automobiles that meet or exceed Euro 4 requirements. Increasing the number of vehicles in use is crucial for the global economy, as it serves as a competitive tool against rail transportation and a foundation for job growth. Therefore, the private sector's involvement in international transportation through truck purchases has resulted in the creation of nearly 50,000 new jobs over the last five years. The following vehicles intended for the carriage of goods may be imported into the

Republic of Uzbekistan until January 1, 2025, at zero rates of customs duty, recycling duty, and road fees, per the Decree of the President of the Republic of Uzbekistan, dated August 19, 2021, "On additional measures to support freight carriers by road", that were released seven years ago.

For a period ending on January 1, 2025, the following vehicles made in European Union member states are permitted to enter the Republic of Uzbekistan without the need for required certification, provided that seven years have passed after the vehicles' date of release:

- Trailers and semi-trailers used for the transportation of goods by road.
- Freight and special vehicles that satisfy the standards of the ecological class "Euro-5" and higher.

### *The Air Transport*

It should be emphasized that the epidemic has severely damaged civil aviation, according to the International Civil Aviation Organization (ICAO). Therefore, the EU may have lost somewhere between \$57 billion and \$98 billion. Regarding domestic flights, the predicted impact ranges from \$10 billion to \$18 billion, depending on how the epidemic develops. The pandemic has had a major negative impact on Uzbekistan's aviation industry as well. The state is providing support for the modernization of the aircraft fleet, expansion of flight routes, and authorization for international businesses to conduct regular and charter flights to Uzbekistan's major cities.

The fifth degree of freedom under the "Open Skies" policy was implemented on October 1, 2019, at the international airports of Bukhara, Nukus, Karshi, and Termez. This allows foreign firms to fly from Uzbekistan to destinations other than the country in which they are registered. At the airports of Karshi, Nukus, Termez, Bukhara, Navoi, and Urgench, "open sky" was implemented with no limitations.

At the airports of Andijan, Fergana, Namangan, and Samarkand, all international airlines operating in ICAO member states will be granted the freedom to conduct passenger flights to these locations without frequency restrictions, while also taking into account the airports' technical capabilities, including the fifth freedom of air, on routes not run by Uzbekistan's designated carriers. At the airports in Termez and Navoi, foreign airlines are allowed to perform cargo flights up to the seventh freedom of air. Any foreign airline may operate in the "Open Skies" mode with the seventh degree of freedom, irrespective of their country of registration or frequency of operation. Foreign airlines who wish to expand their flight schedule or start new routes must submit the required paperwork to the Ministry of Transport's Aviation Agency.

Foreign experts claim that Tashkent has exceptional potential to develop into a significant international harbor that links the east and west as well as the north and south. The new terminal complex of "Samarkand" International Airport opened on March 18 of this year as a consequence of the

implementation of a new terminal construction project worth more than 80 million dollars between "Air Marakanda" LLC and "Uzbekistan Airports" JSC.

Uzbek government wants to expand its supply to China, Europe, and Turkey while also diversifying its exports. Uzbekistan transported 47.1 million tons of commodities internationally in 2020, of which 13.3 and 24.7 million tons were imports and exports, respectively. Indicators for imports and exports rose by 3.1% and 17.2%, respectively.

The two most popular means of transportation for trade are road and rail. Road transportation provides advantages for shorter-distance traffic. 66% of cargo volume exported, 85% of cargo volume imported, and 92% of cargo volume transported by rail occurred in 2018. Road transportation's proportion of traded goods transportation climbed steadily between 2015 and 2018, especially for export cargo, even if railroads continue to play a major role in this regard.

China, Russia, Turkey, and the markets of Central Asian nations are Uzbekistan's main export partners. China continued to be an important export market for Uzbekistani goods in 2020, accounting for 10% of all exports from the nation. With a 9% market share in 2020, Russia is another important market for Uzbek goods. Turkey's percentage dropped to 7% in 2020. Uzbekistan continues to be a significant supplier to the markets of nations in Central Asia. Kazakhstan's portion of Uzbekistan's total exports was 6% in 2020, while Kyrgyzstan's proportion increased steadily from 2% in 2017 to 5% in 2020. Afghanistan's percentage increased to 4% in 2020 from 3% in 2019. China is the country that contributes the most to Uzbekistan's imports, followed by Russia and Kazakhstan. Germany, Turkey, and South Korea are the last major import partners.

For firms that import and export, transportation is essential. It serves as the foundation for global trade and business. For firms engaged in import and export, transportation is crucial. Transportation is necessary to provide businesses with raw materials and to deliver completed items to clients in a timely and pristine manner. Transportation makes it possible for workers to be moved from one location to another, which is crucial for companies who need a trained staff. Transportation ensures that commodities are delivered to the market in good shape and on schedule, which helps to control the price increase of goods. By lowering transportation costs and accelerating delivery times, transportation aids companies in maximizing their earnings. By giving companies access to markets and raw resources, transportation helps them to make items on a big scale. Transportation is a crucial service for companies that import and export since it makes sure that goods and services are delivered to clients all over the world in a timely and effective manner.

The government has given priority to attracting private investments through the enhancement of Uzbekistan's business climate, privatization, and liberalization of foreign trade in order to strengthen the country's economic sector through export and import commerce. The National Economic Strategy of Uzbekistan (NDS) till 2030, which specifies the nation's main economic goals and crucial changes across a number of sectors that must be implemented by

the end of this decade, was approved by the authorities in September 2023. By implementing sustainable economic development, establishing international-standard education, healthcare, and social protection systems, and creating an environment that supports the well-being of its citizens, the strategy seeks to propel the nation into the upper-middle income category. In order to advance progress in five key areas—fostering opportunities for individual self-fulfillment, ensuring population welfare through sustainable economic growth, conserving water resources, protecting the environment, and creating a public administration system that prioritizes citizens' needs—the NDS lays out a set of 100 priority actions that the government will take.

Uzbekistan placed 99th out of 160 nations in the 2018 International Logistics Performance Index, which led to a sharp rise in trade expenses. Moreover, transportation expenses for small and medium-sized businesses and farmers might equal up to 200% of their production costs. Due to its small and old fleet, the Uzbek trucking industry is not competitive in the global market. Thus, approximately 82% of imported and exported commodities are transported by foreign road carriers. Numerous international treaties and accords on transportation facilitation are ratified by Uzbekistan. With thirty countries, it has bilateral agreements on road transport. Even so, despite being ratified, a number of important conventions have been totally disregarded.

Owing to the significance of international corridors, Uzbekistan uses transport agreements through regional platforms like the Shanghai Cooperation Organization (SCO) and the Commonwealth of Independent States (CIS) to bolster its interests. As the CIS chairman in 2020, Uzbekistan spearheaded the adoption of multiple strategic papers pertaining to transportation. The Council of the CIS Heads of Governments' decision "On priority areas of cooperation of the CIS member states in the transport sector for the period up to 2030" was specifically endorsed by the organization. The action plan for implementing the strategy for guaranteeing transport security in the CIS member states' territories when conducting international traffic transportation for the years 2020–2025 was another significant document.

The nation's producers might gain a great deal from these investments. For example, estimations indicate that the performance of the area economy is significantly impacted by the availability of infrastructure. The Tashguzar-Boysun-Kumkurgon railway line in Uzbekistan, in particular, boosted the growth rate of the impacted regions' gross domestic product by almost 2%. Agricultural output grew by 1%, but industry value-added and services value-added increased by roughly 5% and 7%, respectively. Second, Uzbekistan needs to improve coordination of transport policies and international transport cooperation. The country's transportation and transit potential were to be developed, railway transport was to be modernized, and road, airport, logistics center, border, customs, sanitary, phytosanitary, veterinary, and transport check point throughput was to be increased. These were the goals of the 2017–2021 reforms.

The Ministry of Investment and Foreign Trade's top priorities, as stated in the Decree of the President of the Republic of Uzbekistan dated January 28, 2019 DP-5643 "On measures to improve the management system in the field of investments and foreign trade," are as follows:

- The development of effective transportation corridors.
- The diversification of the supply geography of export products to foreign markets.
- The creation of favorable conditions for local goods and services to access overseas markets.
- The creation of contemporary logistics networks.

A multimodal transport corridor named "China - Central Asia - South Caucasus - Turkey" has been established over the past few years in accordance with approved programs, linking the Republic of Uzbekistan with the nations of the Pacific. Along new alternate transport corridors like

- Uzbekistan - Kazakhstan - Russia - Georgia - Turkey
- Uzbekistan - Kazakhstan - Azerbaijan - Georgia - Turkey
- Uzbekistan - Turkmenistan - Azerbaijan - Georgia - Turkey
- Uzbekistan - Afghanistan - Pakistan

The analysis demonstrates that these transportation corridors have the potential to greatly boost global trade, attract foreign investment, and enhance people's quality of life. Maintaining changes that increase openness, boost global trade, strengthen debt sustainability, and reduce hazards related to the environment, society, and corruption is essential for success.

In the meanwhile, there are still significant infrastructural gaps in the nations surrounding the corridors, and there is not enough harmonization and unification of transportation regulations. Trade agreements between nations along which corridors run are typically fragmented, and trade and investment regulations are frequently restrictive. In this sense, the amount of trade and foreign direct investment in these nations is respectively 50% and 70–80% below potential. In nations with poor performance metrics, the length of border downtime might be up to 40 times longer than in nations with the strongest economies. Experts predict that international transport corridors will also aid in resolving important issues with minimizing travel time, at checks, and optimizing transportation costs.

However, the possibility of Uzbek entrepreneurs engaging in the value chain connecting the corridor countries may rise with the effective development and more diversification of transportation corridors. This will enable Uzbek producers to contribute more to the local value addition that is reflected in other countries' exports, as well as enhance the volume of value-added items in regional imports. In this scenario, Uzbekistan might become the focal point for the nations lining these roads.

The usage of the seaports in Latvia, Lithuania, the Russian Federation, Ukraine, Kazakhstan, Azerbaijan, Georgia, Pakistan, Turkey, Iran, and China for the transportation of commodities to Uzbekistan is closely tied to the

development of corridors. These actions correspond with the implementation of various systems such as "One window," "Green corridor," "One stop," "E-TIR," "E-Freight," "GLONASS," "GSM," "RFID," and others for the international commerce of goods, particularly agricultural products, to international markets.

## LITERATURE REVIEW

In pursuit of a thematic analysis of Uzbekistan's transportation services in relation to international trade, the Eurasian Research Institute has noted that infrastructure and transportation are crucial to the country's economy. The nation wants to expand its supply to China, Europe, and Turkey while also diversifying its exports. The two most popular means of transportation for trade are road and rail. Road transportation provides advantages for shorter-distance traffic because of its flexibility, but rail transit is less expensive for longer distances. 66% of goods exported, 85% of cargo imported, and 92% of freight transported over the railway occurred in 2018. Even if the railroad is still essential for moving commercial products, the percentage of road transportation grew substantially between 2015 and 2018, especially for export cargo. Moreover, according to publication-based review transportation as a service of international trade has potential opportunities. They are:

### *1. The CAREC Region's Unique Strengths and Geographical Advantage*

The Central Asia Regional Economic Cooperation's member nations have a number of advantages as a result of the region's production networks in Europe and Asia converge. (CAREC) region in order to create a Eurasian production network by connecting the two regional production networks. The following are some possible advantages for CAREC nations as a result of this network linking:

- Establishing a robust logistics sector to satisfy the demands of both regional production networks;
- Building a strong transport sector to move commodities from one regional production network to another, as Turkey has done networks;
- Offering commodities and persons moving across regions transit services; and
- Delivering the inputs needed by both regional production networks.

Uzbekistan, which is well situated to facilitate the Eurasian land bridge, can take the lead in this endeavor, just as it did during the "Great Silk Road." The Uzbek government and businesses comprehend the idea of the "global value chain" and focus on carefully selected, regionally appropriate niches in order to take advantage of these prospects. Uzbekistan has the potential to offer a range of aviation-related services, such as engine rebuilding,

aircraft maintenance and repair, and pilot and mechanic training. Just as readily as an aircraft may land at a location directly by the sea, such as Singapore, it can also land at Tashkent or Navoi. Building refineries, polymer manufacturing facilities, and fertilizer plants to capitalize on the region's plentiful natural gas and crude oil resources are further areas that Uzbekistan may want to explore. Uzbekistan has good neighbors to compare itself to: Singapore, the PRC, Japan, and the Republic of Korea for their superior manufacturing, and the PRC for its ideal blend of socialism and capitalism. Additionally, Hong Kong, China for logistics of trade. To help Uzbekistan accelerate development, they should import their best practices and study how they advanced up the value chain. Uzbekistan ought to research how Switzerland went from being a landlocked nation to a crossroads of Europe and a major hub for international trade and finance.

## ***2. Uzbekistan as Center of Aviation Services***

Due to its strategic location and advanced aviation sector, Uzbekistan is well-positioned to take advantage of the following opportunities:

- (i) Serving as the area's primary aviation cargo hub. Uzbekistan possesses the distinct benefit of bordering Afghanistan as well as Kazakhstan, the Kyrgyz Republic, Tajikistan, and Turkmenistan, four Central Asian nations. This places Tashkent and Moscow in a position to serve its five neighbors as a center for air cargo, particularly the Kyrgyz Republic, Tajikistan, Afghanistan, and Turkmenistan, all of whom have insufficient air cargo service.
- (ii) As a stopover for aircraft between continents. Situated in the path of transcontinental aviation routes is Uzbekistan. The appeal of Tashkent Airport and Navoi Airport as stopping locations for international flights will rise if they are developed as air freight hubs. Numerous opportunities will arise, including those for aircraft maintenance and refueling. By selling aviation gasoline to foreign aircraft, Uzbek oil can be processed domestically and sold for top dollar, resulting in minimal logistical costs.
- (iii) As a facility for upkeep and repairs. Because Tashkent was once a hub of the Soviet aviation industry, it possesses a sizable pool of skilled aviation technicians. An American avionics specialist told the consultant that these mechanics are on par with those in wealthy nations. Naturally, their pay is far less than that of Western Europe and other affluent nations, making Uzbekistan a desirable place for aircraft maintenance and repair.

- (iv) As the location of the CAREC region's pilot training center. The CAREC region is experiencing a pilot shortage. By building a regional pilot training facility, Uzbekistan can capitalize on this need and build a pool of skilled pilots to support the expansion of air services in the area. The PRC, which possesses the strongest and fastest-growing airlines in the CAREC region, is a potential partner for a joint venture. Uzbekistan can supply flight instructors for real flying instruction, and the PRC can supply the funds to invest in pricey flight simulators.

As a result, CAREC member airlines will be able to save a significant amount of money on training expenses by having their pilots trained locally.

### **3. Free Economic Zones**

The establishment of free economic zones is governed by Uzbek legislation. The establishment of free customs zones and warehousing facilities is permitted by the customs law. Worldwide adoption of free zones—areas with low income, property, and consumption taxes and duty-free storage, packaging, processing, and transformation of goods—has produced remarkable outcomes in economic development and trade expansion. At Horgas, a massive free zone development is now underway that spans the border between the PRC and Kazakhstan. It is advisable to support similar developments along Uzbekistan's border. Free economic zones could be established at Navoi, Andijan, Keles, Termez, and Alat.

## **METHODOLOGY**

According to some issues, there are some qualitative methods. One of them are relied on improving the Transport infrastructure. It is possible to maximize Uzbekistan's infrastructure system's capacity to support the growth of the nation's trade logistics if Uzbekistan:

- (i) Within the Central Corridor Framework, designates a select few high-traffic, high-potential rail and highway routes as key traffic corridors. CAREC stands for Asia Regional Economic Cooperation. The Uzbek government ought to focus managerial efforts, investment capital, and maintenance budgets on certain vital rail and road lines;
- (ii) Performs extensive research to evaluate the demands for transportation infrastructure. Next, develop and put into action a plan that would guarantee that
  - maximum return on investment is realized, based on such assessment.
  - maintains enough road system development and maintenance;
- (iii) institutes additional road-use

payment mechanisms to supplement the current tax regime, ensuring that the amount of investment in various forms of infrastructure is balanced and that the integration of the air, truck, and rail modes is smooth;

- (iii) Provides financial incentives to entice private sector involvement in public projects;
- (iv) Establishes cold storage facilities, logistical hubs, multimodal freight hubs, and special economic zones. The nation ought to create a pilot corridor that includes all of these facilities, as well as contemporary border-crossing points (BCPs) serving as a demonstration corridor to highlight potential upgrades;
- (v) Performs an in-depth evaluation of Uzbekistan Temir Yo'llari's (Uzbekistan Railways, or UTY) equipment requirements;
- (vi) Sells off outdated, surplus equipment to raise money; and concentrates on maintaining a smaller amount of contemporary, well-maintained equipment.

Moreover, there are some methods on the development of efficient and effective transport and trade. Intercountry coordination and collaboration are essential for the smooth operation of commerce and transportation routes. Regional organizations made up of nations with economic ties to the corridors can play a significant role in facilitating this coordination and collaboration.

The development of corridors depends on traffic density, thus regional organizations should concentrate on creating fewer, denser corridors that will eventually become important commerce and transportation routes. Collaborating regional organizations need to focus their resources and limit the number of transport corridors to a select few in order for these to be successful. The development of commerce and transportation corridors is being prioritized by CAREC countries with good results from ADB's assistance. One such example is the collaborative transport and trade facilitation strategy that was adopted on November 3, 2007, during the 6th annual CAREC Ministerial Conference in Dushanbe, along six corridors that link nations within the CAREC region and with Asia and Europe. The conference identified over 100 projects involving investments and technical assistance worth approximately \$18 billion over the next ten years along these areas. The ministers also backed closer ties with other development partners and other regional organizations, particularly the Shanghai Cooperation Organization (SCO) and the European Regional Economic Community (EurAsEC).

In these and similar organizations, Uzbekistan has to play a major role in reducing inefficiencies in the creation and upkeep of transportation and trade corridors throughout the area. Also, it is worth to look at the promotion

of multimodal transport. In Uzbekistan and other parts of the CAREC area, multimodal transportation is underdeveloped despite its apparent advantages. UTY and other interline railroads need to do the following in order to encourage the expansion of this method of transportation:

- Implement best practices in empty container and container chassis management;
- Adopt standardized interchange agreements among themselves and other international railroads (such as Turkish Railways);
- Invest in better intermodal facilities, better container handling equipment, and higher-quality wagons;
- Develop an information-sharing system, such as online XML systems or Electronic Data Interchange;
- Encourage the use of common standards and communication protocols; In order to establish an efficient and successful transportation system, it is necessary to;
- Develop electronic portals for rate quotation, booking, and track and trace;
- Take into consideration the privatization of state-owned firms; and
- Promote competition and market discipline.

Undoubtedly, Uzbekistan faces tremendous obstacles in its efforts to create multimodal transportation. China Railways, however, has recently been successful in luring CMA-CGM, the French ocean carrier, Zim Lines, the Israeli ocean carrier, Deutsche Bahn (German National Railways), and NWS (headquartered in Hong Kong, China).

## **RESEARCH RESULT AND DISCUSSION**

The World Bank's most recent statistics indicates that 64% of Uzbekistan's GDP came from exports in 2021 (World Bank, 2023). Natural resources account for the majority of the nation's exports as it is the sixth-largest producer of cotton, gold, natural gas, and oil. Other exports from Uzbekistan include food and machinery and equipment. The nation exports cotton (9%), mineral fuels, oils, distillation products (5.9%), copper (5.5%), pearls, gold, precious stones, metals, and coins (45%). Machinery, nuclear reactors, boilers, vehicles other than railroad and tramway vehicles, iron and steel, 6.2%, and pharmaceutical products, 5.8%, are among the items that are imported (Trading Economics, 2022). In March 2021, Uzbekistan's total exports

increased by 25.2% Year on Year after declining by 38.9% Year on Year the month before.

Russia accounted for 17.7% of all exports in 2022, followed by China (11.5%), Turkey (9.5%), and Kazakhstan (8.2%). China (22.4%), Russia (21.4%), Kazakhstan (11.4%), South Korea, and Turkey were the importers that came. Uzbekistan has inked trade agreements with 45 countries and economic links with over 140 countries as of 2022. Although Uzbekistan is not currently a member of the WTO, the government is aiming toward membership. In 2020, the country joined the Eurasian Economic Union as an observer. In addition, the UAE and Uzbekistan have decided to deepen their cooperation and boost investments in infrastructure, agriculture, textiles, and renewable energy. Additionally, a sizable logistics and commercial hub will be built near Kazakhstan's and Uzbekistan's borders.

WTO data for 2021 shows that Uzbekistan imported goods worth a total of 23.74 billion USD, while exporting items worth a total of 14 .08 billion USD. In terms of business services, Uzbekistan brought in 4.72 billion USD and exported 2.25 billion USD. As a result, in 2021 the nation's trade balance, including services, was negative by 11.37 billion USD (WTO, 2023).

Foreign Trade Indicators	2018	2019	2020	2021	2022
Foreign Trade (in % of GDP)	71.2	72.5	61.8	63.8	71.6
Trade Balance (million USD)	-6,867	-7,291	-6,216	-8,767	-11,199
Trade Balance (Including Service) (million)	-9,308	-9,562	-8,102	-11,494	-13,685
Imports of Goods and Services (Annual % Charge)	42.3	13.4	-14.9	23.4	13.6
Exports of Goods and Services (Annual % Charge)	10.2	16.4	-20.1	13.4	24.6
Imports of Goods and Services (in % of GDP)	44.4	44.2	37.1	40.2	44.3

Exports of Goods and Services (in % of GDP)	26.8	28.3	24.2	23.3	27.3
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Source: World Bank, latest available data.

Foreign Trade Forecasts	2023(e)	2024(e)	2025(e)	2026(e)	2027(e)
Volume of exports of goods and services (Annual % change)	30.6	20.3	16.8	12.5	15.8
Volume of exports of goods and services (Annual % change)	19.2	17.7	16.5	14.5	14.7

Source: World Economic Outlook, latest available data

Note:( e) Estimated Data

International Economic Cooperation

Uzbekistan is a part of two big regional organizations- The Economic Eurasian Community and the Organizations of Economic Cooperation.

#### Main Partner Countries

Main Customers (0% Exports)	2022
China	11.5%
Turkey	9.5%
Kazakhstan	8.2%
Kyrgyzstan	6.1%
Afghanistan	3.4%
Other Countries	61.3%
Main Suppliers (0% Imports)	2022
China	22.4%

Kazakhstan	11.4%
South Korea	7.7%
Turkey	5.9%
Germany	3.6%
Other countries	49.1%

#### Main Services

4.7 bn USD of services exported in 2022	
Transportation	31.46%
Travel	30.33%
Other business services	29.35%
Computer and information services	5.71%
Financial Services	1.53%
Insurance Services	1.16%
Construction Services	0.23%
Government Services	0.20%
Cultural and Recreational services	0.03%
Royalties and license fees	0.01%

7.2 bn USD services imported in 2022	
Transportation	44.40%
Travel	43.30%
Other business services	3.30%
Computer and information services	2.91%
Financial Services	2.39%
Insurance Services	1.54%
Construction Services	1.00%
Government Services	0.68%
Cultural and Recreational services	0.34%
Royalties and license fees	0.14%

## CONCLUSIONS AND RECOMMENDATIONS

Situated between Asia and Europe on the New Silk Road, Uzbekistan holds a strategic location. Although Uzbekistan has enormous transit potential, it must compete with the rest of Central Asia to ensure the prosperity of a vital transit nation in the area. In order to prosper, Uzbekistan has to make sure that the transit routes that pass through its territory are just as economical, effective, and dependable as those that pass through other Central Asian nations. Uzbekistan can proceed in this direction according to the recommendations made by this study. It hopes that after giving it careful thought, Uzbekistan

would move swiftly and decisively to realize its enormous potential for trade logistics.

Uzbekistan needs to be on guard to maintain its competitive advantages and work nonstop to become the nation that welcomes trade and transit the most. Infrastructure spending is a fantastic place to start, but more needs to be done to improve transparency, reduce transportation bottlenecks, change rules and regulations, and make the logistics sector more competitive. The study has determined the commerce and transportation shortcomings of Uzbekistan and outlined a plan of action to rectify these shortcomings. The expert really hopes that the Uzbek government will give this approach careful thought and move swiftly and resolutely to realize the great transit potential of the nation.

### **ADVANCED RESEARCH**

In writing this article the researcher realizes that there are still many shortcomings in terms of language, writing, and form of presentation considering the limited knowledge and abilities of the researchers themselves. Therefore, for the perfection of the article, the researcher expects constructive criticism and suggestions from various parties.

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