

# Uzbekistan - Germany: experience, cooperation and development prospects



*On the eve of the official visit of the President Shavkat Mirziyoyev to the Federal Republic of Germany (FRG), the Deputy Head of the Center for International Relations of the Institute for Strategic and Regional Studies under the President of the Republic of Uzbekistan Sanjar Valiyev gave an interview:*

**- Political contacts always opens the way to the economic partnership. Can you tell me, in what aspects do the political views and positions of our countries coincide in the international area and what causes to the deepening of relations between Uzbekistan and Germany?**

- Initially, it should be noted that today we can confidently give a high assessment to the ongoing relations between Uzbekistan and Germany. In the process of bilateral cooperation, we have never had any kind of problematic issues and we have always easily found compromise solutions to the different situations.

On December 31, 1991, the Germany recognized the independence of the Republic of Uzbekistan and later, on March 6 of 1992, we established diplomatic relations between our countries. Over the past 27 years, interaction with Germany have acquired a multifaceted nature, covering a wide range of areas of cooperation. During this period, the sides maintained sustainable political dialogue at the highest and high levels. Within the framework of the UN, OSCE and European Union, Uzbekistan is carrying out a constructive cooperation with Germany on the important issues of the global and regional agenda in a multilateral format. Positions of Tashkent and Berlin coincide on many acute issues, including countering terrorism, organized crime, drug trafficking, which serves for the fruitful interaction of the two countries in the international area.

Analyzing the factors and conditions that contributed to the establishment of such effective cooperation between our countries in the international area, we can mention following aspects:

Firstly, Uzbekistan gained its independence following the unification of East and West Germany into a single state. With the restoration of German unity, a paradigm shift occurred in the foreign policy of this country. Its main priority was the preservation of peace and security throughout the world. Having the necessary resources and political will, German diplomacy significantly expanded the geography of its activities. In turn, from the first days of the Independency, Uzbekistan is conducting the foreign policy aimed at achieving peace, stability and cooperation in Central Asia and neighboring regions. These common basic aspirations of the two countries determined our proximity in international affairs, the absence of fundamental contradictions on the most important world issues.

Secondly, there are a lot of similarities in the main features of the diplomacy of both Uzbekistan and Germany. It should be mentioned that, German foreign policy is carried out under the sign of continuity and reliability and this is characterized by partnership and a balance of interests. The foreign policy of Uzbekistan is also distinguished by its consistency, responsibility and predictability. Such constructivism in international relations attracts other partners to Germany and Uzbekistan. It allows successfully solving the current issues in bilateral and multilateral relations on the basis of mutual benefits and respecting for each other's interests.

Thirdly, responsible participation in ensuring international stability based on the principle of indivisibility and security. The policy of both countries is based on a comprehensive concept of security, focused on an integrated approach. Uzbekistan recognizes the active work of Germany in preserving peace and security within the UN, supports the proposals of Berlin to strengthen it through the fundamental reforms. Today, Germany is the second largest donor of the United Nations after the United States and the second country by the number of peacekeepers.

Fourthly, it is worth to mention the most important aspect - new course of reforms and transformations, initiated by the President of the Republic of Uzbekistan Shavkat Mirziyoyev. Germany persistently supports the observance of human rights, considering this area as a fundamental aspect and core interest of its foreign policy all over the world. In this regard, the ambitious efforts undertaken by the government of Uzbekistan to accelerate the development of constitutional state and ensure the rule of law make Tashkent not just a key partner in the region, but, one can say, accomplice of Berlin. The five priority directions of development of the Republic of Uzbekistan defined by the "Strategy of Action" set a qualitatively new dynamic of deepening comprehensive cooperation with Germany. All this is not a complete list of reasons that indicate the fundamental basis for long-term cooperation of Uzbekistan and Germany.

Based on this, the main purpose of the official visit of Shavkat Mirziyoyev to Berlin and his negotiations with the key leaders of Germany is the transformation of the positive experience of bilateral cooperation into something more. We can build up a solid political and diplomatic framework with mutually beneficial and long-term projects in the areas of security, socio-economic, cultural and humanitarian cooperation.

**- The high production potential of the German economy multiplies the need to increase trade in new directions. What kinds of goods can we offer to Germany and through it to the markets of Europe, given that Uzbekistan pays great attention to the development of economy aimed at active export?**

- As we know, Germany is not only a developed industrial and technological country, but also it is a world leader in a number of industrial and technological sectors of the economy; occupies the 4th place in the world in terms of the export of goods and the 5th in largest importer of raw materials. In 2018, with an indicator of almost 3.3 trillion euros, Germany ranked third place among the countries in terms of total Gross Domestic Product (GDP) and took the fifth place in terms of GDP by purchasing power parity (PPP).

The leading sectors of the German economy, contributing to stable growth are automobile, chemical, electrical, aerospace, construction and food industries.

According to experts, the main driver of economic growth in Germany is an increase in domestic consumption. The expenses of the German population increase by an average of 2 percent per year. This in turn is due to the positive dynamics of consumer prices.

However, entering the German market is a very complex process. In Germany, as an integral part of the European market, EU regulations are in force. Any product traded on the EU market falls under certain criteria, depending on the category in which it is classified. Security or trade measures are in place, that is, certain trade restrictions provided by tariff rates and customs procedures. In addition, goods imported into the EU must meet sanitary and phytosanitary requirements to protect human and animal health.

Another problem is transportation and logistics. Today, the delivery of consumer goods between Central Asia and Europe as a whole is costly. Therefore, the main foreign trade partners of Germany are such large economies as the USA, France, the Netherlands, China, the United Kingdom, Italy, Poland, Austria, Switzerland and Belgium. Of the total imports of goods to Germany, which consists of about 1.05 trillion euros, imports from the EU amount at more than 700 billion euros.

Regardless of this, the Uzbek-Germany trade is still modest - for the period from January to October 2018, its volume amounted at 542 million euros. However, trade is growing at a high rate. Uzbekistan ranks second among all the post-Soviet countries with which Germany's bilateral trade grew most rapidly last year. According to preliminary estimates, the volume of trade increased by approximately 16-20 percent compared to 2017. Moreover, exports from Germany and imports from Uzbekistan are growing respectively.

Many experts unanimously indicate that there is a significant potential for expanding trade and economic

relations between Uzbekistan and Germany. In this regard, a very solid package of agreements reached at the Uzbek-German business forum held on January 14 in Berlin is clear evidence. According to its results, the sides signed more than ten protocols of intent and investment contracts totaling over 4 billion euros.

These agreements have opened a large cycle of scrupulous work aimed at increasing the volume and ensuring the balance of bilateral trade. These opportunities will allow enterprises from Uzbekistan to significantly expand the volume of export to Germany of textile goods, electrical and chemical products, fresh and processed fruits and vegetables.

In last autumn, the two countries have taken an important step in this direction. During the last meeting of the Uzbekistan-European Union Cooperation Council, Brussels confirmed its readiness to assist Uzbekistan in obtaining unilateral tariff benefits within the framework of the Generalized System of Preferences Plus, which will contribute to the duty-free entry of more than 6,200 types of Uzbek goods into the European market.

However, in addition to the export of Uzbek products in the European direction, in my opinion, much greater potential lies in attracting German investments and technologies to Uzbekistan for the joint production of goods for the nearby markets of Central, East and South Asia. The East Committee of the German Economy highly appreciates the potential of Uzbekistan, which ranks first in Central Asia in terms of population. The country has a developed industry, a highly skilled workforce, a rich raw material base and energy resources. In free economic zones, there are preferential tax and customs regimes. But the biggest advantages of Uzbekistan from the point of view of investors is the high rates of GDP growth — over 5 percent per year, which will make it possible to generate large profits.

Such cooperation can be especially effective in Afghanistan. Germany is fully capable of supporting such Uzbek initiatives as building Mazar-i-Sharif-Herat transport corridors, laying Surkhan-Puli-Khumri transmission lines, and promoting business projects in the Surkhandarya region aimed at developing trade and economic relations with Afghanistan.

In addition, given the active process of modernization of the economy of Uzbekistan, German entrepreneurs can offer a full range of services for all industries. In Germany, it is possible to organize training and learning the best practice of management. The introduction of German innovative practices in business and production management will allow successfully conduct business, as well as to ensure high performance of the entrepreneurship in Uzbekistan.

**- Germany pays special attention to the mechanization of agriculture. 2-3% of the population is employed in this area, and they achieved high production results. In which directions bilateral cooperation in this area is developing?**

- Despite its solid industrial potential, Germany is in a leading positions among the countries-producers of agricultural products. Germany has a high-performance agro-industrial complex. Thanks to the use of the latest agro-industrial technologies and the mechanization of agriculture, high rates are being achieved.

Domestic wheat production in this country satisfies the demand for 80 percent, sugar - by 85 percent, meat - by 90 percent, and milk - by 100 percent. Three-quarters of agricultural production comes from livestock production, to which crop production is largely subordinate.

At the same time, the climatic features of German agriculture create the conditions for agricultural producers from Uzbekistan to enter the food market. It should be noted that Uzbekistan and Europe solved problems of cargo transportation along the East-West and North-South lines in order to improve transport and logistics chains. Deliveries of our ecologically clean agricultural products have quite good prospects on the German market with a total population of over 82 million people.

To begin with, major agricultural producers and logistics companies from Uzbekistan should declare themselves at major international exhibitions in Germany, for example, Fruit Logistics with the assistance

of the Ministry of Foreign Trade. It is advisable to enter the project "Import Promotion Desk" to present the Uzbek export potential.

It is gratifying that last year the sides organized the first meeting of the Uzbek-German intergovernmental working group on agriculture. Such mechanisms already testify to the intensification of relations in areas of cooperation.

The development by this group of a program of bilateral cooperation in the field of agriculture can cover the widest range of issues - from the creation of joint agroclusters with the introduction of innovative methods of growing, collecting, storing and delivering products.

Agreements reached during the visit of our President to Germany can stimulate the activation of relevant contacts at the regional level of the two countries. There is great interest in cooperation in the field of agriculture is shown in the Republic of Karakalpakstan, the Fergana Valley, Samarkand and other areas.

**- Tourism is considered an integral part of the economic cooperation of our countries. This is confirmed by the visa-free regime for German citizens which recently introduced in our country. In what forms of cooperation you see the development of relations in this direction?**

- According to statistics, residents of Germany occupy a leading position in the list of countries spending large sums of money on tours. In 2018, German citizens made more than 80 million trips abroad, spending about 38 billion euros.

Thanks to the measures taken to simplify procedures for foreign tourists visiting Uzbekistan, the number of tourists from Germany visiting our country is growing at an accelerated pace. If in 2016 visitors from Germany were 4,889 people, in 2017 - 7,207 people, in 2018 already 18,094 people visited Uzbekistan.

The introduction of a visa-free regime for citizens of Germany and a number of other countries visiting Uzbekistan for tourism for up to 30 days from January 15, 2019 can give a significant increase in German tourists.

The absolute majority of Germans travel in order to learn something new, to get acquainted with the culture, traditions and way of life of another country. In this regard, in the perception of many Germans, Uzbekistan is associated with the country from the tales of "One Thousand and One Nights". It is the only necessity to widely demonstrate the national tourist product in the market of Germany. For these purposes, there are proven methods of promotion through festivals, advertisements on television, in social networks, print media and so on.

But at the same time, such important issues of infrastructural nature as the presence of a sufficient number of air carriers, hotels, trained personnel and a number of others cannot be overlooked, without which tourism industry of Uzbekistan cannot move to a higher world level.

Here we have something to borrow from the experience of Germany, where tourism has been growing over the past decade. Last year, foreign travellers made almost 85 million visits to the Federal Republic of Germany. The country offers a full range of tourist services - from fascinating culture and pulsating cities to unique ecological and marine zones. Germany often attracts business as the best venue for international trade fairs. For more than ten years in a row, Germany has led the ranking of European countries with the most favorable conditions for holding conferences and congresses. In the international ranking, Germany ranks 2nd after the United States in the field of business tourism. Tourists are attracted by large festivals, such as the Munich Oktoberfest - the largest national holiday in the world, which gathers about 6.2 million visitors. There is even a football stadium in the list of tourist magnets - «Alliance Arena».

A very promising area of cooperation in tourism could be the introduction of the German experience in the use of digital technologies. Travellers organize flights and accommodation through international booking platforms. On the other hand, the analysis of "Big Data" in the industry allows responding faster to trends

and being closer to customers despite geographical distances.

In short, we have many promising areas for cooperation with Germany. Additionally, we are talking about interaction with “German quality» that is, building long-term, stable and profitable relations. In this regard, the visit of our President to Germany will allow to convert a political asset and good intentions of the parties to real achievements in the trade, economic, investment and cultural-humanitarian spheres.