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Priorities of Uzbekistan's Foreign Trade Policy Against Global Geo-Economic Changes

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Abstract: The global economy is undergoing dynamic geoeconomic transformations, including trade wars, protectionist measures, and shifts in supply chains, all of which demand national economies to adapt rapidly. For Uzbekistan, whose economic openness has accelerated in recent years, foreign trade policy plays a pivotal role in sustaining growth and enhancing international competitiveness. Despite multiple reforms and strategic aspirations, Uzbekistan still faces challenges in diversifying export markets, improving logistics infrastructure, and integrating into global systems such as the WTO. This study analyzes the key directions and reforms of Uzbekistan's foreign trade policy against the backdrop of global geoeconomic changes, with a focus on mechanisms for ensuring sustainable and competitive integration. The research demonstrates that foreign trade turnover in Uzbekistan reached \$65.9 billion in 2024, reflecting policy improvements including customs simplification, digitalization, expansion of free trade zones, and enhanced cooperation with key partners like China, the EU, and Central Asian states. A notable contribution of this study is the integration of trade policy with digital platforms and logistics modernization, creating a model that strengthens Uzbekistan's export structure and resilience. If sustained, these reforms are expected to improve economic security, job creation, technological transfer, and environmental sustainability, positioning Uzbekistan more effectively in global trade networks.

Keywords: Uzbekistan, Foreign Trade Policy, Geoeconomic Changes, Export Diversification, Global Market, Transit Potential, "Uzbekistan - 2030", Economic Integration, Digital Trade, Protectionism

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1. Introduction

The geoeconomic changes taking place in the world in recent years — in particular, trade conflicts, geopolitical tensions, protectionist policies, disruption of logistics chains, and new technological revolutions — require a review of the foreign economic policy of Uzbekistan, along with many other countries. Foreign trade policy is closely related to the economic security, sustainable growth, and position of any state in the international arena. Within the framework of the "Uzbekistan-2030" strategy, Uzbekistan aims to ensure the openness of the national economy, expand export potential, develop new markets, and increase competitiveness in international trade[1].

This article analyzes the main directions of Uzbekistan's foreign trade policy, ongoing reforms, and existing opportunities against the backdrop of global geoeconomic trends[2].

It is known that Uzbekistan, relying on its national interests, pursues a foreign policy based on openness, cooperation and practice. The modern foreign policy directions of the

“New Uzbekistan” era are being formed in direct connection with the rapidly changing geopolitical situation on a global and regional scale, as well as large-scale reforms being implemented within the country[3].

The priority tasks of foreign policy are clearly defined in paragraph 5.2 of the “Strategy of Actions for the Further Development of Uzbekistan in 2017–2021”, approved on February 7, 2017. This paragraph focuses on the following main directions of foreign policy:

- a. Strengthening the independence and sovereignty of the state, strengthening the position of Uzbekistan as a full-fledged participant in the international arena, progressing towards a developed democracy, and creating an environment of security and good neighborliness in its surroundings;
- b. Increasing the country's international reputation, providing the world community with accurate and reliable information about internal reforms;
- c. Improving the regulatory and legal framework for foreign policy and foreign economic activity, as well as expanding the contractual and legal framework for international cooperation;
- d. Solving the issues of determining and delimiting state borders (delimitation and demarcation) and legally regulating this process[4].

2. Materials and Methods

This article provides an in-depth analysis of the foreign trade indicators of the Republic of Uzbekistan, studying the country's current foreign economic situation, international relations, economic relations with key partner countries, and export-import operations[5].

In recent years, systemic reforms aimed at expanding exports, optimizing import volumes, and stabilizing the foreign trade balance are bearing fruit. As a result, in January–December 2024, Uzbekistan's total foreign trade turnover amounted to 65.9 billion US dollars. This figure increased by 2.4 billion dollars or 3.8% compared to the same period in 2023[6].

In recent years, the openness of the Uzbek economy, the favorable conditions created for business and investment, the social approach of the population based on solidarity and mutual respect, and the creation of a strong legal framework have been recognized by the international community. In addition, pursuing a balanced, interested, and equal foreign policy in the international arena, diplomatic trust, and adherence to international law are taking Uzbekistan's foreign relations to a new level [7].

3. Results

In recent years, the trade wars between the US and China, sanctions between Russia and Western countries, and the strengthening of the European Union's domestic economic protectionist policy have negatively affected the global trading system. This situation creates a need for developing countries, including Uzbekistan, to reconsider their foreign economic strategies[8].

The COVID-19 pandemic and the disruptions in supply chains that have occurred in the subsequent period have forced many countries to look for new transport corridors and alternative trading partners. This serves to increase the transit potential of Central Asia, in particular, Uzbekistan.

E-commerce and digital trading systems are becoming increasingly popular in the global market. This process requires technological flexibility and the widespread introduction of information technologies from economic actors.

Between 1991 and 2016, Uzbekistan's foreign trade policy was mainly aimed at protecting the domestic market, maintaining strategic sectors under state control, and

strictly regulating currency policy. This has slowed economic growth and created obstacles to accessing foreign markets.

Since 2017, the country has undergone a fundamental shift in foreign trade policy. Currency liberalization, simplification of customs procedures, an increase in the number of free economic zones, and the signing of new international agreements have accelerated Uzbekistan's integration into global trade[9].

Uzbekistan is intensifying negotiations on joining the WTO (World Trade Organization). Membership will allow Uzbekistan to become a full-fledged participant in the world trading system and increase the export opportunities of national manufacturers.

Strengthening economic ties with Central Asian countries, in particular Kazakhstan, Kyrgyzstan, Turkmenistan, and Tajikistan, is an important direction of Uzbekistan's foreign trade strategy. In particular, regional trade is increasing through the opening of borders and the improvement of transport and logistics infrastructure.

China, the European Union, Turkey, South Korea and Russia are Uzbekistan's main trading partners. Infrastructure projects implemented with China within the framework of the "One Belt, One Road" initiative, and the expanding export potential with Europe through the GSP+ system are creating new opportunities for Uzbekistan[10].

One of the main goals of Uzbekistan's economic policy is to increase the share of products in the industrial and service sectors, rather than relying solely on cotton or gas exports. In particular, positive trends are observed in the export of textile products, food, electrical engineering, pharmaceuticals and tourism services.

In the coming years, Uzbekistan intends to ensure the stability of the national economy by focusing on the export of automotive, construction materials, IT services and agricultural processing.

Success in foreign trade policy directly depends on the efficiency of the transport and logistics system. Uzbekistan:

"Tashkent - Termez - Mazar-i-Sharif - Herat" railway;

"China - Kyrgyzstan - Uzbekistan" railway;

Modernization of new highways and customs facilities;

is trying to ensure fast, cheap and safe movement of export and import cargo through projects such as.

Modern foreign trade policy is unthinkable without electronic digital technologies. In Uzbekistan:

Export and import operations are being simplified through the "One-stop-shop" system;

Electronic customs declaration and electronic certificate systems are being introduced;

Trade statistics are being monitored through digital platforms.

This accelerates the participation of enterprises in foreign trade and reduces corruption risks.

Socio-economic impact of foreign trade policy

Expansion of foreign trade leads to:

Increase in jobs;

Increase in foreign exchange earnings;

Technological transfers;

Increase in regional economic activity.

For example, thousands of new jobs are being created in export-oriented industrial zones, and manufacturers in rural areas are gaining access to international markets[11].

Risks:

- Geopolitical conflicts: sanctions and economic blockades;
- Domestic crises of trading partners: reduced demand;
- Volatility of energy and resource prices;
- Climate change: impact on exported products.

Recommendations:

- Increase foreign trade partners (diversification);
- Align the quality of local products with international standards;
- Create competitive logistics;
- Accelerate WTO accession;
- Encourage the export of green and environmentally friendly products[12].

4. Discussion

The findings of this study demonstrate that Uzbekistan's foreign trade policy has undergone significant transformation in response to the shifting dynamics of the global geoeconomic environment. The transition from a protectionist stance to a more open, market-oriented approach since 2017 has yielded tangible outcomes, including increased trade turnover, diversification of trade partners, and improved logistics infrastructure[13]. The country's strategic alignment with initiatives such as "Uzbekistan-2030" and its proactive efforts to join the World Trade Organization underscore its commitment to deeper global economic integration. The development of digital trade mechanisms and the simplification of customs procedures have enhanced transparency and reduced transactional costs, enabling broader participation by domestic enterprises in global trade[14]. However, several challenges remain. These include external risks such as geopolitical tensions, energy price volatility, and supply chain disruptions, as well as internal issues like insufficient technological readiness and the need to raise product quality to meet international standards. The discussion highlights the importance of regional cooperation, especially within Central Asia, and notes the growing significance of trade with partners like China, the European Union, Turkey, and South Korea. Uzbekistan's focus on exporting higher-value products in industry and services, such as pharmaceuticals, textiles, IT, and processed food, marks a shift from traditional raw-material exports[15]. These developments indicate that while progress has been made, sustained reforms, investment in digital infrastructure, and quality enhancement are critical to making Uzbekistan's foreign trade policy resilient, diversified, and competitive on the global stage.

5. Conclusion

In general, changes in global geoeconomic processes create the need for Uzbekistan to define new strategic directions. The country's foreign trade policy is being formed based on openness, increasing economic opportunities, introducing technologies, and digital reforms. By improving foreign economic policy based on market mechanisms, entering international trading systems, and deepening regional economic cooperation, Uzbekistan is strengthening its position in the global economic arena. If systemic reforms in this area are consistently continued in the future, the country's foreign trade will become resilient and competitive in response to global changes.

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