Chapter IV
INDIA-UZBEKISTAN ECONOMIC RELATIONS
In its foreign economic relations, Uzbekistan is successfully implementing the “open door policy” that is aimed at ensuring:

- Development of trade and economic relations regardless of different ideological principles;
- Equal and mutually beneficial cooperation both at the bilateral and multilateral level;
- Priority of international law over national law, recognition of the General Agreement on Tariff and Trade (GATT) and World Trade Organisation (WTO) principles and rules as applied to the stage-by-stage liberalization of the trade regime in the process of integrating into this organization;
- Reasonable trade off between competition and cooperation;
- Provision of the Most Favoured Nation (MFN) treatment to countries and individual foreign investors that bring in up-to-date technology to the country. (Abduraxmonovich, 2003, p. 2)

The visit of the President of the Republic of Uzbekistan Islam Karimov to India in August 1991 laid the basis of development of Trade and Economic Co-operation between Uzbekistan and India. The second official visit of the President of Uzbekistan Islam Karimov to India in January 1994 gave a new impetus to the

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1 Most Favoured Nation (MFN), also called Normal Trade Relations in the United States, is a status awarded by one nation to another in international trade. It means that the receiving nation will be granted all trade advantages - such as low tariffs - that any other nation also receives. In effect, having MFN status means that one’s nation will not be treated worse than anyone else’s nation. The members of the World Trade Organization (WTO), which include all developed nations, accord MFN status to each other.
Uzbek-India Trade and Economic Relations. When in May 2000, the President of Uzbekistan Islam Karimov visited India for the third time, the Uzbek Ministry of Foreign Economic Relations and Confederation of Indian Industry signed the Memorandum of Understanding and Co-operation. Also basic agreements regulating external economic relations between the economic entities of the Republic of Uzbekistan and the Republic of India were signed. On 24 May, 1993 the government of the Republic of Uzbekistan and the Republic of India signed an agreement on Trade and Economic Co-operation, which established the Most Favoured Nation Treatment in trade between the two countries. (Abduraxmonovich, 2003, p. 11)

The agreement signed between Uzbekistan and India on 18 May 1999 on promotion and mutual protection of investments, created a legal basis for development of mutual investment process. On July 1993 in Delhi the first session of the Uzbek-Indian Joint Intergovernmental Commission on Trade-Economic, scientific and Technological Cooperation was held. The second session was held in November 1994 in Delhi, the third session in March 1996 in Tashkent, the fourth session in February 1999 in Delhi. A Meeting with the members of the Federation Indian Chambers of commerce and industry (FICCI) was also held and an Agreement on creation of Joint Business Committee between Chamber of Commodity Producers and Entrepreneurs of the Republic of Uzbekistan and Federation of Indian Chambers of Commerce and Industry and Associated India was signed. (Abduraxmonovich, 2003, p. 12)
Indo-Uzbek Joint Commission

It was decided to establish an Indo-Uzbek Joint Commission during the visit of Prime Minister Narasimha Rao to Uzbekistan in 1993. The first session of the Indo-Uzbek Joint Commission was held in New Delhi between 27th-28th July 1993 with India’s External Affairs Minister leading the Indian side and the Deputy Prime Minister Miryakubov leading the Uzbek side. At the end of the Joint Commission meeting, agreements were signed on cooperation in science & technology, tourism, avoidance of double taxation and a protocol on cooperation between the Foreign Ministries. The second session of the Indo-Uzbek Joint Commission was held in New Delhi on 22nd November, 1994. The Uzbek Deputy Prime Minister, Utkir Sultanov and the Union Commerce Minister of India led the respective delegations. An Indo-Uzbek credit agreement for the utilization of the second credit line of US $ 10 million was also signed. An MOU was signed which envisaged closer interaction between government agencies in specific sectors including trade and economic cooperation, banking, technical education etc. Two sub-commissions, on trade and commerce and Science and Technology, were constituted to address specific issues in these areas of interest and remove bottlenecks. The third session of the Joint Commission also took place during Indian External Affairs Minister’s visit to Tashkent in March 1996. The 4th meeting of the Indo-Uzbek Joint Commission was held in New Delhi on 18-19 February 1999. (Abduraxmonovich, 2003, p. 12) The recent meetings of Indo-Uzbek Joint Commission have been held in January 2005 and March 2006, April 2007 respectively. The last session (seventh) was held in Tashkent and was Co-chaired by
Shri Jairam Ramesh, Indian Minister of State for Commerce. (DGCI&S, Ministry of Commerce, Government of India Documents, 2007)

During the Seventh Session of the Inter-Governmental Commission on Trade, Economic, Scientific and Technological Cooperation between the Republic of India and the Republic of Uzbekistan held in Tashkent on April 13-14, 2007, following sectors of economy were identified as investment cooperation priorities:

1. Textiles, cotton fibre processing, production of knit and ready made garments;
2. Production of pharmaceuticals and medical equipment;
3. Leather processing and production of leather;
4. Production of construction materials;
5. Processed food and agricultural products;
6. Development of Information Technologies;
7. Oil and Gas;
8. Minerals and ferrous and non ferrous metals.

The Uzbek side during the 7th Session of the Commission indicated that they would provide information about the upstream projects open for investment along with data for due diligence. The information/data has however not been provided till date. MD, OVL has sent a letter to the Chairman of UNG reiterating their interest in working with them in upstream sector. A draft Joint Venture Agreement and a draft Confidentiality Agreement have also been sent to UNG through our Mission in Tashkent by ONGC Videsh Limited. (DGCI&S, Ministry of Commerce, Government of India Documents, 2007)
Indian interests in the country are mainly in prospecting and mining of minerals such as Gold, Silver, Copper, Lead, Zinc, Molybdenum etc. Also, cooperation in Oil and Gas sector of Uzbekistan may attract Indian investment.

**Indo-Uzbek Bilateral Trade Relations**

The growth of trade turnover was connected both with growth of export of goods from Uzbekistan to India and also with increase of imports of necessary raw materials and other goods from India. In comparison with 1992, trade turn over has increased by 12 times in 2000. The exports have increased by almost 10 times and imports by almost 15 times. In 2001, total trade turnover between the two countries was US $ 19.98 million, with exports of US $ 10.52 million and imports of US $ 9.46 million. The major exports from India are pharmaceuticals, tea, plant and machinery, surgical items and services (which includes payments for technology transfer by Indian joint ventures). On the other hand, export of commodities from Uzbekistan included non-ferrous metals, machinery and equipment, and agricultural produce. However, more than 95 per cent of Uzbekistan’s exports to India are shown as ‘Services’ in the figures published by the Uzbek authorities. This needs attention in terms of harmonizing the trade statistics between the two countries. (Abduraxmonovich, 2003, p. 13) For the past one decade or so, bilateral trade turnover has grown over 12 times. In 2004, the trade turnover was 150 million dollars. (World Mass Communication, p. 13)
Joint Ventures

At present there are some Indian joint ventures in Uzbekistan, five of them being in pharmaceuticals sector. The first Indo-Uzbek joint venture, which started production was ‘East Butterfly’ for the manufacture of stainless steel kitchenware. The joint ventures in pharmaceutical sector, which are already operational are Surkhan-Ajantha Pharma Ltd., Core Pharmsanoat Ltd., Gufic -Avicenna Ltd. and Reddy Pharmed Ltd. One more joint venture of Rusan Pharma Ltd. is still in the initial stage. A joint venture is being set up by Premier Explosives Limited, Secunderabad with M/s. Navoiazot in Nukus for manufacture of industrial explosives and detonators. In construction sector, M/s Tata Projects Ltd. completed the construction of a modern hotel (Hotel Le-Meridien) in Tashkent during 1996. Another Indian company M/s Larson and Toubro have constructed two hotels, one each in Samarkand and Bukhara. (Abduraxmonovich, 2003, p. 13)

Indian textile company “Spentex” bought two textile mills near Tashkent in August 2006 with an investment of US$ 81 million. Spentex also acquired one more textile company in Ferghana recently. The setting up of a fully integrated modern oil complex by STC/M/s K.S. Oils in the Jizzak region for processing 100-150 MTs of Cotton seeds per day has been taken up. STC has requested our Mission to take up the matter of guaranteed supply of 150 MT of cotton seeds per day before any commitment could be made by STC. (DGCI&S, Ministry of Commerce, Government of India Documents, 2007)
Recently, Engineers India Limited (EIL), a premier Engineering and Consultancy organisation under the Ministry of Petroleum and Natural gas, Government of India, entered into cooperation agreement with Uzbekneftegaz (UNZ) on 26 April 2006. (Uzbekistan 2006, p. 20) Gas Authority of India Limited (GAIL) and Uzbekneftegaz have signed a Memorandum of Cooperation Agreement to jointly pursue gas sector projects covering exploration and production, gas process/Liquidified Petroleum Gas (LPG), production of petro-chemicals as well as training. Along with Uzbekneftegaz, GAIL also plans to set up an LPG plant in western Uzbekistan, which will produce LPG for consumption in the domestic market of Uzbekistan. (Uzbekistan 2006, p. 20) The facilities will cost 50-60 million US dollars each and have a production capacity of 100,000 tonnes annually. (Online Web: www.eurasianet.org) An Uzbek gas distribution company, Uztransgaz, which is also the subsidiary of Uzbekneftegaz, has asked GAIL to assist in the development of Compressed Natural Gas (CNG) and city gas distribution in Tashkent, Samarkand and Bukhara. Both the companies have also expressed desire to work on the setting up of ethane extraction unit and construction of a 60-kms long transportation pipeline. (Uzbekistan 2006, p. 20)

The cooperation in this sector was taken further during the visit of Mos(C) in April 2007. MMTC has sent a consolidated proposal on behalf of MMTC and NMDC to the concerned authorities for setting up a plant for value addition of Gold produced in Uzbekistan. A letter from MOS to Mr. Abdulla Aripov, Deputy Prime Minister of the Republic of Uzbekistan has been sent to get the proposal considered appropriately. Ministry of Mines has proposed to nominate Mineral Exploration
Corporation Ltd (MECL) who have the requisite experience and expertise in prospecting to examine the proposal of Uzbek State Committee on Geology and Mineral Resources for exploration and mining of diamond and gold in Uzbekistan. MMTC Limited has been advised to take up the matter with MECL under intimation to Ministry of Mines for forming collaborative arrangements with MMTC. (DGCI&S, Ministry of Commerce, Government of India Documents, 2007)

The third India Trade Exhibition was organised by the India-CIS Chamber of Commerce and Industry in October 2006 in Tashkent, in which more than 60 major Indian companies took part. The exhibition attracted a large number of Uzbek entrepreneurs, industrial houses and companies who held negotiations with their Indian counterparts for bilateral trade and investment in Uzbekistan. (World Mass Communication, p. 13)

Indian government along with its Uzbek counterpart plans to create a Centre for Entrepreneurship Development in Tashkent, which would be entrusted with the responsibility to train young entrepreneurs. Another plan on line is to establish some mechanism between the two countries for tele-education and tele-medicine. India had expressed its desire to give Uzbekistan the band-width necessary for this purpose free through its satellites. Under this project, Indian hospitals will be connected with the Uzbek hospitals. (World Mass Communication, p. 16)

**Scientific and Technological Cooperation**

The Uzbek-Indian scientific and technological interaction is based on the intergovernmental Agreement on cooperation between the two countries in the field of science and technology which was signed on the 29th of July 1993 in New Delhi.
The “Uzbek-Indian Center for Promotion” was set up in 1994, for practical and successful realization of joint scientific and technological programs.

The coordinators of the Centre's activity are the State Committee of the Republic of Uzbekistan for Science and Technology (SCST) and Department of Science and Technology (DST), Ministry of Science and Technology, Government of India. The Centre also carries out the activities in the priority directions of cooperation, determined by the SCST and DST, such as agriculture, medicine, pharmacology, ecology, computer science (including software for computer), physics, energy sciences (including solar energy), theoretical problems of science and technology etc. The Working Program of Co-operation between SCST and DST signed in Uzbekistan in May, 1998 allows expanding the exchange of experts between two countries. (Abduraxmonovich, 2003, pp. 13-14)

A work plan for Science and Technology cooperation was signed in 1998. A Working Programme on Science and Technology for the period 2004-06 was signed in New Delhi in March 2004 between the Department of Science and Technology, Government of India and the Centre for Science and Technology under the Cabinet of Ministers of Uzbekistan. Both the sides instructed the concerned authorities for holding the next meeting of the coordinating agencies on both the sides in Uzbekistan during 2007 to discuss issues relating to organization of joint workshops and conferences in areas of bilateral interests; exchange visits of scientific and technological personnel; training of young Uzbek scientists in Indian institutions; and implementation of joint research projects in areas considered significant for the development of economy on both sides. (World Mass Communication, p. 14)
Cooperation in the Field of Solar Energy

The Uzbek-Indian cooperation on solar energy is based on the experience of solar power installations and provides the realization of joint scientific researches, experiments and engineering works on the development and construction of Solar Furnace in India with the help of Uzbek experts. Executives of the program are the Institute of Material, Academy of Science of Uzbekistan, and International Center of Power Metallurgy and New Materials (ICPMNM) in Hyderabad. The co-operation under the program is carried out in the direction of joint research of physical properties of high-temperature and especially clean materials and development of similar materials on the Large Solar Furnace of the Institute of Material. In 1999, the solar furnace with a concentration diameter of 2 meters and with power of 1.5 kwt, developed by the Institute of Material, was handed over to the ICPMNM, for the development of scientific-technological works in India in the field of solar power, on a complimentary basis. The planned works have been completed, first trial smelting of materials was carried out and the original system of material presenting was developed. (Abduraxmonovich, 2003, p. 14)

Cooperation in the field of Healthcare/Pharmaceuticals

As the result of fruitful cooperation in the given area, two Uzbek-Indian centers of laser therapy, equipped with medical devices, developed by Uzbek scientists, were established in Delhi and Indore. At present, the cooperation in the area is directed at the development of a new generation of medical devices with increased efficiency for disease treatment. Within the framework of the Program on application of laser radiation in medicine the portable computerized cardiograph with
three-channel registration of signals was created. The device for radiation and control of condition of active points of human body and treatment of chronic diseases by methods of reflex-therapy has been developed. (Abduraxmonovich, 2003, pp. 14-15)

**Cooperation in the Field of Agriculture**

The Republic of Uzbekistan, which has large areas of fertile lands, pastures and considerable water resources, occupies second place in karakul production, fifth place in both cotton and silk production in the world. Wheat is the most important food grain in the country followed by barley. Livestock is an integral part of the agricultural system in the country. In 2006, about six million tons of foodgrain and 3.7 million tons of raw cotton were produced in Uzbekistan. The Uzbek authorities have shown interest to cooperate with Indian scientists in breeding of early maturing and highly productive varieties of cotton and also on breeding new varieties of grain-legume crops such as chickpea, lentil, pea, vetch and berseem etc. (World Mass Communication, pp. 17-18)

On 17 January 2007, International Ecoforum on “Reorienting agricultural researches to achieve Millennium Development Goals: International and Regional Experience” held in Tashkent was a continuation of the Consultation Meeting organized by Global Fund for Agricultural Research (GFAR) jointly with the Indian Council for Agricultural Research (ICAR). The Ecoforum adopted the Tashkent Declaration in the presence of Indian President Dr. A. P. J. Abdul Kalam. The Declaration includes the following:
• Regional and International partnership in agriculture;
• Focus on Household food and nutrition security;
• Post-harvest technology and value addition for increased income;
• Improving crop productivity;
• Researches for the use of dry bottom of Aral Sea for agriculture;
• Conservation of valuable genetic resources; and
• Environmentally efficient use of natural resources. (World Mass Communication, p. 18)

There has been cooperation in the field of development and improvement of technology of cultivation of rice by a sprout way and it has been generated and executed. A complex set of materials on technology and the technique of sprout way and two hand-operated mechanisms of rice sprouting for application in the field experiences in Uzbekistan were handed over by the Indian side on the complimentary basis. At present the concerned Uzbek agencies are carrying out large-scale experiments on application of the new technology in a number of regions in Uzbekistan. The partner links between the Institute of Plants Protection of Uzbekistan and Central Institute of Cotton Growing of India were established in order to conduct joint study of application and practice of biological methods of plants protection. Within the framework of the given programme the scientists of two countries have exchanged the new effective methods of plants protection without the use of chemical preparations. In the framework of exchange of experience and scientific-technical information two seminars were held: in 1996 in Tashkent on advanced technologies,
and in 1999 in India on agricultural research. The issues of mechanization of cotton growing, rice growing and gardening were discussed in the seminars. As a result, the recommendations for development of cooperation in such areas as material, power, laser technologies, rice and cotton growing, gardening, soil-growing and agro-chemistry, irrigation, genetic fund of plants, genetic researches were developed. The given recommendations became the basis for realization of a number of major joint projects. (Abduraxmonovich, 2003, p. 15) An MoU for cooperation in field of agriculture cooperation signed in 2000 under which a Work Plan for 2004 was signed and extended up to 31 December 2005. There has been an agreement between the Uzbek Scientific Production Centre of Agriculture and Indian Council for Agricultural Research for joint graduate and doctoral programmes for training researchers. (World Mass Communication, p. 18)

Cooperation in the field of Information Technology

Within the framework of the program on joint development and the introduction of computer training programs to the education system, an agreement was reached on study of prospects of application in Uzbekistan of the experience of the Indian side for the organization of computer courses in various levels. An intensive exchange of experts between the two countries has been carried out and training and retraining courses of expects were organized. Courses were organized on information technologies, automation, management and other disciplines. In 1999, special courses for the enterprises in village districts for the chiefs of regional scientific and technical Centers of Uzbekistan were also organized. (Abduraxmonovich, 2003, pp. 15-16)
Under the MoU signed in October 2004 for establishing an Indo-Uzbek Centre for Information Technology in Tashkent, India provided Uzbek authorities a grant 30 million rupees besides offering technical assistance. With this grant, the building identified for the Indo-Uzbek Centre for Information Technology in the Tashkent University of Information Technology (TUIT) has been renovated and eight faculty members of TUIT have undergone six months advanced training in Information Technology from August 2005 to February 2006 at C-DAC in Pune. Experts from C-DAC installed the equipment and conducted the training courses. (World Mass Communication, p. 14)

The Jawaharlal Nehru Indian Uzbekistan Centre for Information Technology was set up with Technical and financial support from India. Indian Prime Minister inaugurated the Centre on 26 April 2006 during his visit to Uzbekistan. The Centre has already trained more 550 students. An Indo-Uzbek Joint Working Group on Information Technology has been constituted in October 2007 for furtherance of bilateral cooperation between the two countries under the co-chairmanship of Director General of National Informatics Centre (NIC). The Department of Information Technology has suggested that since there is no specific issue pertaining to Information Technology, a Joint Working Group (JWG) meeting at this stage may not serve its purpose and the Uzbek side may consider sending a small team of experts to India for discussion on possible areas of cooperation in Information Technology Sector. A team of Uzbek experts visited India from 19-23 March 2008 to identify and discuss on possible areas of cooperation in IT Sector. The Uzbek side feels that those
students who were trained at the Jawaharlal Nehru India Uzbekistan Centre for Information Technology be given certificates from C-DAC for better premium/brand value in the job market. It was suggested that for test/examination, C-DAC could devise online examinations system. C-DAC has trained 8 teachers for the Uzbek Information Technology center. The Uzbek side desired that five more teachers be training by C-DAC to enable the Information Technology center to run at optimum capacity. (DGCI&S, Ministry of Commerce, Government of India Documents, 2007)

Cooperation in the field of Posts and Telecommunications

India and Uzbekistan signed an Agreement on Bilateral Cooperation in the field of Posts and Allied Matters in January, 1994. A Joint Committee was constituted in 1996 to implement the above Agreement. The first meeting of this Joint Committee was held in New Delhi in January 2001, when the two sides discussed cooperation in mail transmission, EMS, imbalance rate and other terms etc. During the visit, the Uzbek delegation also held talks with the Telecommunications Consultants India Limited (TCIL) regarding counter computerization project and saving bank automation of Uzbek Posts. At present TCIL and Department of Posts are jointly implementing the two pilot projects in Tashkent city (http://www.meadev.nic.in).

The increasing global integration is expected to expand economic opportunities and also benefit them from the emerging international specialization, obviate the constraints on their development imposed by the size of domestic market, and absorb spillovers of knowledge and technological developments taking place in the rest of the world. However, the globalization process has also thrown many
challenges for the developing worlds. The last decade of transition for the Central Asian countries also posed unique challenges for them. Another important phenomenon of the world economy has been the upsurge of regional cooperation groupings.

Since independence both India and Uzbekistan have been focusing on the development of mutually beneficial and fruitful cooperation with India in the field of trade and economic relations. In 1992, a Joint India-Uzbek Governmental Commission on Trade, Economic, Scientific and Technological Cooperation was established holding its meetings in Tashkent and Delhi. (Teshabaev, 174)

The relations between India and Uzbekistan are determined by the trade and economic relations between the two countries. Trade relations between the two countries are governed by the Agreement on Trade and Economic Cooperation signed in Tashkent in May 1993 during Indian Prime Minister P. V. Narasimha Rao’s visit. It deals with the normal features of trade agreements such as mutual Most Favoured Nations (MFN) status, promotion of economic, industrial, scientific and technical cooperation, including in the field of training of personnel, active participation of small and medium sized enterprises in bilateral economic cooperation and counter trade. (Mavlonov, p. 35)

Uzbekistan also signed an Agreement on Avoidance of Double Taxation in 1993 and yet another one for Bilateral Investment Promotion and Protection in May 1999. The agreement signed between India and Uzbekistan in May 1999 on promotion and mutual protection of investments, creates legal basis for development
of mutual investment process. The Inter-governmental Commission has met five
times. In 1999, a visiting Uzbek delegation and the Federation of Indian Chambers of
Commerce and Industry (FICCI) signed an agreement to establish Joint Business
Committee between the Chamber of Entrepreneurs of Uzbekistan and FICCI.
(Teshabaev, pp. 174-175) In 2000, Ministry of Foreign Economic Relations of
Uzbekistan and Confederation of Indian Industry signed the Memorandum of
Understanding (MoU) on bilateral cooperation. (Teshabaev, p. 175)

The export-import trade between India and Uzbekistan from 1996 to 2004 is
given in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports from India</th>
<th>Exports to India</th>
<th>Total Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>31,450,000</td>
<td>10,910,000</td>
<td>42,360,000</td>
</tr>
<tr>
<td>1997</td>
<td>29,700,000</td>
<td>11,290,000</td>
<td>50,990,000</td>
</tr>
<tr>
<td>1998</td>
<td>16,380,000</td>
<td>5,680,000</td>
<td>22,060,000</td>
</tr>
<tr>
<td>1999</td>
<td>25,920,000</td>
<td>12,910,000</td>
<td>38,830,000</td>
</tr>
<tr>
<td>2000</td>
<td>14,450,000</td>
<td>10,850,000</td>
<td>25,300,000</td>
</tr>
</tbody>
</table>

Source: State Committee on Statistics, Republic of Uzbekistan

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports to Uzbekistan</th>
<th>% Growth</th>
<th>Imports from Uzbekistan</th>
<th>% Growth</th>
<th>Total Trade</th>
<th>% Growth</th>
<th>Trade Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-02</td>
<td>6.53</td>
<td>-30.45</td>
<td>17.27</td>
<td>63.16</td>
<td>23.80</td>
<td>19.14</td>
<td>-10.74</td>
</tr>
<tr>
<td>2002-03</td>
<td>5.08</td>
<td>-22.32</td>
<td>20.54</td>
<td>18.96</td>
<td>25.62</td>
<td>7.63</td>
<td>-15.46</td>
</tr>
<tr>
<td>2003-04</td>
<td>15.14</td>
<td>-198.33</td>
<td>27.70</td>
<td>34.82</td>
<td>42.84</td>
<td>67.22</td>
<td>-12.56</td>
</tr>
</tbody>
</table>

Source: Dept. of Commerce, Ministry of Commerce & Industry, Govt. of India.
Table 3
Bilateral Trade between India and Uzbekistan 2001-08 (in Rs. Crore)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EXPORTS</th>
<th>IMPORTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>31.16</td>
<td>82.36</td>
<td>113.52</td>
</tr>
<tr>
<td>2002-2003</td>
<td>24.56</td>
<td>99.42</td>
<td>123.96</td>
</tr>
<tr>
<td>2003-2004</td>
<td>69.58</td>
<td>127.28</td>
<td>196.86</td>
</tr>
<tr>
<td>2004-2005</td>
<td>68.54</td>
<td>48.82</td>
<td>117.36</td>
</tr>
<tr>
<td>2005-2006</td>
<td>108.20</td>
<td>115.71</td>
<td>223.91</td>
</tr>
<tr>
<td>2006-2007</td>
<td>134.32</td>
<td>153.30</td>
<td>287.62</td>
</tr>
<tr>
<td>2006-2007 (Apr.-Dec.)</td>
<td>100.61</td>
<td>120.22</td>
<td>220.83</td>
</tr>
<tr>
<td>2007-2008 (Apr.-Dec.)</td>
<td>124.06</td>
<td>23.88</td>
<td>147.94</td>
</tr>
</tbody>
</table>


Table 4
Bilateral Trade between India and Uzbekistan 2001-08
(in million US Dollars)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>EXPORTS</th>
<th>IMPORTS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001-2002</td>
<td>6.53</td>
<td>17.27</td>
<td>23.80</td>
</tr>
<tr>
<td>2002-2003</td>
<td>5.08</td>
<td>20.54</td>
<td>25.62</td>
</tr>
<tr>
<td>2003-2004</td>
<td>15.14</td>
<td>27.70</td>
<td>42.84</td>
</tr>
<tr>
<td>2005-2006</td>
<td>24.44</td>
<td>26.13</td>
<td>50.57</td>
</tr>
<tr>
<td>2006-2007</td>
<td>29.66</td>
<td>33.85</td>
<td>63.51</td>
</tr>
<tr>
<td>2006-07 (Apr.-Dec.)</td>
<td>22.11</td>
<td>26.42</td>
<td>48.53</td>
</tr>
<tr>
<td>2007-08 (Apr.-Dec.)</td>
<td>30.70</td>
<td>5.91</td>
<td>36.61</td>
</tr>
</tbody>
</table>

### Table 5

India’s Trade with Uzbekistan 2002-07 (Values in Rs. Lacs)

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>EXPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export</td>
<td>2,456.45</td>
<td>6,958.22</td>
<td>9,590.91</td>
<td>10,819.55</td>
<td>13,432.07</td>
</tr>
<tr>
<td>%Growth</td>
<td>NA</td>
<td>183.26</td>
<td>37.84</td>
<td>12.81</td>
<td>24.15</td>
</tr>
<tr>
<td>India's Total Export</td>
<td>25,513,728.00</td>
<td>29,336,674.00</td>
<td>37,533,952.00</td>
<td>45,641,788.00</td>
<td>57,177,928.00</td>
</tr>
<tr>
<td>%Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Share</td>
<td>0.01</td>
<td>0.02</td>
<td>0.03</td>
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</tr>
<tr>
<td><strong>IMPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Import</td>
<td>9,942.38</td>
<td>12,727.69</td>
<td>14,135.89</td>
<td>11,570.74</td>
<td>15,330.50</td>
</tr>
<tr>
<td>%Growth</td>
<td>28.01</td>
<td>11.06</td>
<td>-18.15</td>
<td>32.49</td>
<td></td>
</tr>
<tr>
<td>India's Total Import</td>
<td>29,720,586.00</td>
<td>35,910,764.00</td>
<td>50,106,456.00</td>
<td>66,040,888.00</td>
<td>84,050,632.00</td>
</tr>
<tr>
<td>%Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Share</td>
<td>0.03</td>
<td>0.04</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>TOTAL TRADE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>12,398.83</td>
<td>19,685.91</td>
<td>23,726.79</td>
<td>22,390.29</td>
<td>28,762.57</td>
</tr>
<tr>
<td>%Growth</td>
<td>58.77</td>
<td>20.53</td>
<td>-5.63</td>
<td>28.46</td>
<td></td>
</tr>
<tr>
<td>India's Total Trade</td>
<td>55,234,314.00</td>
<td>65,247,438.00</td>
<td>87,640,408.00</td>
<td>111,682,676.00</td>
<td>141,228,560.00</td>
</tr>
<tr>
<td>%Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Share</td>
<td>0.02</td>
<td>0.03</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>Trade Balance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India's Trade Balance</td>
<td>-4,206,858.00</td>
<td>-6,574,090.00</td>
<td>-20,399,100.00</td>
<td>-26,872,704.00</td>
<td></td>
</tr>
</tbody>
</table>

Note: The country's total imports since 2000-2001 does not include import of Petroleum Products (27100093) and Crude Oil (27090000)

Source: DGFT, Department of Commerce, Exim Data Bank.
Table 6

India’s Trade with Uzbekistan 2002-07 (Values in US$ Million)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>EXPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Growth</td>
<td>5.08</td>
<td>15.14</td>
<td>21.35</td>
<td>24.44</td>
<td>29.66</td>
</tr>
<tr>
<td>India's Total Export</td>
<td>52,719.43</td>
<td>63,842.55</td>
<td>83,535.94</td>
<td>103,090.54</td>
<td>126,262.68</td>
</tr>
<tr>
<td>%Growth</td>
<td></td>
<td>21.10</td>
<td>30.85</td>
<td>23.41</td>
<td>22.48</td>
</tr>
<tr>
<td>%Share</td>
<td>0.01</td>
<td>0.02</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>IMPORT</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Growth</td>
<td>20.54</td>
<td>27.70</td>
<td>31.46</td>
<td>26.13</td>
<td>33.85</td>
</tr>
<tr>
<td>India's Total Import</td>
<td>61,412.13</td>
<td>78,149.11</td>
<td>111,517.44</td>
<td>149,165.73</td>
<td>185,604.10</td>
</tr>
<tr>
<td>%Growth</td>
<td></td>
<td>27.25</td>
<td>42.70</td>
<td>33.76</td>
<td>24.43</td>
</tr>
<tr>
<td>%Share</td>
<td>0.03</td>
<td>0.04</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>TOTAL TRADE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>%Growth</td>
<td>25.62</td>
<td>42.84</td>
<td>52.81</td>
<td>50.57</td>
<td>63.51</td>
</tr>
<tr>
<td>%Share</td>
<td>0.02</td>
<td>0.03</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td><strong>TRADE BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>India's Trade Balance</td>
<td>-8,692.70</td>
<td>-14,306.55</td>
<td>-27,981.49</td>
<td>-46,075.19</td>
<td>-59,341.42</td>
</tr>
<tr>
<td>Exchange rate: (1US$ = Rs.)</td>
<td>48.3953</td>
<td>45.9516</td>
<td>44.9315</td>
<td>44.2735</td>
<td>45.2849</td>
</tr>
</tbody>
</table>

Note: The country’s total imports since 2000-2001 do not include import of Petroleum Products (27100093) and Crude Oil (27090000)
Source: DGFT, Department of Commerce, Exim Data Bank.

The Indian exports to the Republic of Uzbekistan include tea, machinery, packaging material, plastic items, garments, knitwear, surgical items, consumer goods, organic chemical compounds, glass and glass products, tobacco, chemical products, mechanical equipment, instrumentation and optical devices, coffee, spices, sugar and confectionary and pharmaceuticals being the largest single item. Uzbekistan’s exports to India include supply of machinery and services (which reflect
the remittances of Uzbek Airways from India of its revenue from both passenger and
cargo services), cotton, raw silk, raw wool, non-ferrous metals, agricultural products,
aircraft, chemical fibre, semi-precious metals etc. (Teshabaev, p. 175) Indian Air
Force has been working with Tashkent Aircraft Production Association (TAPAC) and
has even purchased some planes. (World Mass Communication, p. 16)

India had extended three credit lines of ten million US dollars each to
Uzbekistan out of which 12.5 million US dollars were utilized out of first two credit
lines. (Mavlonov, p. 37)

Director General of the Federation of Indian Export Organisations (FIEO) led
a product specific business delegation to Uzbekistan on 18-22 July 2004 comprising
Indian companies having interest in the areas of silk, cotton processing, agro
products, tea, exports of jewellery, gold and diamond mining etc. visited Uzbekistan
and held meetings with high level officials in the Uzbek government and other agencies. Tea Board of India, Moscow Office participated in the Food Expo-Uzbekistan held at Tashkent on 23-25 November 2004. A delegation of Women's Committee of Uzbekistan led by Ms. Sh. Abdullaeva visited Delhi to attend an international symposium of women entrepreneurs.

A thirteen-member FICCI delegation visited Tashkent on 9-10 September
2004 to participate in the second Joint Business Council held on 9 September 2004.
The Indian business delegation met Deputy Minister of Health, Deputy Chairman of
Agency for Foreign Economic Relations, officials of Ministry of Foreign Affairs and
other commercial organizations.
Indian Minister of State for Commerce and Industry, Jairam Ramesh visited Tashkent from 8-12 January 2005 as the co-Chairman of the fifth Session of the Intergovernmental Commission on Trade, Economic, Scientific and Technological Cooperation between Indian and Uzbekistan.

The Joint Commission meeting held in Tashkent on 11 January 2005 reviewed bilateral cooperation in trade, economic, scientific and technological fields between Indian and Uzbekistan. The areas identified for cooperation are transportation, construction, Information Technology (IT), consultancy, food processing, textiles, pharmaceuticals, mining, joint ventures, culture and human resources. A protocol between the two sides was signed at the end of the meeting.

In 1993, under an Agreement on science and Technology Cooperation, an Indo-Uzbek Centre for Promotion of Scientific and Technological cooperation was set up in Tashkent in 1995. A work plan for cooperation in the field of Science and Technology was signed in 1998. Further, the work plan for cooperation in the field of Science and Technology for the period 2004-2006 was signed in March 2004. A Memorandum of Understanding (MoU) for cooperation in the field of agriculture was signed in 2000. Under this, a Work Plan for 2004 has been signed and has been extended up to 31 December 2005. Computerization of three Uzbek Post Offices was undertaken and completed in May 2002 by the Indian Ministry of External Affairs in collaboration with the Telecommunications Consultants India Limited. The total grant allocated for the project was 75,000 US dollars.
A Memorandum of Understanding (MoU) on the establishment of an Indo-Uzbek Information and Technology Centre in Tashkent with the assistance of the Government of India was signed in October 2004. Uzbekistan Airways operates four flights to and from Delhi and seven flights to and from Amritsar a week on a code-sharing basis with Indian Airlines.

Four Indian companies and organisations have been accredited and Indian investors are involved in 70 Uzbek enterprises and projects that include 47 joint ventures and 24 Indian owned enterprises with 100 percent investment. Main activities of these enterprises include production of consumer goods, reprocessing of agricultural products, manufacturing of pharmaceuticals, assembly of computers and the supply of computer software. (Teshabaev, p. 175)

An MoU on the establishment of an Indo-Uzbek Information Technology Centre in Tashkent with Indian assistance was signed in October 2004. It is under implementation. Uzbekistan became an ITEC partner country in the year 1993, when a total of 49 Uzbek nominees attended various training courses in India. Since 1993, Uzbekistan’s ITEC participation has gone up tremendously. In 2002-2003, 104 and in 2003-2004, 109 candidates have availed of ITEC training. In 2004-05, 100 slots have been allocated, 120 approved by the Ministry, out of which 107 have already been availed till February 2005. An IT Centre with funding from Government of India is being set up in Tashkent. The implementing agency is C-DAC. Indian Council for Cultural Relations (ICCR) allotted 31 slots under General Cultural Scholarship Scheme and Cultural Exchange Programme to Uzbekistan in 2003, out of which 30
slots were utilized. A similar number of slots has been allotted to Uzbekistan for 2004. (Indian Embassy in Uzbekistan)

India’s Investment in Uzbekistan

After the cooperation between India and Uzbekistan in the field of investment was established on 24 May 1993, India granted a credit of ten million US dollars to Uzbekistan for financing the projects on Uzbek import of equipment, goods and services from India. This credit was utilized for financing the supply of equipment for tea packaging and modernizing the tea factory in Samarkand, for the production of tomato ketchup in a factory in Tashkent and for the production of medicines by Surhan-Ajanta joint venture as well as for the production of kitchenware by Uzbek-India joint venture named as “East Butterfly.” (Teshabaev, pp. 175-176) In 1994, India gave another credit of ten million US dollars, out of which 2.8 million dollars was financed for furnishing work of a hotel in Bukhara. On 2 May 2000, the third Indian credit of ten million US dollars was given in order to finance a modernization project of the Buvida yarn spinning factory in Uzbekistan. (Teshabaev, p. 176) The government of Uzbekistan has been able to utilize 12.5 million US dollars out of the first two credit lines and as the third credit line remained unutilized, the Indian credit line was closed in July 2004. (Indian Embassy in Tashkent, August 2005)

Currently there are as many as 45 enterprises in Uzbekistan, which have been established with the direct participation of Indian companies and investment; 26 of them are joint ventures and 19 are enterprises with 100 per cent of Indian capital. Some of the distinguished enterprises such as, Diamond Uzbekistan International in
the tourism sector; Emsam Trading in the construction and Tourism sectors; Multi
Channel Impex Ltd in the cotton processing and commerce sectors are making
valuable contributions to the development of Uzbekistan’s pharmaceutical, tourism,
construction and other industries. (Uzbekistan 2006, p. 13)

In July 2006, Spentex Industries Ltd. has acquired Tashkent To’ytepa Tekstil
Ltd, an Uzbek government spinning company with a combined capacity of 220,000
spines and 236 air jet looms 81 million US dollars. This has made Spentex the India’s
largest spinning enterprise with an installed capacity of over 570,000 spines
(Uzbekistan 2006, p. 40) Other Indian companies are interested to invest in textiles,
pharmaceutical and oil and gas sectors in Uzbekistan.

India has been making determined efforts to promote Indian products in
Uzbekistan. It is evidenced by the fact that India Trade Promotion Organization held
an Indian Trade Exhibition in Tashkent from 14 to 20 September 1995. Over 84
leading companies from India displayed a diverse range of products covering
engineering equipment, machinery and accessories, electrical and electronic
equipment, automobiles, kitchen equipment, hospital equipment, petrol pumps,
stainless steel castings, cables, pipes, welding electrodes, telecommunication
equipment, chemicals, pharmaceuticals, bicycles and bicycle parts, sanitary fittings,
household appliances, electrical appliances including batteries, rubber products,
leather board sheets, leather garments, textiles, woolens, fabrics, footwear,
handicrafts, medicines, stationary, TV cabinets, non-ferrous metal articles, plywood,
wood enamels, paper and paper boards, coolers, cosmetics, toiletries, consumer
goods, home furnishings, toys, lenses, sports goods, spirits and beer. Leading corporate giants like TATA Exports Ltd., Maruti Udyog, Avon Cycles, US Global Corporation Ltd., Usha International Ltd., Malhotra Global Eximp. Ltd., Kirlosker Bros. Ltd. And several other companies together with a few state organizations participated at this exhibition with favourable results. It was estimated that the generated business worth 106 crore rupees. (Uzbekistan, *EIU Country Report*, December 2000, p.5.)

The principal commodities being exported from India such as tea, coffee, Basmati rice, drugs and pharmaceuticals, plastic products, transport equipment, electronic goods, handicrafts and ready made garments have a lot of potential for future expansion. Similarly, imports form Uzbekistan which raw silk, wool and cotton will also be needed in greater quantities with the growth of demand for textiles in India. (Shri Prakash, 2004, p. 186)

While the potential for India-Uzbekistan trade in the future, seems to be very high, it has been realized that India’s share in the total value of Uzbekistan’s trade at a present is miniscule. In 2000, the total trade value of Uzbekistan was 6157 million US dollars. The main destinations for its exports were Russia (13%), Switzerland (9.8%), UK (10.1%), Belgium (3%), Kazakhstan (4%) and Tajikistan (4%). The imports were mainly from Russia (13.8%), South Korea (13.6%), Germany (1.3%), USA (7.7%), Turkey (3.9%) and Kazakhstan (4.1%). (Shri Prakash, 2004, p. 186)

An Indian scholar opines that as regards maintenance of Peace and stability, Uzbekistan’s membership of the CIS may enable it to get Russian support, if it faces
trouble in the neighbourhood. It is also evidenced by the fact that since 1994, Uzbekistan's membership of NATO's "Partnership for Peace" programme has enlarged the sphere of support it can call for when in trouble. India can help to enlarge this network still further by offering to sign a new agreement with Uzbekistan along lines of the earlier Indo-Soviet Pact for Peace and Friendship promising to help to preserve mutual territorial integrity. It can also offer to prove training for Uzbek officers as giving to Kazakh officers. In this respect preservation of political stability in Central Asia is in the interests of both Russia and India who can hope to cooperate on this issue in the future. (Shri Prakash, 2004, pp. 188-189).

**Constraints in India-Uzbekistan Economic Cooperation**

Abduraxmonovich has made an attempt to identify certain constraints in the Cooperation between India and Central Asian Republic of Uzbekistan. Some of the obstacles are discussed and analyzed briefly below. (Abduraxmonovich, 2003, pp. 16-18) Given the fact that most of the Central Asian countries embarked upon the adoption of market-orientation policies more intensively during the 1990s acted as an important constraint in furthering their economic relations with other countries. The fact that a country like Uzbekistan is still in the phase of transition towards relatively more market-based economic policies acts as a major hindrance in fostering economic cooperation with India. Some of the notable specific problems are in the realms of pricing policies, exchange rate management, banking practices, repatriation of earnings, taxes etc.
**Information Gap**

Information gap between India and Central Asia and more specifically India and Uzbekistan acts as a major barrier for economic cooperation initiatives. It has been found that the trade and business community in India does not possess adequate information about Uzbekistan which is necessary for making economic decisions. This is one important constraint due to which trade and investment flows between the two countries have remained rather limited. The study has discovered that the extent of information gap is very large in as much as Indian trading community does not have even an authentic trade directory of businessmen in Uzbekistan. Similar situation also exists in Uzbekistan and it must be highlighted that whatever information the business community in Uzbekistan has about Indian business sector, is not up-to-date.

**Lack of Information and Technology (IT) Infrastructure**

Central Asian Republics in general and Uzbekistan in particular suffer from one major bottleneck coming in the way of promoting economic relations with India and that is non-availability of adequate information technology infrastructure. Due to this factor information exchange, dissemination, analysis, market survey studies and finally policy and economic decisions are hindered.

**Economic Research Capability**

Since the economies are in the phase of transition towards market paradigm the newer market-based economic concepts are often not understood clearly in Central Asia and Uzbekistan in particular. Thus lack of economic research capability in the era of transition emerges as yet another obstacle for intensified economic
relations. Economic research is also constrained due to lack of adequate statistics and research material which in turn hampers the economic policy making process itself. This is another important reason for low trade and economic relations between Uzbekistan and India.

**Inadequate Banking Facilities**

Interactions with business community in India have brought to the fore the need for improving the banking facilities in Uzbekistan especially in the realm of trade finance. One common complaint from the Indian business community is in terms of over dues and insecurities with respect to trade related payments and repatriation of profits. The inadequate banking facilities in a country like Uzbekistan have also come in the way of their interactions with their counterparts in India.

**Exchange Rate Management**

As highlighted above, since Central Asian Countries have been later starters with respect to economic reforms, exchange rate management poses a major challenge to the policy makers. This is one dimension which has important bearing on the trade and economic relations between Uzbekistan and India.

**Currency Non-convertibility**

The issue of currency non-convertibility has also been cited as one of the several constraints acting upon Indo-Uzbek bilateral economic relations in particular and Central Asia-India economic cooperation in general. However, this issue has implications for the macro-level policy in Uzbekistan and it is linked to its overall development strategy. Nevertheless, it would be pertinent to address this issue at the bilateral policy level at least to the extent possible.
**Bottlenecks in Transportation of Goods**

This is a major problem for a country like Uzbekistan which is in the centre of the Central Asian region. Apart from the transport bottlenecks imposed by the level of development itself, this country faces special problems relating to its landlockedness. There is an urgent need to tackle this problem to provide an impetus to the Indo-Uzbek bilateral trade and investment cooperation.

**Insufficient Travel Links**

Inadequate travel links between India and the Central Asian region is considered as another major constraint in furthering the cooperation levels between the countries under question. Indian Airlines does not fly to Tashkent even though during the Soviet period regular Delhi-Tashkent flights operated.

**Single-Entry Visa**

Single-entry visa for Indian businessmen in Uzbekistan is yet another obstacle for doing business not only in Uzbekistan but also other Central Asian countries. An analysis of the situation suggests that a provision of multi-entry visas would do away with the constraint of accessing these countries for initiating trade and joint venture initiatives. It would help the business community to reap the economies of travel into the region and facilitate making Uzbekistan a hub for economic activities across the Central Asian region.

Besides the above bottlenecks, Indian manufacturing and investment companies are very apprehensive about entering the new, unfamiliar markets of Central Asia. This is due to the rather daunting conditions prevalent in the region. One of the main impediments is the non-availability of hard currency and lack of
conversion facilities. Other constraints include insufficient infrastructure facilities, information gap and language barrier, corruption, lack of adequate business/commerce chambers etc.

Addressing the above-mentioned constraints would contribute to the economic cooperation initiatives between India and Uzbekistan as well as other Central Asian Republics.

FUTURE PROSPECTS FOR INDO-UZBEK COOPERATION

Though Indo-Uzbek cooperation has shown an enormous potential of growth and progress, India has not yet made a stronghold in Uzbek market. Since both countries have expressed their willingness to work for the promotion of peace and prosperity in the 21st century, an Uzbek scholar suggests to take the following steps:

1. to maintain high level of contacts and bilateral summits;

2. to institutionalize consultations on foreign policy issues;

3. to continue bilateral efforts for strengthening regional security;

4. to cooperate closely by starting initiatives like multi-literal forums so as to contribute to the stability in the culturally diverse and rapidly transforming Asia vis-à-vis the world globalisation process.

5. to create supportive structures for both private as well as public business to utilize existing credit lines more efficiently and to provide the capacity to cope with the existing financial and investment realities. (Teshabaev, p. 176)
Following policy recommendations could be taken note of for improving the bilateral economic relations between India and Central Asia on one hand and Indo-Uzbek economic partnership on the other.

1. Conducting a Feasibility Study on Central Asia-India Economic Cooperation, in general and Uzbekistan-India Free Trade Agreement in particular.
2. Signing of a Memorandum of Understanding (MoU) between Trade Point in India and Competent Institution in Uzbekistan.
3. Constitution of an Expert Group to Study the Possibilities of India Providing Technical Advice to Uzbekistan on Central Banking Functions and Commercial Banking Operations. Special attention needs to be given to the issue of currency convertibility in Uzbekistan.
5. Initiating Joint Ventures in the Areas of Cotton, Textiles and Garments, Automobiles, Bicycles, Food Processing, Telecommunications etc.
6. Cooperation in the Area of Services such as Database Creation and Dissemination, Consultancy Services, Infrastructural Services, etc.
7. Consideration of Multi-entry Visa provision in Uzbekistan in order to make it a window to other Central Asian countries. (Abduraxmonovich, 2003, p. 18)

An Indian scholar on Central Asia outlines some of the future prospects for cooperation between the republics of India and Uzbekistan.
1. India needs to create strong economic, political and security linkages. A two-pronged approach needs to be adopted. Firstly, India needs to be economically relevant to Central Asian Republics and secondly, it can collaborate with Iran, China and Afghanistan to extend its connectivity with CARs thus improving its trade and economic ties with the region.

2. India needs to support any regional economic initiative to make the Central Asian region an important part of the trade network in entire Southern Asian region, as emphasised by Indian Prime Minister Dr. Manmohan Singh at the 13th SAARC Summit in Dhaka on 12 November 2005.

3. Integration of the dynamic economies to the east and south of Central Asia, in the Pacific Rim and in the areas around India, which will open up immense opportunities for the countries of South and Central Asia.

4. India should play active role to back Central Asian states as Observer nations in the SAARC group. Similarly, Central Asian states should back India’s membership in Economic Cooperation Organisation (ECO), which would strengthen India’s economic ties with Central Asian Republics as well as with Pakistan, Afghanistan, Iran and Turkey.

5. To establish an India-Central Asia Dialogue on the line of the Africa-India Dialogue. With regular meetings, may be annually, this could be a way forward to create a meaningful relationship.
6. Some Indian experts suggest that India can support modernizing programmes in Central Asia both organizationally and in terms of defence sales. An Indian Military Mission could be handy in this regard. Attempt should be made to conduct bilateral military exercises on both traditional and non-traditional threats. India can share its expertise with the Central Asian Republics on border management. Training in high altitude mountain warfare is another area which India can share with the Central Asian Republics.

7. Main emphasis on building infrastructure (roads, transport systems and communications), industrial activities, construction sector, financial and banking institutions.

8. India should increase its public health and ecological assistance to Central Asian Republics.

9. Indian investment in Pharmaceutical sector may augur well for both the regions.

10. As Uzbekistan is interested in introducing new data processing techniques into electronic management, banking and financial sectors, India's success in Information Technology could contribute to this.

11. Uzbekistan is keen to learn India's experience and expertise in privatization of investment into large enterprises and banks with the direct participation in this process of Indian experts.
12. Tourism is another area of cooperation between the two republics. Both the countries have world famous tourist sites to attract tourists from inside the country, from the region and also from other parts of the world.

13. As the largest democracy in the world, India can contribute to the democratization process, civil society and media in Uzbekistan. India’s electoral process could be role model for that country.

14. Regular exchange of parliamentarians between the two countries could be a positive step. Joint seminars between the parliaments of both the countries and sharing of the experiences of various Parliamentary committees could be helpful for both the countries. There is a Bureau of Parliamentary Studies and Bureau of Legislative Studies in India. There can be exchange programmes between these institutions in both the countries. Literature on functioning of Parliaments and Legislative Assemblies can be exchanged on a regular basis.

15. Linkages between political parties of both the countries.

16. Dissemination of information through various media organisation in the country, both government and private. Indian electronic and print media should highlight the significance of Central Asian Republics to India. The government media agencies like Press Trust of India (PTI) and United News of India (UNI) should get involved in the CARs. Such an attempt will not only bring the people of two regions together through information exchange but will also facilitate in countering any anti-India propaganda. Joint programmes
in Hindi and Urdu could be aired on Radio on a regular basis like it used to be in Soviet times.

17. There is a strong demand for Indian Tele serials, documentaries and films in the Central Asian Republics. These can be dubbed in Russian or the local languages and made available to the Central Asian audience. (Meena Singh Roy, 2005, pp. 54-97)

The existing ties between India and Uzbekistan can be taken to new heights if India goes beyond the articulated polices and draw a roadmap of cooperation in both economic and security arena. There is ample scope for cooperation between the two countries, so the need is just to realize them and put them on right track through astute policy making.