Conclusion
Since 1991, India's relations with Central Asian Republics have come a long way, and the opportunities for future cooperation are immense. Today, India's ties with CARs are aimed at countering common security threats like religious extremism, terrorism, drug trafficking etc. They have formed joint working groups to tackle several issues including terrorism, drug-trafficking and the threat of nuclear proliferation.

Cultural relationship having its long history is considered as a very important field for promoting other types of relations. Therefore, this type of relations is in constant attention of the two countries. It is hoped that Uzbekistan as well as Turkmenistan due to development, strengthening and deepening of their cultural relationship with India can once again revive the Silk Road of prosperity.

Since the emerging markets of Central Asian countries display all the sign of being the new markets of the future. Since the nature of competition has undergone a significant change for carving out a niche in these markets, there is need for concerted and focused efforts to ensure that all Indian companies act cohesively in tapping the opportunities offered by the Central Asian region.

New strategic equations and security realignments are emerging in Central Asia. Though India is not a key player in the region, these changes provide it both opportunities as well as challenges. Post 9/11, India had started building military technical cooperation with the Central Asian Republics. It has also been engaged in intelligence co-operation, sharing joint military experience, and providing
training and assistance to Central Asian forces. The positions of India and CARs on Afghanistan are quite close. Both wish to be part of an extended trade network through the North-South transport corridor and wish to develop the human resource potential in the region. India has already shown its desire to build a major software development centre and light motor vehicles manufacturing sector in Central Asia. To evolve a right policy towards Central Asian Republics, it is necessary for the policy makers in India to have a perceptive understanding of the ground realities in the region, of the character and aspirations of the ruling elites and the legitimization processes pursued by them.

With Central Asian energy reserves being estimated at 2.7 per cent of total world oil reserves and 7 per cent of total natural gas reserves, the region has a huge potential as a future energy source for India. According to an estimate given by Central Asian sources, the region's confirmed oil deposits are between 13 and 15 billion barrels, and confirmed deposits of Natural Gas are around 270 to 360 trillion cubic feet. The main oil and gas deposits are in Kazakhstan, Turkmenistan and Uzbekistan.

India needs to take a comprehensive approach to expand ties with Central Asian Republics. There is tremendous scope for joint ventures in Central Asia, not only for satisfying India's immediate and long term needs. At the same time, India also has much to offer to Central Asian Republics, though there is need to place Indian initiatives on the fast track. The strategy of long term development of the
mutually advantageous bilateral cooperation worked out by India and Uzbekistan may ensure their continued stable development in future. It may also contribute to the maintenance of stability and security at the regional and international levels.

Taking into consideration the fact that India is a de facto nuclear power, has the second largest population in the world, has mastered modern sophisticated technologies, as well as bearing in mind possible strengthening of transport interaction, it is projected that the influence of the Indian factor on the situation in Central Asia, particularly in the economic field, will be on the rise.

There is need for more direct involvement of the Indian business community, who has still not perceived the commercial advantage of economic and commercial linkages with Central Asia. At the cultural level, India will have to ensure that we maintain such connectivity and continue taking new initiatives.

What matters presently is establishing strong and wide ranging relations with Uzbekistan and Turkmenistan and all other three republics of Central Asia that could bring significant returns. The Indian approach in this regard is simple: non-interference, no hidden agendas, no geopolitical strings and motives. Rather, the effort is towards building trade relations and people-to-people contact. Bilateral visits between India and the republics of Uzbekistan and Turkmenistan involving state heads, government functionaries, businessmen, artists, common people are directed towards letting the people of these two republics experience directly what India stands for and what it can offer. There is no reason whatsoever
as to why the two ancient civilizations that have historical and traditional relations cannot rejuvenate the ancient Silk Route although in a new manner.

Switch, swap and counter-trade are the most prevalent modes of trading due to the lack of a classical Western marketing model. It requires the visibility of the product and the presence of the producer/trader, both of which have been sadly missing from the Indian side. Our agencies and apex bodies could undertake these roles by locating themselves there. It is recommended that Indian organizations such as State Trading Corporation (STC) and Minerals and Metals Trading Corporation (MMTC) could also enter into such agreements with suitable clients in Uzbekistan.

It will take some time for Uzbekistan to become a full-fledged member of the European Union. While we must push aggressively our traditional goods into the market, there is no denying the fact that in due course, a jungle of technical standards, environmental, veterinary and sanitary regulations would evolve in these markets also which need to be complied if we are looking into these markets in terms of future projections.

Both Uzbekistan and Turkmenistan are a field for big players because tremendous opportunities exist in terms of exploitation of hydrocarbon and mineral resources as well as setting up of telecommunication network, building of hospitality industry particularly hotels and tourist resorts, joint ventures in power engineering, gold mining and jewellery production, non-ferrous metallurgy etc. At
the same time, tremendous opportunities exist for cooperation between small and medium enterprises in areas such as processing of cotton yarn, food, silk garments, refrigeration, canning and packaging, development of hybrid seeds and ship building. Similar opportunities exist for setting up of joint ventures in the areas of pharmaceuticals; chemicals industry; leather tanneries and garment factories; light commercial vehicles; banking, insurance and other service sectors and processing of textile and cotton yarns.

The necessary physical infrastructure is available for transit trade through Iran. There is excellent infrastructure in terms of roads throughout Central Asia and Iran. The Irano-Hind Shipping Company, a joint venture between Islamic Republic of Iran Shipping Line (IRISL) and Shipping Corporation of India is already offering competitive tariff for this venture for the freight forwarding companies. During the recently concluded joint commission between the two countries, Uzbekistan has offered to study the feasibility of using the Iran route for carrying goods to Uzbekistan from India.

Notwithstanding the availability of an extensive rail network in Uzbekistan, the individual state railways are facing serious handicaps in repair and maintenance facilities as none of the systems is self sufficient, and they are bogged down by resource constraints. They are keen to establish meaningful collaborations with other countries. The USA, Europe and Turkey have made
considerable headway in this direction. India should also consider the possibility of effectively participating in these projects.

As in the rail sector, there is a need for setting up of road based container terminals with appropriate warehousing facilities. Such terminals could not only serve as conduits for dispersing piecemeal traffic received in containers but also go a long way in consolidating similar traffic from return containers. This will considerably reduce the cost of transport as empty return haulage is a major component of present day transport costs. In the light of increasing reliance on road transportation, it is necessary that suitable highway stations are set up at appropriate locations along the inter-state highways. Such highway stations will enable truckers to park their vehicles during temporary halts and obtain essential services besides providing for the security of goods.

There is need to further strengthen the transport services sector and promote the institution of Multimodal Transport Officers (MTOs) in the Central Asian region in general and Uzbekistan and Turkmenistan in particular. The private sector has immense possibilities of entering this field.

Reliable and up to date road and rail maps for the Central Asian states are not really available. There is need for urgent action for making such maps available. It would be in the interest of international trade if the states could expedite the adoption of appropriate customs laws and give wide publicity to their liberal customs regime. Their signing some of the international conventions on
customs will also generate reassurance and promote international trade. As the tariff structure of the Iran route presently includes the cost of return of empty containers from destination to the port of Bandar Abbas, it is necessary to provide for return consignments in order to bring down the costs. Some Indian traders are already importing goods from Uzbekistan, which can be brought in containers.

The providing of a facility to link export and import cargoes would go a long way in reduction of tariff costs as well as further popularizing this route. The recommendations for container consolidation stations and setting up of joint ventures for freight forwarding are steps in this direction.

Increase of trade will also have a direct effect on further usage and popularization of this route. In order to promote further trade, there is need to improve the trading infrastructure in these markets for the Indian businessmen. One such recommendation is the opening of a joint venture bank between an Indian bank and its counterpart in the Central Asian region, particularly in Uzbekistan and Turkmenistan. The establishment of such a bank will not only improve the trading environment between India and this region, it would also set the stage for promoting further joint ventures. The Punjab National Bank (PNB) inaugurated a representative office in Almaty on 23 October 1998. The State Bank of India already has a representative in Tashkent, the Uzbek capital. It could be used for the time being before we could set up a joint venture of Indian banks in Tashkent.
In this somewhat uncertain and emerging trading regime, physical presence and visibility are prerequisites for effective and safe trading. Indian entrepreneurs are best advised to physically locate agencies and ventures in Uzbekistan. Trading environment would also improve with better provision of insurance cover as well as the availability of detailed rules and regulations prevailing in these markets to Indian entrepreneurs. Warehousing facilities for Indian trade are another means of increasing India's exports to this region which will affect “cash and carry” transactions.

Thus, in order to effectively promote our trade with Uzbekistan, we need to strengthen our institutional/infrastructural support. We need to provide credit facilities through the Exim Bank and other banks. We should also make endeavour to set up a Custom bonded warehouse/display centre. The Reserve Bank of India should evolve a mechanism whereby a few banks could be identified in each country whose bank guarantee should be accepted. Steps should be taken to change the Export Credit Guarantee Corporation of India’s (ECGC) restricted cover on India’s exports. We need to operate our airline carrier to Uzbekistan and Turkmenistan at regular basis and also rationalize freight rates and terminal handling charges which are reported to be invariably higher for exports to Uzbekistan as compared to those available for other destinations. Other promotional measures include repeated participation by Indian Trade Promotion Organization (ITPO) in the prominent trade fairs here, conclusion of mutual
recognition agreements between the Quality Council of India and its Uzbek counterpart, roving departmental store promotions as well as “Made in India Roving Exhibitions.”

India needs access to Russian, Central Asian and East European markets for its goods, and links to a variety of energy import sources. If these routes are opened, transnational trade will increase not only among the nations involved, but also other countries of the Asian and European region. Such trade and transit routes will provide a platform to ameliorate relationships and partnerships, reduce barriers and hurdles, and to improve communications. The Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project certainly would help India. However, the security situation in Afghanistan remains as much a problem today as it’s ever been. Indian policy makers should make earnest efforts to realize these goals for the greater benefit of the individual countries as well as the entire region.