

## CHALLENGES AND COUNTERMEASURES IN CHINA- UZBEKISTAN ECONOMIC AND TRADE RELATIONS IN THE ERA OF DEGLOBALIZATION



<https://doi.org/10.24412/2181-1784-2025-26-587-590>

**Cao Gang ,**

*PhD Candidate, National University of Uzbekistan;*

*Teacher at Inner Mongolia University of Finance and Economics, China.*

*e-mail: trueice2020@126.com*

**Annotation.** *The wave of deglobalization and the expanding scope of global trade wars have exerted severe impacts on the development of economic and trade cooperation among all countries. China and Uzbekistan are facing uncertainties in the external environment while gaining new development opportunities due to the rising geopolitical significance of Central Asia. This paper summarizes the prominent problems in China-Uzbekistan economic and trade cooperation, such as insufficient infrastructure connectivity, differences in consumer demand, language and cultural barriers, and intensifying competition among major powers in the Central Asian region. It proposes countermeasures, including strengthening high-level communication, improving project support services, enhancing project risk management, and expanding cultural exchanges, to enhance the resilience of bilateral economic and trade relations.*

**Key words:** *Deglobalization, Central Asian geopolitics, supply chain resilience*

### **I. Introduction**

The deepening trend of deglobalization has led to a fragmented global trading system. U.S. technology controls on China, the EU's "de-risking" strategy, and the rise of regional trade agreements all pose challenges to economic cooperation among developing countries. In particular, since 2025, the uncertainty in the United States has increased and the scope of the trade war has further expanded. As a necessary gateway for China's opening-up to the west, the Central Asian region plays an important role in maintaining the sound development of China's economy. As the most populous country in Central Asia, Uzbekistan, with its stable social environment and growing economic potential, has inherent advantages in regional cooperation. This paper aims to explore the major challenges and countermeasures for China-Uzbekistan economic and trade cooperation in the context of deglobalization.

## II. Foundation for China-Uzbekistan Economic and Trade Cooperation

Over the past 30-odd years since the establishment of diplomatic relations between China and Uzbekistan, the political ties between the two countries have grown increasingly close, and the scale of their economic and trade cooperation has been constantly expanding, laying a solid foundation for deepening bilateral economic and trade cooperation. The scale of trade between China and Uzbekistan has expanded rapidly, cooperation projects cover various fields, with bilateral trade increasing 140 times<sup>1</sup>.

Uzbekistan's favorable resource endowment, stable domestic political situation. Steady progress in the reform process has ensured sustained and rapid economic growth in recent years.

China's economy continues to recover and improve, high-quality development is making solid progress, the overall social situation remains stable, relying on the strong industrial chain supply chain production advantages and the advantages of the super-large market, unswervingly expand the high level of opening up to the outside world, and make special efforts to promote the stabilization of the scale and optimization of the structure of foreign trade<sup>2</sup>.

It is worth noting that the growth of Uzbekistan's exports of goods to China, although faster, is not as fast as the growth of China's exports to Uzbekistan, which could lead to a further widening of Uzbekistan's trade deficit with China.

## III. Challenges in the Development of China-Uzbekistan Economic and Trade Relations.

It should be noted that the economic and trade cooperation between China and Uzbekistan also faces a host of issues.

- There is a strong complementarity between China and Uzbekistan. At this stage, their trade is characterized by China exporting manufactured goods to Uzbekistan and Uzbekistan exporting raw materials to China, which has led to the problem of trade imbalance;

- Limited transportation infrastructure connectivity in the region, difficulties in bilateral trade and logistics, and high trade costs;

- There are discrepancies in product technical standards between China and Uzbekistan, creating market access barriers.

- The U.S. dollar is still used as the settlement currency in bilateral trade between China and Uzbekistan, which increases the trade costs for enterprises. Meanwhile, although China and Uzbekistan have signed a local currency swap

<sup>1</sup> <http://cpc.people.com.cn/n1/2022/0915/c64387-32526573.html> [EB/OL]

<sup>2</sup> [http://www.qstheory.cn/dukan/qs/2023-11/01/c\\_1129947063.htm](http://www.qstheory.cn/dukan/qs/2023-11/01/c_1129947063.htm) [EB/OL]

agreement, its scale remains relatively small;

- There are differences in the laws and trade policies of the two countries<sup>3</sup>, including trade rules, intellectual property protection and investment policies. Lack of understanding of relevant policies by enterprises hinders their enthusiasm for investment;

- Global geopolitical conflicts have intensified, the risk of war spillovers has increased, and trade protectionism will continue to rise;

#### **IV. Strategies for Deepening China-Uzbekistan Economic and Trade Cooperation**

- China and Uzbekistan should improve intergovernmental cooperation mechanisms and enhance political mutual trust through regular exchanges of visits between the leaders of the two countries, so as to guide the development of economic and trade cooperation between the two countries.

- China and Uzbekistan should make good use of platform mechanisms such as the Shanghai Cooperation Organization (SCO) and the China-Central Asia Summit, continuously expand the scope and depth of economic and trade cooperation, and at the same time ensure the implementation of signed projects, so as to promote the spiral development of economic and trade cooperation between the two countries.

- Do a good job of supporting services to support the project and promote the progress of project construction.

- Improve the project risk management system to prevent potential project risks. Before the project is implemented, it is necessary to conduct a comprehensive risk assessment of the project, including technology, human resources, supply chain, legal and compliance.

- Establish effective communication channels to ensure information sharing between the project team and stakeholders and to increase project transparency.

- Expand the fields of humanistic cooperation and exchange and to improve the understanding between the two peoples.

China and Uzbekistan should strengthen people-to-people and cultural exchanges to enhance mutual understanding and trust among their peoples, laying a solid foundation for further deepening bilateral economic and trade cooperation. Implementing scientific project management will facilitate the progress of cooperation projects, enabling them to deliver benefits faster and better. By improving infrastructure connectivity between the two countries, the two sides should raise trade facilitation levels, expand the scale of bilateral trade, and better

---

<sup>3</sup> RIAC-IRAS-Russia-Iran-Report29

<https://russiancouncil.ru/common/upload/RIAC-IRAS-Russia-Iran-Report29.pdf>

drive regional economic development.

### REFERENCES:

1. Cornell, S.E., The Center of Central Asia: Uzbekistan in Regional and International Politics. Uzbekistan's New Face, 2018: p. 5-17.
2. Growth, Debt, and Climate: Realigning the Global Financial Architecture, UNCTAD, October 4, 2023;
3. Uzbekistan strategy 2030, Development Strategy Center Team, <https://theasiatoday.org/wp-content/uploads/2023/09/Uzbekistan-Strategy 2030.pdf>