



# DYNAMICS OF DEVELOPMENT OF BILATERAL RELATIONS BETWEEN KAZAKHSTAN AND UZBEKISTAN

**Nazira Kasymzhanovna Musina<sup>1</sup>, Ramazonova Gulzhan Askerovna<sup>2</sup>,  
Kuzgumbayeva Zhazira Serikovna<sup>3</sup>**

*<sup>1</sup>Leading Researcher, The Presidential Center of the Republic of Kazakhstan*

*<sup>2</sup>Leading Researcher, The Presidential Center of the Republic of Kazakhstan*

*<sup>3</sup>Research Associate, The Presidential Center of the Republic of Kazakhstan*

## ANNOTATION

*This article shows the dynamics of the development of relations between the two leading countries of the Central Asian region of the Republic of Kazakhstan. Close cooperation between the two countries in various fields can lead to the strengthening of peace and harmony not only in these countries, but also in the entire region.*

**KEYWORDS:** *Negotiation, Political Dialogue, Investment, Cooperation, Collaboration.*

Presently, significant transformations are unfolding in the Central Asian region. In 2021, the withdrawal of American troops from Afghanistan and the subsequent takeover by the Taliban, designated as a prohibited terrorist organization in Central Asia, occurred. Concurrently, there have been recent internal tensions in Kazakhstan. With global geopolitical unrest and an escalating competition for resource control, the impact on the Central Asian region is inevitable. The imperative to secure the region is resurfacing, and only a collectively advanced region can effectively counter both traditional and non-traditional threats emanating from external sources. Among the unifying factors for the region are modern elements, including a secular system of governance.

Of paramount significance are the ties between Kazakhstan and Uzbekistan, the most substantial states in Central Asia. These connections play a pivotal role in sustaining the region's development and fostering regional collaboration. The close geographical proximity facilitates intimate interaction between Kazakhstan and Uzbekistan. Nevertheless, up until 2016, challenges arose in formulating a cohesive strategy for addressing shared objectives. Additionally, latent leadership disparities between the initial presidents of the two nations impeded the cooperative efforts of these countries.

The change in leadership in Uzbekistan in 2016 had a positive impact on the dynamics within the Central Asian region. Primarily, Shavkat Mirziyoyev's assumption of leadership led to improved relations with neighboring countries. The focus shifted towards fostering close cooperation in the region and establishing a security perimeter around Central Asia. The President of Uzbekistan characterized the region as a cohesive entity, stating, "Central Asia is a single organism," during an interview with the Kazinform agency shortly before his state visit to Astana in 2017. As outlined in the "Strategy for Actions in Five Priority Areas of Development of Uzbekistan 2017-2021," Shavkat Mirziyoyev's primary foreign policy emphasis became the Central Asian region. The evolving foreign policy of Uzbekistan reflected the understanding that the country's progress is intricately linked to the development of the entire region. Consequently, concerted efforts were directed towards addressing pivotal issues in regional security, including providing assistance in resolving the situation in Afghanistan.

In addition to addressing security concerns, Uzbekistan actively promotes a spectrum of projects encompassing economic and cultural domains. The collaboration between Uzbekistan and Kazakhstan has the potential to invigorate and fortify regional cooperation.

Drawing inspiration from the European model of regional integration serves as a compelling illustration. Post-World War II, the collaborative efforts of Germany and France brought an end to centuries-old conflicts between them, playing a pivotal role in establishing a unified Europe—a shared home. The European integration experience can serve as a guiding example for other global regions. Presently, the importance of integrating Central Asia is on the rise, achievable through the strengthening of ties among regional countries. Leveraging the



geostrategic, economic, transport, and innovative capabilities of Uzbekistan and Kazakhstan is crucial for realizing this integration.

The political dialogue between the two nations has seen the signing of regulatory and legal documents over the period of their independence. Noteworthy among these are the Treaty of Eternal Friendship (1998) and the Treaty on Strategic Partnership (2013), which aim to regulate bilateral relations between Kazakhstan and Uzbekistan.

With Shavkat Mirziyoyev assuming power in Tashkent, there has been a significant upsurge in visits and meetings among leaders, reshaping the landscape of interstate cooperation. A noteworthy instance of positive developments occurred during Shavkat Mirziyoyev's visit to Astana, the capital of Kazakhstan, on December 6, 2021. This marked his first state visit since his inauguration, where discussions centered around regional security, underscoring the continued priority of relations with Kazakhstan in the republic's foreign policy.

The primary focus of the visit was elevating the relationship between the two neighboring countries to a new qualitative level. The outcome was the signing of a declaration on allied relations, a historic event poised to empower both nations in cultivating a qualitatively new form of association.

Key provisions of the declaration include the establishment of the Supreme Interstate Council, the Council of Interparliamentary Cooperation, and the Council of Foreign Ministers for both Uzbekistan and Kazakhstan. Beyond institutional norms, there was a concerted effort to deepen trade and economic relations, which constitute the foundation of the bilateral ties. The heads of state mandated their governments to implement measures aimed at increasing mutual trade volume to \$5 billion in the coming years and \$10 billion in the medium term.

This document holds immense significance for the entire region, contributing to the overall advancement of Central Asia. The closer alignment between Uzbekistan and Kazakhstan, coupled with the establishment of a legal and institutional framework to fortify bilateral relations, is poised to positively impact multilateral cooperation, particularly in the context of emerging regional security.

The favorable shift in relations is attributed to the leaders of Kazakhstan and Uzbekistan actively seeking collaboration and synergy, setting aside any competition for leadership. Kazakhstan, as the largest economy in Central Asia (with a GDP per capita exceeding \$9.1 thousand USD at current prices in 2020), and Uzbekistan, strategically positioned at the heart of Central Asia, boasting both geopolitical and demographic potential, play pivotal roles. It is noteworthy that the state visits of these leaders underscore the significance of neighboring countries in strengthening integration ties within the region and ensuring its security.

Trade, economic, and investment collaboration form the cornerstone of bilateral relations between Kazakhstan and Uzbekistan. The past five years have witnessed the evolution of economic cooperation, with Kazakhstan emerging as Uzbekistan's primary trading partner in Central Asia. The signing of the Strategy for Economic Cooperation for 2017-2019 in 2017 served as a catalyst for economic and trade growth.

By the close of 2017, the trade turnover had surged to 2 billion USD, reflecting a remarkable 31% increase from the previous year. In 2020, Kazakhstan claimed the position of Uzbekistan's third-largest trading partner, constituting 9.3% of foreign trade, trailing behind China (17.7%) and Russia (17.4%). Notably, Kazakhstan secured the top spot among trading partners within Central Asia, underscoring the significance and interdependence of the two economies. The dynamics of economic growth between the countries in 2023 shows a stable growth in foreign economic relations between the countries.

### Trade between Uzbekistan and Kazakhstan, million USD

Trade with Kazakhstan, million USD	2018	2019	2020	January- November 2021
Total	2 920	3 333 503	3 006	3 538
Export of Uzbekistan	1 352	1 393	908	1 057
Import from Kazakhstan	1 567	1 942	2 097	2 481

Source: Shukhrat Latipov, *Gazeta.uz*, <https://www.gazeta.uz/ru/2022/01/07/kaz-uzb/>



It is important to note that the leaders of both nations directed their governments to elevate mutual trade turnover between Uzbekistan and Kazakhstan to 5 billion USD by 2022 and to achieve a target of 10 billion USD within the subsequent five years.

In the realm of trade and economic relations, the following trends have manifested over the past five years:

Regular meetings and sessions have been consistently held between the governments and various departments of both countries, focused on addressing and enhancing the economic and business environment.

There has been a heightened emphasis from the institutions of Kazakhstan and Uzbekistan on fostering relationships between trading houses.

Establishing connections between specific regions of the two neighboring countries has been a notable development. For instance, connections were forged between khokimiyats and akimats (administrative bodies of cities and districts) of regions such as Syrdarya, Tashkent, Navoi, Turkestan, and Kyzylorda.

Forums dedicated to interregional cooperation have been conducted. In 2018, a forum held in Shymkent resulted in the conclusion of 16 memorandums of direct interregional cooperation. Additionally, economic entities from various regions entered into agreements for 26 investment projects totaling 110.5 million USD and 69 trade contracts valued at 209.3 million USD. Notably, in November 2021, just before Shavkat Mirziyoyev's state visit to Astana, the third Interregional Forum on "Cross-border cooperation as new growth points" took place in Turkestan.

The participation in the forum extended beyond government officials to include prominent business figures from both countries. This resulted in the signing of 54 investment and commercial contracts spanning various sectors such as mechanical engineering, the agro-industrial complex, production of building materials, electrical products, medical items, infrastructure development, and other industries, totaling USD 611.3 million.

Investment collaboration has become an increasingly integral aspect of the relationship between Kazakhstan and Uzbekistan. From the beginning of 2019 to the present, the number of enterprises with Kazakhstani capital has surged by 2.1 times, rising from 510 to 1,056 enterprises. Notably, since the start of this year, 166 enterprises with Kazakhstani capital have been established. A subsidiary of Halyk Bank, Tenge Bank, has been operational in Tashkent since 2019.

The practical outcomes of the presidential meeting materialized in initiatives by enterprises to establish subsidiaries or branches in neighboring countries. For instance, Astana-Motors has expressed interest in constructing a plant for the production of Hyundai cars in Jizzakh.

Additionally, the Uzbek company Artel Electronics, specializing in household appliances, is initiating collaborations with Kazakhstani Orbis Kazakhstan. The focus of their cooperation revolves around the production of cookers and electric water heaters, involving an investment of USD 85 million. The plant's capacity is anticipated to reach 500 thousand units per year for each product.

As per the statistics agency of the Republic of Kazakhstan, there are currently 2,144 enterprises with Uzbek capital, constituting 5.8% of the total, registered and operating successfully.

It is worth noting that the existing potential opportunities suggest the feasibility of implementing new joint projects in mechanical engineering, the construction industry, and the pharmaceutical sector.

With the easing of the pandemic, air travel between the nations has resumed, facilitating communication between the neighboring countries in the region. Presently, there are 20 flights per week.

Concurrently, the transport volume between Uzbekistan and Kazakhstan saw a notable increase in 2020, reaching 21 million tons, marking a 19% rise compared to 2019. To enhance the flow of automobile cargo, comprehensive efforts are being undertaken to reconstruct the Beineu-Akzhigit highway.

The leader of Uzbekistan emphasized the significance of collaborative efforts between the two countries to enhance the transport and logistics sector. Key initiatives include the construction of roads and railways



connecting "Uchkuduk – Kyzylorda" and the introduction of a high-speed rail link along the route "Turkestan – Shymkent – Tashkent."

During Shavkat Mirziyoyev's recent visit to Astana, the Joint Action Plan for the execution of the Kyzylorda-Uchkuduk road and railway construction project for the period 2021-2025 was finalized, presenting several positive aspects:

The absence of roads and rail connections between the regions of the two countries hampers the progress of trade and economic relations. Establishing a direct link between the Navoi region, with its industrial potential, and the Kyzylorda region will diminish transportation time for goods and cargo. The enhanced road infrastructure is expected to catalyze accelerated connections between the regions.

Direct communication between regions presents a unique opportunity for fostering the business environment and entrepreneurial relationships. For instance, in Karakalpakstan, the Ustyurt gas chemical complex is operational, producing polyethylene and propylene. Entrepreneurs from the Kyzylorda region currently procure these products from Tatarstan, which is more logistically accessible.

The expanded infrastructure will contribute to developing ties with the central regions of Kazakhstan, followed by connections with the Urals and Siberia.

The project's implementation holds economic potential for Kazakhstan, particularly in the development of its southern regions.

The subsequent project, involving the construction of a high-speed highway "Turkestan – Shymkent – Tashkent," also carries the potential for increased passenger traffic. According to forecasts from the Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan, passenger turnover may reach 1.9 million passengers annually.

Undoubtedly, the execution of both projects will significantly enhance tourism development and contribute to the image formation between the countries. Beyond the capitals, business circles in regions interested in expanding connections with neighboring countries will also establish contact.

In the current circumstances, it is imperative to concentrate on establishing a unified system in Central Asia, which necessitates the signing of an appropriate agreement. Thus, the groundwork has been laid for enhancing the transport and logistics system of the two countries, positively influencing the development of Central Asia.

#### Cultural and humanitarian cooperation:

In the era of globalization, the significance of preserving historical and cultural ties between neighboring countries is escalating, fostering increased awareness about each other among citizens. In Kazakhstan, 2018 was designated as the Year of Uzbekistan, followed by the Year of Kazakhstan in Uzbekistan in 2019. These historical commemorations serve to cultivate mutual respect between the two ethnic groups.

According to statistics from the State Statistics Committee of Uzbekistan, the country currently hosts 821.2 thousand Kazakhs, constituting the third-largest ethnic group. The Republican Kazakh Cultural Center operates in Uzbekistan, with 30 regional and district branches, contributing to the preservation of Kazakh culture. In Kazakhstan, as per the annual bulletin of the National Bureau of Statistics, 620 thousand Uzbeks reside, predominantly concentrated in the Turkestan and Zhambyl regions, ranking as the third-largest ethnic group after the Kazakhs and Russians.

In the promotion of cultural achievements and assets, embassies play a vital role, organizing various events aimed at fortifying cultural and historical ties. Notably, in 2019, in conjunction with the Year of Kazakhstan, Uzbekistan hosted concerts, exhibitions, and festivals. Special mention should be made of tours organized by the "Astana Opera" and "Astana Ballet."

One significant event exemplifying the ongoing cultural ties between fraternal nations was the international Grand Prix of Bakhshilar (Zhyrau), which took place on April 6, 2019, in the city of Termez, Sukhandarya region, and was attended by the President of Uzbekistan, Shavkat Mirziyoyev. This event serves as a reaffirmation of the enduring cultural connections between these nations.



Collaboration extended to scientific think tanks, with joint conferences held in 2017 and 2018 involving the Kazakhstan Institute for Strategic Studies and the Institute for Strategic and Interregional Studies. A notable outcome of this collaboration was the development of two analytical materials titled "Uzbekistan – Kazakhstan: 25 years of establishing diplomatic relations" and "Prospects for partnership between Kazakhstan and Uzbekistan in new geopolitical and geo-economic conditions."

In 2021, the International Institute of Central Asia was inaugurated in Uzbekistan. Prior to Shavkat Mirziyoyev's state visit to Astana, a round table discussion took place between the International Institute of Central Asia and the Kazakhstan Institute for Strategic Studies on the topic: "On the state and prospects of the Kazakh-Uzbek strategic partnership." Consequently, a robust and stable environment has been established over the past five years for the interaction and cooperation of think tanks engaged in the analysis and study of key processes in Central Asia.

Cooperation on global and regional development:

The support provided by both countries in addressing global and regional issues aims at the sustainable development of the Central Asian region. There is a prevailing opinion that resolving regional issues is impractical without the involvement of Uzbekistan, given its status as a large state in Central Asia. Kazakhstan's international initiatives garner backing from Uzbekistan, exemplified by Tashkent's support for Kazakhstan's election as a non-permanent member of the UN Security Council for 2017-2018.

Particular emphasis should be placed on the consolidating role that both countries play in ensuring the sustainable development of the region and tackling pressing security issues. It is noteworthy that there exists a mechanism of consultations and interaction between Astana and Tashkent under the auspices of the UN Security Council. The collaborative efforts of these two fraternal republics are united in combating terrorism, religious extremism, and the illicit trafficking of drugs and psychotropic substances. The involvement of the UN holds substantial promise for the successful implementation of outlined projects in the realm of ensuring regional security and maintaining stability.

The focus on the Afghan direction has emerged as a pivotal aspect of bilateral cooperation between the two Central Asian countries. Both nations express a keen interest in fostering a peaceful resolution to the conflict, aiming to engage Afghanistan in economic relations with the broader region, ultimately positively impacting the social well-being of the Afghan people.

Uzbekistan demonstrated support for the international exhibition EXPO-2017 held in Astana, which drew participation from over 4 million attendees worldwide. Noteworthy assistance extends beyond security, politics, and economics, encompassing environmental protection. The ecological crisis of the Aral Sea has become a shared concern for all regional countries. Kazakhstan, acknowledging the severity of the issue, voted in favor of a special resolution of the UN General Assembly in May 2021, declaring the Aral Sea region a zone of environmental innovations and technologies. This initiative originated from the President of Uzbekistan, Shavkat Mirziyoyev.

In summary, there has been a convergence of positions between the two neighboring Central Asian countries, Kazakhstan and Uzbekistan, on crucial issues impacting the entire region. Over the past five years, a foundation has been established for the development of trade, economic, investment, transport, cultural, and humanitarian cooperation. The geographical and cultural ties between the two nations underscore the necessity of collaboration.

Both countries consistently uphold a high level of cooperation across various domains, encompassing trade and economics, cultural and humanitarian ties, with regular political interactions emphasizing the significance of bilateral relations.

In light of recent internal unrest in Kazakhstan, the Ministry of Foreign Affairs of Uzbekistan issued an official statement expressing confidence in the determination and willpower of the Kazakhstani people to restore unity, peace, and tranquility. It is anticipated that following the resolution of the situation in Kazakhstan, projects between the two countries will not experience delays and will continue their dynamic cooperation.

## REFERENCE

1. <https://www.gazeta.uz/ru/2017/03/22/region/>
2. <https://lex.uz/ru/docs/3107042>
3. <https://lex.uz/docs/2553826>
4. [https://online.zakon.kz/Document/?doc\\_id=1014669](https://online.zakon.kz/Document/?doc_id=1014669)



5. [https://online.zakon.kz/Document/?doc\\_id=31405389](https://online.zakon.kz/Document/?doc_id=31405389)
6. <https://podrobno.uz/cat/politic/uzbekistan-i-kazakhstan-dogovorilis-povyshenii-statusa-mezhgosudarstvennykh-otnosheniy-do-urovnya-so/>
7. [https://uza.uz/ru/posts/deklaraciya-o-soyuznicheskix-otnosheniyax-mezhdu-respublikoy-uzbekistan-i-respublikoy-kazaxstan\\_326819](https://uza.uz/ru/posts/deklaraciya-o-soyuznicheskix-otnosheniyax-mezhdu-respublikoy-uzbekistan-i-respublikoy-kazaxstan_326819)
8. <https://e-cis.info/news/566/96745/>
9. <https://www.gazeta.uz/ru/2022/01/07/kaz-uzb/>
10. <https://uzdaily.uz/ru/post/65720>
11. <https://podrobno.uz/cat/obchestvo/uzbekistan-i-kazakhstan-velichivayut-chislo-reysov-mezhdu-gorodami-dvukh-stran/>
12. <https://uzdaily.uz/ru/post/65782>
13. <https://www.akorda.kz/ru/kasym-zhomart-tokaev-i-shavkat-mirziyoev-proveli-dvustoronnie-peregovory-v-rasshirennoy-formate-611576>
14. <https://kisi.kz/images/files/ISMI--3.pdf>
15. [https://online.zakon.kz/Document/?doc\\_id=32045017](https://online.zakon.kz/Document/?doc_id=32045017)
16. <https://news.un.org/ru/story/2021/05/1403152>