

The EU – Uzbekistan Cooperation

The beginning of relations with European Union, uniting 15 countries of Europe, was signing in April 15, 1992, of "the Memorandum of mutual understanding between the Government of Republic of Uzbekistan and the Commission of the European communities (CEC)". On November 16, 1994 the diplomatic relations were established.

In January, 1995 in Brussels began to function dip-mission of Uzbekistan at the CEC. On August 1, 2002 "the House of Europe" (representation CAS on rendering technical assistance) began its work in Tashkent. It is an intermediate link in establishment of a EU delegation in Uzbekistan.

The Partnership and Cooperation Agreement (PCA) with Uzbekistan signed in April 1996 has been the basis for EU-Uzbek bilateral relations since it entered into force in 1999.

The future EC assistance will focus on the following priority areas: promotion of human rights and democratization, strengthening of civil society, rule of law, legal reforms and good governance, rural and local development.

The overall EU co-operation objectives, policy responses and priority fields for CA can be found in the EC Regional Strategy Paper for Central Asia 2007-2013 and Central Asia Indicative Programme 2007-2010. In addition to the assistance under the Development Cooperation Instrument (DCI), Uzbekistan participates in ongoing regional programmes.

At national level 77 projects on a total sum of 125,8 mln. euros (today realizes 4 projects on a total sum in 7,3 mln. euros) were carried out through the cooperation with the EU (1992-2002) on a TESIS line in Uzbekistan.

Within the framework of the interstate and national TESIS programs more than 200 projects were carried out in a 10-year-period, with a total sum about 440 mln. euros. 25 projects on the total sum more than 60 mln. euros are in a stage of realization.

Uzbekistan is the second trading partner of the EU in the region after Kazakhstan. In 2003, the EU imported for €600 million of goods from Uzbekistan, and exported €400 million to the country. This is over four times higher than Uzbekistan's trade with the US. Imports from Uzbekistan mainly consisted of agricultural products and textiles, and EU's main export products were machinery and chemical products.

Uzbekistan holds a WTO Observer Status, for which it applied in 1994. The Working Party on the accession of Uzbekistan was established on 21 December 1994. Uzbekistan submitted its Memorandum on the Foreign Trade Regime in October 1998 and a first meeting of the Working Party was held in July 2002. Uzbekistan began bilateral market access negotiations with interested Members on the basis of initial offers in goods and services circulated in September 2005. The third meeting of the Working Party took place in October 2005.

The European Union is one of the major trade-economic partners of Uzbekistan. For 2002 the commodity circulation of the Republic with the EU states has reached 833,1 mln. USD, where export has made 392,1 mln. USD and import 440,9 mln. USD.

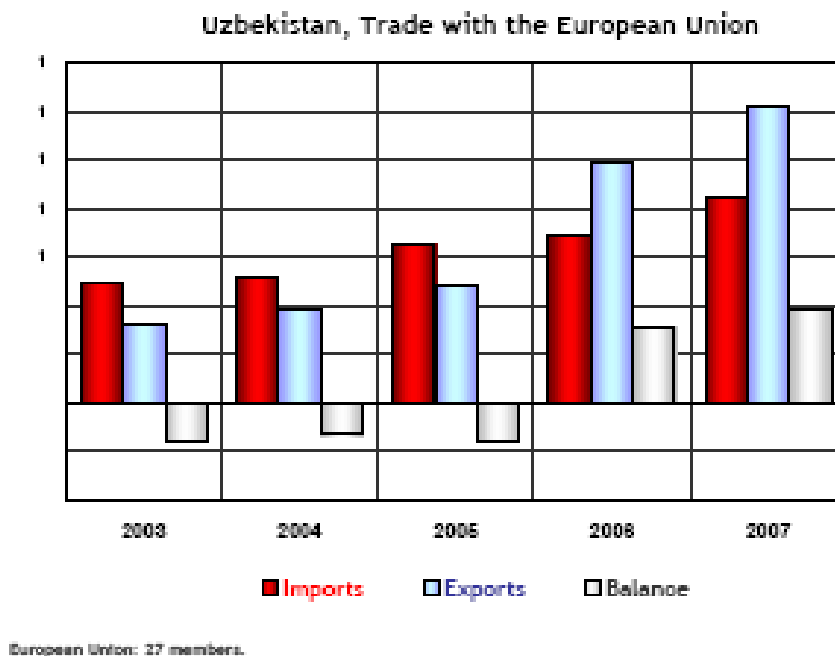
The greatest portion of the Uzbek export for 2002 was to Great Britain (51,03 % from all export to the EU), in the second place was Italy (24,43 %). It is necessary to note that in 2001 these two countries were largest importers of Uzbek goods among the EU countries. Lowest volume of

export of Uzbek production is registered with Denmark, Ireland, Luxembourg, Finland and Sweden (less than 1 %).

The basic part of the Uzbek import from the EU for 2002 was from Germany (45,94 % out of total import from the EU), Italy was marked the second (17,4 %). At the same time in 2001 the basic share of Uzbek import from the EU came on Germany (43,52 %) and France (22,73 %).

The analysis of export structure of Uzbekistan to the EU-countries for the last years shows that the trade-classification structure of export of Uzbekistan consists of, as a rule, small number of positions with prevalence of raw goods, while the structure of import from the EU includes more positions, basically submitted by the process equipment.

Due to the activization of the activities of joint ventures in the textile industry of the Republic, which has modern equipment, the structure and volume of Uzbek export of textile production to the EU has considerably extended.



The EU-countries are thought to be big investors in economy of Uzbekistan. In the territory of the Republic 480 enterprises with participation of the EU carry out their activity, from them 114 - with an absolute European capital, 154 European firms and companies have representations in the Republic.

During 1995-2002 many firms and companies along with the banking structures of the European countries have taken part in realization of the large investment projects in Uzbekistan, by a total cost about 8 mln. USD. The total cost of such investment projects in 2001, has made about 1,2 mln. USD.