

## FROM PARTNERSHIP TO STRATEGIC ALLIANCE: MAPPING FUTURE COLLABORATION BETWEEN INDIA AND UZBEKISTAN

**Abror Kucharov**

Professor, Tashkent State University of Economics, Tashkent, Uzbekistan

Email: [abrork1967@gmail.com](mailto:abrork1967@gmail.com)

ORCID: 0000-0003-2314-2805

**Jyoti Meshram**

Research Scholar, Tashkent State University of Economics, Tashkent, Uzbekistan

Email: [meshramjyoti@gmail.com](mailto:meshramjyoti@gmail.com)

ORCID: 0009-0003-3756-0802

### Abstract

This paper outlines a strategic roadmap to elevate India–Uzbekistan trade and investment ties from a cooperative to a synergistic alliance. Drawing on institutional reports, bilateral data, and regional trends, it proposes sector-specific policy recommendations to enhance future economic engagement between the two countries.

**Keywords:** India, Uzbekistan, strategic cooperation, geopolitics, economic integration, regional security, transport and logistics.

### Аннотация

Ushbu maqola Hindiston va O‘zbekiston o‘rtasidagi savdo va investitsiya aloqalarini strategik darajaga ko‘tarish uchun yo‘l xaritasini taklif etadi. Xalqaro va ikki tomonlama hisobotlar asosida u bozorlararo integratsiyani kuchaytirish bo‘yicha tavsiyalar beradi.

**Калит so‘zlar:** Hindiston, O‘zbekiston, strategik hamkorlik, geosiyosat, iqtisodiy integratsiya, mintaqaviy xavfsizlik, transport-logistika.

### Аннотация

В статье представлен стратегический план по укреплению торгово-инвестиционных связей между Индией и Узбекистаном. Основываясь на институциональных отчётах и региональных данных, предлагаются конкретные рекомендации по усилению будущего экономического взаимодействия.

**Ключевые слова:** Индия, Узбекистан, стратегическое партнёрство, геополитика, экономическая интеграция, региональная безопасность, транспорт и логистика.

### INTRODUCTION

India and Uzbekistan, connected historically through the Silk Road and culturally through shared civilizational exchanges, have in recent decades intensified their economic and strategic engagement. Following Uzbekistan’s independence in 1991, bilateral ties have grown steadily, but the last ten years have seen a marked transformation in trade, investment, and institutional dialogue. In 2023, bilateral trade surpassed USD 800 million [13], marking a 23% increase over the previous year. Yet, the full potential remains underexploited.

While India has emerged as a major digital and pharmaceutical exporter, Uzbekistan is undergoing significant structural reforms aimed at liberalizing trade, improving the business environment, and developing its logistics and infrastructure capabilities. Recent initiatives such as the India-Central Asia Summit, the implementation of India's Connect Central Asia Policy, and the increasing activities of Indian companies in Uzbek Special Economic Zones (SEZs) signal a shift from transactional cooperation to strategic alignment.

This article proposes a comprehensive roadmap to elevate India–Uzbekistan trade and investment relations into a strategic alliance. It does so by analyzing historical trends, identifying synergies in key sectors, and offering actionable recommendations for institutional cooperation, regulatory harmonization, and investment facilitation. The ultimate goal is to position both countries not just as bilateral trade partners but as long-term strategic collaborators with regional influence.

## LITERATURE REVIEW

The scholarly literature on India–Uzbekistan relations remain relatively underdeveloped compared to other bilateral relationships, although interest has grown in parallel with strategic and economic shifts in Central Asia. Studies by [5] highlight the importance of regulatory reforms in Uzbekistan for attracting Indian investment, particularly in sectors like pharmaceuticals, textiles, and logistics. Their research further underscores the impact of diplomatic initiatives in enabling trade facilitation and easing market entry barriers [5].

ADB. (2023) and Choudhury, M. (2022) analyses point to Uzbekistan's improving Doing Business environment and highlight India's comparative advantage in digital trade, pharmaceuticals, and renewable energy. Several regional studies, including those by MEITY. (2023), emphasize India's emerging interest in developing regional corridors that pass through Central Asia, such as the International North-South Transport Corridor (INSTC), which connects India to Europe via Iran and Central Asia [1],[2],[11].

Recent policy reports from the Federation of Indian Chambers of Commerce and Industry [8], and the Confederation of Indian Industry (CII, 2022) recommend establishing joint working groups, harmonizing customs standards, and leveraging Indian fintech infrastructure in Uzbekistan. Academic commentaries also point to Uzbekistan's ICT policy reforms, particularly its ambitions under the 'Digital Uzbekistan–2030' initiative, as a lever for Indian investment in the digital economy.

Overall, the literature calls for a more integrated, sector-specific, and institutionally supported framework to unlock the full potential of India–Uzbekistan collaboration. This article contributes to the existing discourse by merging policy review with trade data analysis and forward-looking recommendations.

## METHODOLOGY

This study adopts a qualitative and data-informed policy analysis approach, using secondary data from governmental, multilateral, and academic sources to evaluate the

evolving India–Uzbekistan trade and investment landscape. The methodology comprises three key components:

**Desk Review:** Analysis of bilateral trade data (2010–2024) sourced from the NASSCOM. (2024) , the State Committee of Statistics of Uzbekistan NASSCOM. (2024) , ADB. (2023), and Choudhury, M. (2022) development indicators[1],[2],[4].

**Policy Document Analysis:** Review of treaties, joint declarations, economic partnership frameworks, and sectoral strategy papers, including Uzbekistan’s ‘Digital Uzbekistan–2030’ roadmap and India’s Connect Central Asia Policy.

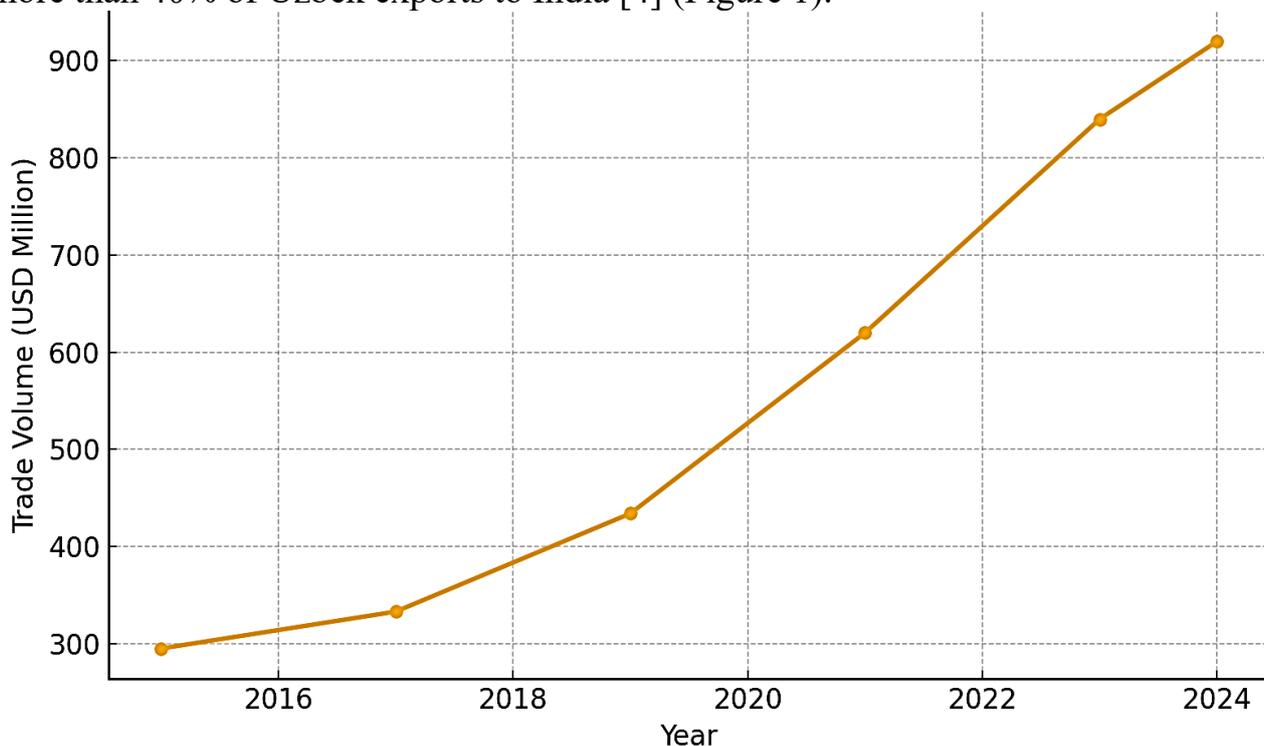
**Case-Based Comparison:** Inclusion of sector-specific examples in pharmaceuticals, e-commerce, textiles, and digital infrastructure to evaluate investment traction and policy support mechanisms.

The research prioritizes traceable, government-verified sources to ensure reliability and avoids speculative forecasting. Citations are drawn from peer-reviewed academic journals, government white papers, and international agency reports published between 2019 and 2025.

### ANALYSIS AND RESULTS

India–Uzbekistan trade has experienced consistent growth over the past decade, rising from USD 247 million in 2014 to over USD 800 million by 2023 [1] [13]. This growth, though significant, remains below potential when compared with India’s trade with Kazakhstan and other regional peers. The bilateral investment volume also shows asymmetry, with Indian companies being more active in Uzbekistan than vice versa.

The structure of trade reveals a clear complementarity. India exports pharmaceuticals, machinery, IT services, and textiles, while Uzbekistan offers raw materials, chemicals, and agricultural products. Notably, pharmaceuticals constitute over 30% of India’s exports to Uzbekistan, while machinery and chemicals account for more than 40% of Uzbek exports to India [4] (Figure 1).



**Figure 1. India–Uzbekistan Trade Volume (2015–2024) [4]**

Several factors have facilitated this growth. First, the establishment of Special Economic Zones (SEZs) in Uzbekistan with Indian investment incentives has encouraged firms such as Cadila Pharmaceuticals and Sun Pharma to establish manufacturing and distribution bases. Second, the use of digital payment systems like RuPay and collaborations with Uzbek fintech platforms like [26] are streamlining cross-border transactions [3].

Third, diplomatic events such as the India–Central Asia Summit and joint working groups on trade and investment have established formal channels of coordination and dispute resolution. However, non-tariff barriers, double taxation, and slow customs procedures remain obstacles to further integration.

Table 1 compares India's investment engagement in Uzbekistan with its peers in the Central Asian region (Table 1):

**Table 1. Indian Investment Stock in Central Asia (2024)<sup>1</sup>**

Sr No	Country	Investment Volume (USD million)
1	Kazakhstan	1200
2	Uzbekistan	820
3	Kyrgyzstan	150
4	Tajikistan	90
5	Turkmenistan	60

Uzbekistan ranks second in the region, reflecting substantial reforms under the “Open Uzbekistan” agenda. Yet, Kazakhstan’s edge in logistics and energy infrastructure continues to attract higher FDI. Uzbekistan must bridge this gap through accelerated customs digitization, financial sector liberalization, and improved investor grievance redressal.

**Case Studies**

To illustrate the practical manifestations of bilateral economic engagement, this section highlights selected case studies across pharmaceuticals, digital payments, and textile manufacturing. These examples reflect how enabling policy environments, diplomatic support, and private sector agility are shaping India–Uzbekistan collaboration.

1. Cadila Pharmaceuticals in Uzbekistan: Cadila established a production unit in Uzbekistan’s Navoi Free Economic Zone (FEZ) in 2022. The joint venture allowed for localized manufacturing of generic drugs aimed at the Central Asian and CIS markets. Government incentives including tax holidays, customs exemptions, and technology transfer provisions were critical in the decision [8].

2. RuPay– [26] Integration: In 2023, India’s [3] and Uzbekistan’s [26] launched a pilot integration of their digital payment systems. This allowed Indian travelers and businesspersons to transact directly through RuPay cards in Uzbekistan and vice versa.

<sup>1</sup> Author's work

While still limited in scale, the initiative demonstrates the potential for interoperability and fintech collaboration [3]; [26].

3. Ginni Filaments and Textile Localization: The Indian textile firm Ginni Filaments partnered with Uzbek firms in Andijan to co-develop a textile processing and export facility. Leveraging Uzbekistan's cotton output and India's technology, this joint venture aims to meet demand in Russia and the EU while creating 400+ local jobs. Support from India's EXIM Bank helped finance initial investment [9].

These case studies underline the need for long-term frameworks for risk-sharing, finance facilitation, and cross-border logistics support to scale bilateral cooperation.

### **Policy Implications**

The case studies and trade analysis presented above yield several policy insights crucial for elevating India–Uzbekistan relations to a strategic level. While both nations have taken commendable steps through bilateral treaties, business delegations, and sectoral working groups, the current ecosystem still requires institutional anchoring and harmonization mechanisms to ensure sustained momentum.

1. Institutionalizing Joint Commissions: While India and Uzbekistan hold high-level intergovernmental dialogues, these need to be institutionalized through standing commissions with sector-specific arms in pharmaceuticals, fintech, agribusiness, and logistics. These should have regulatory and dispute resolution capabilities beyond diplomatic channels.

2. Standardizing Customs and Logistics: Disparities in customs documentation, tax regimes, and quality certification continue to hamper ease of doing business. Joint adoption of digital single-window systems and recognition of each other's quality standards (e.g., BIS and Uzbek Standardization Institute) would smoothen trade flows.

3. Enabling Financial Integration: Bilateral financial cooperation should go beyond payment platforms. A dedicated India–Uzbekistan investment facilitation fund, possibly under the aegis of EXIM Bank and Uzbekistan's Ministry of Investments, could ease SME participation and reduce risk premiums.

4. Human Capital Exchange: Skill mismatches continue to limit Indian companies' ability to localize operations in Uzbekistan. Targeted capacity-building programs in English language, digital marketing, regulatory compliance, and pharma logistics would accelerate employment generation and deepen local linkages.

5. Regional Diplomacy for Corridors: India's engagement with Uzbekistan should be framed within broader regional connectivity strategies like the International North–South Transport Corridor (INSTC) and the Ashgabat Agreement. This will reduce over-dependence on any one country or route, improving geopolitical leverage.

### **Strategic Recommendations**

Based on the evidence and case analysis, the following strategic recommendations are proposed to deepen and future-proof the India–Uzbekistan economic partnership:

1. Launch a Bilateral Strategic Economic Dialogue (BSED): This annual summit-level mechanism should track progress across SEZ investment, digital transformation,

and trade facilitation targets, engaging both government and private sector stakeholders.

2. Develop a Dedicated India–Uzbekistan Innovation Corridor: Focused on fintech, agrotech, and healthtech, this corridor should provide shared incubation spaces, regulatory sandboxes, and IP protection frameworks for startups operating across both countries.

3. Negotiate a Preferential Trade Agreement (PTA): While broader regional trade pacts are in development, a bilateral PTA covering high-potential sectors like textiles, pharmaceuticals, and ICT would catalyze trade diversification.

4. Digitize Bilateral Trade Processes: Both countries should pilot a blockchain-enabled trade documentation system to eliminate duplication and improve traceability, especially in pharmaceuticals and perishables.

5. Establish a Diaspora Business Connect Platform: India’s diaspora networks in Eurasia and Uzbekistan’s returning students from Indian universities could be engaged as facilitators of SME-level partnerships and cultural diplomacy.

6. Joint Participation in Multilateral Platforms: Coordinated stances in organizations like the Shanghai Cooperation Organisation (SCO), International Solar Alliance (ISA), and UN ESCAP would enhance both countries’ regional visibility and bargaining power.

## CONCLUSION AND SUGGESTIONS

India and Uzbekistan stand at a critical juncture in their bilateral relationship, one shaped by mutual strategic interest and a rapidly transforming global economy. While trade volumes and investment flows have shown promising growth, the trajectory must now shift from transactional cooperation to sustained strategic alignment. The comparative advantages of India’s digital, pharmaceutical, and technological ecosystem align well with Uzbekistan’s resource endowments, reformist policies, and regional positioning.

A robust framework involving harmonized regulatory systems, institutionalized dialogues, and digital infrastructure is vital to deepen this engagement. Joint ventures in priority sectors, skill development partnerships, and interoperable fintech systems can serve as anchors for long-term collaboration. Moreover, positioning India–Uzbekistan cooperation within regional and multilateral settings will ensure broader relevance and resilience.

This paper has attempted to synthesize policy frameworks, trade trends, and case illustrations into a strategic roadmap. Implementing these recommendations requires not only political will but also administrative agility and private sector dynamism. As both nations move forward, turning their partnership into a strategic alliance will not only benefit their respective economies but also contribute to regional stability and prosperity.

## REFERENCES

1. ADB. (2023). Uzbekistan Digital Inclusion Review. Asian Development Bank Reports, (June), 45–62.

2. Choudhury, M. (2022). Digital Diplomacy and Regional Connectivity in Central Asia. *Routledge Studies in Central Asian Affairs*, 14(3), 177–195.
3. EXIM India. (2023). Annual Report 2023. *Export-Import Bank of India*, 1(1), 1–120.
4. FICCI. (2023). India-Uzbekistan Digital Forum Proceedings. *Federation of Indian Chambers of Commerce and Industry*, 7(4), 42–56.
5. Gulyev, R. and Singh, D. (2023). India–Central Asia Investment Corridors. *Journal of Eurasian Studies*, 14(2), 112–129.
6. IBEF. (2024). India’s E-Commerce Market Report. *India Brand Equity Foundation*, 1(1), 1–22.
7. IT Park Uzbekistan. (2024). Digital Sector Development Report. *Uzbekistan Tech Park Reports*, 3(2), 14–28.
8. Kucharov, A. and Meshram, J. (2025). Regulatory Reforms in Uzbekistan: Implications for Indian Investors. *Innovations in Science and Technologies*, 2(5), 238–245.
9. Kucharov, A. and Meshram, J. (2025). The Role of Diplomatic Initiatives in Strengthening India–Uzbekistan Economic Ties. *TSUE Working Paper Series*, 1(3), 77–90.
10. LiveMint. (2022). Paytm and Uzbekistan: Digital Linkages. *LiveMint Digital Finance Insights*, 4(1), 11–19.
11. MEITY. (2023). India Stack White Paper. *Ministry of Electronics and IT*, 2(3), 18–39.
12. Ministry of Commerce and Industry. (2023). Export-Import Data Bank. *Government of India Trade Statistics*, 10(1), 1–45.
13. NASSCOM. (2024). Digital Public Goods in Global South. *NASSCOM Research Digest*, 5(2), 100–120.
14. NPCI. (2023). UPI Internationalization Roadmap. *National Payments Corporation of India*, 3(1), 45–66.
15. OECD. (2021). Measuring Digital Trade. *OECD Digital Economy Papers*, 301, 1–39.
16. OECD. (2022). Tax Challenges of Digitalization. *OECD Policy Briefs*, 7(3), 55–78.
17. Pine Labs. (2023). SME Digital Payments in Central Asia. *Pine Labs White Papers*, 2(2), 14–27.
18. Razorpay. (2023). Cross-Border Fintech Outlook. *Razorpay Research Reports*, 1(1), 8–18.
19. Startup India. (2023). Internationalization Guide for Startups. *Startup India Reports*, 1(1), 5–21.
20. TCS. (2023). CSR in Uzbekistan. *Tata Consultancy Services Impact Review*, 6(2), 44–60.
21. UNCTAD. (2024). World Investment Report 2024. *United Nations Conference on Trade and Development*, 9(1), 1–110.

22. UzCard. (2023). Annual Fintech Integration Report. UzCard Insights, 3(2), 22–39.
23. UzStat. (2024). Uzbekistan Foreign Trade Statistics. State Committee of the Republic of Uzbekistan on Statistics, 11(2), 67–88.
24. World Bank. (2023). Digital Economy for Development. World Bank Development Indicators, 2(4), 90–130.
25. WTO. (2022). World Trade Report 2022: Digital Technologies and Trade. World Trade Organization, 8(2), 1–97.
26. Zoho. (2024). ERP Expansion in Central Asia. Zoho Global Tech Briefs, 1(1), 12–25.



# Marketing

ilmiy, amaliy va ommabop jurnali

**Muharrir:**

**Ingliz tili muharriri:**

**Rus tili muharriri:**

**Musahhah:**

**Sahifalovchi va dizaynerlar:**

Xakimov Ziyodulla Axmadovich

Tursunov Boburjon Ortiqmirzayevich

Kaxramonov Xurshidjon Shuxrat o'g'li

Karimova Shirin Zoxid qizi

Sadikov Shoxrux Shuxratovich

Abidjonov Nodirbek Odijon o'g'li

**2025-yil, iyul, 7-son**

© Materiallar ko'chirib bosilganda "Marketing" ilmiy, amaliy va ommabop jurnali manba sifatida ko'rsatilishi shart. Jurnalda bosilgan material va reklamalardagi dalillarning aniqligiga mualliflar mas'ul. Tahririyat fikri har vaqt ham mualliflar fikriga mos kelavermasligi mumkin. Tahririyatga yuborilgan materiallar qaytarilmaydi.

Mazkur jurnalda maqolalar chop etish uchun quyidagi havolalarga murojaat qilish mumkin. Ilmiy maqola, ommabop maqola, reklama, hikoya va boshqa ilmiy-ijodiy materiallar yuborishingiz mumkin.

Materiallar va reklamalar pullik asosda chop etiladi.

Elektron pochta:

[info@marketingjournal.uz](mailto:info@marketingjournal.uz)

Bot:

[@marketinjournalbot](https://t.me/@marketinjournalbot)

Tel.:

+998977838464, +998939266610

Jurnalning rasmiy sayti: <https://marketingjournal.uz>

Marketing jurnali O'zbekiston Respublikasi Oliy ta'lim, fan va innovatsiyalar vazirligi huzuridagi **Oliy attestatsiya komissiyasi rayosatining 2024-yil 04-oktabrdagi 332/5 sonli qarori** bilan milliy ilmiy nashrlar ro'yxatiga kiritilgan



"Marketing" ilmiy, amaliy va ommabop jurnali 2024-yil 15-martdan O'zbekiston Respublikasi Prezidenti Administratsiyasi huzuridagi Axborot va ommaviy kommunikatsiyalar agentligi tomonidan **C-5669517** reyestr raqami tartibi bo'yicha ro'yxatdan o'tkazilgan. **Litsenziya raqami: №240874**



"Marketing" ilmiy, amaliy va ommabop jurnalining xalqaro darajasi: **9710**. GOST 7.56-2002 "Seriya nashrlarning xalqaro standart raqamlanishi" davlatlararo standartlari talablari. **Berilgan ISSN tartib raqami: 3060-4621**