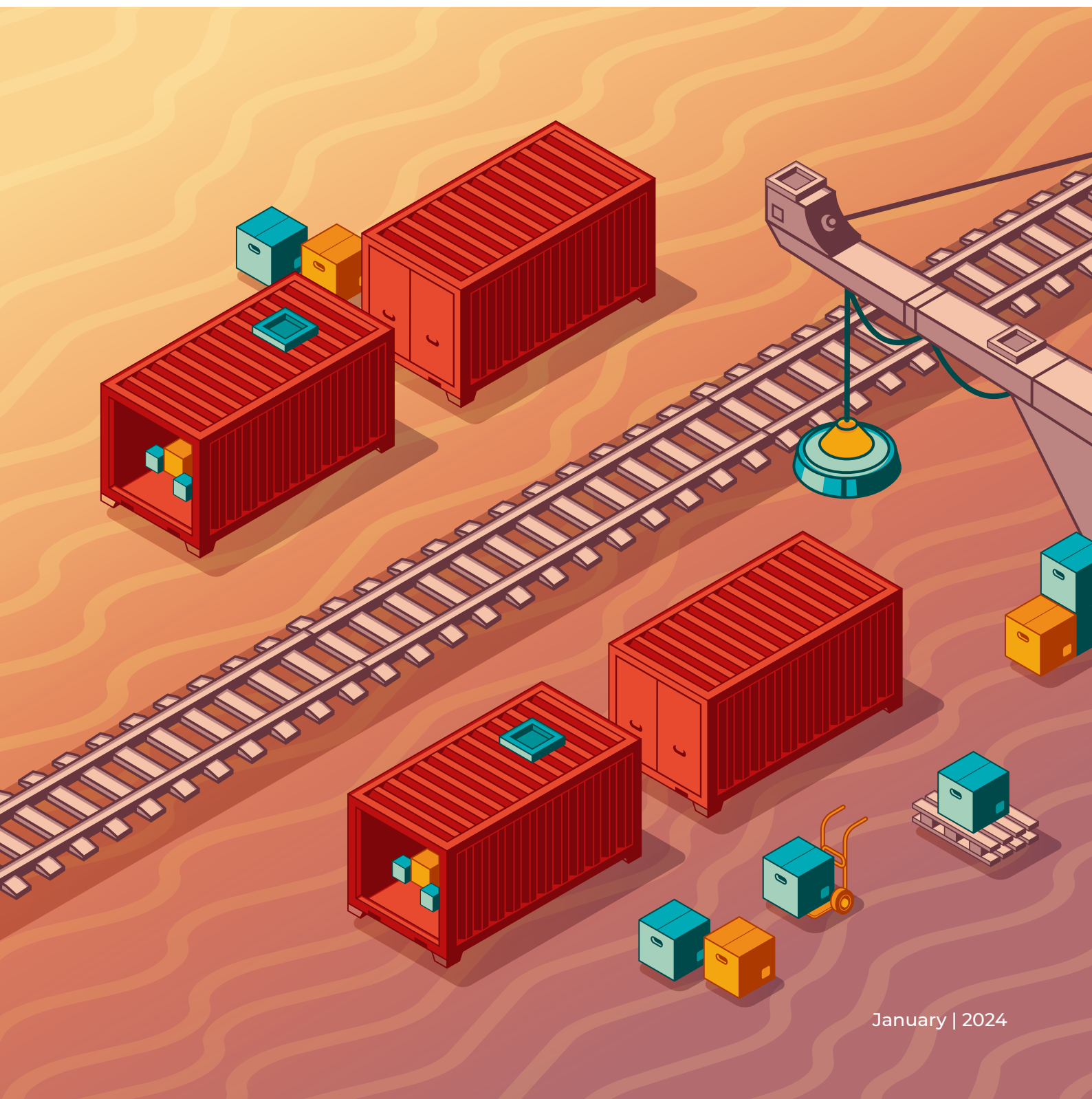


## OUTLOOK FOR TRADE AND TRANSPORT LINKS BETWEEN UZBEKISTAN AND BELARUS



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# INTRODUCTION

In view of the trade sanctions imposed by European countries, Belarus is working to restructure its foreign trade logistics. Previously, Belarus had export markets for its products that were located in its immediate vicinity, but with the changing international political situation, it is time for Belarus to look to new markets. Its government has decided to intensify cooperation with countries that are already importing Belarusian products but have potential for growth.

The countries of Central Asia, in particular Uzbekistan, are actively involved in building new transport routes to attract additional export, import and transit flows of goods across their territory.

The fundamental document regulating trade and economic cooperation between Belarus and Uzbekistan is the cooperation roadmap adopted in November 2018, which includes 158 measures to develop cooperation in key sectors of the economy.

An important factor in the progressive development of economic relations between Belarus and Uzbekistan is both countries' membership in the Commonwealth of Independent States (CIS), primarily their being parties to the Agreement on a CIS Free Trade Area for Economic Integration (CISFTA). In 2020, Uzbekistan also joined the EAEU as an observer state. In 2021, a Memorandum of Cooperation was signed between the Eurasian Economic Commission and the Government of the Republic of Uzbekistan, and a joint action plan was approved.

This review examines the main aspects of trade and economic relations between Belarus and Uzbekistan, as well as the advantages and risks for bilateral trade arising from the development of transport links in the region.

# BILATERAL RELATIONS

Uzbekistan is one of Belarus's key trade partners in Central Asia, which is reflected in the two governments' statements as well as statistics.

On September 13, 2018, the two governments enacted an Agreement on Socioeconomic Cooperation in 2019–2023, which significantly deepened and diversified bilateral ties between the countries, and led to growth in mutual trade and investment.

Bilateral ties are expanding driven by industrial cooperation; Uzbekistan and Belarus implement joint projects in mechanical engineering, consumer goods manufacturing, agriculture, pharmaceuticals and other industries. To date, there are 117 companies incorporated in Belarus but founded by Uzbek legal entities and individuals. There are 186 businesses in Uzbekistan co-owned by Belarusian entities. Among them are Amkodor-Agrotechmash, UzBelAgromash and other joint plants for the assembly of Belarusian farm machinery. There is ongoing cooperation between the automotive manufacturers Maz and Krantas Group, MTZ and Uzavtosanoat in the production of vehicles and tractors. A joint facility in Uzbekistan rolls out welding electrodes with the participation of Svetlogorsk Welding Electrode Plant; joint pharmaceuticals projects are also being implemented. Maz and Krantas Group also cooperate in manufacturing special vehicles and equipment. At the end of 2022, a joint venture with Luninets Dairy Plant was established in Tashkent to make dairy products.

In 2021, the Uzbek company Uzbekneftegaz and the Belarusian Belorusneft announced a joint venture to develop hydrocarbon fields in Uzbekistan and boost oil and gas production in the country.

The possibility of unifying the resource and technological base for the two countries' consumer manufacturing holds colossal potential for cooperation. As of today, UzShoes, a footwear conglomerate established by the Belarusian holding company Marko, operates in Uzbekistan. In 2023, representatives of manufacturing companies from Belarus and Uzbekistan signed an agreement of intent to create a fur dressing joint venture for the manufacture of sheepskin, astrakhan, and other types of fur.

The Intergovernmental Commission on Cooperation between the Republic of Belarus and the Republic of Uzbekistan provides a platform for the promotion and coordination of mutual trade and investment. The Commission is currently developing mechanisms for the export of Belarusian agricultural machinery to Uzbekistan as an integrated technological solution using various financial instruments, as well as mechanisms for mutual payments between the two countries' businesses. The Commission will further focus on cooperation in agriculture, industry, medicine and pharmaceuticals, construction, consumer goods industry, woodworking, forestry and water management.

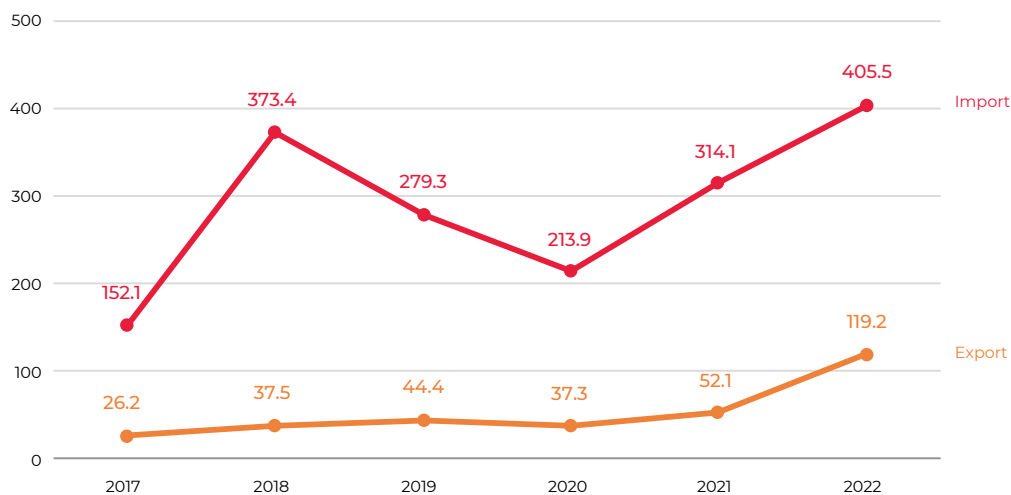
In December, an Uzbekistani-Belarusian business forum was held in Samarkand, where representatives of the business community discussed projects for mutually beneficial partnerships. In addition to bilateral cooperation, Uzbekistan is of interest to Belarusian businesses as an entry point into third markets. This can be achieved by opening a wholesale logistics centre, primarily for Belarusian woodworking, mechanical engineering and consumer products, including both finished and semi-processed items, as well as raw materials.

# MUTUAL TRADE

Uzbekistan is Belarus's second largest trade partner in Central Asia after Kazakhstan. Over the past three years, trade between the countries has almost doubled, reaching a record level of \$500 million in 2022.

Over the past seven years, mutual trade between Uzbekistan and Belarus has shown variable dynamics. In 2018, it skyrocketed by 130%, to \$411 million. The pandemic caused a significant decline in trade in 2020, but the subsequent smooth recovery in 2021 led to a record \$525 million in trade between the countries in 2022, with Uzbekistani exports to Belarus growing by 128.8% to \$119.2 million, and imports, by 29.3% to \$405.5 million.

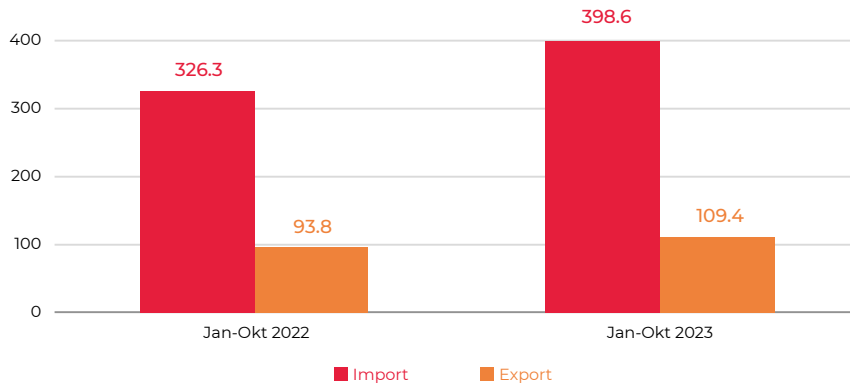
## DYNAMICS OF MUTUAL TRADE BETWEEN UZBEKISTAN AND BELARUS, MILLIONS OF US DOLLARS



Source: Trade Map

At the same time, Uzbekistan had a negative trade balance with Belarus throughout the period under review, the value of imports from Belarus exceeding the country's exports by more than six times.

### DYNAMICS OF MUTUAL TRADE BETWEEN UZBEKISTAN AND BELARUS IN 2022–2023, MILLIONS OF US DOLLARS

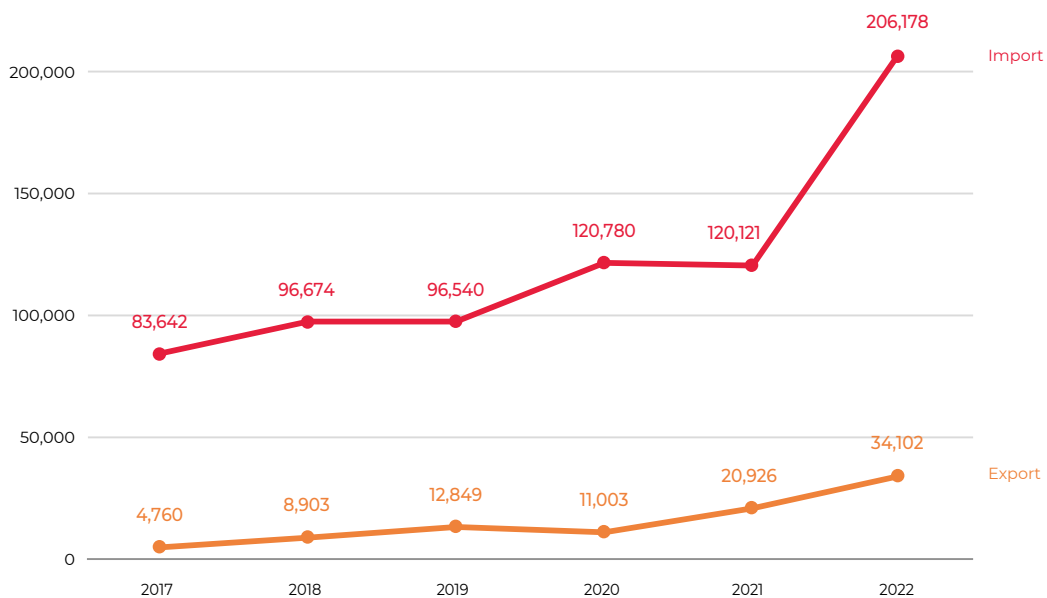


Source: [Statistics Agency under the President of the Republic of Uzbekistan](#)

According to the Statistics Agency, in the first ten months of 2023, imports from Belarus increased by 22% compared to the same period in 2022, reaching \$398.6 million. At the same time, Uzbekistan’s exports to Belarus grew slightly slower, by 16%, for a total of \$109.4 million.

Physical export and import flows have also been experiencing variable dynamics, but with an upward trend. Uzbekistan had a trade deficit with Belarus throughout the whole period until 2022, with imports significantly exceeding exports to that country. In 2022, imports from Belarus quadrupled relative to 2021 and reached 206 thousand tons.

### DYNAMICS OF MUTUAL TRADE BETWEEN UZBEKISTAN AND BELARUS, TONS



Source: Trade Map

Despite the pandemic, in 2020, the flow of goods from Belarus to Uzbekistan increased by 25%, or 24 thousand tons in absolute numbers. The increase was driven by several factors:

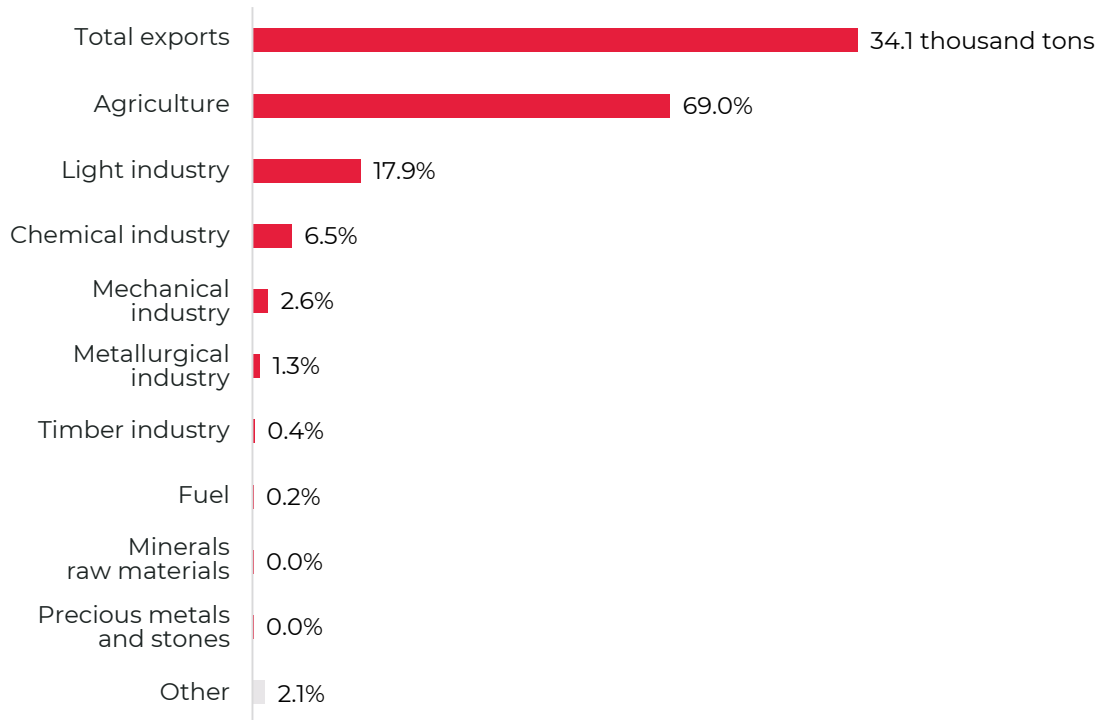
- 1.** Cane sugar. Sugar imports increased by 31.6 thousand tons in 2020. In 2017, Uzbekistan's Khorezm Shakar and Angren Shakar factories almost suspended operation after the devaluation of the sum, which led to a sharp rise in sugar imports; the factories resumed work in 2019. In January 2020, a 20% excise tax was levied on imported sugar, but canceled in April due to the pandemic. In addition, in the summer of 2020, the sugar mills again suspended production due to a shortage of raw materials, spurring on imports again.
- 2.** Beef imports from Belarus rose by 5.6 thousand tons in 2020. Uzbekistan is a net importer of meat products. In 2020, Belarus was the main supplier of meat and accounted for 51% of Uzbekistan's total imports.

In 2022, the cargo flow from Belarus to Uzbekistan increased by 70%. The absolute increase was 86 thousand tons, a past five years' record. The main items accounting for the increase included:

- 1.** Timber products. Timber imports from Belarus increased by 68 thousand tons. In recent years, Belarus exported most of its timber and timber products to the EU countries, but the EU sanctions led to the industry's turnaround from the West to the East, including Uzbekistan.
- 2.** Petroleum products. Petrochemicals showed an increase of 16 thousand tons, with petrol, sanctioned by the EU, being the core import item.

The cargo flow from Uzbekistan to Belarus is dominated by agricultural products, mostly fruits and vegetables. In total, agricultural goods account for 69% of physical cargo traffic. Next comes the textile industry, namely cotton yarn and fabrics, which accounts for 18% of cargo traffic. Chemicals account for 6.5% and mainly include synthetic fibres, carbonate and soap.

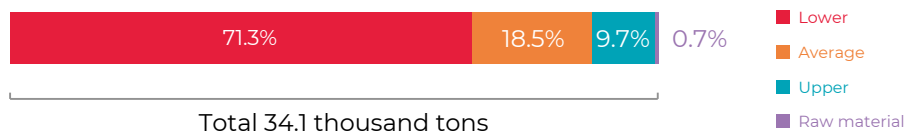
### STRUCTURE OF EXPORTS FROM UZBEKISTAN TO BELARUS BY SECTOR, 2022, TONS



Source: Trade Map

Most of the goods in the structure of Uzbekistan’s exports to Belarus (71.3%) remain at the lower level of processing, such as horticultural products. Intermediate goods make up 18.5% of the total and include textiles, chemicals and materials.

### UZBEKISTAN’S EXPORTS TO BELARUS IN 2022 BY LEVEL OF PRODUCT COMPLEXITY

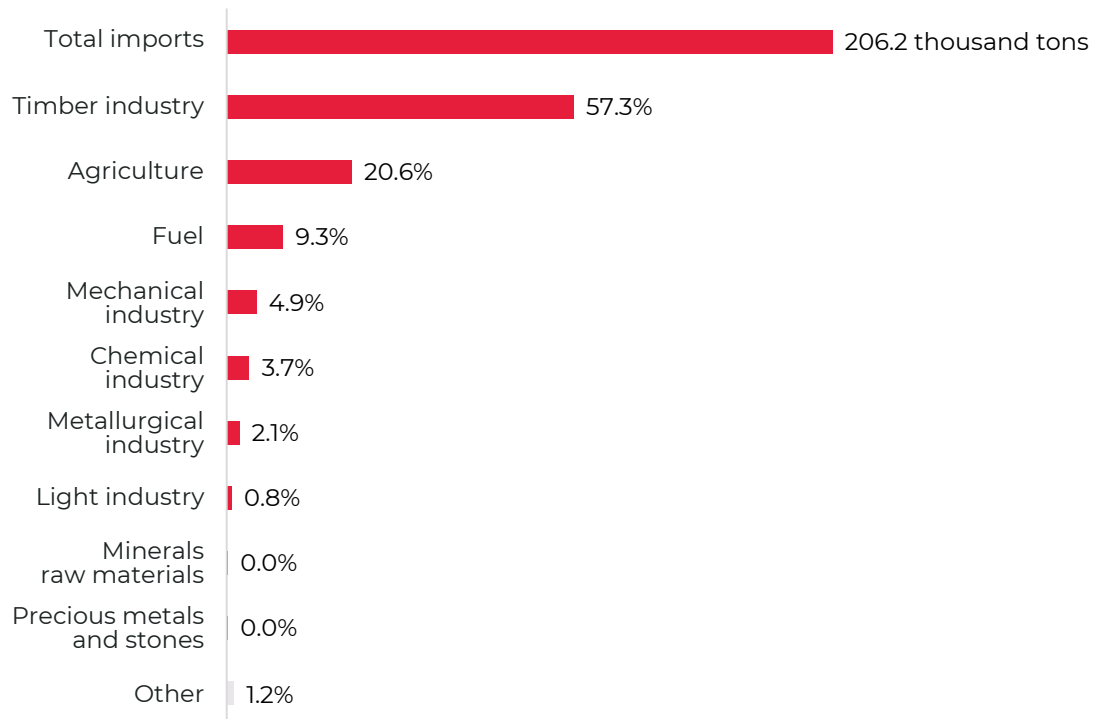


Source: authors’ calculations based on Trade Map data

Uzbekistan’s imports from Belarus are not highly diversified. Similar to its structure of exports, the two largest categories are timber and agriculture, accounting for 57% and 20% respectively.



## STRUCTURE OF IMPORTS TO UZBEKISTAN FROM BELARUS BY SECTOR, 2022, TONS



Source: Trade Map

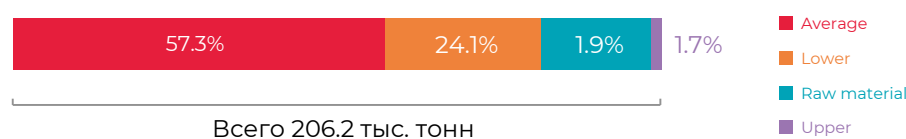
The largest groups in the timber industry category are timber and timber products; in agriculture, growth is driven by the import of meat, namely beef, and dairy products.

The import of timber from Belarus has been soaring thanks to the booming construction industry in Uzbekistan. In addition, the sanctions the EU imposed on Belarusian timber prompted the country to revise its timber export strategy and enter new markets in the East.

Belarus is the main supplier of livestock products to Uzbekistan and continues to increase exports, accounting for up to 82% of Uzbekistan's meat imports.

Uzbekistan's imports are dominated by intermediate or semi-finished goods such as timber products and meat products (57.3%) and goods at the lower level of processing such as sawn timber (24.1%). Raw materials account for 16.9% and include petroleum products and raw timber.

## UZBEKISTAN'S IMPORTS FROM BELARUS IN 2022 BY LEVEL OF PRODUCT COMPLEXITY



Source: authors' calculations based on Trade Map data

The leading categories of goods are reflected in the structure of additional physical exports: various types of horticultural products and textile products. The edible root crops category, which includes carrots, turnips, beets and celery, showed significant growth, followed by the physical export of chemicals and materials, namely iron oxides and hydroxides, carbon products, chlorides, and bromides..

*Table 1.*

**DYNAMICS OF PHYSICAL EXPORTS FROM UZBEKISTAN TO BELARUS  
IN 2021-2022, TONS**

No.	Product categories	2021	2022	Absolute growth	Relative growth
	Total	20,926	34,102	13,176	63%
1	Edible root crops	446	4,018	3,572	801%
2	Cabbage	2,951	5,493	2,542	86%
3	Grapes and raisins	3,664	6,151	2,487	68%
4	Synthetic fibres	200	1,184	984	492%
5	Gourds	1,445	2,362	917	63%
6	Other fresh fruits	797	1,487	690	87%
7	Onions and garlic	1,913	2,600	687	36%
8	Cotton yarns (over 85% cotton)	3,609	4,139	530	15%
9	Fruit and vegetable juices	178	579	401	225%
10	Cotton fibre waste	62	307	245	395%
11	Fruit products	4	197	193	4,825%
12	Nuts	132	266	134	102%
13	Iron oxides and hydroxides	40	140	100	250%
14	Carbon and other mineral products	113	206	93	82%
15	Chlorides, bromides	80	160	80	100%
	Other	5,292	4,813	-479	-9%

Source: authors' calculations based on Trade Map data

The structure of the physical imports shows an increase in timber products (particleboard, fiberboard, sawn timber) and processed fuels. In addition, the import of motor vehicles (tractors and haulage trucks), livestock products and mineral products increased significantly.

Table 2.

### DYNAMICS OF PHYSICAL IMPORTS TO UZBEKISTAN FROM BELARUS IN 2021-2022, TONS

No.	Product categories	2021	2022	Absolute growth	Relative growth
	Total	120,121	206,178	86,057	72%
1	Wood particleboards	16,091	44,122	28,031	174%
2	Petroleum products	1,661	18,101	16,440	990%
3	Sawn timber	20,240	34,941	14,701	73%
4	Fibreboards	1,415	13,907	12,492	883%
5	Coated paper and cardboard	2,852	6,228	3,376	118%
6	Tractors and haulage trucks	2,995	5,364	2,369	79%
7	Uncoated graph paper and paperboard	1,527	3,807	2,280	149%
8	Fresh beef	16,560	18,721	2,161	13%
9	Milk components and milk products	2,186	4,120	1,934	88%
10	Finished meat products	636	1,813	1,177	185%
11	Tile and similar products	1,670	2,501	831	50%
12	Synthetic yarns	20	779	759	3,795%
13	Sulphate cellulose	2,353	3,095	742	32%
14	Polycarboxylic acids and their derivatives	3	604	601	20,033%
15	Polyacetals, polyesters, polycarbonates	291	852	561	193%
	Others	41,684	39,214	-2,470	-6%

Source: authors' calculations based on Trade Map data

Belarus is a source of stable demand for Uzbekistani cotton yarn and knitwear, which are essential for Belarusian consumer manufacturing; superstructures for special machinery; rolled metal products; and wine materials. The imports of meat, dairy and other food items, woodworking products, petrochemicals and pharmaceuticals, road construction, municipal and cargo vehicles, and medical products and equipment have some potential for expansion. In 2022, Uzbekistan's Casting and Mechanical Plant, which is part of the national rail carrier Uzbekistan Railways (OTY), signed several contracts to supply cast components and side frames of freight railcars to Belarus. The country is also interested in expanding purchases of fresh fruit and vegetable products, nuts and dried fruits from Uzbekistan.

A retail network for Belarusian goods is growing fast in Uzbekistan. There are plans to open trade facilities for food, consumer and woodworking products, and a distribution centre for meat and dairy products. Furthermore, Uzbekistan is interested in developing a distribution network in Belarus, which would include representative offices of export companies and retail facilities, to promote Uzbek products.

To encourage operators to use rail transport for the expanding cargo flows from Uzbekistan to Belarus, the four countries crossed by the main rail line between them are creating financial incentives for shippers. Kazakhstan offers privileged fares for the shipment of yarn (GNG 5205-5207) and polypropylene (GNG 3901, 3902) in private<sup>1</sup> universal large-capacity containers on private platforms from Uzbekistan to Russia, Ukraine and Belarus — at 35% of the regular fare. Russia grants privileges for shipments of fruit and vegetable products (codes GNG 0701-0710, 0803-0810, and 12129100) from Uzbekistan to Belarus in refrigerated OTY railcars, cutting 50% off the regular fare charged in Russia, provided that Russian Railways (RZD) is not charged the usual fee for the use of OTY rolling stock.

The successful cooperation between Uzbekistan and Belarus in all of the above formats, as well as the positive dynamics of mutual trade and investment after 2018 demonstrate that bilateral ties are consistently improving and have significant long-term growth potential.

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<sup>1</sup> Private container — a container not owned by any railway administration (carrier) in any of the CIS member states, Georgia, Latvia, Lithuania or Estonia, marked with an internationally accepted (standardised) shipping container code.

# POTENTIAL FOR EXPANDING FREIGHT RAIL TRAFFIC

To assess the possibility of a shift in favour of railway container transportation for the above export-import flows, we have analysed every item of Uzbekistan's physical exports from and imports to Belarus in 2022 to see if the goods can be containerised. Each item was correlated with a current TEU equivalent estimate of traffic<sup>2</sup>.

The analysis showed that, out of 206,178 tons of Belarusian exports to Uzbekistan, 204,525 tons of goods can be shipped in containers. With the necessary adjustments for the current structure of exports, shipping this amount of products would require about 18,200 TEU per year, with goods such as particleboard, sawn timber, and petrochemicals accounting for most of the container space. Livestock products (fresh and frozen meat and poultry) account for 15% of goods that can be containerised and require refrigerated containers at 3,500 TEU per year. The ranking of the largest items by potential TEU use is presented in the table below.

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<sup>2</sup> To assess potential volumes in TEU, the specific weights (weight-to-volume ratio) of various commodity items were calculated based on ERAI cargo transportation [statistics](#).

Table 3.

### POTENTIAL VOLUME OF RAIL FREIGHT TRAFFIC FROM BELARUS TO UZBEKISTAN IN TEUS

No.	HS4	Industry	HS4 commodity	2022, tons	Average specific weight, tons/TEU	TEU
			Total containerised cargo	204,525		18,209
1	4410	Timber	Particleboards	44,122	12.57	3,510
2	4407	Timber	Sawn timber	34,941	12.59	2,775
3	0201	Agriculture	Fresh beef	18,721	9.80	1,910
4	2710	Fuels	Petroleum products	18,101	12.4	1,460
5	4411	Timber	Fiberboard	13,907	12.36	1,125
6	8701	Engineering	Tractors and haulage trucks	5,364	7.25	740
7	0207	Agriculture	Meat and poultry by-products	2,040	3.60	567
8	4403	Timber	Round wood	8,058	15.5	520
9	0202	Agriculture	Frozen beef	6,025	11.90	506
10	1602	Agriculture	Prepared meat products	1,813	3.60	504
11	4810	Timber	Coated paper and cardboard	6,228	12.59	495
12	0404	Agriculture	Milk components and milk products	4,120	11.65	354
13	0802	Agriculture	Nuts, except coconut, Brazil nuts and cashews	3,807	11.13	342
14	4703	Timber	Kraft pulp	3,095	13.06	237
15	6907	Other	Facing tiles and similar products	2,501	12.48	200
16	0305	Agriculture	Dried, salted and smoked fish	44	0.23	193
17	0402	Agriculture	Concentrated milk and cream	2,179	12.7	172
18	2707	Fuels	Aromatic hydrocarbons	973	8.88	110
19	0701	Agriculture	Potatoes	697	7.8	89
20	0406	Agriculture	Cheese and cottage cheese	1,063	11.95	89
			Other	26,726		2,313

Source: authors' calculations based on data from Trade Map and ERAI portal

Almost all goods that Belarus imports from Uzbekistan can be shipped in containers — 31,688 tons (98% of the total of 32,102 tons). With the current structure of imports, that would take about 4,500 TEU per year. The potential import estimates by item in TEU show that agricultural products are the most lucrative commodity for transportation, as Uzbekistan supplies to Belarus a considerable amount of fruit and vegetable products — 19,000 tons of fresh vegetables, fruits and berries, or 60% of total exports. This corresponds to 2,700 TEU of refrigerated container space per year to ship fresh fruit and vegetable products. The ranking of the largest items by potential TEU use can be found in the table below.

Table 4.

**POTENTIAL RAIL FREIGHT TRAFFIC FROM UZBEKISTAN TO BELARUS,  
TEU PER YEAR**

No.	HS4	Industry	HS4 commodity	2022, tons	Average specific weight, tons/ TEU	TEU
			Total containerised cargo	31,688		4,467
1	0806	Agriculture	Grapes and raisins	5,151	7.0	736
2	0813	Agriculture	Dried fruits, trail mixes	1,753	2.43	721
3	0704	Agriculture	Cabbage	5,493	8.0	687
4	5205	Textiles	Cotton yarns (over 85% cotton)	4,139	8.61	481
5	0706	Agriculture	Edible root crops	3,018	7.80	387
6	0807	Agriculture	Melons, watermelons and papayas	2,162	6.0	360
7	0703	Agriculture	Onions and garlic	2,400	7.80	308
8	0810	Agriculture	Other fresh fruits	1,487	6.80	219
9	5503	Chemicals	Synthetic fibers	1,184	11.46	103
10	2001	Agriculture	Vinegar-based canned pickles	48	0.83	58
11	2009	Agriculture	Fruit, nut and vegetable juices	579	11.50	50
12	2008	Chemicals	Other cooked fruits and nuts	539	12.48	43
13	7411	Metallurgy	Copper pipes	358	11.18	32
14	8418	Engineering	Refrigeration equipment	346	12.63	27
15	0802	Agriculture	Nuts, except coconut, Brazil	266	11.13	24
16	6302	Light industry	Bed, table, bathroom and kitchen linen	232	11.38	20
17	8704	Engineering	Trucks	214	10.68	20
18	8450	Engineering	Washing machines	199	10.68	19
19	6815	Other	Carbon and other mineral products	206	11.68	18
20	2007	Agriculture	Jams, fruit jellies, puree products	197	11.96	16
			Other	1,717		137

Source: authors' calculations based on data from Trade Map and ERAI portal

Therefore, based on the structure and volume of current mutual trade between Uzbekistan and Belarus in physical terms, rail container traffic from Belarus to Uzbekistan has eight times more potential than reverse traffic.

# TRANSPORT

Because neither Uzbekistan, nor Belarus has direct access to seaports, rail and motor options are the most common modes of transport for freight shipments. Rail transport in Uzbekistan is gaining momentum, but insufficient digital penetration and transparency make it difficult to build an efficient railway infrastructure in the country. So far, road transport accounts for a significant share of freight shipments at 55%, compared to 35% by rail.

One of Uzbekistan's main overland foreign trade routes, running northwest and linking the country with Belarus, is the Tashkent-Kungrad-Beyneu-Saratov-Smolensk-Brest corridor. The 4,421 kilometre stretch from Tashkent to Minsk takes 9–10 days. According to [the Uzbekistani Transport Ministry](#), the average cost of transporting 20–22 tons of cargo one way by road is between \$2,200 and \$2,400, while market prices vary from \$2,700 to \$3,700.

## MOTOR TRANSPORT CORRIDORS LINKING UZBEKISTAN AND BELARUS



Source: [Ministry of Investment, Industry and Trade of the Republic of Uzbekistan](#)

The Eurasian Intergovernmental Council approved several transport and logistics projects in the EAEU countries at a meeting in Kyrgyzstan in August 2022. These projects should increase the transit potential of the East-West and North-South corridors, particularly when combined with China's Belt and Road initiative. Belarus is to upgrade its M1/E30 Brest-Minsk-Russian border motorway as part of the [plan](#); on Russia's end, several road sections along the Europe-Western China international transport route will be modernised. The improvement of specific sections of these transcontinental trade routes may have a positive effect on the transport connectivity between Uzbekistan and Belarus.



In November 2023, Shanghai Cooperation Organisation member states reached an agreement during the SCO Transport Forum that was of high importance for Eurasian logistics — they adopted the [Memorandum](#) of Understanding to develop the international transport corridor (ITC) Belarus-Russia-Kazakhstan-Uzbekistan-Afghanistan-Pakistan. The new corridor should cut travel time from Europe to South Asia and make transportation cheaper than any alternative projects: it is 900 kilometres shorter than the shortest, western, leg of the ITC North-South. In addition, another Memorandum of Understanding — on a new multimodal ITC Russia-Caspian Sea-Turkmenistan-Uzbekistan-Kyrgyzstan — signed in early November 2023 is viewed as a potential opportunity to create another transport thoroughfare for Belarus. The multimodal corridor will run from the south of Kyrgyzstan to Uzbekistan, cross Turkmenistan, reach the port of Turkmenbashi on the Caspian Sea and head northward to Astrakhan.

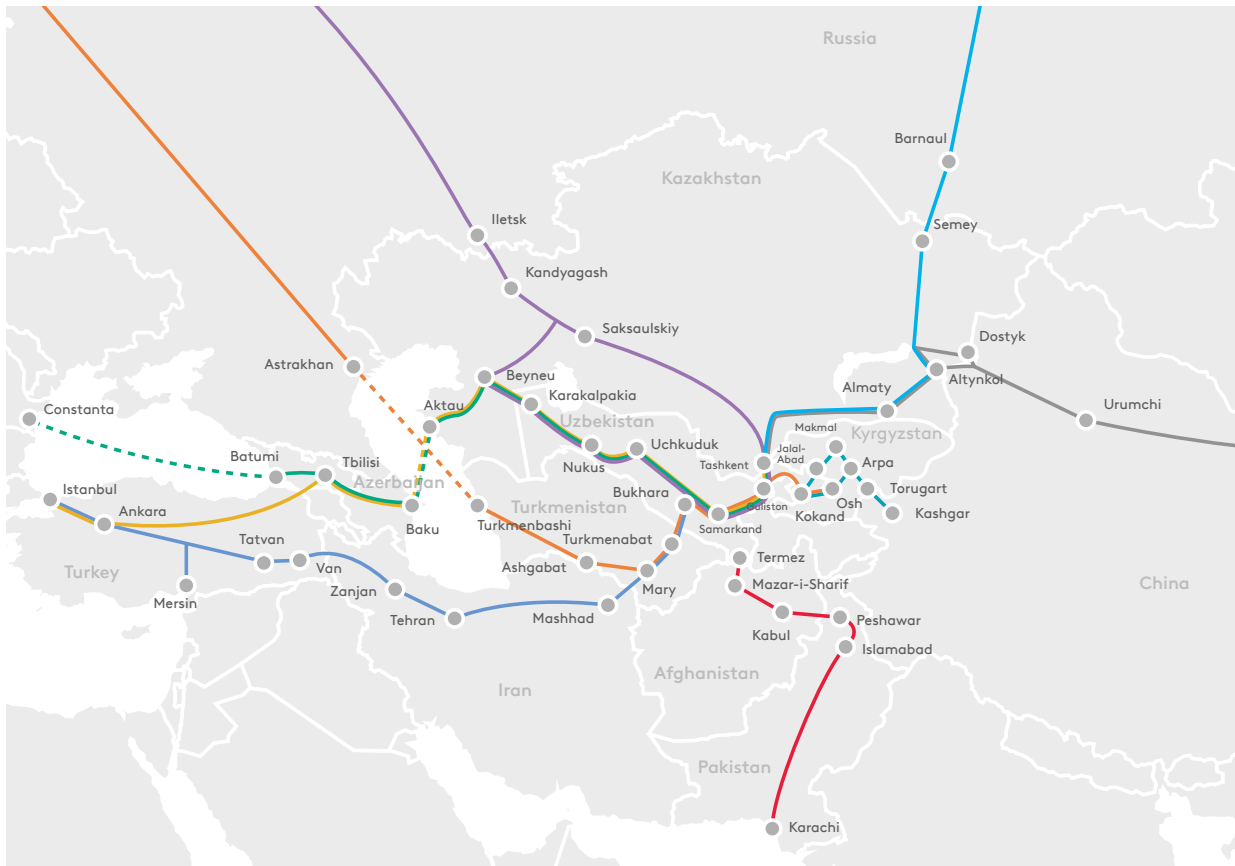
### NEW MULTIMODAL ITCS RUNNING THROUGH UZBEKISTAN AND CASPIAN SEA PORTS



Source: Sputnik

New planned railways in Afghanistan linking the eastern branch of the North-South ITC could be used by Russia, Belarus, Kazakhstan, and Uzbekistan to support trade with Afghanistan as well as with other South Asian countries. It should be noted, however, that when the new railway lines are built in Afghanistan, the rail infrastructure in Russia, Kazakhstan and Uzbekistan will have to accommodate additional cargo traffic, which may affect the capacity of the rail link between Uzbekistan and Belarus.

## ARCHITECTURE OF THE TRANSPORT CORRIDORS CROSSING UZBEKISTAN



- Trans-Afghan International Transport Route (Uzbekistan — Afghanistan — Pakistan) Under development
- Southern Transport Corridor (Kyrgyzstan — Uzbekistan — Turkmenistan — Caspian Sea — Russia) Memorandum
- “Uzbekistan — Kyrgyzstan — China” transport corridor Construction
- “Uzbekistan — Turkmenistan — Iran — Turkey” transport corridor Protocol of ITC creation
- Trans-Caspian International Transport Route (Uzbekistan — Kazakhstan — Azerbaijan — Georgia — Turkey) Under development
- Trans-Caucasus Transport Corridor (Uzbekistan — Kazakhstan — Azerbaijan — Georgia) Operational
- “Uzbekistan — Kazakhstan — Russia — Belarus — EU” transport corridor Operational
- “Eastern Ports of China” Corridor (Uzbekistan — Kazakhstan — China) Operational
- “Port Nakhodka” Corridor (Uzbekistan — Kazakhstan — Russia) Operational

Source: ERAI

The Socio-Economic Cooperation Agreement for 2019-2023 between the governments of Belarus and Uzbekistan stipulates the following areas for transport cooperation:

- 1.** Joint participation in infrastructure projects to utilise and increase transit opportunities and both countries’ potential.
- 2.** Facilitating mutually beneficial cooperation between the two countries’ transport authorities, shipping and expediting associations and business, as well as participation in international transport conferences, forums and other events in states-parties.

**3.** Developing mutually beneficial cooperation in motor, railway and air transport, sharing experience in urban passenger transport development.

With the current geopolitical tensions affecting international road freight transportation, it has become more relevant than ever to address any emerging disruptions as well as to develop alternative transport corridors to ensure uninterrupted international shipments.

The special Joint Commission on International Road Transport between the two countries handles current issues, simplifies procedures and improves logistics. In particular, Belarus and Uzbekistan agreed to exchange additional permits for bilateral and transit freight shipments, as well as for transportation to/from third countries for Belarusian and Uzbekistani shippers. Work is underway to develop alternative corridors for unimpeded access to European countries.

Liberalisation of international road transport may prove to be one of the most important achievements of this commission. The parties are now discussing the possibility of amending the Intergovernmental Agreement on International Road Transport of December 22, 1994 to abolish the permit system for all types of road cargo transportation. To date, [Belarus and Russia](#) have already abandoned bilateral and transit permits; the permits for transportation to/from third countries will be abolished by 2030. Belarus has signed similar agreements with Iran and Kyrgyzstan and is negotiating the abolition of the permit system for road transport with Armenia, Tajikistan and Syria.

In addition to bilateral cooperation, Uzbekistan and Belarus have access to international formats, which provide opportunities for coordinating efforts on complex projects such as the development of regional logistics systems. The CIS Executive Committee is a crucial multilateral platform in this regard that both countries are members of, and so, potentially, are the Eurasian Economic Union (EAEU) and the Shanghai Cooperation Organisation (SCO). Uzbekistan is a full member of the SCO and an observer in the EAEU; with Belarus, the situation is the reverse.

Belarus' accession to the SCO is in the final stage; the country is to become a full member in 2024. The SCO places great emphasis on integration in the transport sphere, promoting efficient transport and logistics connecting maritime and continental infrastructure. Therefore, Belarus — the only European country in the SCO — should open a wide “window” to the East for the group. Belarus joining the SCO is necessary and beneficial for a number of reasons. First, Belarus has significant reserves of fossil potash fertilisers (Starobinskoye deposit); second, the country is favourably situated as a transit country. Both factors are attractive for the SCO locomotives, Russia and China. Once Belarus joins the SCO and becomes a party to the most important development strategies for Eurasian logistics, such as the Concept for the Interaction of Railway Administrations (Railways) of the SCO Member States of November 2, 2019, we predict significant progress in the implementation of plans to create a new ITC Belarus-Russia-Kazakhstan-Uzbekistan-Afghanistan-Pakistan.

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# SUMMARY

The architecture of cooperative ties formed in the Soviet past still makes the economies of Belarus and Uzbekistan complimentary to an extent. For Belarus, Uzbekistan is a promising logistics hub for accessing other markets, through joint production or further exports of goods.

Putting in place trade infrastructure to market national products in the other country can be an effective tool for manufacturers and exporters on both ends to expand trade. In January–October 2023, mutual trade grew 20% and exceeded \$500 million, so the dynamics are clearly good. The progress made towards balanced trade between the countries is the result of their efforts to build complementary commodity flows.

Today, facing external restrictions, Belarus is interested in importing certain categories of products from Uzbekistan (cotton yarn and knitwear, food products, fruit and vegetable products); it is a source of stable high demand for these categories of goods. Uzbekistan, in turn, is increasing import of timber products, processed fuel, motor vehicles and meat and dairy products from Belarus.

Better transport connectivity will create conditions for the continued growth of trade between the two countries. The development of alternative transport corridors and new logistics chains is an integral part of trade and economic relations. In this regard, the Memorandum on the Belarus-Russia-Kazakhstan-Uzbekistan-Afghanistan-Pakistan transport corridor opens up opportunities for further expanding trade between Belarus and Uzbekistan. However, to launch this new ITC, it is essential to complete the Trans-Afghanistan Railway project (Uzbekistan-Afghanistan-Pakistan) as soon as possible, a link that will connect Belarus with Pakistani ports on the Arabian Sea to export goods to the Middle East and Southeast Asia. Thus, Uzbekistan is becoming a strategic link in Central Asia for implementing transport and logistics projects in the region.