

Raisi takes Iran-Uzbekistan relations up to **new heights**



By Sadeq
Dehqan
Staff writer

INTERVIEW EXCLUSIVE

At the invitation of the late Iranian president Ebrahim Raisi, his Uzbek counterpart, Shavkat Mirziyoyev, visited Iran almost a year ago for the first time. This marked the second time a President of Uzbekistan had made the trip since 1992.

Leading a high-ranking political and economic delegation, Mirziyoyev sealed the deal on 10 cooperation agreements across a range of sectors. These included a preferential trade agreement; transportation and transit protocols; plans for cooperation on pharmaceuticals, standards, and insurance; a look into setting up shared free zones; and a program for partnerships on technological innovation and the agricultural sector.

On the other hand, the president of Iran made not one but two trips to Uzbekistan, the first official one taking place on September 14, 2022. During this three-day sojourn, the Iranian leader and his high-level delegation attended the 22nd summit of the Shanghai Cooperation Organization's member states. This marked the finalization of Iran's permanent membership in the Shanghai Cooperation Organization. Additionally, the trip saw the signing of 17 memorandums of understanding and cooperation agreements, along with a joint statement, between the top brass of the Islamic Republic of Iran and the Republic of Uzbekistan.

The cooperation agreements between the two nations spanned a wide range of areas again. These included ramping up collaboration in agriculture, energy, and customs; boosting sports, science, technology, and innovation partnerships; increasing cultural exchanges; joining forces in the health sector; making international transport through the Chabahar port a reality; developing environmental initiatives; growing the tourism industry; and streamlining visa processes for business leaders, academics, and tourist groups.

In an interview with Iran Daily, the head of the Iran-Uzbekistan Joint Chamber of Commerce chimed in on the countries' relationship, stating that things really kicked off between Iran and Uzbekistan during Raisi's presidency. "The level of relations between the two countries reached an unprecedented level during Raisi's tenure," Mousa Aghaei said.

In what follows, we discuss the economic and commercial ties, trade exchanges, and economic cooperation between the two nations with Aghaei.



The late Iranian president Ebrahim Raisi (C) and his Uzbek counterpart, Shavkat Mirziyoyev (R), visit Tehran's specialized exhibition of innovations and technologies on June 18, 2023.

IRAN DAILY: As the head of the Joint Chamber of Commerce of Iran and Uzbekistan, how would you assess the current state of play when it comes to economic and trade exchanges between these two nations?

AGHAEI: With the two countries hitting it off in recent years, their economic cooperation and trade exchanges have been on a roll. The upward trajectory in their trade relationship has kept up the momentum over the last two to three years. As an example, our exports stood at \$290 million at the close of the Iranian calendar year 1401 (ended March 20, 2023) and climbed to \$350 million by the end of 1402. Meanwhile, Iran also imported \$150 million worth of goods from Uzbekistan in 1402. With this exponential growth in trade, we're optimistic that the total bilateral exchanges will hit the \$1 billion mark by the year's end.

Is it realistic to expect that we'll hit the \$1 billion mark in annual trade within a year?

Absolutely. Hitting that \$1 billion figure is well within reach, given the strong ties between our nations. There's no doubt that the economic and commercial potential of our countries far surpasses the current numbers, and we have what it takes to surpass the \$1 billion milestone.

However, American and Western sanctions against Iran have thrown a spanner in the works when it comes

to monetary and banking transfers. On top of that, some of our domestic laws regarding exports have been a bit of a hindrance. One such law relates to the repatriation of foreign currency by exporters. Typically, exporters don't hold on to that currency overseas; they bring it back home. However, if we put them under pressure over this, it becomes problematic. This particular law might work for government-owned industries like steel or petrochemicals, but it's not a one-size-fits-all solution for the private sector. We ought to give the private sector more leeway to engage in foreign trade and ramp up their contribution to our export numbers.

How much of a role is the private sector playing in the trade between Iran and Uzbekistan?

The warming relations between government officials have paved the way for a more prominent role for the private sector in business dealings. We've seen a steady stream of back-and-forth visits at the ministerial level, with Uzbek ministers of energy and tourism holding meetings with their Iranian counterparts. This has sparked a growing interest among Iranian businessmen to explore trade opportunities with Uzbekistan, whether through the joint chamber of commerce or their own initiatives. It's clear that the ties between our countries have strengthened significantly, and we're witnessing

a lot more interaction and trade exchanges, alongside our burgeoning tourism industry. Tourism, after all, plays a pivotal role in fortifying bilateral relations, as tourists become ambassadors of culture, commerce, and shared experiences.

What are the primary goods traded between our countries?

In the past, yarn and cotton were Uzbekistan's two main exports to Iran. However, Tashkent is shifting its economic focus toward higher-value-added products, moving away from exporting raw materials. As a result, you'll likely see a dip in their cotton exports, with a pivot toward boosting cloth and clothing production for export instead.

Iran's exports to Uzbeki-

stan cover a diverse range of goods, including steel, construction materials, agricultural produce, flowers, and plants, and we're also in the game when it comes to exporting technical and engineering services.

What other avenues for collaboration have been left untapped between our countries?

Over the last two years, commercial and economic relations have really taken off, and that was evident at the Iran Expo 2024 exhibition, held in Tehran back in late April. Uzbekistan showed up in force, sending the fifth-largest delegation of businessmen and economic movers and shakers. After witnessing the breadth of Iran's industrial and export prowess on display,

Uzbek officials and business leaders remarked, "We didn't realize Iran had such impressive production capabilities." There's a ton of untapped potential for economic cooperation, but one area that's been left on the back burner is tourism. If we crank up our collaboration in this sector, both countries stand to rake in a fortune. There's a clear appetite for cross-border travel, and our governments ought to lay the groundwork to make it easier.



Uzbek President Shavkat Mirziyoyev (L) leaves a flower bouquet at Iran's Embassy in Tashkent in tribute to the late Iranian president Ebrahim Raisi and his entourage who died in a helicopter crash the same day on May 22, 2024.

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