

**PROSPECTS OF THE REPUBLIC OF UZBEKISTAN'S MEMBERSHIP IN THE
WORLD TRADE ORGANIZATION: CENTRAL ASIA AND THE WTO**

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Abstract: This article analyzes the experiences of Central Asian countries in joining the World Trade Organization (WTO) and examines the participation and prospects of the Republic of Uzbekistan in this process. In particular, it highlights the factors hindering Uzbekistan's accession to the WTO and provides comparative insights with neighboring countries. The article also discusses the reforms undertaken by Uzbekistan to obtain WTO membership and the expected economic outcomes of accession.

Keywords: World Trade Organization, Republic of Uzbekistan, International Trade, Investment, Free Competition, Tajikistan, Kazakhstan, Kyrgyzstan

Introduction

The World Trade Organization (WTO) officially obtained its current name in 1995¹. A natural question arises: did the organization not exist before then? In fact, it did exist but in a different form with almost identical functions. From 1948², it operated under the name "GATT" -General Agreement on Tariffs and Trade. The organization functioned under this name from 1948 to 1995 and was then formally transformed into the World Trade Organization. The activities of the WTO are based on more than 60 international agreements that establish legal and regulatory frameworks governing international trade and trade policies. The core principles of these agreements include non-discrimination, freedom of trade movement, promotion of competitive advantage, transparency³, and the creation of additional opportunities for developing countries. Along with being an institution that resolves trade disputes among its member states, the WTO also monitors trade in goods, services, intellectual property, and various trade policy measures. Membership in the WTO opens national markets to affordable and high-quality foreign products. If domestic enterprises are not capable of competing with international brands, they may lose their market positions; however, if they can produce high-quality products, they may gain access to foreign markets-this largely depends on their "combat readiness." Exports from member states are guaranteed not to face discrimination in foreign markets. Conversely, member states assume obligations not to impose discriminatory tariffs or restrictions on imports from other members.

Member countries of the WTO benefit from the following advantages⁴:

- A predictable trade and investment environment
- Accelerated integration into the global market
- Reduction of tariff and non-tariff barriers on industrial and agricultural products
- Further liberalization of international trade

¹ <https://wtoorganization.org/>

² <https://www.investopedia.com/terms/g/gatt.asp>

³ <https://president.uz/oz/lists/view/6157>

⁴ <https://xs.uz/uz/post/zhahon-savdo-tashkilotiga-azolik-ozbekistonga-nima-beradi>



-Creation of fair and free competition conditions

Attracting foreign investment is one of Uzbekistan's most critical priorities. WTO membership contributes to an improved investment climate. By removing barriers and ensuring transparency - one of the key WTO principles -foreign investors gain access to complete and accurate information, thus increasing their confidence in the national economy⁵.

Research Methodology

This article is based on comparative analysis, examining the accession pathways of Central Asian countries to the WTO and comparing them with Uzbekistan's experience. The research draws on methods of induction, deduction, analysis, and synthesis. Official sources, including WTO, UN, BBC Uzbek, and analyses of international experts, were used as primary reference materials.

Analysis and Discussion of Results

The initial efforts of Central Asian states to join the WTO began after the dissolution of the Soviet Union. Following the proclamation of independence by the Republic of Uzbekistan in 1991⁶, other Central Asian nations soon followed: Tajikistan in 1991, Kazakhstan on 16 December 1991, Kyrgyzstan on 31 August 1991, and Turkmenistan on 27 October 1991. Consequently, several emerging economies entered the global arena. As noted earlier, Uzbekistan was the first among these countries to apply for WTO membership, submitting its request in December 1994. For comparison, Kazakhstan submitted its application in 1996 and became a member in 2015 (after 19 years). Kyrgyzstan applied in 1996 and achieved membership in just 2 years. Tajikistan applied in 2001 and successfully joined in the spring of 2013 (after 12 years). Despite more than a quarter of a century having passed, Uzbekistan has yet to complete this process. According to Professor Kamila Auyezova⁷ of the Central European University, the average accession period to the WTO is approximately 5 years⁸. While for Central Asian states it took 10–15 years due to their recent independence, the question remains: why have neighboring countries with similar starting conditions managed to join earlier than Uzbekistan?

| Country | Application Submitted / Start of Process | Duration Membership | Until | Date of Accession |
|--------------|--|---------------------|-------|-------------------|
| Kazakhstan | June 29, 1996 | 19 years | | November 30, 2015 |
| Kyrgyzstan | October 8, 1996 | 2 years | | December 20, 1998 |
| Tajikistan | May 29, 2021 | 12 years | | March 2, 2013 |
| Turkmenistan | July 24, 2020 (observer) | - | | Not admitted |

⁵ [View of WHAT WILL UZBEKISTAN GAIN BY JOINING THE WTO?](#)

⁶ https://uz.wikipedia.org/wiki/Sovet_Sotsialistik_Respublikalari_Ittifoqi

⁷ <https://www.ceu.edu/kamila-ayezova-ir-kazakhstan>

⁸ file:///C:/Users/user/Downloads/ayezova_kamila.pdf

Regionalism as a Stumbling Block: Accession

Process and Negotiations in the WTO, by Kamila Auyezova, 2020, page 2, Central European University Department of International Relations

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|------------|---------------------------------------|---|--------------|
| | status) | | |
| Uzbekistan | December 8, 1994 (observer status) | - | Not admitted |

This section presents the years in which Central Asian countries submitted their applications to join the World Trade Organization (WTO) and the years of their accession.

Kazakhstan's path to WTO membership is considered one of the longest (19 years). The country applied for accession in 1996; however, over the years, Kazakhstan faced numerous technical and geopolitical challenges. One of the key issues was its membership in the Customs Union with Russia and Belarus, which later evolved into the Eurasian Economic Union ⁹(EAEU). This agreement played a significant role in the WTO accession negotiations and Kazakhstan's full membership in 2015. The reason was the need to align the principles of the WTO with those established under agreements with Russia and Belarus¹⁰. The technical challenges were primarily related to harmonizing Kazakhstan's trade system with WTO standards. Tariff regulations and customs policies became inevitable issues that every country must address, and Kazakhstan was no exception.

Kyrgyzstan¹¹ underwent only 2 years and 10 months of internal reforms before attaining membership. The country rapidly liberalized its economy, reduced tariff rates, and implemented several reforms in the services sector. WTO membership provided Kyrgyzstan¹² with a number of advantages. It created broader opportunities in international markets, facilitated export development, and made it easier to attract foreign investment. Membership also contributed to economic diversification and reduced dependency on a limited number of export commodities. Furthermore, by adopting internationally recognized trade practices and standards, the overall business environment improved. Despite these benefits, WTO membership brought certain challenges. The country had to adapt to the complexities of global trade, including compliance with international regulations and competition from foreign markets. However, the long-term advantages and development prospects outweighed these difficulties. One of the reasons behind Kyrgyzstan's rapid adaptation to WTO requirements was its relatively small territory and the limited number of analysts capable of thoroughly evaluating the potential advantages and disadvantages of membership, which accelerated the process of alignment with WTO standards.

Tajikistan¹³ became the second Central Asian country to join the WTO after Kyrgyzstan. Having applied in 2001, the government aligned its commercial and legal frameworks with the organization's requirements by 2013. According to local experts, Tajikistan's accession is expected to be highly beneficial for a country with underdeveloped industry and an economy dependent on raw material exports. As stated by Feruz Said, an expert at the Center for Strategic Research, Tajikistan's raw material exports such as cotton and aluminum already met international standards and had established foreign markets even before WTO accession. He

⁹ <https://www.eaeunion.org/?lang=en>

¹⁰ [The Accession of Kazakhstan: Dealing with Complexity \(Chapter 4\) - Trade Multilateralism in the Twenty-First Century](#)

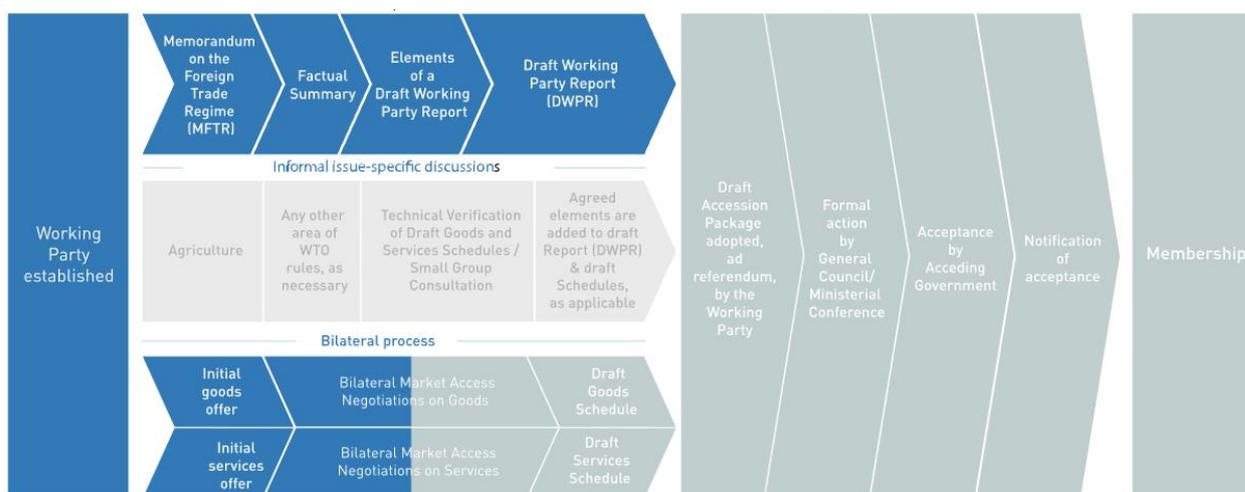
¹¹ The Accession of Kazakhstan: Dealing with Complexity, By [Alexei Kireyev](#), [Chiedu Osakwe](#) and [Anna Varyanik](#)
Published online by Cambridge University Press: 28 November 201

¹² <https://www.amerikaovozi.com/a/wto-central-asia/1603942.html>

¹³ https://www.bbc.com/uzbek/lotin/2012/12/121211_latin_tajikistan_joins_wto

noted that joining this prestigious organization would also contribute to dismantling monopolistic structures within the country. For example, the monopoly of Tajik Air over the domestic aviation market would no longer prevent foreign airlines from operating within Tajikistan. Former Minister of Economy Davlat Usmon emphasized that WTO membership could reduce customs duties to as low as 8 percent, which might lead to a decrease in budget revenues. However, he added that lower customs tariffs would result in a significant decrease in consumer prices, which is vital for improving living standards. Conversely, the Chairman of the Committee for Protection of Entrepreneurs, Davlatmurod Jumayev, warned that domestic production might be severely affected. For instance, after Estonia joined the WTO, its agricultural sector collapsed, leaving thousands of hectares of land uncultivated. Farmers found production unprofitable, while the population began purchasing cheap and high-quality agricultural goods from Germany, Poland, and other European countries. Based on the above, it can be concluded that while joining the WTO provides numerous advantages, governments should also focus on protecting domestic industries, as excessive reliance on imported goods may create long-term dependency.

Since gaining independence in 1991, Uzbekistan has faced the challenges of transitioning from a centrally planned economy to a market-oriented one. In the early post-Soviet years, economic reforms were implemented cautiously, with a gradual approach toward liberalization. The following section will further examine Uzbekistan’s ongoing accession process to the World Trade Organization



As shown in the table above, Uzbekistan’s accession to the World Trade Organization (WTO) consists of a complex, multi-stage process in which specific documents are prepared, negotiations are conducted, and international commitments are undertaken at each stage. Initially, Uzbekistan submitted its application to accede to the WTO, after which a special Working Party was established within the organization.

In the next stage, Uzbekistan prepared the Memorandum on the Foreign Trade Regime (MFTR), which provides a comprehensive overview of the country’s foreign trade policies and economic regulatory framework. WTO member states review this memorandum and submit questions regarding Uzbekistan’s political, economic, and trade systems. Based on Uzbekistan’s answers, a Factual Summary is drafted, containing an analytical overview of the country’s trade regime.

Subsequently, technical and political negotiations between Uzbekistan and the WTO Working Party begin. These include aligning national legislation with WTO standards in areas such as agriculture, services markets, technical regulations, and customs tariffs, followed by technical verification procedures. A critical part of the process consists of bilateral market access negotiations. During this stage, Uzbekistan provides an initial offer on goods and services and conducts negotiations with each WTO member state individually. As a result of these discussions, two key documents are prepared: the Draft Goods Schedule and the Draft Services Schedule, outlining Uzbekistan's formal commitments.

In the following phase, all agreed provisions are incorporated into the Draft Working Party Report (DWPR). This document forms the core of the Accession Package prepared for WTO membership. Once the Accession Package is approved by the Working Party, it is formally adopted by the WTO General Council or the Ministerial Conference. The Government of Uzbekistan then officially confirms its acceptance of the accession terms, after which Uzbekistan becomes a WTO member. In the final step, the WTO Secretariat completes the formal registration of Uzbekistan's membership.

Conclusion and Recommendations

Uzbekistan prioritized maintaining state control over key sectors of the economy, which significantly affected its pace of integration into the global economy. Initially, the country adopted a cautious and gradual approach toward economic reforms and resisted rapid liberalization. Although this prudence aimed to preserve internal stability, it delayed alignment with WTO standards. Furthermore, the government's reluctance to privatize strategic sectors hindered progress toward meeting accession requirements.

The delay in Uzbekistan's accession to the WTO can be attributed to conservative economic policies, political factors, bureaucratic challenges, and regional trade dynamics. However, recent reforms and renewed commitments to international integration show a positive trajectory. If Uzbekistan maintains its current course, it has a high likelihood of achieving WTO membership within the next five years, which could bring significant economic and trade benefits.

In comparison, Kyrgyzstan and Tajikistan successfully harmonized their legislation with WTO rules and advanced decisively through the accession process. Kazakhstan effectively adapted its commitments by reconciling its participation in international economic unions with WTO requirements. Uzbekistan, therefore, should actively draw lessons from these experiences, accelerate reforms, finalize bilateral negotiations, and clearly define its market access commitments.

Achieving WTO membership will not only increase Uzbekistan's trade volumes but will also enhance the openness, transparency, and credibility of its economic policies on the international stage.

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