

## DEVELOPMENT OF LOGISTICS AND TRADE, THE IMPACT OF INTERNATIONAL TRANSPORT CORRIDORS ON THE ECONOMIC DEVELOPMENT OF STATES

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The article discusses the concept, goals of creation and general characteristics of international transport corridors. The authors provide a brief description of the prerequisites for the formation and development of international transport corridors and also consider the contribution of international transport corridors to the development of the national economy of the states participating in the transport system in terms of micro and macroeconomic indicators.

**Keywords:** Transport corridors, transit trade, scientific-technical cooperation, free industrial economic zone, world economy.

## 1. Introduction

By the 21st century, as a result of the process of globalization, the transport logistics system and international transit trade routes began to gain significant geostrategic importance. Therefore, connecting the international transit corridors of Central Asia with trade routes in the Middle East region has become an increasingly important issue in recent years. To establish a single transit corridor connecting Central Asia and the Middle East region and to show the prospects of this strategic trade route, the transport of countries in the Middle East region such as Oman, Qatar, UAE, Kuwait, Bahrain, and Saudi Arabia it will be appropriate to analyse the logistics system. It is well known that there are more than forty countries in the world that do not border the oceans. Uzbekistan and Liechtenstein are not only landlocked but only Border States that are also landlocked. Transport is an important link in the economy of any country. Even though Uzbekistan does not have direct access to the sea, the country is trying to actively participate in world trade. The world experience of developed countries shows that the maximum efficiency in the development of the transport and logistics sector can be provided by special complexes of infrastructure facilities and services, which today are called "logistics centres" and "transport terminals". This creates new opportunities and challenges. Uzbekistan is well located in terms of transit flows, the historical Silk Road passes through it, connecting Asia, the Middle East, and Europe. At the moment, several Central Asian states are positioning themselves as transit countries, but these countries need to cooperate and coordinate their efforts with each other. This means a careful approach to the choice of corridors in which funds are invested. In addition, countries should focus not only on international corridors, but also on local transport connectivity, or the so-called logistical interconnection, between hotel cities, enterprises, and also between countries in the region.

The general economic development of any region largely depends on the level of its transport development. And there are very important international transport corridors here. They connect different countries, providing economic, cultural, and scientific-technical cooperation. But international transport corridors - no here and now will be only economic benefits. It is also a guarantee of security and successful development of the country for many years to come. Uzbekistan has an excellent location in terms of transit flows, the historic Silk Road connecting Asia, the Middle East, and Europe passes through it. Currently, several countries in Central Asia see themselves as transit countries, but they should cooperate and unite their efforts. This means that investment channels should be chosen carefully. In addition, these countries should pay attention not only to international corridors but also to local transport connections, that is, connections between individual cities, enterprises, and countries in the region. Uzbekistan is one of the leading countries in terms of fruit production per capita, but establishing exports remains a problem. Uzbekistan has to pass through the territory of at least two countries to access the sea, and this hurts entering the world market. A country cannot change its geographical location, but the government can solve it by implementing an effective transport policy aimed at reducing transport costs and increasing the speed of transport.

Although some developed countries have been pursuing a policy of economic protectionism in recent years (for example, the current government of the USA), in practice, the process of globalization in the world economy has not slowed down. Major changes in the world market require not only Uzbekistan but also our entire region to be ready for the

changes taking place. Countries such as China and India, whose position in the world community is growing, are also increasing their role in the global economy. The fact that our region is in the center of an important transport corridor connecting Asia with Europe is both an invitation and an opportunity for us. Projects like One Location - One Road will be an opportunity to improve our infrastructure together with partners, to develop several areas related to transport and logistics, and at the same time, it will be a challenge for local manufacturers to increase their competitiveness. 42,530 km of highways and 4,500 km of railways (150 km per 10,000 km) pass through the territory of Uzbekistan and connect to important transport corridors of the region. As a transit country, it is especially important for Uzbekistan to enter the Islamic Republic of Afghanistan (Trans-Afghan international transport corridor) and to enter the Republic of Tajikistan through Afghanistan to the ports of Bandar Abbas and Chobahar. Andijan-Osh-Saritosh-Irkeshtom-Kashgar corridor, which is increasing in importance every year, is one of the biggest projects in the history of the world and is part of the Belt and Road Initiative (BRI) proposed by the People's Republic of China. for proper participation and to connect China with other regions through the roads passing through the territory of our country.

Analyzing the development of the system of international economic relations, one cannot ignore the phenomenon of international economic organizations. Today, there is hardly a country that does not participate in the activities of one or another international economic organization. The development of the countries of the world community is characterized by the constant expansion of their mutual economic ties. This process led to the creation of an international economy - a multifaceted and complex phenomenon that expresses the highest stage in the development of social production and functions as a systemic entity at the international level. The countries participating in the development of the international economy naturally play different roles in this process and solve different problems. However, in this case, as a rule, the main goal is pursued - to maximize the benefits of the total economic potential of the world community. International economic organizations have become a global, all-encompassing phenomenon that has a multifaceted impact on the world economy and politics (Arifdzhanova, 2022).

## **2. The main forms of foreign economic relations and transport corridors**

The active development of the foreign economic relations of the Republic of Uzbekistan in many cases depends on the solution of the existing problems faced by the entire Central Asia regarding the development of the foreign trade cargo transportation system. After the collapse of the USSR, the number of landlocked countries reached 29, and the Republic of Uzbekistan occupies a special place in this, as it is one of the two countries in the world separated from the world ocean by at least two national territories. Before becoming independent, Uzbekistan could carry out its foreign economic relations through the following three seaports - ports in Ilichevsk (exit to the Black Sea), St. Petersburg (exit to the Baltic Sea) and Vladivostok (exit to the Far East ports), from the republic the distance to these ports was 3,000, 4,300 and 8,000 km, and the cost of shipping would increase. However, during the years of independent development of the country, thanks to the purpose-oriented policy of the state leadership, the situation in this direction has changed radically. As a result of the active measures of the Government of the Republic of Uzbekistan and the coordinated work of official ministries and agencies in the search for alternative

transport corridors for the transportation of foreign trade goods and their effective use, a network of international transport corridors was established and is being improved (Arifdzhanova, 2021).

Currently, foreign trade cargo transportation of the Republic of Uzbekistan is carried out through the following main transport corridors:

Corridor 1 - in the direction of the ports of the Baltic countries (via transit from Kazakhstan and Russia) — Klaipeda (Lithuania), Riga, Liepaja, Ventspils (Latvia), Tallinn (Estonia);

Corridor 2 - in the direction of European Union (EU) countries, through Belarus and Ukraine (via transit from Kazakhstan and Russia) — the border of Chop (Ukraine) and Brest (Belarus);

Corridor 3 - to the Ukrainian port of Ilichevsk (via transit from Kazakhstan and Russia), with exit to the Black Sea;

Corridor 4 - in the direction of the Transcaucasian Corridor, known as the TRACEKA Corridor (via transit from Turkmenistan, Kazakhstan, and Azerbaijan), with exit to the Black Sea;

Corridor 5 - to the Iranian port of Bandar Abbas (through transit from Turkmenistan), with exit to the Persian Gulf;

Corridor 6 - through the Kazakhstan-China border in the eastern direction (Dostiq/Alalshankou) to the eastern ports of China, as well as to Nakhodka, Vladivostok, and other ports of the Far East;

Corridor 7 - with access to Chinese ports (through transit from Kyrgyzstan) to the Yellow, East China, and South China seas;

Corridor 8 is a southern alternative transport route from Afghanistan through transit to the ports of Bandar Abbas, Chakhbakh (Islamic Republic of Iran, EIR), Gwadar, and Karachi (Islamic Republic of Pakistan, PIR) in connection with the settlement of the Afghan issue.

Also, to have reliable exit corridors to the seaports of the Republic of Uzbekistan in several directions, to realize the transit opportunities of the economic-geographical region by connecting with regional transport systems in different parts of Europe, Turkmenistan in the field of transport, Kazakhstan, the Russian Federation, China, Azerbaijan, Georgia, Iran, Oman, and other countries are establishing extensive cooperation. The first Termiz Mazari Sharif railway in the territory of Afghanistan, built with the help of our country, was the first stage of creating the shortest transport exit from Uzbekistan to the ports of the world ocean in the southern direction. Unfortunately, the instability of the geopolitical situation in Afghanistan has indefinitely suspended the construction of transport highways planned from the territory of this country to the Indian Ocean.

The strong ties of friendship and brotherhood of the peoples of Uzbekistan and Azerbaijan emanating from the depths of centuries, and the proximity of cultures, languages, religions, and traditions serve as a good basis for broad and mutually beneficial cooperation between the countries. The establishment of long-term and sustainable trade and economic relations is in the mutual economic interests of the two countries. In the future, additional measures will be taken to ensure that the level of trade, economic, scientific, and technical, as well as bilateral cooperation in other areas, is consistent with the potential and opportunities of the dynamically developing market economies of Uzbekistan and

Azerbaijan. At the same time, it was noted that the development of direct ties between the economic entities of the parties will be encouraged by creating favorable economic, financial, and legal conditions for entrepreneurial activity, increasing the opportunities for goods and services to enter world markets, as well as supporting the organization of business forums aimed at strengthening contacts between entrepreneurs two countries. Noting that mutual investment is one of the factors of economic cooperation, the heads of the two states agreed to support, protect and develop investments in energy, trade, industry, engineering, agriculture, transport, and communications, as well as in other areas of mutual interest. Today, Uzbekistan supplies vehicles, non-ferrous metals, electrical and mechanical devices, various optics, and agricultural products to Azerbaijan, and provides services in transport, tourism, and other areas. Azerbaijan's export to Uzbekistan mainly consists of mechanical devices, medicines, plastics, sugar, confectionery, various organic and chemical compounds, tanning, and dye extracts. In the field of civil aviation, the two countries are actively cooperating in such areas as the supply of spare parts for aircraft, the repair and maintenance of aircraft, and the training of flight and engineering personnel. The investment potential of the Navoi Free Industrial Economic Zone also provides good opportunities for deepening cooperation between the two countries. The joint construction of new production facilities here, and work in the field of intercontinental air transportation in the future will be especially beneficial for Uzbekistan and Azerbaijan (Vahabov, 2014).

### **3. Conclusion**

Uzbekistan is a developing independent state with a rich historical and cultural heritage. A big plus is the development of the economy of Uzbekistan and the establishment of the state as a full partner in the world community. It would be finding the shortest way to access the maritime shipping route. Transit transportation and the ever-increasing pace of development of Chinese industry suggest that today, more than ever, the way is important, the new great Silk Road connecting Europe and Asia. Of course, this will strengthen the position of the Republic of Uzbekistan in the world market. Azerbaijan and Uzbekistan are linked by relations, the roots of which go back centuries. Potential opportunities in the economy and other areas of the two countries are used both for mutual development and regional development. Azerbaijani entrepreneurs take part in various tenders held in Uzbekistan. Active business cooperation is also traditional in the production of building materials.

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