The Influence of the Trade Relationship between China and Uzbekistan under One Belt and One Road

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Abstract: One Belt One Road (OBOR) initiative is a historical initiative which connects the people over the world and facilitates various opportunities for global peace. The main purpose of this study is to examine the influence of the trade relationship between China and Uzbekistan under one belt and one road. This topic offers a brief evaluation of how dynamism of China-Uzbekistan bilateral relationship may be transformed to synergy necessary for the success of the one belt one road initiative. This study used questionnaire and literature review as the main instrument for collecting primary data. Questionnaire was used because it is convenient method of collecting large amount of data. Also, secondary data that are particularly journal articles, conference proceedings, various documents of government, books, newspaper articles, magazine articles, and various websites of internet have been extensively used to determine the objectives. This study also analyses influences, opportunities, risks and challenges and how to promote trade between China and Uzbekistan associated to OBOR initiative implementation. It suggests that strong coordination among partners of OBOR is necessary to get full fruits of OBOR through supportive law, policy, rules and regulations, proper strategy implementation, transparent procurement system, sincere consideration on political, financial, environmental and social factors. The study will assess influence of the trade relationship between China and Uzbekistan under one belt and one road. China has entered a new stage of its development. The one belt and one road have a fundamental goal of creating transport system which will facilitate access to foreign market and also increase the turnover of goods transported from China to Europe and other countries in Central Asia. This study argues that partner countries and agencies will get economic and political benefits from these initiatives. It facilitates to connect people through road ways, air ways and water ways, coordinating policies of various governments, financial integration through cross border business, productivity and regional energy security. A study of this nature is very important because the researcher believe that it will serve as a starting point to improve and highlight the need for trade relationship between the two countries. This will also help various policy bodies within the two countries to identify the benefit promoting the one belt and one road initiatives. The finding of this study will contribute to knowledge which will be very beneficial to stakeholders. It will also serve as a reference point for research who will be undertaking a research on the same study or related study.

Keywords: One Belt One Road, China and Uzbekistan relationships, Investment, Trade.

I. INTRODUCTION

According to Cheung and Lee (2015)[1] China has increases in bother growth and development of economy over the past three decades. Thus, apart from United States of America, China is second country to transformed from agriculture, Self-contained and also increased and gain economic power. Research indicates that since the country elected Xi Jinping as the president, there has been major and important changes in China’s internal and external affairs (Shixue 2015) [2]. The country’s foreign policy has been more proactive in planning into the foreseeable future. Freidberg (2011) [3], mentioned that with the China developing and growing stature in foreign business, the country has sought to extend its influence on most countries in the world. The one belt one road is among the initiative that the country has employed to connect the world and other countries to China. Cheung and Lee (2015) [1], stated that China has a lot of global initiative to pain soft power, however, China’s global grand strategy is the 21st Century Silk Road Economic Belt Initiative which is also known as One Belt One Road.

Li et al., (2015) [4], mentioned that the idea for established of the Silk Road was established over 2100 years old. The Silk Road was to promote trade and cultural development between China, Asia, Africa and Europe. In addition, Sarker and Hossin (2018) [5], stated that One Belt One Road initiative was introduced by the Chinese President in 2013. The initiative is set to improve trade relationship and connect the people all over the world. The One Belt One Road includes two programs, thus, Silk Road Economic Belt and the 21st Century Maritime Silk Road. According to Du (2016) [6], the Silk Road Economic Belt will be design to connect China to Europe and the Persian Gulf, the Mediterranean and the Indian Ocean. The 21st Century Maritime Silk Road is also expected to be based on waterways among the countries which the initiative will connect to them. Thus, the Maritime Silk Road will be considered as oceanic counterpart. It also involves construction of network of sea ports in the South China Sea, India Ocean and the South Pacific Ocean. Also, Du (2016) [6], revealed that

Varlare and Putten (2015) , stated that the One Belt One Road is s by fat the most important and project China has ever embarked on. Callaham (2016) [7], revealed that the One Belt One Road inculcates “network of roads, rails, power girds and gas pipelines which run over land from Central China in Xian through Central Asia to Moscow, Rotterdam and Venice. Also, the One Belt One Road will part through a number of cities and countries. Also, Du (2016) [6], revealed that the core pillar of the one Belt One Road includes promotion of policy, coordination, facilitating connectivity, unimpeded trade, financial integration, people-to-people bond. Research indicates that the One Belt One Road includes
about 65 countries and will involved 900 projects which an investment of about 850 million dollars which the Asia Infrastructure Investment will provide a start-up capital of about 100 billion dollars (Chua 2017) [8]. According to Du (2016) [6], the One Belt one Road will be the largest economic platform in the world which will promote economic activities between most countries and also strengthening economic trade. The initiative will cover two-thirds of the world’s population and uses about three-fourth of the world energy resource. Andrea (2014), noted that the One Belt One Road initiative will promote trade relationship through creating smooth global markets. The initiative will pass through 3 continents which includes Asia, Europe and Africa. Also, Du (2016) [6], revealed that the initiative targets about 4.4 billion people in about 67 countries which represents about 63% of the total population of people in the world. Leverett et al., (2015) [9], mentioned that the initiative will be supposed by the Asia Infrastructural Investment Bank and The Silk Road Fund which has a funding portfolio of USD 40 billion. Also, further research indicates that the only 3 countries in Africa will be directly involved in the belt and road initiative. The countries include; Kenya, Djibouti and Egypt.

In addition, Inomov (2018) , stated that the implementation of the new initiative will help increase trade and investment in countries which will be connected along the One belt One Road initiative. Also, the one belt one road is considered to be the first megaproject which will connect most people of Asia to the Europe and Africa which all will trade under tradition and culture. Research indicates that currently, there about 30 countries which have signed an agreement to join the one belt one road (Du 2016) [6]. Also, the initiatives include 30 heads states and government also includes 1200 delegation from different countries which in Asia, Europe, North America and Africa. According to Lee et al (2018) [4], the ways of promoting the projects includes sharing mutual benefits from international cooperation and strength international cooperation. The initiative will also create new market and routes for Chines goods in Asia due to falling demand for them in Europe and the United Stated. Research indicates that in the year 2013 was the first years China and Uzbekistan signed strategic partnership. Their bilateral relationship is expected entered its third decades and a new stage of development (Chua 2017) [8]. The two counties enjoyed close high-level exchange. Uzbekistan supports the One Belt, One Roads initiative of transport, trade, investment, energy a high-level of technology. Uzbekistan will play an integral role in the initiative as the country will connect Central Asia with countries of South, South-West Asia and Europe through China and Russia. In term of trade relationship between both countries, Tolipov (2013) [10], mentioned that Uzbekistan supplies Chinese markets with cotton fiber, mineral fertilizers, natural gas, non-ferrous metals and other goods. One of the prioritized areas of cooperation is in the energy sphere; two gas pipelines are already operating and plans exist for constructing two more in the nearest future. China is one of the biggest investors in Uzbekistan’s economy at US$ 6.5 billion, and 488 Chinese companies currently function in Uzbekistan. China is Uzbekistan’s third trade partner after Russia and the European Union; about 13 percent of Uzbekistan’s trade goes to China. But Uzbekistan is obviously a minor trade partner for China – less than 0.1 percent of China’s foreign trade is with Uzbekistan. Hence, the economic relationship between Uzbekistan and China is asymmetric. Moreover, only 9 percent of the total Chinese trade with Central Asia is with Uzbekistan, while Kazakhstan is China’s main trade partner in the region at 70 percent (Tolipov 2013) [10].

II. SCOPE OF THE ONE BELT ONE ROAD INITIATIVE

With the initiative been a global project and connect most part of the world, the One Belt One Road involves a wide and ambitious. According to Du (2016) [6], the initiative will pass through all field of development with Silk Road Economic Belt and the 21st Century Maritime Silk Road. The initiative will focus on economic globalization, political coordination, culture diversification, infrastructure development, multipolar globe and advanced information technology adoption for achieving policy coordination. The major partners and events of the One Belt One Road initiative includes; connecting 65 countries with an estimated of 4.4 billion people, accounting for about 63% of world’s total population and 30% of gross domestic product, China’s opening up after development of special Economic Zones, over more that 70 countries and international organizations have signed cooperation agreements with China, the five key area of the one belt one road includes; policy coordination, facilities connectivity, trade, financial integration and people-to-people ties, the 6 economic corridors also includes; China Pakistan; New Eurasia Land Bridge, China-Monolia-Russia, China-Central Asia-West Asia, China Indochina Peninsula, Bangladesh-China-India-Myanmar, the estimated amount is USD 954 billion, 8158 contract have been signed by with enterprise in 61 countries as at 2016 and the Bank of China had started financing over 1000 projects in 49 one belt one road countries in 2016 (Hun and Chua 2016) [11].

With the geographical coverage, the initiative will connect the world from Asia to Europe and Africa. This will be possible through two mega projects by road, airways and sea ways (Du 2016) [6]. In term of financial support, Chua (2016) [8], mentioned that the initiative will require huge amount of finance. However, the Silk Road fund which was established by the Chineses government as already declared USD 40 billion for the support for implementing One Belt One Road initiative. Also, Hu (2016) [12], mentioned that some funding bodies which includes; China Investment Corporation, Export-Import bank of China, China Development Bank and State Administration of Foreign Exchange have all allocated funds in the initiative. The fund will be used for developing infrastructure and industrial projects for improving the connectivity among countries and partners involved in the one belt one road initiative.
2.1. Vision One Belt One Road Initiative

According to Haggai (2016) [13], the main vision of the One Belt One Road is to connect people all over the world, promote economic dimensions, political dimensions and cultural dimension. Also, the goals of the initiative are to achieve policy coordination among partners building, improving trade relationship, promoting trade, building infrastructure for improving connectivity, improves financial integration and improve relationship between relationship between partner countries (Hu 2016) [12]. Also, the policy coordination requires effective agreement between trade countries on free trade agreement which will incudes terms of custom, approval and inspection management.

In addition, Du (2016) [6], mentioned that among the vision of the one belt one road initiative is to focus on missing links in routes transportation, port facilities, high quality railways, airways and seas ways, pipeline of oil and gas and telecommunication for enhancing connectivity among the countries connected to the initiative. The Silk Road economic belt connects China to central Asia, Russia, central Asia and west Asia through Gulf Mediterranean Sea and China to Southeast Asia and south Asia through Indian Ocean. On the other hand, the 21st Century maritime Silk Road connects china to Europe and Africa through South China Sea and Indian Ocean.

According to Shixue (2015) [2], the one belt one road initiative results in creating a conducive and harmonious world. Thus, a country been connected to the initiative is entitle to biggest emerging economic entity in the world. Also, with creating one belt one road, China will be making contribution to the world peace and development. Hu (2016) [12], stated that the one belt one road initiative is an open, inclusive and win-win that follows market operation and international practices. Also, the initiative will enable China to play an important role in international affairs. Thus, it will improve China’s relationship with it most neighbouring countries. Also, the one belt one road initiative improves the South-South and North-South relationship, as China will be providing opportunities for other countries to develop.

III. RESEARCH METHODOLOGY

According to Kohlbacher (2006) [14], the research design refers to the steps taken to link the research questions, objective of the study to and other issues through data collections, analysis and relevant interpretation of data in the right manner. According to Saunders, Lewis & Thornhill (2000) [15], research purpose is divided in three categories which Descriptive, Explanatory and Exploratory design. Exploratory research design is employed when the researchers want to understand more of a nature of a situation that is less known. Descriptive research design is defined as an attempt to explain a given situation and also providing additional information about the topic. (Malhotra, 2007) [16]. Explanatory research design is also helping the researchers connect ideas and understand causes and effects of situation. The study employed exploratory design. It helps to satisfy the interest of the researchers. With qualitative method, the researcher can make identify if the result and rank the response of the respondents. The study employed mean and standard deviation to examine the challenges and opportunities involved in the development of the new initiative. Using a likert scale with 1-5, with 1-disagree, 2-strongly disagree, 3-not sure, 4-agree and 5-strongly agree, the respondents were to indicate which variables are challenges and opportunities for the development of one belt one road initiative. Primary and secondary source of data were used for the study. Primary data refers to data collected directly from first-hand experience and secondary data refer to data collected from published data, selected books, journals, the internet and selected books which were relevant to the study. (Saunders, Lewis & Thornhill, 2000) [15].

IV. PRESENTATION OF FINDINGS

With the demographic information of the respondents, 117 (58.5%) of the respondents were male and 83 (41.5%) of the respondents were also female. Also, 149 (74.5%) of the respondents were between 20-30 years and 51 (15.5%) of the respondents were between 31-40 years. This implies that most of the respondents were between 20-30 years. The result further revealed that 162 (81%) of the respondents were single, 31 (15.5%) of the respondents were married and 7 (3.5%) of the respondents were also divorced. This implies that most of the respondents were single. In addition, 34 (17%) of the respondents were master’s degree holders, 160 (80%) of the respondents were first degree holders and only 6 (3%) of the respondents were in colleges. This result implies that most of the respondents were first degree holders.

4.1. Risk associated with implementation of the one belt one road initiative.

Using a scale of 1-3, with 1-low risk, 2-moderate risk and 3-high risk, the respondents were to which level of risk associated with implementing the associated with implementing the initiative.

Risk associated with implementation of the one belt one road initiative

<table>
<thead>
<tr>
<th>Ranking the following risk in order of severity</th>
<th>Low risk</th>
<th>Moderate risk</th>
<th>High risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Credit</td>
<td>120 (60%)</td>
<td>50 (25%)</td>
<td>30 (15%)</td>
</tr>
<tr>
<td>2. Noise pollution</td>
<td>100 (50%)</td>
<td>75 (37.5%)</td>
<td>25 (12.5%)</td>
</tr>
<tr>
<td>3. Soil and water pollution</td>
<td>50 (25%)</td>
<td>60 (30%)</td>
<td>90 (45%)</td>
</tr>
<tr>
<td>4. Design error</td>
<td>80 (40%)</td>
<td>30 (15%)</td>
<td>90 (45%)</td>
</tr>
<tr>
<td>5. Inadequate design quality</td>
<td>30 (15%)</td>
<td>60 (30%)</td>
<td>110 (55%)</td>
</tr>
<tr>
<td>6. Poor management skills of project managers</td>
<td>10 (5%)</td>
<td>70 (35%)</td>
<td>120 (60%)</td>
</tr>
<tr>
<td>7. Accident occurrence</td>
<td>40 (20%)</td>
<td>50 (25%)</td>
<td>110 (55%)</td>
</tr>
</tbody>
</table>
According to the result of the field study 120 (60%) considers credit to a low risk to implementation of the one belt one road, 50 (25%) of the respondents also indicates that credit is a moderate risk to implementing the project and 30 (15%) of the respondents mentioned that credit is a high risk to implementing the one belt one road initiative. This result implies that most of the respondents mentioned that credit is a low risk to implementing the initiative. With noise pollution, 100 (50%) considers is to be a low risk, 75 (37.5%) indicate that noise pollution is a moderate risk and 25 (12.5%) indicated that noise pollution is a high risk to the implementation of the one belt one road initiative. This result implies that most of the respondents indicated that noise pollution is low risk to implementation of the one belt one road initiative.

In addition, 50 (25%) mentioned that soil and water pollution is low risk to implementation of one belt one road initiative, 75 (37.5%) mentioned that soil and water pollution is a moderate risk to implementation of the one belt one road initiative and 90 (45%) of the respondents stated that soil and water pollution is a high risk to implementation of the one belt one road. The result shows that most of the respondents mentioned that soil and waste pollution is a considered to be high risk to the implementation of the one belt one road initiative. The result further shows that 80 (40%) of the respondents mentioned that design error is a low risk to implementing the one belt one road, 30 (15%) of the respondents revealed that design error is moderate risk to implementing the one belt one road and 90 (45%), stated that designing error is high risk to implementing the one belt one road. The result implies that most of the respondents answered that design risk a high risk to one belt one road implementation.

With inadequate design quality, 30 (15%), mentioned that is a low risk to one belt one road implementation, 60 (30%), stated that one inadequate design quality is moderate risk to implementing the one belt one road and 110 (60%) stated that inadequate design quality is a high risk to implementing the one belt one road. Most of the respondents revealed that inadequate design quality is a high risk to implementing the one belt one road. Based on the result of the field study, 10 (5%) of the respondents considered poor management skills of project managers to be low risk to the initiative, 70 (35%) of the respondents considers poor management skill of project manager to be a moderate risk to the implementation of the one belt one road and 120 (60%) of the respondents also considers poor management skills of project managers to be a high risk to implementing the one belt one road. The result shows that most of the respondents indicated that poor management skills of project managers are a high risk to implementation of the one belt one road initiative.

According to the risk of the field study, 40 (20%) of the respondents mentioned that accident occurrence is a lower risk to implementing one belt one road initiative, 50 (25%) of the respondents indicated that accident occurrence is a moderate risk to implementing of one belt one road initiative and 110 (55%) of the respondents revealed that accident occurrence is considered to be high risk to implementing the one belt one road. With this result, majority of the respondents answered that accident occurrence is a higher risk to implementing the one belt one road. The result of the field study shows that 10 (5%) of the respondents mentioned that lack of labour is a low risk to one belt one road, 130 (75%) of the respondents mentioned that lack of labour is a moderate risk to the implementation of one belt one road initiative and 60 (30%) of the answered that lack of labour is a high risk to implementing the one belt one road. This result implies that most of the respondent believed that lack of labour is a moderate risk to implementing one belt one road initiative.

In addition, a 90 (45%) of the respondents stated that culture difference is a low risk to implementation of one belt one road initiative, 70 (35%) of the respondents answered that culture difference is a moderate risk to implementation of one belt one road initiative and 40 (20%) of the respondents mentioned that culture difference is a high risk to implementation of one belt one road. With this result most of the respondents revealed that cultural difference is a moderate risk to implementation of one belt one road initiative. Based on the result of the field study, 40 (20%) of the respondents stated that critical weather condition is a low risk to implementation of one belt one road, 100 (50%) of the respondents mentioned that critical weather condition is a moderate risk to implementation of one belt one road and 60 (30%) of the respondents mentioned that critical weather condition is a high risk to construction of the one belt one road initiative. This result implies that most of the respondents mentioned that critical weather condition is a moderate to implementing the one belt one road.

### 4.2. Opportunities associated with the implementation of one belt one road to China

Using a scale of 1-5, 1-disagree, 2-disstrongly agree, 3-undecided, 4-agree and 5 strongly agree, the respondents were to indicate the opportunities associated with the implementation of the one belt one road to China

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gaining of soft power</td>
<td>3.45</td>
<td>1.024</td>
<td>200</td>
</tr>
<tr>
<td>2. Improve economic development and growth</td>
<td>4.61</td>
<td>0.963</td>
<td>200</td>
</tr>
<tr>
<td>3. Improve trade relationship with most countries</td>
<td>4.24</td>
<td>0.926</td>
<td>200</td>
</tr>
<tr>
<td>4. Source of long-term investment</td>
<td>4.35</td>
<td>0.980</td>
<td>200</td>
</tr>
<tr>
<td>5. Develop other part of China which is</td>
<td>3.69</td>
<td></td>
<td>200</td>
</tr>
</tbody>
</table>
6. Improve the tourism industry 3.68 1.073 200
7. Promote foreign investment 4.07 1.15 200
8. Improve the national image 4.75 1.22 200
9. Promote trade sustainable development. 4.83 1.075 200
10. Create employment 4.37 1.052 200

Source: Field study (2019)

With the statement “gaining of soft power” having a mean score of 3.45 and a standard deviation of 1.024 implies that most of the respondents were not sure if the implementation of the one belt one road will enable China gain soft power. The result implies that most of the respondents were uncertain in China can gain soft power with the implementation of one belt one road. A mean score of 4.61 and a standard deviation of 0.963 shows that majority of the respondents agreed that the implementation of the one belt one road will improve China’s economic development and growth. The result implies that most of the respondents agreed that China can improve their economic with the one belt one road. The statement “Source of long-term investment” having a mean score of 4.35 and a standard deviation of 0.980 shows that most of the respondents agreed that the implementation of the one belt one road will be a source of long-term investment for China. Based on the field study, a mean score of 4.24 and a standard score of 0.926 shows that most of the respondents agree that one belt one road will improve trade relationship between most countries. In addition, a mean score of 3.69 and a standard deviation of 1.071 implies that most of the respondents were not sure if the implementation of one belt one road will enhance that other part of China will develop. This result implies that most of the respondents were not sure one belt one road will result in developing of other part of China. The statement “improve the tourism industry” having a mean score of 3.68 and a standard deviation of 1.073 shows that most of the respondents were not certain if the one belt one road will improve the tourism industry in China. With promoting foreign investment, having a mean score of 4.07 and a standard deviation of 1.15 indicates that most of the respondents agree that the one belt one road will promote foreign investment in China. The result implies that most of the respondents agreed that the implementation of one belt one road will promote foreign investment in China. Moreover, a mean score of 4.75 and a standard deviation of 1.22 implies that most of the respondents agree that the one belt one road initiative will improve the national image of China. The result shows that most of the respondents agreed that implementation of one belt one road will improve the national image. With a mean score of 4.83 and a standard deviation of 1.075 shows that most of the respondents agree that implementation of one belt one road will promote trade sustainable development. This result implies that most of the respondents agreed that one belt one road will promote trade sustainable development in China. According of the result of the field study, a mean score of 4.37 and a standard deviation of 1.052 implies that most of the respondents agree that the implementation of one belt one road will create employment. The result implies that most of the respondents agreed that the one belt one road will create employment for most people in the country.

4.3. Challenges involved in the implementation of one belt one road to China

Using a scale of 1-5, the respondents were to indicate the challenges associated with implementation of the one belt one road initiative. The respondents were to indicate the challenges which China will face when implementing the one belt one road initiative.

Challenges associated with the implementation of the one belt one road to China

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lack of funds</td>
<td>3.45</td>
<td>1.024</td>
<td>200</td>
</tr>
<tr>
<td>2. Political instability</td>
<td>4.61</td>
<td>0.963</td>
<td>200</td>
</tr>
<tr>
<td>3. Regional economic integration pressure</td>
<td>4.24</td>
<td>0.926</td>
<td>200</td>
</tr>
<tr>
<td>4. Territorial and island dispute</td>
<td>4.35</td>
<td>0.980</td>
<td>200</td>
</tr>
<tr>
<td>5. Internal resource struggle among different region</td>
<td>3.69</td>
<td>1.071</td>
<td>200</td>
</tr>
<tr>
<td>6. Ethnic tension</td>
<td>3.54</td>
<td>1.02</td>
<td>200</td>
</tr>
<tr>
<td>7. Choice of law and dispute resolution</td>
<td>3.43</td>
<td>1.10</td>
<td>200</td>
</tr>
</tbody>
</table>

Source: Field study (2019)

According to the result of the field study, a mean score of 3.45 and a standard deviation of 1.024 shows that most of the respondents were uncertain if lack of funds will be a major challenge to implementation of the one belt one road initiative. This result implies that most of the respondents were not sure if lack of funds is a challenge to one belt one road construction. With a mean score of 4.61 and a standard deviation of 0.963 shows that most of the respondents agree that political instability is counties which will connect to the one belt one road is a challenge to its implementation. This result implies that most of the respondents agreed that political instability is a challenge to the implication of the one belt one road. Also, the statement “regional economic integration pressure” having a mean score of 4.24 and a standard deviation 0.926 that most of the respondents agreed that regional economic integration pressure is among the challenges involve in construction of one belt one road.

Moreover, a mean score of 4.35 and a standard deviation of 1.02 shows that most of the respondents agreed that territorial and island dispute is among the challenges of implementation of one belt one road initiative. This result shows that most of the respondents agreed that territorial and island dispute is among the challenges. With a mean score of 3.54 and a standard deviation of 1.07 revealed that most of the respondents were not sure if internal resource struggle among different region is among the challenges involve in construction of one belt one road.
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road initiative. Also, the mean score of 3.54 and a standard deviation of 1.02 shows that most of the respondents were not sure if ethnic tension is among the challenges involve in implementation of the one belt one road initiative. The statement “choice of law and dispute resolution” having a mean score of 3.43 and a standard deviation of 1.10 shows that most of the respondents were uncertain of the choice of law and dispute resolution is a challenge to the implementation of one belt one road initiative.

V. CONCLUSION AND RECOMMENDATION

The study analysed the influence of the trade relationship between China and Uzbekistan under one belt and one road. The study argues that the one belt one road is a very good initiative and has a great potential for the future of global development and growth. The article revealed that the challenges will affect the implementation process includes: lack of funds, political instability, regional economic integration pressure, territorial and island dispute, internal resources struggle among different region, ethnic tension and choice of law and dispute resolution.

Also, the opportunities include: gaining of soft power, improving economic development and growth, improving trade relationship with most countries, source of long-term investment, development other part of China, improve the tourism industry, promote foreign investment, improve the national image and China and other countries that will be connected, promote trade sustainable development and create employment. To implement OBOR successfully, the study recommends that China must demonstrate self-restraint, reassuring its neighbours that it will continue pursuing a peaceful rise strategy. China also faces domestic and institutional challenges in the implementation of OBOR. Based on the findings, the study recommends that China need to ensure that there is enough transparency, flexible and scalable framework which promote the development of trade among all the countries that will be connected to the one belt one road. Also, the it the study recommends that security system need to increase across borders of the countries that will be connecting to the initiative. This will promote peace and stability and result in a health relationship among the countries. On the contrary, OBOR sets a sufficiently transparent, flexible and scalable framework for the development of Chinese business in foreign markets, the use of excess production capacity and labor resources.

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