

# Modern Chemical Industry: A Key Pillar of Uzbekistan-Malaysia Relations

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Trade and economic relations between Uzbekistan and Malaysia are strengthening and expanding into new fields year by year, with the chemical industry emerging as a key strategic and promising sector. Given the prospects of both countries in developing the chemical industry and their expertise in modern technologies and ecological sustainability, cooperation in this field holds significant economic importance.

Uzbekistan's chemical industry is one of the country's most critical economic sectors. With abundant natural resources, including raw materials, minerals, gas, and oil, Uzbekistan boasts considerable potential for chemical production.

At present, numerous programs and projects are being implemented to advance the country's chemical industry. The state policy aims to diversify production, introduce innovations, and strengthen the national economy.

Encouraging investments directed toward new technologies and innovations has positively impacted the development of Uzbekistan's chemical sector. To ensure its progression in line with modern trends, it is essential to adopt advanced production models and innovative technologies. Moreover, implementing solutions such as energy conservation, resource recycling, and waste reduction can further enhance the industry's development. In this regard, Malaysia's experience offers valuable insights.

Malaysia, in turn, has achieved remarkable success in developing the chemical industry in Southeast Asia.

The country has seen growth in sectors such as petrochemicals, plastics, agrochemicals, pharmaceuticals, and biotechnology. Malaysia places particular emphasis on establishing environmentally friendly and innovative production practices within the chemical industry. Many of its chemical products—such as fertilizers, plastics, and biodegradable materials—occupy leading positions in the global market.

Therefore, at present, Uzkimyosanoat JSC places particular emphasis on developing partnerships with Malaysia's globally recognized companies. Specifically, there are ongoing discussions about implementing a joint project with Malaysia's major national oil, gas, and chemical company, **Petronas**. This project, worth an estimated **\$10 billion**, focuses on producing polymer products based on MTO (Methanol-to-Olefins) technology in Uzbekistan's northern region.

In this regard, there are plans to collaborate with Petronas on an investment project aimed at deep processing of raw materials and natural gas from the **"Borsakelmas"** salt deposit. The project will leverage **renewable wind and solar energy sources** being developed in the region.

The MTO-based polymer production project envisions the efficient utilization of Uzbekistan's local raw material resources to expand the chemical sector's value chain. Upon completion, the project aims to produce over 2 million tons of organic chemical products, including polypropylene, polyethylene, acrylic acid, superabsorbent polymers, PVC, and polyols. These products will cater to industries such as **automotive, construction, textiles, household chemicals, and other key economic sectors**.

Taking into account the growing demand for green mineral fertilizers in European markets and the significant opportunities in Uzbekistan's northern regions for transitioning to a green economy, numerous initiatives are underway to collaborate with foreign partners in producing products using green technologies.

Notably, a partnership with **Petronas** is being developed **to create a full production chain** for green hydrogen and ammonia, ultimately delivering value-added products for export to Europe and other global markets.

The interest of Malaysian producers in implementing new projects in Uzbekistan highlights the potential economic benefits for both countries. Such collaborations pave the way for launching high-tech production models, developing new standards related to the chemical industry, and introducing advanced technologies for competitive product manufacturing.

This bilateral partnership underscores Malaysia's growing investment in Uzbekistan's chemical sector, fostering the establishment of new production facilities and promoting the adoption of modern technologies. Importantly, it also reflects the export of chemical products manufactured by Uzkimyosanoat JSC to Malaysia. From 2019 to 2024, Uzbekistan exported chemical products worth \$43.6 million to Malaysia.

In summary, the prospects for collaboration in the chemical sector between Uzbekistan and Malaysia are multifaceted and built on mutual trust. By combining Malaysia's advanced technologies with Uzbekistan's natural and agricultural resources, this partnership has the potential to inject fresh momentum and economic opportunities into the chemical industry of both nations. Furthermore, it plays a critical role in fostering ecological sustainability and implementing innovative technologies.

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