

INTERNATIONAL TRADE OF UZBEKISTAN: TRENDS, EXISTING PROBLEMS AND PROSPECTS

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Abstract:

This article provides information on the trends in Uzbekistan's foreign trade and international trade, the impact of global socio-economic events on the country's foreign trade, and the reforms being implemented in relation to existing problems.

Keywords: Export, import, foreign trade turnover, international trade operations, World Trade Organization (WTO).

Introduction

International trade, in general, refers to the exchange of goods and services between countries. Especially in recent years, as a result of the economic integration of countries, the importance of international trade has increased. It has become difficult to provide goods and services to an entire country without economic partnership with other countries. We know that the economic reforms being carried out in Uzbekistan these days are serving the rapid growth of trade relations with foreign countries. In particular, the decisions taken to increase the country's export potential will allow local companies to gain more experience in foreign markets. Ultimately, they will have a competitive advantage in world trade. In this regard, as a result of the measures implemented in the republic in recent years in order to promote export, optimize import and, in general, ensure the balance of foreign trade, the foreign trade turnover of the republic in January-December 2023 (TSA in the text) will be 62.6 billion. It reached USD 12.1 billion compared to January-December 2022. It increased by USD or 23.9%. Foreign trade turnover is the amount of the country's export and import value for a certain period. However, if we look at the international trade trends of a few years ago, the "coronavirus pandemic" of 2020 has completely changed the international trade trend of Uzbekistan. The country experienced economic losses like other countries. Export and import of goods and services have been significantly restricted and difficult due to the restrictions and strict isolation imposed by the pandemic. In January-February 2020, compared to the previous year, industrial production in China decreased by 13.5%, and the turnover of goods and services in the total

international trade decreased by 11%. This negative trend had a negative impact on the entire global supply chain, and, of course, Uzbekistan was not spared from its effects. According to official data, the foreign trade turnover of Uzbekistan decreased by 13.1% in 2020. This year, the foreign tradeturnover amounted to 36.3 billion US dollars, which decreased by 5.4 billion USdollars, or 13.1%, compared to 2019. Due to the decrease in China's production volume this year, we can see a relatively low share in the trade with Uzbekistan, but even in such a situation, China is recorded as the main foreign trade partner of Uzbekistan in 2020. The volume of mutual trade between Uzbekistan and China was 6.43 billion US dollars. It was reported that 1.93 billion US dollars was the share of exports, and 4.5 billion US dollars was the share of imports. In addition, an active foreign trade balance was observed with only 2 of the 10 major partner countries (Kyrgyzstan and Afghanistan) in terms of foreign economic activity during 2020. A passive foreign trade balance was recorded with the remaining 8 countries, that is, imports from them were more than exports. Another trend and problem in the international economy of Uzbekistan is that the war between Russia and Ukraine, which began in February 2022, had a negative impact on the economy of many countries. For example, the non-sale of oil on the international market due to the sanctions imposed on Russia has led to an increase in its price and, as a result, to an increase in prices on the world market. Uzbekistan used to carry out international trade operations with Europe and the USA through Russia and Ukraine, but as a result of the war, these two countries became dangerous for international trade. As a result, transportation of goods for Uzbekistan became either difficult or completely impossible. The country had to do international trade through a different way, that is, through countries other than Ukraine and Russia. Unfortunately, it took a lot of time to transport goods by this road, and the tax paid was very high. Therefore, by 2022, the export-import share of Uzbekistan has decreased relatively. As for the prospective goals in the future, Uzbekistan is trying to become a member of the World Trade Organization (WTO) in order to further expand international trade without any obstacles. For example, the 93rd goal of the "Uzbekistan-2030" strategy is to become a full member of the World Trade Organization.

Regarding the impact of Uzbekistan's membership in the World Trade Organization on the national economy, the head of the "Center for Economic Research and Reforms" Abdurashid Bozorov expressed the following opinions: "On the basis of the free trade regime, 42 percent of the imports of our republic are carried out, and 55 percent of the imports correspond to the countries with the most favorable regime. Major changes will be made in the trade tariffs set for these countries". Due to the reduction or abolition of tariffs (related to duties) and notary barriers, import prices will decrease, and the total import volume for a certain group of products will increase. This, in turn, fills the domestic market with high-quality and cheap products. Improves the competitive environment in the domestic market. Decreasing prices

leads to an increase in the real income of the population and provides an opportunity to purchase other types of consumer products, thereby general economic growth. Today, the current average rate of tariffs is 7.4 percent, and this rate is the average for protecting domestic markets through tariffs in the world.

Uzbekistan's membership in the WTO will lead to an increase in the volume of exports due to the elimination of tariff and notary barriers for products produced in Uzbekistan by the WTO member countries, thereby increasing production indicators in the country.

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