

OPPORTUNITIES FOR INNOVATIVE DEVELOPMENT OF THE EFFICIENCY OF THE FOREIGN TRADE POLICY OF UZBEKISTAN

Gulnora Nurova,

Bukhara State University, Lecturer of the Department of, Service Sector Economy

E-mail: g.n.nurova@buxdu.uz

ANNOTATION

This article provides analytical information about the country's foreign economic activity, trade policy, the process of its implementation, factors affecting the country's foreign policy, the volume of exports and imports of the country.

Keywords: Foreign trade, trade policy, national economy, export volume, import volume, trade turnover.

INTRODUCTION

Throughout human development, countries' economies have developed through a series of development strategies. The strategic approach to international trade is an improved trade policy in recent years, and since 1980, most countries have built trade and economic relations in this way. What led to the emergence of foreign economic relations? Until the 18th century, scientists explained the answer by the uneven distribution of the gifts of nature between different countries and peoples. The reasoning was simple: if one country had a marble mine and another a gold mine, those countries would have to trade with each other and exchange marble for gold so that their kings could sit in a marble palace with a golden crown.

The advantage of entering the world economy is that external competition increases the productivity of a country's own companies. Consumers will benefit because the range of goods and services will expand, prices will fall due to deepening specialization and increased international competition. An open economy has great potential to adapt to adverse shocks from outside and is less likely to tolerate inefficient and inefficient use of natural resources.

In addition, the expansion of the economic space removes the problem of the relative narrowness of the domestic market and allows redirecting excess investments that have not been replenished in the country to other countries and regions, which is also very important for fast-growing economies, growing economies.

Thus, the active participation of national economies in the global division of labor becomes an important condition for their successful functioning. Therefore, the issue of integration of the Uzbek economy into the world economy remains very important. Only in this way can we accelerate the development of world science and technology and the economy: only an economy open to the world will be able to receive positive impulses from the world economy and the international division of labor in a timely manner.

Factors such as a small market size, limited capital and an unskilled workforce make the protected industry an inefficient and costly sector. This is especially noticeable in areas with high fixed costs, as they feel the need to produce large volumes of products to reduce costs in order to be competitive.

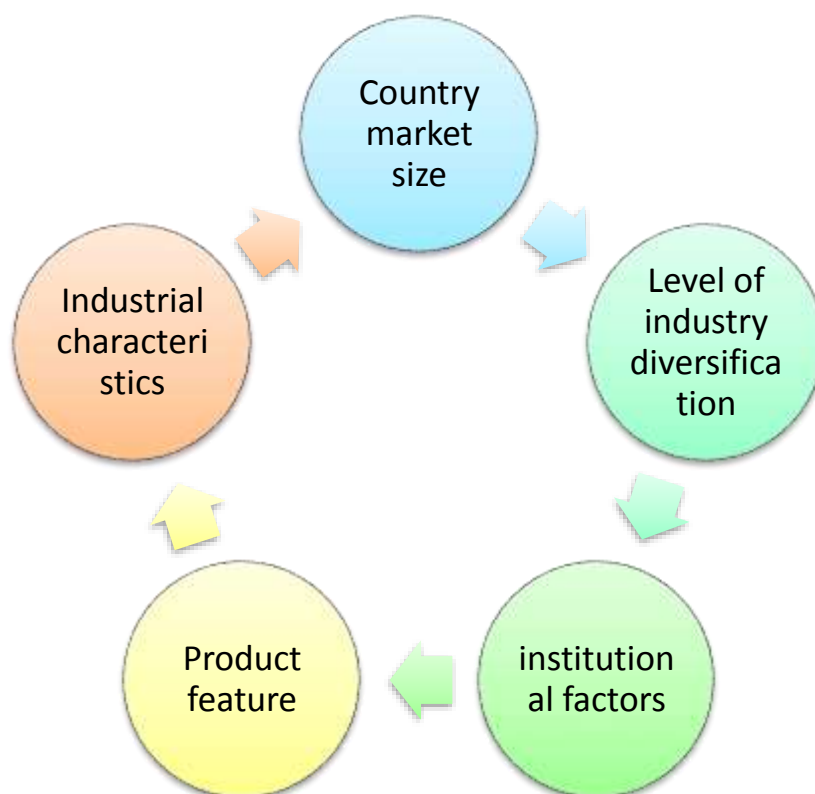
It is important to note that a strategic approach to trade policy instead of traditional policy will improve the competitive environment by expanding markets and increase returns to scale, which will benefit industries through productivity and research.

The role of developing countries in the international trade network is greatly enhanced by trade liberalization, international division of production, and strategic trade policies in line with bilateral and regional trade negotiations.

However, even in this case, the integration of trade areas into the global market is more important than geographic segregation to achieve the best results from regional trade agreements.

Since independence, Uzbekistan has sought to impose trade restrictions. In addition to achieving some positive organizational and economic results, negative socio-economic conditions were also associated with this policy. First, a number of multinational corporations have opened operations in Uzbekistan to take advantage of trade restrictions. As a result, a favorable business environment has developed for local business, which protects it from foreign competitors and has consumers for its products. In addition, providing the local market with locally produced products and reducing economic dependence can be achievements of Uzbekistan's trade policy.

When implementing a country's foreign trade strategy, the following factors should be taken into account:



In addition to the positive results mentioned above, there were other negative aspects. As many studies have argued, tariff-based policies aimed at substituting imports with domestic products have some negative effects. For example, limited market access, weak competitive environment, consumer welfare issues, and so on.

The strategy for the development of the economy of Uzbekistan aims to create a diversified and competitive economy, maximize the use of national resources with the involvement of

innovative technologies and new methods of market management. An important role in this process is played by the development of foreign economic activity as the end result of the policy implemented in the country, which directly affects the standard of living of the population.

According to the results of January-March 2021, the foreign trade turnover of the republic reached 7,105.1 million US dollars, which, compared to the same period in 2020, decreased by 930.0 million US dollars (a decrease of 11.6%).

In the structure of the republic's foreign trade turnover, a significant share is noted in the city of Tashkent, which is 41.2%, or 2 930.2 million US dollars. In this structure, the smallest share was recorded at the level of 1.2%, or 85.0 million US dollars, which is marked in Kashkadarya region. One third of the FTT volume falls on the CIS countries and, in recent years, this indicator has changed slightly. Despite the measures taken to strengthen cooperation with the CIS countries and comprehensive support of foreign trade, the share of foreign trade turnover of the CIS countries, compared to the same period in 2020, increased by 4.8%. For the same period of 2019, an increase was noted by 6.5% and their share in foreign trade turnover, at the end of January-March 2021, amounted to 40.3%.

The volume of foreign trade turnover of other states in January-March 2021, compared to the same period of 2019-2020, accordingly decreased and amounted to 59.7% of the total volume of foreign trade turnover.

Dynamics of the volume of the cis and other foreign states in the foreign trade turnover of the Republic of Uzbekistan
(for January-March, million US dollars, share %)



Another reason why developing countries seek to implement an import substitution strategy is that this strategy can stimulate local parts manufacturers by increasing demand for local parts and creating a favorable business environment. The implementation of the import substitution policy affects the industry of final goods and components in different ways. As a rule, trade barriers encourage local producers to take advantage of selling at relatively high prices. In particular, the barrier to the import of finished products directly and indirectly stimulated the production of these products and the production of components, respectively. As a result, the end product industry can expand its activities. In turn, this expansion will lead to an expansion

of the market demand for components and the development of the components industry. However, tariffs on component imports are also causing a crisis in the finished goods industry and then in the components industry, although in the short term, local manufacturers may benefit from such trade policies.

REFERENCES

1. Law of the Republic of Uzbekistan "On foreign economic activity", 26.05.2000, <https://www.lex.uz/ru/docs/4538627>.
2. Decree of the President of the Republic of Uzbekistan No. PF-4947 dated 7.02.2017 "On the the strategy of actions on further development of the Republic of Uzbekistan". <https://lex.uz/docs/3107036>
3. Decree of the President of the Republic of Uzbekistan No. PF-5177 dated 02.09.2017 "On priority measures to liberalize foreign exchange policy." This Decree was published in the newspaper "Xalq so'zi" on September 5, 2017, No. 176 (6870).
4. Mirziyoyev Sh.M. Erkin va farovon, demokratik O'zbekiston davlatini birgalikda barpo etamiz - T.: "O'zbekiston" 2016, -56 b.
5. Alesina, Alberto & Spolaore, Enrico & Wacziarg, Romain, 2005. "Trade, Growth and the Size of Countries," Handbook of Economic Growth, in: Philippe Aghion & Steven Durlauf (ed.), Handbook of Economic Growth, edition 1, volume 1, chapter 23, pages 1499-1542 Elsevier.
6. Mubinovna R. F., Nutfulloevna N. G. The importance of trade policy in the economic development of the country //Economics. – 2020. – №. 1 (44).
7. Rakhmatullaeva F. M., Nurova G. N. The importance of trade policy in the economic development of the country //Economics. – 2020. – №. 1. – C. 27-28.
8. Nurov Z. S., Nurova G. N. Conceptual framework for factors affecting the feasibility of the isi //E-Conference Globe. – 2021. – C. 276-280.
9. Nurova G. THE ROLE OF STRATEGIC TRADE POLICY IN THE ECONOMIC DEVELOPMENT OF THE COUNTRY //ЦЕНТР НАУЧНЫХ ПУБЛИКАЦИЙ (buxdu.uz). – 2021. – Т. 8. – №. 8.