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FOREIGN TRADE REGULATIONS OF THE REPUBLIC OF UZBEKISTAN AND PRIORITY DIRECTIONS

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Abstract Today, in the context of globalization of world trade, liberalization of foreign economic activity (hereinafter FEA) contributes to sustainable economic growth and ensures the integration of the economy into the world economy. The liberalization of foreign economic activity is understood, first of all, to simplify export-import procedures, increase the freedom and economic independence of economic entities in foreign economic activity, optimize and simplify administrative methods for regulating foreign trade, and eliminate bureaucratic obstacles.

Keywords: foreign trade, export, import, foreign economic activity.

Introduction
The goal of the modern foreign economic policy of the Republic of Uzbekistan is effective and gradual integration into the world economy. Over the last years of reforms, foreign economic activity has become one of the stable and highly profitable sectors of the national economy. Revenues from foreign economic activity form a significant share of the country’s gross domestic product and budget revenues of the republic.

A stable economic situation and subsequent development in modern conditions are impossible without foreign trade. The intensification of competition in the world market and the increased requirements for the technical and economic indicators of goods force exporters to intensify work to improve production, forms and methods of marketing, to create conditions for the implementation of new forms of foreign economic relations. The presence of a number of general foreign economic laws, acceptable for all territories, not only presupposes, but also conditions the existence of specific patterns caused by significant differences in regions. In the conditions of liberalization of foreign trade, there is a sharp increase in the number of participants in foreign economic activity, the flow of goods across the border. At the same time, foreign and domestic entrepreneurs strive to benefit from international exchange, sometimes forgetting about the interests of the state and society. All this requires improving the system of state methods for regulating foreign trade operations by improving existing mechanisms or introducing modern effective methods based on the latest developments in the field of ICT.
As a result of the gradual liberalization of foreign economic activity in the country, the list of licensed goods in accordance with international standards and regulations for foreign economic activity was reduced, quantitative restrictions are increasingly regulated by tariffs, and the system of incentives is constantly being improved to stimulate the export of national competitive finished goods for freely convertible currency, as well as to attract foreign investment in the manufacturing sector, especially in the sectors of export potential.

In the Republic of Uzbekistan, the main directions of foreign economic activity are:
1) International economic and financial cooperation;
2) foreign trade activities;
3) attracting foreign investment;
investment activities outside the Republic of Uzbekistan.

Analysis and results
One of the ways of state regulation of foreign economic activity is tariff and non-tariff regulation. Let's consider directly the tariff regulation of foreign economic activity.

Economic methods play an important role in the regulation of foreign economic activity, the central place among which is the national customs tariff. The application of the customs tariff is based primarily on the rules for determining the customs value of goods, as well as the import duty.

In the Republic of Uzbekistan, the arithmetic average of the import duty rate is 8%, while in 2018 this figure was 5.6%. In addition, 4,443 items of goods have a zero import duty rate. At the same time, the share of import customs duties in the total amount of collected customs payments is shown in the table below.

<table>
<thead>
<tr>
<th>Payment Description</th>
<th>2016 (bln.sum)</th>
<th>share in %</th>
<th>2017 (bln.sum)</th>
<th>share in %</th>
<th>2018 (bln.sum)</th>
<th>share in %</th>
<th>2019 (bln.sum)</th>
<th>Share in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import duty</td>
<td>1 376, 55</td>
<td>28,67</td>
<td>1 780, 54</td>
<td>22,32</td>
<td>1 870, 24</td>
<td>16,14</td>
<td>2 300</td>
<td>13,45</td>
</tr>
</tbody>
</table>

Customs tariff regulation of foreign trade - a set of methods of state regulation of foreign trade, based on the application of customs duties, customs procedures, rules.

Customs and tariff regulation is an important and time-consuming process, which includes several interrelated operations: determining the country of passage of the...
goods; determination of the customs value of the goods; payment of customs duties, etc.

The purposes of applying measures of customs and tariff regulation can be: 1) The protectionist function is the protection of domestic goods from foreign competition. 2) The fiscal function is to ensure the flow of funds into the state budget of the country. 3) Regulatory function - a function related to the regulation of commodity flows to and from the country.

Customs tariffs are an instrument of customs policy in the field of customs regulation of the country's economy, which is used to implement the goals of trade policy and is a set of rates of customs duties for taxable goods, systematized in accordance with the TN VED.

In order to ensure economic security, the main tasks of customs and tariff regulation of foreign economic activity in the Republic of Uzbekistan are currently:
- increasing the competitiveness of the country's industry, protecting the economic interests of domestic producers in the domestic and foreign markets;
- maintaining the level of investment attractiveness of production and the state as a whole;
- removing barriers to the development of competition, as well as creating conditions for replacing backward technologies;
- increasing the efficiency of the implementation of customs and tariff policy;
- improving the mechanism of customs and tariff regulation.

It should be noted that recently, significant changes in the field of customs have been observed in the Republic of Uzbekistan. This is due to a number of problems in the system of customs and tariff regulation. The main ones are:
1) defective legal support. After all, the condition for the effective functioning of customs legislation is its simplification, its accessibility, non-obstruction of the rights and interests of participants in foreign economic activity;
2) incorrect application of measures of customs and tariff regulation;
3) the inflow of investments into the country is not carried out in full;
4) the lack of an analysis of the current state of the branches of production of the state, as well as the development of a mechanism for setting the rates of customs payments, taking into account the production capabilities and production capacity of domestic producers;
5) inconsistency of national norms of customs legislation with the norms provided for by international treaties of the Republic of Uzbekistan;
6) the need to comply with the requirements of the time, which sets a fast pace of development for any field of activity;

When solving the problems of improving the mechanism of customs and tariff regulation, it is necessary to take into account:
- development of the national economy based on sectoral programs and modernization strategies, as well as increasing competitiveness;
- correlation of the interests of the development of domestic industries with the interests of the main partners of the Republic of Uzbekistan in foreign trade (China, Russia, Kazakhstan, Turkey, etc.);
- reducing the rates of import customs duties on imports in order to increase the competitiveness of domestic products, as well as to bring national norms in line with the requirements of the WTO.

Let's analyze the problems of customs and tariff regulation.

### Table 2

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weak sides</th>
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</thead>
<tbody>
<tr>
<td>Incentive investment policy</td>
<td>Reducing the level of tariff protection under the WTO conditions</td>
</tr>
<tr>
<td>Fiscal focus of customs and tariff regulation</td>
<td>Low differentiation of customs duty rates</td>
</tr>
<tr>
<td>Electronic declaration</td>
<td>Export - raw material orientation</td>
</tr>
<tr>
<td>Stimulating import substitution</td>
<td>Illegal import of goods into the country</td>
</tr>
<tr>
<td>Positive balance of foreign trade turnover</td>
<td>Problems of inaccurate declaration</td>
</tr>
<tr>
<td></td>
<td>Increase in the facts of underestimation of customs value</td>
</tr>
</tbody>
</table>

The reasons for the superiority of non-tariff methods of regulation of foreign trade are the following:

Firstly, non-tariff regulation methods, as a rule, are not bound by any international obligations, and, therefore, the scope and method of their application are fully determined by the national legislation of the country;

Secondly, they allow taking into account the specific situation developing in the world economy and applying adequate measures to protect the local market within a certain period, which is more convenient in achieving the desired result in foreign economic policy;

Thirdly, the use of non-tariff methods does not entail an additional tax burden for subjects of foreign economic activity. Nevertheless, they are associated with other costs of foreign trade participants (for example, payment for obtaining a license), which undoubtedly affects the final price of goods offered to the consumer. Among non-tariff methods of trade regulation, by their nature, quantitative, hidden and financial methods are distinguished.

Quantitative restrictions are the main non-tariff trade policy and include quotas, licensing and “voluntary” export restrictions.

The most common form of non-tariff restrictions is quotas - limiting the quantity or value of the volume of products allowed to be imported into the country (import quota) or exported from it (export) for a certain period. The state implements quotas by issuing licenses for the import or export of a limited volume of products and prohibits unlicensed trade.
Licensing can be an independent instrument of government regulation; in this case, the license is issued in the form of a one-time, general, global or automatic. The main methods of distributing import licenses are competitive auction and explicit preference system.

“Voluntary” export restrictions are imposed by the government, usually under political pressure from a larger importing country, which threatens to impose unilateral restrictive measures on imports. Often, exporting countries find workarounds, namely: switch to product categories that are not subject to restrictions; form enterprises abroad.

Analysis of the dynamics of foreign trade turnover showed an increase in the volume of exports and imports in 2019 compared to previous years. Thus, the growth of foreign trade turnover, compared to 2017, amounted to 1.6 times, and imports compared to exports (1.3 times) increased at a faster pace (1.9 times).

One third of the WTO volume falls on the CIS countries and in recent years there has been a downward trend in this indicator. This, in turn, testifies to the expansion of the geography of foreign economic relations. As a result of measures taken by the government to strengthen cooperation with the CIS countries and comprehensive support of foreign trade, the growth rates of the foreign trade turnover of the CIS countries, compared to 2018, reached 120.0% and their share in foreign trade turnover, at the end of 2019, amounted to 34.6%. Despite the growth, the share of the CIS countries, in comparison with 2018, in the total volume decreased by 1.7% points. The volume of foreign trade turnover of other states in 2019 increased faster (growth rate of 129.7%) than the CIS countries, and amounted to 65.4% of the total volume of foreign trade turnover.

In particular, in recent years there have been significant changes in the WTO with neighboring states, such as Tajikistan, Turkmenistan, Kyrgyzstan and Kazakhstan. Over the past three years, the WTO with Kyrgyzstan and Turkmenistan has tripled, and with Tajikistan and Kazakhstan, it has doubled. Foreign trade with Afghanistan remains stable at $ 600 million annually. The presence of an active foreign trade balance with Kyrgyzstan, Tajikistan and Afghanistan can be considered as a positive result of foreign trade. The largest volume of the WTO with other states (except for neighboring ones) falls on China, Russia, Korea, Turkey and Germany.
Among the main partner countries, an active foreign trade balance is ensured with countries such as Iran and France. [3.9]

Among the 20 large partner countries in foreign economic activity, there is an active foreign trade balance with five countries, in particular with such countries as Afghanistan (612.2 million US dollars), Kyrgyzstan (529.0 million US dollars), Tajikistan (191.4 USD million), France (USD 65.7 million) and Iran (USD 15.0 million). A passive balance of foreign trade turnover remains with the other 15 countries.

Uzbekistan carries out trade relations with more than 193 countries of the world. The largest volume of its foreign trade turnover among them was recorded with China (18.1%), the Russian Federation (15.7%), Kazakhstan (8.0%), the Republic of Korea (6.5%), Turkey (6.0%), Germany (2.3%) and Kyrgyzstan (2.0%).

Table 3

<table>
<thead>
<tr>
<th>Ten countries with the largest turnover with the Republic of Uzbekistan</th>
<th>(for January-December 2019, mln USD, share%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top ten countries</td>
<td>WTO</td>
</tr>
<tr>
<td>PRC</td>
<td>7620.9</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>6626.9</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>3367.8</td>
</tr>
<tr>
<td>The Republic of Korea</td>
<td>2755.4</td>
</tr>
<tr>
<td>Turkey</td>
<td>2525.2</td>
</tr>
<tr>
<td>Germany</td>
<td>980.1</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>829.1</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>618</td>
</tr>
<tr>
<td>USA</td>
<td>596.2</td>
</tr>
<tr>
<td>Turkmenistan</td>
<td>541.9</td>
</tr>
</tbody>
</table>

Export. Reforms implemented to increase the country's export potential, state support for exporters and expand the range of export-oriented products, made it possible to reach the number of exporters up to 5,895 units. and this ensured bringing the volume of exports to 17.9 billion US dollars (growth, compared to 2018, reached 28.0%).

Due to the fact that the government pays significant attention to the development of agriculture and horticulture, the quality and volume of exported goods are increasing from year to year. So, in 2019, the share of fruits and vegetables in total exports amounted to 6.7%. The volume of exports of fruit and vegetable products in physical terms amounted to more than 1.4 million tons and, in value terms, exceeded USD 1.2 billion (the growth rates, compared to 2018, were 112.7% and 135.5%). Of these, more than 816.5 thousand tons of vegetables were exported in the amount of 542.4 million US dollars, as well as 591.2 thousand tons of fruits and berries in the amount of 658.1 million US dollars (growth rates in value terms, compared to 2018, respectively amounted to 170.1% and 116.1%). The main
export markets for fruit and vegetable products are in Kyrgyzstan, Kazakhstan, Russia and Turkey.

Among the imported goods with significant volumes, there are also goods subject to localization within the country. The main factor in the growth of imports is the demand for machinery and equipment, their share in the total volume of imports reached 43.8% (over the past three years, this share grew by 7.7% points), which, in turn, is the most important component for attracted to the country of investment.

The next factors in the growth of imports are medicines and pharmaceutical products (more than 100 times), as well as the primary form of plastic products (1.4 times) and food products (119.2%). In the dynamics, a stable ratio of the share of imports with the CIS countries and other foreign countries remains, which, within the limits, is a ratio of 1:2.

At the end of 2019, China took the first place among large import partner countries with a share of imports in the total volume of 21.0%, ahead of the Russian Federation with a share of 17.0%, the Republic of Korea with a share of 11.0%, Kazakhstan with a share of 8.0%, Turkey with a share of 5.4%, Germany with a share of 3.8% and the USA with a share of 2.3%. Seven large partner countries account for 68.6% of total imports, which is more than $16,651.1 million.

![Figure 2. Share of TOP-7 import partner countries](source: www.stat.uz)

Thus, it becomes obvious that as a result of large-scale reforms of foreign economic activity of the Republic of Uzbekistan and strong ties with the countries of the world, the export potential of our state is growing. Along with this, due to the creation of favorable conditions, the provision of a number of tax and customs privileges to manufacturers, as well as in connection with the modernization of industrial capacities and the production of competitive products, prerequisites for an increase in the volume of exports of national products arise, which, in turn, allows domestic products to take strong positions in foreign markets. The WTO
partnership with the countries listed above can be regarded as a result of the visits of the President of the Republic of Uzbekistan undertaken by him over the past three years to 15 states, in particular, visits and bilateral mutually beneficial agreements signed there with partner countries.

There are still a number of systemic problems and shortcomings that hinder the successful implementation of state policy in the field of foreign trade, including:
- ineffective, unnecessary and redundant control functions of the regulatory authorities;
- outdated procedures and their inconsistency with the requirements of international norms and standards;
- preservation of bureaucratic barriers in the activities of regulatory bodies;
- lack of effective interdepartmental interaction and coordination, the presence of duplication of oversight functions;
- a long time for customs operations and operations carried out by other regulatory authorities;
- concentration of all control procedures related to the release of goods for free circulation directly within the country;
- the presence of institutional problems in the activities of regulatory bodies associated with the excessive concentration of forces and funds to collect taxes, fees and other types of payments;
- personnel shortcomings;
- low level of throughput of checkpoints and their insufficient material and technical equipment;
- lack of mechanisms to stimulate participants in foreign economic activity for compliance with the law;
- a low level of implementation of information and communication technologies and an incomplete transition of regulatory bodies, as well as participants in foreign economic activity, to electronic document management.

In accordance with the resolution of the President of the Republic of Uzbekistan dated June 29, 2018 No. PP-3818 "On measures to further streamline foreign economic activity and improve the system of customs and tariff regulation of the Republic of Uzbekistan" from January 1, 2019, updated rates of import customs duty and excise tax levied on the import of goods were introduced.

It is necessary to develop a complete list of goods, the production of which has been established in the Republic of Uzbekistan, indicating the production capacity of the manufacturer, the approximate amount of demand in the domestic market and the possibility of export potential. On the basis of this, establish the rates of customs payments (import duty, excise tax upon import) on goods in case of their import into the customs territory of the country. This will increase the transparent awareness of subjects of foreign economic activity about the degree of production of a particular product. Along with this, the creation of such a list will
improve the investment attractiveness of the country, since any potential investor will know which business is more profitable for him to build in our country. In addition, this list will allow you to accurately establish the size of the rate of customs duties based on the production capacity of manufacturers and analysis of supply and demand for the goods.

Based on the study of international experience, set the rate of duty for customs clearance, depending on the specifics of the goods (TN VED code), and also consider the provision of a discount for the collection (experience of the EAEU in the amount of 25% when sending a declaration electronically through the Electronic Declaration System). In the practice of this proposal, it will reduce the financial costs of subjects of foreign economic activity, stimulate entrepreneurs to increase the volume of imports. It will improve the position in the rating "Doing Business".

Develop a specific mechanism for setting customs duty rates for imports, taking into account the above principles (especially tariff escalation) and studying international experience. This will allow unifying the rates of customs duties, scientifically substantiating their formation, as well as increasing the flow of funds from customs duties to the state budget.

To join this or that organization (union), it is necessary to fully study all the benefits and disadvantages of such integration. After carefully weighing all the "pluses" and "minusos", it is necessary to make a decision on obtaining grace periods and conditions for maintaining the country's position in the issue of protecting national producers. In this case, it is recommended to obtain a transitional period for a period of 10 years, and the possibility of subsidizing "vital" spheres of industry (automotive and agricultural industries).

Given the comprehensive study of the benefits of the country's integration, it is recommended to join the WTO as a matter of priority. And, accordingly, the priority issue that needs to be addressed is the creation of a National Trade Facilitation Committee (with the development of a national trade facilitation strategy) and bringing legal norms in line with WTO requirements.

To improve the country's position on the indicator "International trade", it is necessary to improve the following main indicators that affect the assessment of this indicator: time and financial costs of foreign trade participants. These indicators are recommended to be improved by:
- introduction of the practice of mandatory preliminary notification of imported goods and vehicles;
- full implementation of the Single Window system into practice (it is necessary to timely submit relevant documents of a permitting nature by employees of authorized bodies)
- issuance of permits prior to the crossing of imported goods at the customs border of the Republic of Uzbekistan;
- reduction of the time of release of goods after registration of the cargo customs declaration, depending on the level of risk;

Our country needs to conclude international agreements with major foreign trade partners, such as China, EAEU member states, South Korea, Turkey, USA, Germany, Japan, etc. for mutual recognition of the AEO status both on the territory of our country and on the territory of the partner countries. This will significantly speed up the process of release of goods for free circulation, reduce the time of customs control of AEO goods, significantly reduce the volume of physical labor for a customs officer, and, importantly, improve the country's position in the world according to the indicator "International Trade"

Theoretical aspects of foreign trade regulation, methods of regulation, their advantages and disadvantages. An analysis was also carried out with statistical data. The liberalization of foreign trade has also been studied, how and by what methods (methods) it is more profitable to liberalize today in the context of globalization. Comparing foreign best practices in foreign trade regulation, examples of national liberalization of foreign trade regulation are also given. In addition, the role of customs authorities in the regulation of foreign trade of the Republic of Uzbekistan as the role of the state was studied. The establishment of customs tariff rates, as well as the use of non-tariff methods of regulation (certification, quotas, licensing, sanitary, phytosanitary, environmental and a number of other non-tariff measures) are directly influencing the regulation of foreign trade operations on the part of customs authorities. Particular attention was paid to the International Supply Chain Security Framework. Their role and significance today is very great. For participants in foreign trade activities, the priority issue is to ensure the safety of goods, delivery to the destination safe and sound, ensuring public health and the environment. At the same time, the customs authorities, being directly a participant in the supply chain of goods, play an important role in ensuring the above tasks. They are entrusted with several simultaneously conflicting tasks: ensuring economic and state security, the fastest and simplified implementation of customs control and registration, replenishment of the state budget by collecting customs payments. At the end of the first chapter, attention was paid to the views of international experts on the simplification and application of the Security Framework of Standards and Foreign Trade Regulation.

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