

DEVELOPMENT OF THE UZBEK ECONOMY BY DIVERSIFYING THE STRUCTURE OF EXPORTS

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ABSTRACT: The thesis describes the economic reforms implemented in Uzbekistan in recent years to diversify the structure of exports. Changes in the structure of exports in foreign trade have been reported over the years. Practical recommendations are given for the implementation of export diversification.

KEYWORDS: export structure, diversification, foreign trade, cotton fiber, food products, ferrous and non-ferrous metals, oil and energy sources, machinery and equipment, services, export volume.

INTRODUCTION

For the past five years, the Government of Uzbekistan has been pursuing an economic policy aimed at diversifying the structure of exports in order to develop the national economy. In particular, this policy has intensified the focus on exports in order to reduce the impact of the COVID-19 pandemic, which began in 2020. It was the President of the Republic of Uzbekistan Sh.M. Mirziyoyev's Resolution No. PD-4069 of December 20, 2018 "On measures to strengthen and promote exports" radically increase the volume of exports of goods and services, expand the range of export-oriented products, balance the foreign trade. A number of measures have been developed to ensure and increase foreign exchange earnings.

THE MAIN FINDINGS AND RESULTS

To date, the policy of diversification in our country is implemented mainly in three areas: diversification of the composition and geography of exports, diversification of industry and modernization of leading sectors of the economy and diversification of production.

The need to diversify the structure of exports in our country depends on the fact that the products that form the basis of exports (gold, copper, energy sources) belong to the group of non-renewable resources and cotton fiber plays a significant role in exports. the high level of

volatility in commodity prices is associated with the solution of problems such as the instability of revenues from its exports).

Diversification of the structure of foreign trade is carried out in two directions: first, to diversify the geographical structure of foreign trade, and secondly, to improve the composition of its goods. At the initiative of President Sh. Mirziyoyev, the export earnings of raw cotton are declining from year to year. For example, in 2015, 736.1 million exports of raw cotton in 2017 amounted to 477.1 million US dollars, in 2018 222, 1 million US dollars, and in 2019 it will be 281.6 million US dollars worth of raw cotton was exported.

From year to year, the number of finished products instead of raw materials in the structure of exports is growing. The share of food products, machinery and equipment, chemicals and chemical products and services is growing. First table below shows the dynamics of changes in the structure of exports of Uzbekistan in recent years. According to V. Popov, a professor at the International Business School under the President of the Russian Federation, the achievements in exports so far have been due to the diversification of export products and increasing the share of high value-added goods in exports.

Table 1

Dynamics of changes in the structure of exports of the Republic of Uzbekistan (2015-2020 y.)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Export volume (million US dollars) | 12507,6 | 12094,6 | 12553,7 | 13990,7 | 17458,7 | 15102,3 |
| Including | | | | | | |
| Cotton fiber | 736,1 | 637,3 | 477,1 | 222,1 | 281,6 | 146,9 |
| Food products | 1316,4 | 694,5 | 875,9 | 1097,8 | 1529,9 | 1443,8 |
| Chemistry and chemical products | 613 | 841,1 | 883,7 | 905,3 | 878,1 | 873,2 |
| Oil and energy sources | 2685,2 | 1713,8 | 1607,6 | 2666,8 | 2528,9 | 659 |
| Ferrous and non-ferrous metals | 824,2 | 708,6 | 914,7 | 1171,8 | 1254 | 1241,9 |
| Machinery and equipment | 159,3 | 220,7 | 354,8 | 212,8 | 427,1 | 442 |
| Services | 3061,3 | 3120,6 | 2474,5 | 3070 | 3434,8 | 2005 |

| | | | | | | |
|--------|--------|--------|--------|--------|------|--------|
| Others | 1191,5 | 1350,4 | 1705,3 | 1734,5 | 2206 | 2486,1 |
|--------|--------|--------|--------|--------|------|--------|

Source: Compiled by the author on the basis of data from the State Statistics Committee of the Republic of Uzbekistan.

It should be noted that in recent years, Uzbekistan has adopted a number of regulations on the production of competitive and export-oriented products. For example, a number of measures are being taken in our country to support exporting enterprises.

In particular, in the Resolution of the President of the Republic of Uzbekistan Sh. Mirziyoyev dated May 7, 2020 No PD-4707 "On measures to further support export activities" in the amount of up to 50% of the cost of transportation of products for export The mechanism of providing subsidies for compensation will also be applied to the export of products by road and air.

CONCLUSION

Diversification of the export structure is important in overcoming the country's vulnerability to external economic risks, and in order to achieve this, all efforts and resources should be directed to the following areas:

- to prevent the national economy from becoming dependent on important areas of foreign economic conditions in the context of integration into the global financial and economic system. To do this, it is necessary to diversify the structure of exports, including increasing the share of ready-made, high-quality and marketable products for entering foreign markets;
- to study the demand for products manufactured in our country in foreign countries or to start production, to develop a strategy for entering and competing in the markets of such products, which, in turn, are exported. has a positive impact on the expansion of the number of products and the geography of countries;
- assisting exporters in reducing the cost of production and sales to ensure the competitiveness of our products in world markets, acquainting them with changes in foreign market conditions, prospective markets, the results of research on competitors, transport It is important to develop communication systems, implement measures to reduce transport costs by opening new transport corridors.

Increasing the diversity and volume of exports, diversification of foreign trade partners will play a key role in eliminating external economic risks, achieving qualitative changes in its structure, increasing competitiveness, and as a result, economic growth will improve the living standards of the population. serves the purpose.

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