



WTO AND UZBEKISTAN: NEW OPPORTUNITIES AND CHALLENGES

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A B S T R A C T	KEY WORDS
The subject of this study is the country's accession to the World Trade Organization. The history of creation, goals and principles of functioning of the World Trade Organization (WTO) as an international institution were considered. The article analyzes the advantages and disadvantages of Uzbekistan's accession to the WTO for the country's economy.	World Trade Organization (WTO), import, export, market, duties, competition.

Introduction

In the modern world special attention is paid to the development of international economic cooperation, strengthening trade and economic ties with foreign countries. The Republic of Uzbekistan is actively implementing consistent reforms aimed at increasing the export potential of the national economy by taking a firm place in the world market through the production of high-quality competitive products.

International trade in modern conditions is an important element for the economic growth of the country, which contributes to the development of efficient production of goods and services, strengthens the competitiveness of entrepreneurs, as well as the inflow of foreign currency into the national economy.

The transformation of Uzbekistan's economy has intensified its participation in international economic relations. Within the framework of the Strategy of actions on five priority directions of development of the Republic of Uzbekistan in 2022-2026, a significant legal framework is being created to regulate entrepreneurial activity and stimulate enterprises to foreign markets.

The priorities of modern foreign policy activity of the Republic of Uzbekistan lie in the plane of the tasks specified in the "Action strategy" and are reflected in practical steps to develop new approaches to expanding ties in the international arena [1].

Foreign economic cooperation should help solve the tasks of socio-economic development of Uzbekistan by studying the best international practices, establishing ties with foreign countries, which will contribute to the formation of the most favorable business environment and investment climate in the country.

The developed foreign policy strategy of the country promotes the development of trade and economic cooperation with foreign countries and attraction of foreign investments, advanced technologies in production, expansion of the geography of domestic exports.

The World Trade Organization (WTO) is the international organization that regulates trade between nations. The organization provides a legal system for international trade. Its member countries' commitments to cooperation make countries responsible for implementing trade policies within established criteria.

The World Trade Organization, established in 1995, is the largest international economic organization in the world and has 164 member countries. The World Trade Organization (WTO) replaced the General Agreement on Tariffs and Trade (GATT) as the unique international body responsible for global rules for trade between nations. The organization provides a convenient legal system for international trade. Documents adopted by member countries by common agreement make countries responsible for implementing trade policies within established criteria. Countries that are members of the WTO account for more than 98 percent of global trade and world GDP [2].

The main goal and objective of the WTO is to promote international trade without any restriction. The countries that initiated the WTO believe that only economic freedom and equality in international relations between countries and international trade is conducive to the social and economic growth of a country. Participation in the WTO should be in accordance with the strategic vision of the countries to achieve economic security of the country and, consequently, its political independence. Ensuring these conditions is achievable only if the country's GDP grows sharply in the coming years. First of all, due to the entry of the country's products into new markets, development of high-tech, nanotechnology and innovative sectors of the economy, as well as export growth in manufacturing industries and development of high-tech, nanotechnology and innovative sectors of the economy.

Uzbekistan is one of the leading countries in the world in terms of natural resources, as well as a country that has ensured its energy security for the long future. The Republic of Uzbekistan ranks 7th in the world in terms of gold and uranium production, 11th in terms of copper reserves and 5th in terms of cotton fiber production in the world. With the help of these data it can be clearly visualized and understood that Uzbekistan has energy independence, which is an advantage as many countries are facing problems in the energetic sector.

Accession to the WTO will require fixing maximum rates for import duties, which the WTO partner countries will agree to. When the country joins the WTO, they will try to reduce import duties in Uzbekistan as much as possible. At the same time, the WTO rules provide for the elimination of all non-tariff barriers to trade that are not justified from the point of view of safety of life and health of people. It also provides for clear regulation of all customs procedures to prevent their use as hidden barriers to trade.

Uzbekistan has been an observer for a long time and the issue of the country's entry into the World Trade Organization is a major topic for the country. For many years the country competed for the right to export domestic goods abroad. For many years Uzbekistan has been an exporter of cotton and has not been able to gain a place in the market as a producer of final goods and hopes to gain status and place by joining the WTO, where it can acquire favorable offers from other countries and expand its abilities in the field of production.

Uzbekistan currently undertakes foreign trade operations with many countries of the world. Uzbekistan continues to cooperate with CIS countries in its foreign trade relations. Among CIS countries, the main partners of Uzbekistan in exports of goods and services in 2023 were Russia (13.5%), Kazakhstan (5.6%), Kyrgyzstan (2.6%) and Tajikistan (2.5%).

It should be noted that in recent years there have been significant changes in the geographical distribution of Uzbekistan's exports and imports. The accession of the Republic of Uzbekistan to the WTO will help to occupy new markets and sell products in the markets of Europe, which in turn will increase both production, inflow of foreign currency and jobs. According to statistics for 2023, the volume of trade increased by 36% compared to 2022 [3].

Uzbekistan is known for its quality agricultural and industrial goods all over the world. The European market is an excellent way to realize the goods of domestic producers. It is also a good opportunity for inflow of foreign currency for the state. A related aspect for the future of the country is the development of human capital: the emergence of specialists at all levels with experience of working with European colleagues will be the basis for economic growth in the coming years. With each new success of Uzbek producers in the European market, the investment attractiveness of the country and individual large export-oriented projects increases.

In 2022, the assimilated investments in fixed capital at the expense of foreign direct investments and credits in the total volume of investments in the republic, amounted to 36.0% and, compared to 2021, amounted to 104.3% [4].

It should be noted that competition in the European market is very tough. At the same time, all products from Uzbekistan will become significantly more competitive. For the state, increasing exports to Europe is an opportunity to qualitatively improve the export-import balance and increase tax payments to the national and regional budgets. It is customary to talk about the creation of new jobs.

Due to its geographical location, Uzbekistan is landlocked and surrounded only by land and exporting products will be much more expensive than if transported through the sea. It turns out that Uzbekistan cannot offer cheap goods to the export market. And if Uzbekistan becomes a member of the WTO, first of all, tariffs will be reduced. The lower the tariff, the more goods come in. More products mean more supply and more supply means more favorable price and more goods. In such a case, exporters can benefit. The share in the industrial sector of the economy will also increase, and industry is the most important sector of the economy and it has a favorable impact on the socio-economic development of Uzbekistan.

Creation of an efficient and competitive industrial sector is the strategy of Uzbekistan, both in the short and long terms. In addition to the above, it should be noted that the investment climate will improve and opportunities for Uzbek investors in the territory of WTO member countries will expand. It should be noted that upon joining the organization it is expected to improve the quality and competitiveness of domestic products. In addition, accession to the WTO should have a favorable impact on the economy of the country as the country will improve the investment climate, as well as there will be a potential attraction of new technologies in the economy. Duties on Uzbek products will be reduced and it will become much easier for exporters to export their products and they will be easier to operate. As a consequence, all these changes may help to increase the GDP level of the country.

Uzbekistan is a country with a large population and reserves of raw materials. As a fact, accession to the WTO will increase the number of investors and create new jobs. Producers will increase their relative advantage by reducing the cost of their products. It will help to prevent various disputes during exports as the WTO has a conflict resolution committee. The population of the country will be able to get rid of the difficulties of physical work in foreign countries. However, joining the World Trade

Organization, Uzbekistan expects not only promising development, but also problems related to various aspects of the economy may arise.

It should be noted that upon accession to the WTO, the country will no longer be able to pursue an independent economic policy. And also participation in this organization will require some changes in government work, which may lead to an increase in public expenditures.

It is also impossible to predict whether domestic producers will be able to compete with international producers. A new market means new conditions and not every producer is able to withstand larger competitors and enter and take the market.

The country's entry into the WTO depends on the mechanisms of transformation in the economy. Therefore, it must be taken into account that the transformations will affect agricultural, engineering, chemical and many other industries. Upon joining the WTO, the agricultural sector of Uzbekistan may face serious risks in its development due to the need for a wider opening of the domestic market for agricultural imports. It is impossible not to mention the fact that upon joining the WTO, the regulatory and legal regulation of genetically modified products may change. On condition of creating a favorable climate in the agricultural sector and value chains, reducing the role of the state in regulation and measures to increase the investment attractiveness of agriculture will turn the industry into a driving force. In the process of joining the WTO, the main objectives of the agricultural sector should be the issues of ensuring food security and public access to high-quality food. There is a base for development in Uzbekistan, which is facilitated by constant state support.

This creates the basis for development. Provided that the country expands exports of food or raw agricultural products to the CIS countries, Europe and Asia, it is possible to make a positive forecast that there will be a positive effect from joining the WTO. To do this, Uzbekistan needs to improve not only its price competitiveness, but also the quality of its products.

Therefore, it is necessary to implement measures on consistent structural reform, which will ensure systemic modernization and increase the competitiveness of products of the agrarian and food sector, development of social and market infrastructure of the village.

Today Uzbekistan is actively struggling and trying to reduce the percentage of unemployment in the country. The population of Uzbekistan as of the beginning of 2024 is 36.8 million people. The population growth rate accelerated to 2.1% in 2020-2023, while in 2010-2019 the average growth rate was 1.7%. However, the majority of the population (57%) belongs to the working age group. At the same time, starting from the 2010s, the share of the working-age population from the total population has been gradually decreasing, which was caused by the increase in the birth rate from 2000 to the present. This shows a growing demographic burden and may lead to an increased need to create more jobs. With a large number of cheap imports into the country's market will lead to the closure of a large number of enterprises and increased unemployment.

The economic reforms carried out in the Republic of Uzbekistan serve to rapidly increase trade relations with foreign countries. In particular, the decisions taken to increase export potential will allow local companies to gain more experience in foreign markets. These decisions will ultimately have a competitive advantage in world trade.

Thus, we can summarize and conclude that the results of Uzbekistan's accession to the WTO largely depend on the country itself and on the support of the economy by the state, and Uzbekistan's accession to the WTO should serve as a means to ensure its external economic interests in the context of globalization of the world economy. And also Uzbekistan's accession depends on the methods and

mechanisms of realization of industrial transformations in the industry, its individual sectors in the economy, as well as the adoption of laws that comply with WTO regulations.

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