

Development of the Export Capacity of Small Business Enterprises in Uzbekistan

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ABSTRACT

This article evaluates the possibilities of developing the activities of small business enterprises operating in our republic, as well as increasing the export potential. Prospects for further development of the industry are also highlighted. In the article, the problems that arise in increasing the export capacity of small business enterprises are thoroughly analyzed, and proposals and recommendations aimed at solving the problems are developed. In turn, the implementation of these recommendations is intended to further increase the country's export potential.

Introduction. Today, our government is implementing radical reforms in the field of comprehensive support for business entities. One of the main goals of these reforms is to increase expert competence. In particular, in 2017-2021, the Strategy of Actions on five priority areas of development of the Republic of Uzbekistan was adopted. Liberalization and facilitation of export activities, diversification of export composition and geography, expansion of export opportunities of economic sectors and regions, and provision of mobility are defined as one of the important directions of the action strategy. This intended goal imposes a very important task on the companies operating in our republic, such as entering the foreign market and gaining a place while ensuring competitiveness. The fact that reforms are being carried out in the field in order to allow small business enterprises to enter the world market and increase their export potential will serve to increase the weight of competitive enterprises in our country in the future.

Material and method. In the Address of the President of our country Sh.M.Mirziyoyev to the Oliy Majlis on the results of 2019 and the strategic plans that need to be implemented in 2020, as one of the programmatic and targeted tasks that need to be implemented in the economic sector in 2020 and beyond - the development of high-quality and competitive products in order to increase the country's export potential, find buyers from foreign countries and enter the world market, as well as make sufficient use of transit potential [1]. It should be noted that the capabilities and potential of the regions of our country are directly relied upon to ensure the implementation of the tasks set by the head of state. The analysis of Namangan region's share in exports shows that, although there has been a positive growth in the volume of export-oriented

goods over the years, according to export practice, it was 3.0% in 2021 (Table 1).

Table 1

The share of Fergana Valley regions in the country's exports (2017-2021).¹
million US dollars)

Name	2017 y	2018 y	2019 y	2020 y	2021 y	A total of 5 years
by republic	13893,6	14253,9	17900	15127,7	16610,6	77785,8
Namangan region	196,7	247,4	357,3	380,5	494,6	1676,5
In %	1,4	1,7	2,0	2,5	3,0	2,13
Fergana region	515,8	510,9	547,1	555,3	800,7	2929,8
In %	3,7	3,6	3,1	3,7	4,8	3,77
Andijan region	397,7	421	546,4	584,9	979,5	2929,5
In %	2,9	3,0	3,1	3,9	5,9	3,73

Comparing the export indicators of regions in the Fergana Valley region of Namangan region, it can be seen that in 2021, compared to Andijan region, 484.9 million soums or 2.95% less products were exported than Fergana region in 2021, 306.1 million soums or 1.8% less

From the analysis data, we can see that the total export turnover of the region increased by 130.0% in 2021 compared to 2020, of which it was 116.7% with the CIS countries, and 173.0% with other foreign countries. This was certainly done due to the increase in the number of exporting enterprises in the region this year, as well as the increase in the volume of export-oriented products.

Results. If we analyze the contribution of Namangan region to the GDP of the Republic of Uzbekistan in 2017-2021, it was 4.4% on average in the next five years.

Table 2

Namangan region of the Republic of Uzbekistan in 2017-2021
Information about the contribution to GDP

Indicators are in billion soums

Indicator	2017 y	2018 y	2019 y	2020 y	2021 y	Total
Gross domestic product of the country	302 536,8	407 514,5	511 838,1	580 203,2	734 587,7	2 536 680,3
Gross domestic product of Namangan region	10 552,5	18 141,4	23 239,0	28 077,4	34 479,8	114 490,1
Region's share in GDP (in %)	3,5 %	4,5 %	4,5 %	4,8 %	4,7 %	4,4 %
Including: Small Business Gross Domestic Product	7 492,3	12 880,4	17 667,7	19 072,6	24 609,2	81 722,2
Share of small business in regional gross domestic product (in %)	71,0 %	71,0 %	76,0 %	67,9 %	71,4 %	71,5 %

As can be seen from the data in the table above, the region with great potential is not making sufficient use of the unused opportunities and reserves. Also, it is important and necessary to improve the economy of the region and increase the volume of gross regional product by applying advanced scientific and technical achievements, new investment projects to industry, agriculture and other sectors.

Debate. About 71.5% of the region's gross domestic product is accounted for by small business and entrepreneurial entities. Therefore, it is necessary to study the network structure of this

¹ The share of Fergana Valley regions in the country's exports (2017-2021).

industry, to systematically analyze its place in the economy. The obtained results lead to the expansion of the scale of the regional economy, reproduction and, most importantly, sustainable development.

The analysis of the foreign trade turnover of the Republic of Uzbekistan shows that there are stable growth trends in the indicators, the total figure for the period of 2012-2021 was 314,495.0 million US dollars, the basis of which was export 146,678.7 million US dollars, import 167,816.3 million US dollars amounted to USD (Table 3).

Indicators	2015 y	2016 y	2017 y	2018 y	2019 y	2020 y	2021 y
Foreign Trade Turnover	25 286,1	24 681,6	26 907,0	33 809,1	42 200,0	36 299,2	42 071,6
Export	12 870,6	12 567,6	13 893,6	14 253,9	17 900	15 127,7	16 610,6
Import	12 415,5	12 114,0	13 013,4	19 555,2	24 300	21 171,5	25 461
The difference (+,-)	455,1	453,6	880,2	-5 301,3	-6 400	-6 043,8	-8 850,4

Summary. A number of decrees and decisions aimed at increasing the country's export potential have been adopted, in particular, based on Decree No. PF-60 of the President of the Republic of Uzbekistan dated 28.01.2022. Based on the above, if we fulfill the tasks defined in the decree, we will achieve the development of the country's economy as we think. In the "New Uzbekistan Development Strategy for 2022-2026", our tasks are as follows:

1. By 2026, by increasing the export potential of the republic, they plan to increase the volume of exports in the republic to 30 billion US dollars. For this, it is aimed to increase the export potential of the republic by actively continuing the system of supporting the activity of exporting enterprises.
2. Further development of the export potential of local industries, making full use of existing opportunities.
3. Introduction of standards that meet the foreign market and international requirements and attract famous brands.
4. To increase the share of the private sector in exports to 60 percent.
5. To increase the export of motor vehicles by 3 times and reach 1 billion US dollars.
6. Increase the export of tourism, transport, information and communication, including software and other services by 1.7 times or reach 4.3 billion US dollars.
7. Improving the system of organizational and financial assistance provided to exporting enterprises. Increasing the volume of finished and semi-finished products in export by 3.3 times, expanding the export of finished products to European countries within the framework of the GSP+ system.
8. To increase the number of exporting enterprises from the current 6,500 to 15,000, and the geography of export of goods from 115 to 150 due to the improvement of the system of assistance in the export of products produced by local manufacturing enterprises to foreign countries.
9. Based on the idea of "New Uzbekistan - the country of competitive products", select 200

exporting enterprises based on an open competition, turn them into leading exporters and support them in every way.

10. Urgent tasks such as the establishment of free trade zones in border areas with neighboring countries have been set².

The analysis of the results achieved in the foreign economic activity of the Namangan region in 2012-2021 shows that there were stable growth trends in the indicators of the foreign trade turnover of the region, the total figure was 6494.5 million US dollars, of which exports accounted for 2414.9 million dollars, or an average of 1.6%. In 2021, the region carried out export operations worth 494.6 million US dollars, which accounted for 3.0% of the country's exports. The import operations of the region during the analyzed period amounted to 4079.6 million US dollars, which made up 2.4% of the country's imports. In 2021, import operations worth 594.8 million US dollars were carried out at the regional level, which was 2.3% of the country's imports.

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² "New Uzbekistan development strategy for 2022-2026"