
Some Factors Shaping Exports in Uzbekistan

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Abstract: This article is based on the need for foreign trade liberalization and export support to ensure economic growth. The factors affecting the export potential of Uzbekistan were analyzed. It has been shown that paying more attention to export development allows for an optimal distribution of World Resources, and therefore income from the trade sector depends on the acceleration of export volumes. In order to strengthen the export flow of Uzbekistan to the main exporting countries, it was recommended to deepen the process of economic integration between them.

Key words: Economic growth, exports, imports, production levels (GDP), real exchange rate, indirect taxes, gross savings, foreign direct investment.

Introduction. Trade is equivalent to the engine of economic growth. The goods are presented to the world community at lower prices. Markets will expand. The level of income and employment will expand.

World Trade data show that in the period from 1950 to 2005, there was an increase in trade value from US \$ 290 billion to US \$ 10 120 billion. According to Bayer and Bergstrand (2004), World Trade is influenced by three factors: revenue growth, trade barrier decline, and lower transportation prices. Trade liberalization leads to an increase in the trade balance.

Mohammad Sofjan's research on the extent to which the liberalization carried out in Indonesia affects international trade has suggested that the relative price in the export and import equation, which is a real effective exchange rate, negatively affects exports. In this case, relative export prices showed an elastic coefficient -1.33, that is, greater than one, and the price change affects the change in the volume of exports. However, Sharma (2001) examines factors affecting exports in India for 1970-98, using annual data in his recent research. The study uses a system of equations that occur simultaneously. The research results show that demand for Indian exports increases when Indian export prices fall relative to world prices.

Hekman and Dzhankov (1998) analyze the structure and change in the volume of exports in the countries of Central and Eastern Europe. The study shows that foreign direct investments were attracted in areas where the countries of Central Asia and Eastern Europe do not have a comparative advantage (that is, by the share of exports in the markets of the Eastern Union, they are relatively non-specialized). Within the five countries where the data are available, Poland is one that has a positive relationship between foreign direct investment and export structure. Thus, direct investment investment complements the efforts of the local industry to rebuild and modernize.

Mohammed Sofjan's research again shows that trade liberalization policies measured by export taxes have had a significant and negative impact on exports with a coefficient of -0.29. This means that an increase in the export duty by 1% will reduce the export volume by 0.29%. At the same time, Mohammad Sofjan determines that world and domestic income will have a significant and positive impact on the volume of exports and imports with coefficients 9,86 and 0,98, respectively. Hence, the growth of Indonesian exports and imports is strongly influenced by world and domestic income. World economic conditions, especially the economy of the main trading partners, affect Indonesian exports.

This study is aimed at identifying the internal and external factors of exports in the developing country, Uzbekistan.

The growth of exports is largely determined by external factors, for which we use two variables, direct external investment and the real exchange rate. However, exports are also influenced by internal factors. In this regard, we accept such sizes as GDP, GDP growth rate, indirect taxes, savings into our model. The equation formulated to encourage exports is as follows.

The variables that appear in the equation are defined as follows.

$$EX = f(SAV, EXCH, IT, FDI, GROWTH, GDP)$$

EX= Share of exports in GDP

FDI = To'g'ridan to'g'ri horijiy investitsiyalarni YaIM dagi ulushi

SAV = Yalpi jamg'armaning YaIM dagi ulushi

GDP = YaIM

GROWTH = Economic growth

IT= Share of indirect taxes in GDP

EXCH = The Real vayuta rate, we multiply the nominal exchange rate by the US CPI and divide it ourselves into CPI.

Production capacity is expressed as the ratio of exports to production to account for the effect of expansion.

Production level (GDP). This is the factor that determines the supply side of exports. A high level of production is the main reason for the expansion of exports, since products that have increased from domestic consumption are exhausted in international markets. The excess of production leads to a decline in prices, which in turn causes pessimism among manufacturers. In an open economy, production surplus creates external reserves through export. Developing countries have relative advantages for agricultural goods. They can very well afford a low-cost product if they implement a policy of increasing exports. Therefore, we positively expect the impact of gross domestic product on export growth.

GDP growth is an indicator of future potential and stability of production levels.

The decline in domestic prices due to the decline in exchange rates makes exports cheaper in international markets, resulting in increased demand for exports, so we expect a positive impact of the real exchange rate on export growth. Nomina lvalyuta to convert the course to real currency exchange rate, we multiply the nominal by the US CPI and divide it ourselves into CPI.

Indirect taxes. The effect of this variable is expected to have a negative impact on production decisions. But the state cannot exclude the possibility of a positive impact on exports due to financial benefits from the government. In particular, if the government of the export industry provides tax incentives for expansion, the high rate of crooked taxes can negatively affect the domestic demand in the country and lead to export surplus.

Gross savings. Usually in developing countries, the share of funds spent on non-production factors of the fund, for example, for the purchase of jewelry, property, is large. Therefore, the result of high savings means a large volume of products ready for export. So we have a positive effect on the export of this variable.

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$$EXPORT = 17,69920 + 1,27174SAV * + 0,00158EXCH \\ * + 0,64084FDI - 1,87301GROWTH - 0,00012GDP + u_i$$

It has become one of the most important variables that affect exports. Our empirical assumptions corresponded to theory and empirical evidence found in other studies. Relative export price ratio .Showed 0015798 that is, unlike zero, the price change will affect the change in the volume of exports. The increase in the Real exchange rate by 1 percent means that exports will increase by 0,000015 percent. That is, the increase in the real exchange rate by 10% in 2021 indicates that exports will increase by 237 billion soums this year. In the case of gross savings of 217362 billion soums to 219535 billion soums, that is, 1 percent, our model indicates that exports will increase by 4310 billion soums if they increase.

Our values are considered statistically significant due to the share of the Gross fund achieved as a result of regression in GDP and the fact that the values of "p" in our real exchange rate free variables are smaller than 0.05.

The results show that an increase in savings contributes significantly to exports. High savings imply low interest rates and encourage investment opportunities. In developing countries, the government provides many incentives for Export Development Strategies. The empirical results obtained also support our hypotheses.

We will carry out the Brush-Pagan test using its stata command. Without it, we have a null hypothesis-invariant variables, which means that there is no heteroscedasticity in the data, and the value p is higher than 0.05, $p > 0.05$, so we cannot refute the null hypothesis of invariant variance, so the data is free of heteroscedastics. If heteroscedasticity is in the data, we can use reliable errors(robust errors) rather than the situation. The homoscedasticity hypothesis (meaning" same variance") is a muxim for linear regression models.

The term homoscedasticity error (that is, it is said to be a random violation in the relationship between independent noise and The Associated variable) describes a situation in which independent variables are identical in all their values.

We will see below how exports will increase or decrease due to changes in gross savings and real exchange rate in 2021-2025.

	Real valyuta kursi (t)	t	t ²	yt
2011	3788	1	1	3788
2012	4249	2	4	8498
2013	4805	3	9	14415
2014	5400	4	16	21600
2015	6227	5	25	31135
2016	7389	6	36	44334
2017	17541	7	49	122787
2018	18353	8	64	146824
2019	21258	9	81	191322
2020	24587	10	100	245870
\sum	113597	55	385	830573
2021	24365	11		
2022	26730	12		
2023	29095	13		
2024	31460	14		
2025	33825	15		

Table 1. Forecast of the Real exchange rate in the example of 2021-2025(billion soums)

$$\begin{cases} na_0 + \sum t a_1 = \sum y \\ \sum t a_0 + \sum t^2 a_1 = \sum yt \end{cases}$$

$$\begin{cases} 10a_0 + 55a_1 = 113597 \\ 55a_0 + 385a_1 = 830573 \end{cases}$$

$$y = -1649,9 + 2365t$$

Source: <https://stat.uz/uz/rasmiy-statistika/national-accounts-2>

The reason why the fund fell by 2020 is due to the fact that the interest rate, Table 2, Shuili fell. That is, it was 22.2% in 2020 and 24.2% in 2019. Depending on the scale of the increase in investment, the state can apply investment policy. As noted by the strategy of actions aimed at the development of the social sphere, the president expressed his goal to build affordable housing and reduce the cost of one seller of land to 4.5 million. This is a response to the amount of gross savings that will increase in the near future. After all, the sale of housing is also a private investment. And the fact that new houses are not built will lead to the fact that the old houses will increase in price and cause inflation to occur.

	yalpi jamgarish (t)	t	t ²	yt	Asosiy kap. Investitsiya
2010	19608	1	1	19608	16 463,7
2011	25822	2	4	51644	19 500,0
2012	30840	3	9	92520	24 455,3
2013	36804	4	16	147216	30 490,1
2014	46884	5	25	234420	37 646,2
2015	54784	6	36	328704	44 810,4
2016	63946	7	49	447622	51 232,0
2017	89167	8	64	713336	72 155,2
2018	153072	9	81	1377648	124 231,3
2019	230469	10	100	2304690	189 924,3
2020	217362	11	121	2390982	202000,1
\sum	968758	66	506	8108390	
2021	215114	12			
2022	235985	13			
2023	256856	14			
2024	277727	15			
2025	298598	16			

Table 2. The forecast of the accumulation in the example of 2021-2025 (billion.som)

$$\begin{cases} na_0 + \sum t a_1 = \sum y \\ \sum t a_0 + \sum t^2 a_1 = \sum yt \end{cases}$$

$$\begin{cases} 11a_0 + 66a_1 = 968758 \\ 66a_0 + 506a_1 = 8108390 \end{cases}$$

$$\begin{cases} a_0 = -35338 \\ a_1 = 20871 \end{cases}$$

$$y = -35338 + 20871t$$

Source: <https://stat.uz/uz/rasmiy-statistika/national-accounts-2>

Employment and real incomes of the population, aimed at the development of the social sphere, improving the system of social protection and health care, increasing the socio-political activity of women, the construction of affordable housing. From the table above, we can see the contribution of gross savings and the real exchange rate to the change in exports. Thus, by 2023, the contribution of both sizes to the change in exports will amount to \$ 178 billion. Both sizes have a positive effect on the export change, that is, they will have a correct proportional effect.

The purpose of the research in this scientific article was to identify the main factors that increase exports in Uzbekistan. In accordance with the goals, the values of the high squares R and the statistical multiplier F were achieved in the regression model, that is, the values in our model taken together can well explain the change in exports. According to the results of the observation, the most dominant factors affecting export growth are savings and the actual exchange rate.

The actual exchange rate and savings, as expected, had a positive and statistically significant impact on Uzbekistan's exports. But in developing countries, a stable monetary policy should also be ensured in order to avoid currency risks directly related to investor assets, import prices and profits. In addition to agricultural exports, developing countries should also increase the share of industrial exports, which provide reasonable and stable prices on world markets.

First of all, it is necessary to stimulate factors that have a positive effect on the export of Uzbekistan. It is also recommended to deepen the process of economic integration between them in order to strengthen the export flow of Uzbekistan to the main exporting countries. It was found that the flow of foreign direct investment has a positive effect on export indicators, but is insignificant. Uzbekistan should try to attract more direct foreign investment not only to improve its exports, but also to attract currency, capital, technologies and other important factors.

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