



The impact of foreign trade activities on the economy of Uzbekistan: factors of macroeconomic growth and innovative development

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Foreign trade activity is an important driving force in the development of the national economy. This process allows diversifying state budget revenues by accelerating macroeconomic growth rates, creating new jobs and activating the labor market. Also, through foreign trade, advanced technologies and innovative solutions are introduced into the national economy, which serves to increase production efficiency and improve product quality. In the case of Uzbekistan, through pragmatic trade and economic strategies, the country is effectively integrating into the international economic ecosystem.

In 2023, the country's total foreign trade turnover grew by 10-12%, leading to significant macroeconomic changes in the economy of Uzbekistan. As a result of this growth, GDP increased by 5.5%, of which 2% was accounted for by net income from foreign trade. These indicators indicate that external economic factors play a key role in economic growth. An increase in the volume of exports and imports, entry into new markets, and expansion of international cooperation have made a significant contribution to this process.

The increase in export volumes to \$20 billion led to a significant increase in state budget revenues. This created an opportunity for additional investment in social infrastructure and increased social capital. Export revenues served as an important source of investment for diversifying the national economy and developing new production clusters.

In 2023, the expansion of export-oriented manufacturing enterprises created approximately 50 thousand new jobs. This process had a positive impact on the activation of the local labor market, a decrease in the unemployment rate, and an increase in real incomes of the population. At the same time, an increase in labor efficiency has emerged as one of the important components of economic growth. The emergence of new jobs has increased the well-being of the population and further accelerated activity in the domestic market.

International cooperation and the growth of foreign direct investment have given impetus to the integration of modern technologies into the country's economy. In particular, technological innovations in the energy and chemical industries have



increased production efficiency, improved product quality, and expanded the range of exportable products. This confirms the impact of innovative solutions and new production methods on economic growth, as they strengthen competitiveness and help strengthen their position in international markets.

International trade agreements and regional economic integration platforms play an important role in strengthening trade and economic cooperation between countries. Through such agreements, countries have the opportunity to increase the turnover of goods and services by taking advantage of tariff and non-tariff preferences. Regional economic alliances and free trade areas are of great importance in the efficient allocation of resources, the development of transport and logistics infrastructure, and ensuring overall economic stability.

Within the framework of foreign trade policy, there are two main strategic approaches - liberalization and protectionism, which affect various aspects of the national economic ecosystem. The goal of liberalization policy is to create a free trade environment and support global economic growth by reducing tariff and non-tariff barriers. This approach optimizes the international flow of goods and services, increases competitiveness and economic efficiency. At the same time, liberalization creates opportunities for national producers to enter international markets and provides new platforms for innovative development.

Protectionism is aimed at protecting domestic producers and ensuring the primacy of the national market. This policy includes implementing import-substitution measures, increasing customs tariffs, and introducing institutional support mechanisms for domestic producers. Protectionism protects the domestic industry from foreign competition and encourages the development of national economic clusters. However, this approach may in the long run limit the competitive environment and slow down technological innovation.

Based on the results of the study, it can be concluded that in order to diversify exports of textiles, agricultural products and mineral resources, it is necessary to develop strategies for entering new international markets. These strategies include increasing competitiveness in existing markets, identifying new export opportunities, improving international trade agreements, aligning product quality with international standards, improving logistics infrastructure and developing marketing strategies.

At the same time, it is necessary to improve the investment climate and intensify technology transfer to develop local production of imported machinery, vehicles, and construction materials. This will help reduce foreign economic



dependence and strengthen economic stability. It is important to introduce tax incentives and subsidies to support local manufacturers, finance research and development for the development of innovative technologies, and create favorable credit conditions.

It is necessary to improve mechanisms for supporting the creation of new jobs by introducing tax incentives, subsidies and other financial incentives for export-oriented enterprises. In this process, it is important to create favorable conditions for local and foreign investors, develop skills and qualifications required in the labor market. It is also necessary to develop special programs to ensure gender equality in the labor market and increase youth employment.

It is necessary to expand the production of high-value-added products by attracting foreign investment and introducing innovations at local enterprises. It is necessary to develop special programs to simplify technological transfer processes and provide local enterprises with new technologies. It is also important to increase the volume of financing for research and development and integrate them into practical production processes. It is advisable to introduce special grants and incentive programs to stimulate innovations.

It is necessary to implement a strategy to achieve economic stability and reduce dependence on external factors through the development of various sectors of the economy. For this purpose, it is recommended to take measures to create clusters, stimulate local business, and form new production potential. To ensure diversification in agriculture, industry, and services, it is necessary to improve the investment climate and improve infrastructure. It is also important to introduce eco-technologies and the principles of a green economy in accordance with the goals of sustainable development.

It is necessary to review and improve the legal framework and regulatory documents to simplify foreign trade operations and bring them into line with international standards. This will serve to increase the transparency and competitiveness of the international trading environment. The efficiency of foreign trade can be increased by digitizing customs processes, automating trade procedures, and eliminating bureaucratic barriers. It is also necessary to expand access to foreign markets by harmonizing international trade agreements and introducing new trade standards.