

Development of the export potential of the agricultural sector of the economy of Uzbekistan

¹Yusupov Erkin Juraevich, ²Galimova Firyuza Rafikovna, ³ Dekhkanova Nilufar Sagdullaevna

¹Professor (DSc), ²Assistant professor, (PhD), ³ Senior Lecturer

^{1, 2, 3}Department of Agribusiness and Investment Activities,

^{1, 2, 3}Tashkent State Agrarian University, Tashkent city, Uzbekistan

Email - ²firuzaza@mail.ru, ³dexkanova17@mail.ru

Abstract: This article explores the basics of the export potential of the agricultural sector of the economy. The increase in the production and export potential of the agricultural sector contributes significantly to the well-being of the rural population, economic growth and a balanced consumer market. According to the results of the study, it was revealed that the republic has great potential for obtaining higher added value due to increased processing and reorientation to the more expensive segment of agricultural supplies.

Key Words: export potential, agricultural products, foreign market, fruits and vegetables, production, development, processing.

1. INTRODUCTION:

The export sector of the economy is the most important source of replenishment of the number of jobs, wage growth, and the preservation and modernization of the country's manufacturing enterprises. The formation and development of export potential is a complex process, including domestic and foreign economic components at all stages of the functioning of the region as a complex economic system. During the evolution of Uzbekistan's foreign trade policy, during the transition period, one can observe a departure from the practice of strict vertical management of the development of the export potential of the regions to liberalization of export activities, to the operational and economic independence of the subjects of economic relations. Under these conditions, there is a need to realize the export potential of the regions within the framework of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021 (1).

The level of development of the economy of any state can be characterized by the size and structure of its export-import flows. The higher the country's share in world exports of goods and services, and the goods of high-tech industries prevail in the export structure, the more efficient the country's economy. The export potential of the country is made up of the potential capabilities of each individual enterprise offering its products on the international market. The value of the export potential of the enterprise characterizes the competitive capabilities of the company's products in the international market. The growth of export potential is based not only on increasing sales of a particular type of product, it is also inextricably linked with the ability to enter the markets of other countries in the near future.

2. METHOD:

The theoretical basis of the study was the work of domestic and foreign scientists and economists on the development of the export sector of the economy, as well as legislative and other regulations governing foreign trade.

To solve the tasks set in the work, general scientific and special methods of cognition were used as tools: comparative, economic and statistical grouping of data, tabular methods of economic analysis, generalization method, etc.

3. DISCUSSION AND ANALYSIS:

The economic essence of the definition of "export potential" does not depend on the scope of the enterprise. However, the formation of the export potential of agricultural enterprises has a number of features in comparison with enterprises of other sectors of the economy. These features are primarily associated with a special type of product that these companies supply to the foreign market.

Among the features of products manufactured by agricultural enterprises, the following characteristic features distinguishing the export of these products from products of other industries can be distinguished:

- use of land as the main means of production;
- use along with land as the main means of production of plants and animals, the development of which is subject to natural laws;
- the dependence of production results on uncontrolled climatic conditions;
- seasonality of production and use of labor;

- high proportion of the internal turnover of products (self-reproduction);
- bulk, perishable nature and heterogeneity of the qualitative properties of agricultural products, which requires additional costs for its storage, transportation and sale;
- low elasticity of demand for agricultural products.

At the present stage of development of the Republic of Uzbekistan, agriculture continues to play an important role both economically and socially. Increasing the production and export potential of the agricultural sector in many ways contributes to improving the well-being of the rural population, economic growth and a balanced consumer market.

In the period 2010-2018, the gross domestic product of Uzbekistan increased by an average of 8% per year and reached \$ 50.5 billion. Over the same period, the annual growth of the gross domestic product of agriculture was slightly less - at 7.3%.

In agriculture, as a result of state policy to diversify production by reducing the area for cotton and wheat, the importance of the production of fruits and vegetables has increased. The total share of cotton and grain in GDP decreased from 7% in 2000 to 4% by 2018, and the share of fruits and vegetables over the same period increased from 5.2% to 10.6%. A significant increase in area in the period 2000-2018 was observed for vegetables (59%), fruits and berries (37%). The volume of production of fruits and vegetables increased relatively faster than the expansion of areas, which indicates a significant increase in productivity.

Significant changes are also observed in the structure of agricultural exports. In particular, in the period 2000-2018, the export of cotton fiber decreased by more than 7 times - from \$ 1.58 billion in 2010 to \$ 0.22 billion by 2018. On the contrary, export of fresh and dried fruit and vegetable production increased 13 times - from 68.7 million dollars in 2000 to 900 million dollars by 2018.

At the same time, the study found that the increase in the production potential of fruits and vegetables was limited to access to good land, specialized agricultural machinery, other resources and finances.

The structure of the balance of production and consumption of fruits and vegetables shows that of the total fruit production, about 69% is consumed fresh, 20% is processed and 11% is exported, while 81% of vegetables are consumed fresh, 11% is processed, 4.5 % is used for seeds and 3.5% is exported.

According to the results of the study, it was revealed that the republic has great potential for obtaining higher added value due to increased processing and reorientation to the more expensive segment of agricultural supplies, at the price of which the share of transportation costs does not lead to unprofitability or low profitability of exports.

An analysis of the revealed comparative advantages of Uzbekistan indicates that the country is more specialized in the production of fruits and vegetables than many world producers, which indicates the country's potential for expanding exports to both the traditional markets of the Russian Federation and Central Asia, and to new European markets. However, access to the European market, especially the countries of the European Union, will require improved quality and safety standards for fruits and vegetables and their certification systems.

As you know, current state policy is aimed at further diversification and modernization of agriculture. In addition, government policy in the horticulture sector is to promote market-oriented private sector development by expanding access to finance and advanced technologies, especially in helping to increase export potential.

The geographical location of Uzbekistan and its natural climate make it possible to produce high-quality and unique fruit and vegetable products. In recent years, a number of reforms have been carried out in Uzbekistan in support of exports, in particular fruit and vegetable products, and in practice this has yielded positive results. Improvement in recent years of legislation in the field of fruit and vegetable production and increase in export volumes, as well as the adoption of numerous regulations on the provision of benefits and preferences for exporting enterprises and the creation of favorable conditions for them, have ensured a significant increase in the export of fruits and vegetables.

In 2018, 19.5 million tons of fruits and vegetables were produced in Uzbekistan, of which 1.25 million tons (6.4%) were exported. Over the past five years, the export of fruits and vegetables has grown significantly more than 2 times from 611 thousand tons to 1.25 million tons (table. 1)

Table 1
Cultivation and export of fruits and vegetables in 2014-2018¹

Indicators	2014	2015	2016	2017	2018
Gross yield, thousand tons	18748	17811	19257	19332	19505
Export, thousand tons	611	589	796	918	1252

In the period 2015-2018 the volume of production of fruits and vegetables showed an increase of 9.5% and reached 19.5 million tons. At the same time, due to adverse weather conditions, in 2015 there was a decrease in

¹ State Committee of the Republic of Uzbekistan on statistics.

production by 5% to 17.8 million tons and in the export of fruits and vegetables by 4% to 589 thousand tons in comparison with the same indicators in 2014.

In 2018, the volume of exports of fruits and vegetables increased by 38.4% or by 347.6 thousand tons to 1,252 thousand tons, in value by 37% or 238.5 million dollars to 884.0 million dollars compared with the same indicators in 2017 (table. 2)

Table 2
Dynamics of export of fruits and vegetables in 2016-2018 (thousand tons)

Indicators	2016	2017	2018
Vegetables	217,9	226,3	442
Fruits	229,6	225,9	250
Melon-field	6,8	28,5	34
Grape	171,1	213,9	207
Legumes	122,3	130,7	203
Dried fruits and vegetables	48,5	78,8	117

In 2016, the total export of fruits and vegetables from Uzbekistan amounted to 796.2 thousand tons, in 2017 - 903.4 thousand tons (total increase - 113.5%, including vegetables - 103.9%, melons - 4.2 times, grapes - 125.0%, legumes - 106.8%, dried fruits and vegetables - 162.4%), and in 2018. - 1 252 thousand tons (total increase - 138.6%, vegetables - 195.3%. Fruits - 110.6%, melons - 119.2%, legumes - 155.3%, dried fruits and vegetables - 148, 4%).

An analysis of the production of fruits and vegetables in the country shows that during 2018 more than 3.2 million tons of fruits were collected, of which about 250 thousand tons or 7.8% were exported. At the same time, the highest rates were observed in the volumes of export of apricots (9.3% of the total volume of grown apricots), peaches (23.0%), sweet cherries (15.4%), plums (13.6%), pomegranate (12.6%) and persimmons (90.5%). About 1.9 million tons of grapes were grown during the year, of which 207.2 thousand tons were exported, which is 11% of the total.

In 2018, about 11.5 million tons of vegetables were grown throughout the country, of which 441.5 thousand tons were exported. In general, 3.9% of the total volume of vegetable crops were exported, in particular: 61 tomatoes. 6 thousand tons (3.1%), cucumbers - 16.7 thousand tons (1.8%), onions - 100.3 thousand tons (7.2%), carrots - 63.4 thousand tons (2.8%), cabbage - 84.4 thousand tons (6.8%), garlic - 5.2 thousand tons (1.4%), sweet pepper - 6.8 thousand tons (1.3 %) and greens - 81.5 thousand tons (6.8%).

In 2019, 2.6 million tons of melon-fields were produced in the republic, of which 33.7 thousand tons were exported (of the total volume of 1.3%), including pumpkins and melons - 17.2 thousand tons and 14, 8 thousand tons, respectively.

The export share in the volume of grown legumes was high and amounted to 197.1 thousand tons or 54% of the grown 364.7 thousand tons of legumes. Despite the fact that the share of fruits, grapes and legumes in the production and export of fruits and vegetables is relatively high, the share of vegetables in exports remains low.

Compared with 2017, the export volumes of 12 types of products sharply increased by more than three times. In particular, pumpkin export increased 44 times, dried apples 14 times, dried onions 9.5 times, dried figs 9.2 times, dried tomatoes 6.2 times, dried peaches 6 times, pistachios 5 , 6 times, eggplant - 5.2 times, figs - 4.2 times, onions - 3.5 times, beets - 3.4 times.

The main importers of fresh and dried fruits and vegetables produced in the republic are Kazakhstan, Russia, Kyrgyzstan, Afghanistan and China.

In 2018, there was a noticeable increase in the volume of export of domestic products to the markets of these countries. In particular, exports to Kazakhstan increased by 26.6% (from 472.0 to 598.0 thousand tons), the Russian Federation by 44.6% (from 165.2 to 238.9 thousand tons), and Kyrgyzstan by 69 , 9% (from 52.9 to 89.9 thousand tons), Afghanistan by 39.2% (from 52.9 to 73.4 thousand tons) and China three times (from 21.9 to 66.9 thousand tons).

In 2018, the geography of export of fruits and vegetables increased by 12 countries (in 2017, 57 countries) and reached 69 countries.

In particular, 288 tons of fruit and vegetable products worth \$ 144 thousand were exported to Taiwan, Serbia - 197 tons worth \$ 164 thousand, Nepal - 119 tons worth \$ 77 thousand, Morocco - 24 tons worth 38 thousand. . dollars, Chile - 14 tons in the amount of 35 thousand dollars.

Products worth \$ 670.6 million were exported to the CIS countries (75.4% of the total export volume), which is \$ 186 million, or 0.4% higher than in 2017.

At the same time, fruits and vegetables worth \$ 64.8 million were exported to the countries of the Asia-Pacific region, which is 7.3% of the total export volume, and compared to 2017, it is higher by \$ 26 million or by 2 ,8%.

In 2017-2018 85% of the total export volume of fruits and vegetables accounted for Kazakhstan, Russia, Kyrgyzstan, Afghanistan and China. If over the past two years the share of Kazakhstan has decreased from 52% to 48%,

then the share of Russia has increased from 18% to 19%, the share of Kyrgyzstan - from 6% to 7% and the share of China - from 3% to 5%. The increase in exports of fruits and vegetables to China is mainly due to obtaining permission to import legumes, in particular mash.

It is also worth noting that Uzbekistan ranks 2nd in the world in export of dried apricot, 4th in export of fresh apricot, 5th in export of sweet cherry, 7th in export of plum, 9th in export of cabbage, 9th in export of dried grapes and 10th for the export of fresh peaches and grapes.

4. CONCLUSION:

The main issue of the concept of development of the food market of the Republic of Uzbekistan is the economic mechanism of functioning of its constituent segments, among which the fruit and vegetable market plays an important role.

In order to ensure the accelerated and effective development of horticulture, expanding the production of high-quality and competitive finished products, further promoting it to large foreign markets, as well as the consistent implementation of the tasks identified by the Action Strategy for the five priority areas for the development of the Republic of Uzbekistan in 2017-2021 on March 29, 2018 the Presidential Decree "On additional measures for the accelerated development of fruit-and-vegetable growing in the Republic of Uzbekistan" (2) was adopted, which serves as an important guide to action to increase the cultivation of fruits and vegetables and grapes, the creation of specialized processing small enterprises on the ground, in particular in remote areas.

Uzbekistan is a leading producer of fresh fruits and vegetables in the world, and has great potential in this industry. Uzbekistan not only meets the needs of its population, but also exports agricultural products to more than 50 countries in the world.

In Uzbekistan, more than 19 million tons of fruits and vegetables are produced annually, of which about 1.25 million tons are exported.

Despite the fact that the share of vegetables in the export of fruits and vegetables is higher than the volume of fruits and legumes, foreign exchange earnings of vegetables are at a low level. This situation, in turn, is due to the fact that most of the country's vegetable products are exported at low prices. In particular, 62% of exported vegetables are sold at prices below \$ 300 / t.

One of the priorities in this area is the production and export by non-traditional crops and local farmers of high demand and favorable prices on foreign markets.

In order to intensify work in this area, it is advisable to implement the following measures:

- provide local farmers and dekhkan farms with seeds of non-traditional crops for sowing as primary and secondary crops, as well as familiarizing them with the technologies for growing the products offered;
- taking into account domestic consumption, the cultivation and export of non-traditional vegetable products (broccoli, iceberg lettuce, lettuce, asparagus, radicchio salad, rucolo salad) as an alternative to products such as onions, cauliflower and carrots;
- the Agency for Export Promotion and foreign trade companies conducting marketing research on the export of non-traditional vegetable products and taking measures to reach agreements with potential importing companies;
- the cultivation of non-traditional types of vegetables in accordance with the requirements of the time and the gradual implementation of packaging standards, thereby increasing the added value of the product.

The implementation of these measures will directly increase by 2-3 times the foreign exchange earnings from the export of vegetables sold at low prices.

At the same time, the production and export of non-traditional vegetable crops not only contributes to the stable flow of foreign exchange earnings, but also allows to diversify the range of exported fruits and vegetables and the geography of its export.

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