



FACTORS INFLUENCING THE CURRENT STATE AND DEVELOPMENT OF THE COUNTRY'S EXPORT POTENTIAL

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Abstract. *This article analyzes the trade-based nature of the modern economy and the impact of access to the world market on the economies of countries. The intensification of the globalization process, the increase in the flow of goods and services, as well as the development of economic interdependence, are increasing competition between countries. The growth of exports has a positive effect on the country's economy, leading to an increase in production volumes, the creation of new jobs, and an increase in tax revenues. The increase in imports can have a negative impact on domestic production, especially due to the increase in imports of technological products and complex equipment.*

The article presents an economic analysis of the economy of Uzbekistan and the impact of export-import on GDP using econometric methods. According to the results of the analysis, an increase in exports significantly increases GDP, while an increase in imports leads to a decrease in GDP. Economic indicators, export volumes, and activities of the industrial and service sectors in Uzbekistan by region are presented. The analysis emphasizes the need to diversify exports, manage imports, and develop domestic production to ensure sustainable economic growth. The article provides recommendations for increasing economic potential, reducing regional disparities, and developing economic diversification.

Keywords: *Foreign direct investment, level of openness to the outside world, exports, imports, GDP, sustainable economic growth, diversification.*

The entire modern economy is based on trade. Practice shows that poor countries that participate in world trade develop faster than countries that do not. The main reason for this is that the standard of living of the population is increasing all over the world, as countries focus on exporting goods and services in which they have absolute and comparative advantages and try to import other products from the world market in which they do not have absolute and comparative advantages.

It is worth noting that the process of globalization is leading to the expansion of the world market, a significant increase in the flow of goods and services across international borders. Economic interdependence between countries is becoming increasingly strong. Today, measures to support access to world markets are developing at an unprecedented pace. A vivid example of this can be seen in the growth trends in the volume of exports and imports of countries.

The main part. Today, the population of each country has the opportunity to purchase goods from other countries and sell their products abroad. As a result of the expansion of the world market, the consumer power of the population has increased significantly. Expanding access to the world market is important not only for the economies of other countries, but also for the local economy. A distinctive feature of the world market is that it has a system of international competition and world prices. A country's position in the world market contributes to an increase in its level of competitiveness.

Export growth has a significant impact on the economic development of the country. First of all, an increase in exports leads to an increase in production volumes, the creation of new jobs and an increase in tax revenues. This process increases the economy's adaptability to changing conditions, that is, by increasing exports, domestic production capacities are strengthened and stability is created in the economic system.

Also, by developing exports, the country's ability to produce high-value - added products increases. This, in turn, leads to diversification of the economy, that is, to ensuring growth in several sectors. By diversifying exports and developing

new areas such as high technology, agricultural products, services and tourism, it is possible to stabilize the economic system of Uzbekistan. Currently, Uzbekistan relies on exports focused on natural resources such as cotton and gas, which may lead to a slowdown in economic growth in the future. Diversifying exports and developing the production of high- value- added products will not only ensure sustainable economic growth, but also strengthen Uzbekistan's integration into the global market.

An increase in imports can have a negative impact on Uzbekistan's domestic production, especially when imports of high-tech products and complex equipment increase. An increase in imports, in turn, can lead to restrictions on the development of domestic industry, since in this situation there is a high probability that domestic production sectors will be replaced by imported goods instead of competing. At the same time, an increase in imports can reduce the ability of local production to work effectively with its own resources, leading to economic deterioration in some sectors.

Uzbekistan's domestic production capacity, it is necessary to combat imports. This should be done, first of all, by modernizing production, introducing new technologies, and increasing the production of export-oriented products. In this regard, it is necessary to stimulate and further strengthen the manufacturing sector through financial and tax incentives implemented by the state . Thus , the growth and competitiveness of the domestic manufacturing sector will have a positive impact on Uzbekistan's economic growth.

The econometric analysis of the impact of export and import factor indicators on the GDP outcome indicator is as follows:

Table 1.

Econometric analysis.

Descriptive Statistics

Variable	Obs.	Mean	Std. Dev.	Min	Max
export	14	896,543	1196.648	199.7	4669.3
import	14	2066.379	3704.848	145	14439.7

GDP	14	64528.971	40761.799	21549.9	181859.6
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Linear regression

GDP	Coef.	St. Err.	t-value	p-value	[95% Conf	Interval]	Sig
export	42,855	16,277	2.63	.023	7.03	78.68	**
import	-3.551	5.257	-0.68	.513	-15.122	8.021	
Constant	33444.58	5986.935	5.59	0	20267.43	46621.74	***
Mean dependent variable		64528.971	SD dependent var		40761.799		
R-squared		0.893	Number of observations		14		
F-test		45,665	Probe > F		0.000		
Akaike crit. (AIC)		310,703	Bayesian Crit. (BIC)		312,620		
*** $p < .01$, ** $p < .05$, * $p < .1$							

$$Y_{AIM} = 33444.58 + 42.855 \text{export} - 3.551 \text{import}$$

of the regions of the Republic of Uzbekistan shows in detail the relationship between exports and imports, as well as their impact on GDP. To better understand how each factor affects the economy, it is necessary to analyze them in more detail. The fact that an increase in exports by one unit leads to an increase in GDP by 42,855 units shows how significant the impact of exports on the country's economy is. The high value of this value emphasizes the importance of exports for economic growth. The increase in exports is caused by several factors (Figure 1) :



Figure 1. Factors resulting from export growth.¹

¹ Compiled independently based on the author's research.

Increased production capacity - Increased exports increase production capacity. The opening of new markets and the expansion of existing markets encourage companies and manufacturers to produce more products. This, in turn, contributes to the overall growth of the economy.

New jobs - Increased exports will create new manufacturing and service jobs. While Uzbekistan's exports are largely dependent on natural resources such as cotton, gas, and gold, there is potential for manufacturing and job creation through the development of processing and high -value-added products.

Tax revenues - Increased exports increase tax revenues for the state. This not only brings additional funds to the state budget, but also creates opportunities for investments in other sectors of the economy.

to further diversify exports and focus on the production of high-value-added products. For example, instead of relying on cotton and gas exports, Uzbekistan should focus on agricultural products, tourism, and high-tech industries. This will ensure the stability of export markets and increase the diversification of the economy.

According to our econometric analysis above, a one-unit increase in imports leads to a 3,551-unit decrease in GDP, indicating a negative impact of imports on the economy. An increase in imports affects a country's domestic production in several ways (Figure 2):



Figure 2. Factors resulting from increased import volumes.²

² Compiled independently based on the author's research.

Decrease in domestic production - Increased imports force domestic producers to compete. If imported goods are cheaper or of higher quality than domestic products, there will be a decrease in domestic production and a decrease in competitiveness in some industries. Increased imports, especially high-tech imports, will make Uzbekistan's domestic production uncompetitive. This, in turn, can lead to a decrease in national production and a decrease in economic growth.

International debt and currency imbalances - Increased imports, especially as they increase competition for domestic producers in world markets, affect a country's external debt. High imports can lead to currency imbalances, which can pose a challenge to economic stability.

This analysis highlights the importance of increasing exports and managing imports in ensuring economic growth. Each element has its own role, and each of these is interrelated and important in shaping the future of Uzbekistan's economy.

Table 2.

**Main macroeconomic indicators by region of the Republic of
 Uzbekistan (January-December 2024)³**

Name of the regions	GDP per capita income by region, thousand soums	Export volume by region, million US dollars	Industry statistics in billion soums	Services sector statistics in billion soums
Republic of Uzbekistan	24100.0	26,948.2	885800.00	818,428.3
Republic of Karakalpakstan	16,858.0	420.1	24,598.3	28,820.8
Andijan region	21,926.3	1191.1	90,627.9	41,807.5
Bukhara region	27,508.0	296.5	42,317.3	34,495.1
Jizzakh region	19,435.1	208.1	25,812.4	20,069.5
Kashkadarya region	18,473.5	514.1	39,488.1	43,255.9
Navoi region	38 112.3	1109.5	145,069.6	20,055.6
Namangan region	16,849.0	596.5	31,958.9	43,090.6
Samarkand region	19,215.4	872.6	46,213.8	58,875.7
Surkhandarya region	17,880.0	269.5	14,888.7	28,505.9
Syrdarya region	19,036.5	283.9	19,893.4	11,609.1

³Compiled independently by the author based on statistical data.

Tashkent region	25 123.3	1923.6	139 124.8	56,317.9
Fergana region	19 119.9	826.2	48,070.7	55,200.7
Khorezm region	23,410.8	386.3	29 100.1	28 262.0
Tashkent city	60,594.4	5527.3	170 760.0	298,825.6

Uzbekistan's economic indicators for January-December 2024, namely GDP per capita, export volume, industry and services sector statistics, have a direct impact on the country's sustainable economic growth. In this analysis, the following can be analyzed: important factors related to sustainable economic growth and their impact on the regional level. An increase in per capita income gives impetus to the sustainability of economic growth, since this indicator, first of all, serves to increase the well-being of the population and improve the living standards of society. Although the total GDP per capita income of Uzbekistan amounted to 24 million soums, this indicator varies significantly across regions. The city of Tashkent shows the highest income with 60 million soums, which reflects the intensity of economic activity in this region, the well-developed industrial and services sectors, as well as the strength of economic growth.

In addition, Tashkent region also has high economic potential with an income of 25 million soums. These regions are important centers for maintaining high incomes and stabilizing growth. Low-income regions, such as the Republic of Karakalpakstan and Surkhandarya region, require long-term strategies to ensure sustainable economic growth. Greater attention should be paid to economic diversification and industrial development in these regions.

Increasing export volumes is of great importance for the country's economy, as exports not only ensure economic growth, but also create opportunities to strengthen foreign exchange reserves, open new markets, and diversify domestic production. According to the results of 2024, Uzbekistan's export volume amounted to 26,948.2 million US dollars, with Tashkent achieving the highest figure in this regard (5,527.3 million US dollars). This strengthens Tashkent's role as an economic center.

have high export volumes, contributing to their economic growth through industrial development and growth in export-oriented production. However, the low export volumes of Karakalpakstan and Surkhandarya regions (420.1 million and 269.5 million US dollars) indicate the need for infrastructure and investment to expand exports in these regions. In order to increase export volumes and ensure sustainable economic growth in these regions, it is necessary to implement export-stimulating strategies.

The development of the industrial and service sectors is important for stabilizing economic growth. A total of 885,800.0 billion soums were produced in the industrial sector of Uzbekistan, which indicates the overall economic potential and growth rates of the industrial sector. Tashkent city has the highest volume of industrial production, where production growth and diversification of industrial sectors will help strengthen economic growth.

However, in regions such as the Republic of Karakalpakstan and Surkhandarya region, industrial production is low, and additional investments are needed to develop industry in these regions. Sustainable economic growth can be ensured in these regions through industrial modernization and the development of new industrial sectors.

At the same time, the services sector also contributes to the sustainable growth of the Uzbekistani economy. In 2024, the services sector amounted to 818,428.3 billion soums. Tashkent city has a high indicator in the services sector with 298,825.6 billion soums, and the development of trade, transport, tourism, finance and other service sectors in this region is the basis for sustainable economic growth.

indicators in Syrdarya and Surkhandarya regions (11,609.1 billion soums and 28,505.9 billion soums) require the expansion of the service sector and the development of infrastructure in these regions. The development of the service sector in these regions will be important in maintaining sustainable economic growth. Uzbekistan's economic indicators for January-December 2024 provide important information for stabilizing the country's economic growth. An increase in

per capita income, an expansion of export volumes, and the development of the industrial and service sectors should be achieved by expanding economic opportunities in all regions and developing new industrial sectors. However, to ensure the sustainability of economic growth, it is necessary to pay more attention to low-income regions and integrate them into economic growth through the development of the industrial and service sectors.

In this regard, it is undeniable that all efforts aimed at the development of the economy of Uzbekistan and strengthening its global position will bear fruit. The reforms and economic strategies being implemented in our country have a positive impact on all segments of society and create new opportunities. Also, the use of advanced technologies, large-scale projects in the fields of foreign trade and investment, and ensuring social stability are among the main factors of economic growth. In order to further strengthen and develop the economic stability of Uzbekistan, it is necessary to apply a balanced and strategic approach in all areas.

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