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Integration of Uzbekistan into the International Financial System

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ABSTRACT: In this article, the activities of international integration associations, the countries that are part of this association development of mutual trade relations with, as well as cooperation relations with international financial organizations necessity was mentioned. In the article, the world's largest financial organizations of our independent republic, Islam it is shown that the connection with international funds of finance is growing. This, in turn, is for entrepreneurs of Uzbekistan access to the world market, production of goods according to world standards and, as a result, economic and social in the republic it is explained that prosperity will further develop, and small and medium-sized enterprises will achieve great success.

KEYWORDS: international integration associations, cooperative relations, Islamic financial assets, entrepreneurship subjects, production infrastructure, export, import, foreign economic activity.

International financial organizations play a major role in the world economy. They provide funds and loans to various countries, help develop world trade and stabilize the financial system. These organizations have a great role in the development of entrepreneurship. Consistent growth of entrepreneurship by significantly simplifying business procedures, improving infrastructure, and expanding financial resources within the framework of the implementation of the tasks set by the Presidential Decree "On the Development Strategy of New Uzbekistan for 2022-2026" it was noted that it is being provided.

A number of programs for financial support of various segments of the population, including youth, low-income and vulnerable citizens, as well as business initiatives of small enterprises, are being implemented. More than 7.2 trillion soums were allocated for the implementation of the "Every family is an entrepreneur" program alone.

Along with the achievements, a number of unsolved problems remain. Difficulties are faced in ensuring the opportunities of business entities to use production infrastructure, credit and other financial resources. Comprehensive and rapid solution of the specified shortcomings, coordinated cooperation of all levels of state bodies under a single methodical leadership, operation of private property, financial support for entrepreneurship, engaging large segments of the population in business Active involvement is required. The role of international financial institutions is very important in the development of entrepreneurship.

In the current conditions, the expansion of mutual relations between countries affects the development of the national economy of each country. Taking them into account has become a necessary condition for effective foreign economic policy of every country. The socio-economic development of the countries is significantly different from the previous stages in terms of its meaning. The peculiarity of international financial relations is that these relations embody the problems of the national and world economy. As a result of the globalization and internationalization of the world economy, the international circulation of goods, services, and especially capital flows is expanding.

The international experience of economic integration of all countries makes it possible to come to a number of conclusions that can be used in the integration processes within the framework of the Central Asian Commonwealth.

Each subject of foreign economic activity, including small businesses and private enterprises, has the right to own, use and dispose of the results of foreign economic activity, including foreign currency income, in accordance with the legislation of the Republic of Uzbekistan.

Currently, the influence and position of Uzbekistan in the international community and in the economic field is increasing. In this regard, the government of our country has carefully developed the country's socio-economic development strategy, the goals and tasks of economic reforms, and the ways of their implementation have been clearly and correctly indicated. is creating an opportunity to be successful.

We know that foreign economic activity is an important tool for the development of the national economy. It expresses the country's relationship with the world community and defines its perspective. CIS countries make up a large part of foreign trade turnover. The total indicators of foreign trade turnover in recent years are 34.2% in 2017, 36.3% in 2018, 34.6% in 2019, 32.2% in 2020, 37% in 2021, It is the group of our main trading partners, occupying 7%. As part of the measures to support foreign economic activity and further strengthen cooperation with the CIS countries in this field, the total foreign trade turnover with the CIS countries during the last year was 15.86 billion. US dollars, of which the export is 5.4 billion. US dollars, and the import volume is 10.46 billion. amounted to US dollars. Passive foreign trade turnover amounted to 5.05 billion US dollars.

Table 1. Dynamics of foreign trade turnover of the Republic of Uzbekistan with partner countries in 2017-2021 (in million US dollars)

State name	2017	2018	2019	2020	2021
China	4 754,22	6 433,53	7 637,38	6 438,27	7 440,86
Export	2 025,48	2 875,39	2 528,75	1 937,05	2 518,77
Import	2 728,74	3 558,14	5 108,63	4 501,22	4 922,09
Russia	4 728,66	5 655,89	6 669,56	5 659,54	7 516,96
Export	2 019,16	2 117,29	2 531,87	1 485,76	2 058,86
Import	2 709,50	3 538,60	4 137,69	4 173,78	5 458,10
Balance	-690,34	-1 421,31	-1 605,82	-2 688,03	-3 399,24
Turkey	1 552,47	2 057,53	2 544,04	2 106,26	3 388,31
Export	877,81	944,76	1 217,63	1 018,99	1 690,05
Import	674,66	1 112,78	1 326,41	1 087,27	1 698,26
Balance	203,15	-168,02	-108,78	-68,27	-8,21

Kazakhstan	2 055,74	2 919,61	3 334,98	3 005,77	3 910,53
Export	1 057,58	1 352,17	1 392,96	908,42	1 172,11
Import	998,16	1 567,44	1 942,01	2 097,35	2 738,42
Balance	59,41	-215,27	-549,05	-1 188,93	-1 566,31
Korea	1 387,63	2 159,14	2 767,71	2 150,71	1 889,47
Export	143,34	108,67	102,89	51,34	51,81
Import	1 244,29	2 050,47	2 664,82	2 099,37	1 837,66
Balance	-1 100,95	-1 941,81	-2 561,93	-2 048,03	-1 785,9

The volume of exports in foreign trade turnover has not yet reached the figures of 2019 after the coronavirus pandemic. The fact that the volume of imports continues to grow is the basis for the following conclusion. The demand for Uzbek goods in the market of the CIS countries is low, they do not have a strong position, and the need for the goods of the CIS countries remains in our markets. In recent years, the share of the CIS countries in the foreign trade turnover has not increased significantly.

By increasing the export potential, the development of specialized production in the country is achieved. The difference between the value of the country's export and import, that is, the balance, is an important economic indicator of the efficiency of foreign economic activity. This indicator affects the level of national income in many ways. The reason is that a significant change in the volume of imports and exports can cause certain fluctuations in the income, employment and price levels in the country. In the following years, a number of measures are being implemented in order for the products produced in our country to become popular in the global and regional markets and take a strong position in the conditions of intense competition, including the formation of an investment environment in the economic sectors of the country and ensuring its attractiveness. establishment of special economic zones and attraction of direct foreign investments to these zones are of particular importance. Significant changes were observed in foreign economic activity in our country in 2022 compared to 2021.

If we pay attention to the above information, the foreign trade turnover in 2021 will be 7525.8 mln. amounted to US dollars. In 2022, the total volume of foreign trade turnover will be 13155.8 mln. We can see that it has increased by 174.8 percent compared to 2021 in US dollars. The amount of the balance in 2021 is -2688.6 mln. If it amounted to US dollars, by 2022 it will grow by 59.9% to -1610.4 million. is US dollar. 2418.6 million in the export sector by 2021. If goods are sold in the amount of US dollars, by 2022 it will be 5772.7 million. is USD and has increased by 238.7% compared to 2021. 2021 total 5107.2 mln. If goods are imported in the amount of US dollars, by 2022 this indicator will increase by 144.6% to 7383.1 million. is US dollar.

According to the results of the above analysis, if we pay attention to the indicators of foreign trade turnover, we can see that in 2022 this indicator has increased by almost 1.8 times compared to 2021. It should be noted that in 2022, the balance will be 1610.4 mln. It is of particular importance that it has increased by 1.6 times compared to 2021, amounting to US dollars.

Based on these data, in 2021, significant positive indicators were recorded in the foreign trade activity of our country. As a vivid example of this, it is worth mentioning that the foreign trade turnover increased by 1.8 times, and the balance increased by 1.6 times. This, in turn, emphasizes the fact that foreign trade is developing in our country, and that the main factor in the financial support of entrepreneurship is the strengthening of relations with the world's major financial organizations and international funds of Islamic finance.

According to the results of the research and analysis, the development of foreign trade, one of the main areas of the country's economy, increases the level of development of the country. Currently, a program to compensate imports and support export-oriented production is being implemented in our country. The purpose of this program is to create favorable conditions for the sustainable growth of exports based on the full and effective use of existing resources and production potential, as well as its development.

In order to further liberalize foreign economic activity, a consistent policy aimed at attracting foreign investments to priority areas, providing them with guarantees and opportunities, purchasing licenses and know-how is being carried out.

In the improvement and development of foreign economic activity, the following can be cited as priorities:

- to develop and further strengthen the export power of the republic, to form an export-oriented economy based on the products of small businesses and private enterprises;
- in order to expand export opportunities and enter world markets, first of all, it is necessary to develop joint enterprises that produce finished products based on the processing of valuable raw materials. Along with the active use of the strategy aimed at expanding exports, we must consistently implement a policy aimed at reducing the weight of imports, reducing the importation of goods and products that we can produce ourselves to a reasonable level. required;
- to further liberalize foreign economic activity, to establish direct relations with foreign partners to business entities, to give more freedom in selling their products abroad, to introduce some preferential procedures in the export and import of goods conducting a policy with a clear goal of doing;
- to ensure the interdependence of industrial projects implemented by attracting foreign investments, to develop mutual economic and production, cooperation and infrastructure between them, and through this to replace imports.
- to achieve the production and cultivation of ready-made products intended for water and export;
- in the ongoing reforms, to further strengthen the territorial diversification policy, to expand the construction of large industrial facilities not only in the central regions, but also in the peripheral districts;
- creation of a set of components of foreign economic activity, specialized foreign trade, leasing, consulting and insurance companies, transportation, communication and communication systems that correspond to the interests and conditions of the development of foreign relations;
- organization of training of qualified personnel in the field of international law and foreign economic activity, banking system, accounting and statistical accounting.

Also, the time has come to create a legal framework for the introduction of Islamic financial services in our country. Experts from the Islamic Development Bank and other international financial organizations will be involved in this. International financial institutions also said that they are ready to allocate 270 million dollars to participate in this program. No matter what industry and what kind of business it is, various difficulties and problems are encountered in its organization. But compared to other fields, Islamic finance is a relatively complex and new direction. This is because the concept of Islamic finance as a new financial term began to be used in scientific literature in the 50s of the last century. In 1970, it can be considered that the history of organizations operating on the basis of Islamic finance began with the establishment of the Dubai Islamic Bank in the United Arab Emirates and the Islamic Development Bank in Saudi Arabia. From this point of view, Islamic finance is a relatively new, but rapidly growing branch of traditional finance. The graph below shows the growth of Islamic finance assets over the last 10 years.

The following proposals and practical recommendations were developed to ensure the integration of Uzbekistan into the international financial system:

1. It is recommended to widely use the following methods in the management of international financial transactions in the Republic of Uzbekistan:
 - forming and improving the legal basis of international financial relations;
 - implementation of currency regulation;

- tax regulation;
- tariff and notary regulation;
- Application of protection, compensation and anti-dumping measures to protect the economic interests of the Republic of Uzbekistan;
- providing preferences and benefits for subjects of foreign economic activity.

2. Development of the activities of bodies participating in international financial relations, as well as increasing their role in the process of regulating international financial transactions.

3. The main directions of the near-future strategy of the Republic of Uzbekistan on the development of export competence are as follows:

firstly, to stimulate export, first of all, to create a stable macroeconomic environment, to keep the rate of inflation at the forecast level, to prevent sharp fluctuations in currency exchange rates;

secondly, to ensure that business entities have the same opportunity to obtain the means of production being imported, regardless of the form of ownership;

thirdly, to continue reforms in training and retraining of senior professionals;

fourth, to expand the scope of use of high technologies in production sectors in order to stimulate export potential;

fifth, to increase the export potential based on the establishment and development of free economic zones in the country.

Increasing the volume of exports, improving its composition, and diversifying foreign trade in general serve the goals of achieving qualitative changes in the structural structure of our economy, increasing its competitiveness, economic growth and further improving the well-being of the population.

4. Improving the internal environment for attracting foreign investments, reducing the tax burden and simplifying the tax system, simplifying the foreign investment registration system.

5. Increasing the weight of processed, ready-made products in export, especially increasing the processing of cotton and agricultural products, and attracting foreign investments in this area.

6. In order to develop the production of import-substituting products and the localization of production, it is necessary to ensure the effective communication of small businesses and private entrepreneurs with large manufacturing enterprises, that is, to supply semi-finished products, components to large enterprises. It is necessary to have suppliers.

7. To increase the number of small and medium-sized enterprises serving the export and to create sufficient conditions for their effective activity and to increase the volume of preferential credit lines by the state, etc.

In such conditions, in our opinion, the following should be the preferred directions of Uzbekistan's foreign economic policy:

- carrying out a goal-oriented liberalization policy of foreign economic activity;
- improvement of export and import structure by developing their production potential;
- protection and support of the interests of producers of competitive products intended for export in our republic;
- attraction of foreign capital, first of all, to material export-oriented and import-substituting production;
- Development of Uzbekistan's integration into world transport communications.

Thus, it is necessary to develop the activities of our country in international integration associations, trade relations with the countries that are part of this association, as well as cooperation relations with international financial organizations. Currently, the relationship of our independent republic with the world's major financial organizations and international funds is growing. This, in turn, means for Uzbek entrepreneurs to enter the world market and produce goods that meet world standards. As a result, economic and social well-being will further develop in the republic, and small and medium-sized businesses will achieve great success.

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