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**Shukhrat Olimovich Temirov**

Tashkent State University of Economics

Ph.D student, Republic of Uzbekistan

## OPPORTUNITIES TO INCREASE THE EXPORT POTENTIAL OF SMALL BUSINESS ENTITIES

**Abstract:** In the article presented an analysis of the possibility of increasing the export potential of small and medium-sized businesses in the region, suggests the measures necessary to increase it. According to the author, in a competitive environment, the export potential should be activated, primarily due to the most mobile component of the economy of small and medium-sized businesses.

**Key words:** potential, export potential, small business, regional economy, credit, financial methods.

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### Introduction

Today in the world to increase the export potential of small business and private entrepreneurship and ensure its efficiency, the introduction of broad-based marketing strategies aimed at increasing the export potential of small businesses, improving foreign trade services, developing e-commerce for foreign trade, export potential of small businesses Extensive research is being conducted in the areas of developing new marketing strategies, creating online catalogs that provide information to buyers for exporters, improving the efficiency of after-sales services in foreign trade.

In order to strengthen the position and capacity of exporters of small business and private entrepreneurship in Uzbekistan, increase the volume of exports, diversify the types and geography of exported products, attract new small businesses to export activities, export for small business and private entrepreneurship the process of developing marketing strategies continues. Although the country has achieved a number of positive results in the production of small businesses, increasing exports, there are a number of problems in this regard.

### Literature review

P.Druker, Dj.Shoness [1], F.Kotler [2], F.Sherer, D.Ross, F.Wood, R.Murphy, D.Krevens [3], Jay A.Dewhurst, Andrew P. Sage, William B. Rouse, Asterios G. Kefalas, and others. Fatkhuddinov R.A. from CIS countries. [4], Nosova N.S. [5], Novikov D.T., Golikov E.A., Paramonova T.N. [6], Zyryanov A.E., Bronnikova T.S. Bragina I.L., Sinyov V.M., Pilipuk A.V. and others have conducted research and written scientific literature on the subject. In Uzbekistan Salaev S.K. [7], Rakhmonov H.O., Murodova N.Q., Adilova Z.Dj. [8], Askarov N.I. [9], Fattakhov A.A. [10], Bekmurodov A.Sh., Kasimova M.S., Ergashkhodjaeva Sh.Dj., Boltabaev M.R. [11], Kasimova F.T., Mamadjanova T.A. and in the scientific works and works of others, the concepts related to the export potential of small business entities, their foreign trade activities and services are widely covered.

Aspects of the organization of the use of production capacity in industrial enterprises and its management were studied by Uzbek scientists Sh.Mustafakulov [15;16], Yuldashev N.[17;20], Ergashkhodjaeva S. J. [19] and Tursunov B.O. [14;15;18].

### Research methodology

Export potential is the part of a country's products that can be sold on the world market without

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compromising the interests of its economy. In order to increase their export potential, countries are engaged in encouraging the activities of export-oriented entities and providing them with subsidies. [12]

Ways to stimulate exports include:

Organizational methods:

- Establishment of special units to provide information and consulting services to exporters;
- participation of government agencies in concluding trade agreements;
- assistance in training qualified personnel for foreign trade;

- Assistance in organizing exhibitions abroad;

- Diplomatic support of national enterprises, etc.

Credit and financial methods:

- providing state loans to exporters and encouraging the issuance of private loans;
- state insurance of trade transactions abroad;
- Exemption from export profits, etc.

The use of export subsidies involves the direct financing of export-oriented production or the provision of soft loans from the state budget for these purposes [13].

Export subsidies are applied in various forms.

These include:

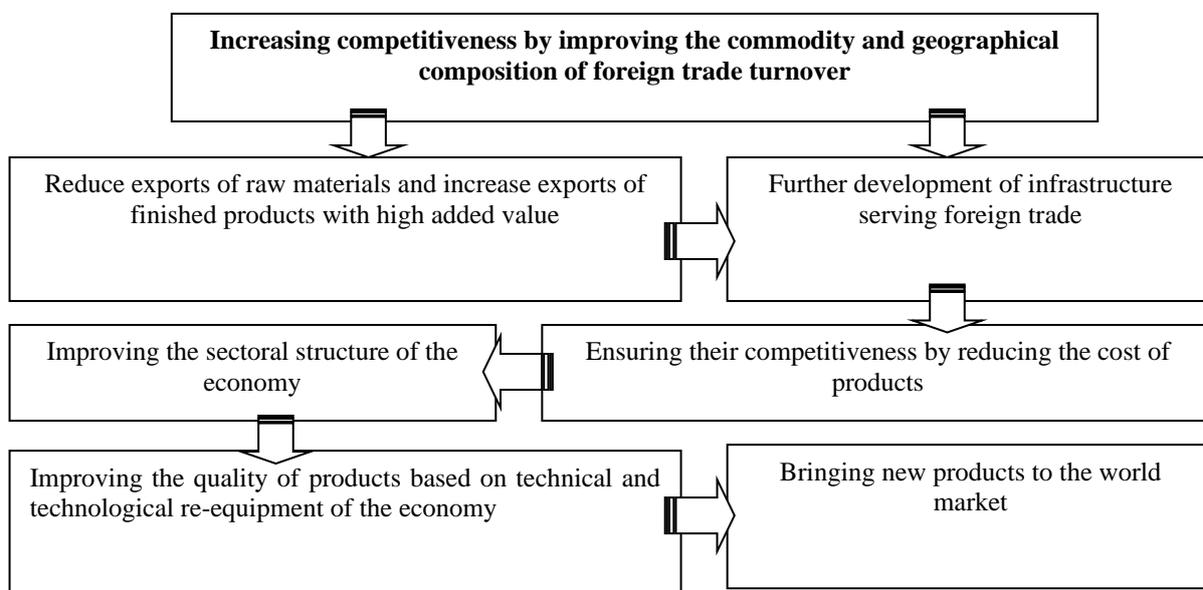
- low-interest loans to exporting companies or foreign partners;
- Reimbursement of advertising costs at the expense of the state, the provision of free information on market conditions;

- providing tax benefits to firms in accordance with the share of exports in production;
- direct subsidies, etc.

When assessing the economy of any country, its export potential is taken into account. Because the product or service offered to another region must meet international standards in terms of quality, win the competition, and the price must be acceptable to consumers. In this sense, entering the global market may not be a problem for large enterprises with extensive experience. However, the export of small business and private entrepreneurship does not happen by itself. Engaging in product marketing, finding partners from remote areas, signing contracts - these are not easy tasks. In this process, the Export Promotion Fund is assisting entrepreneurs.

A significant increase in the share of one or more goods in the structure of exports can put exporters in a difficult position in the event of a decrease in the price of these goods or a decrease in external demand for them. As a result, the decline in exports may lead to a decrease in foreign exchange earnings, a deterioration of the foreign trade balance and a deterioration in the financial condition of enterprises.

Improving competitiveness in Uzbekistan by improving the commodity and geographical composition of exports and imports requires the implementation of a number of tasks (Figure 1).



**Figure 1. Increasing competitiveness by improving the commodity and geographical composition of foreign trade turnover**

Increasing the volume of exports, improving its composition, diversification of foreign trade turnover in general serve the goals of achieving qualitative changes in the structure of the economy, economic

growth and further improving the welfare of the population by increasing its competitiveness.

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### Situation analysis

Clearly defining the goals and objectives of exporting enterprises in the effective use and expansion of export potential in Uzbekistan, the formation of export strategies based on their implementation will help small businesses to correctly determine their place and position in today's highly competitive environment. The sharp increase in competition in global markets shows that small businesses now have to set their goals and objectives not only from simple demand and supply of products, but also from the needs, desires and goals of potential consumers. It remains important that they implement a strategy appropriate to these conditions. As a result of measures taken in recent years to diversify and increase the competitiveness of the economy, the crisis in the world economy is still ongoing and low prices on world markets have reduced the impact on the main export points of the country.

In order to maintain the position of Uzbek exporters in foreign markets and increase the country's potential, work has continued to increase the volume of exports, diversify the range and geography of exported products, attract new enterprises to export activities. The Action Strategy Program adopted in the country has developed a program for the development of promising sectors of the economy, aimed at a high level of localization of export-oriented products. The development and implementation of the program has served to build and modernize new production facilities, introduce modern technologies for the development of competitive, export-oriented products and materials.

Uzbekistan has adopted the Concept for the development of export activities for 2018-2021, which includes the following areas:

- expanding exports of high value-added products;
- Identification of target markets for the development of trade relations for Uzbekistan;
- further development of large-scale export-oriented production based on the study of foreign markets;
- government support for the development of marketing research methods in foreign markets;
- to provide these markets with national products through close cooperation with key players;
- wide introduction of international quality standards (ISO 9001), familiarization of manufacturers with information on product standardization and certification in foreign markets.

In the context of modernization and diversification of the economy in Uzbekistan, one of the most pressing issues today is the liberalization of small businesses, as well as the organization of small businesses on the effective use of every opportunity and resource, as well as the effective use of marketing strategies.

In recent years, Uzbekistan has been paying great attention to the development of small business

and entrepreneurship, in particular, in 2019, all opportunities have been mobilized to create new conditions for the development of this sector. In particular, under the program "Every family is an entrepreneur" in 2019, families starting their own businesses were allocated loans worth 5.9 trillion soums. In 2019, the share of small business and private entrepreneurship in GDP reached 56.5%. As a result of the reforms, 93,000 new small businesses and entrepreneurship entities were created in 2019, or almost twice as many as in 2018. Uzbekistan has risen 7 places in the World Bank's Doing Business ranking, ranking 8th out of 190 countries in terms of business registration and one of the best reformers.

In order to strengthen the position of small businesses exporting in the country in foreign markets and strengthen their capacity, increase the volume of exports, diversify the type and geography of exported products, attract new small businesses to export activities, export marketing for small business and private entrepreneurship. The process of developing strategies is underway.

The measures taken in Uzbekistan during the years of independence to support exporting enterprises allow to increase the export potential of the economy, to achieve positive results in the structure of foreign trade, to steadily increase its volume. The analysis of statistics in this regard shows that the volume of exports in 2019 will reach 17901.7 million USD, an increase of 37.5% compared to 2015 and 27.9% compared to 2018. This was due to a 26% increase in foreign trade turnover compared to 2018.

### Conclusions and suggestions

The reforms implemented in Uzbekistan to support small business and entrepreneurship, to provide them with additional benefits, have laid a solid foundation for sustainable economic development. The Export Promotion Fund for Small Business and Private Entrepreneurship, established in the country, has many tasks, including increasing the role and place of private entrepreneurship in the economy, creating more favorable economic and legal conditions for them, simplifying procedures for foreign economic activity.

Studying the demand for products manufactured in Uzbekistan or where it is possible to start production in foreign countries, entering the market of such goods and developing a competitive strategy will have a positive impact on expanding the number of exported goods and the geography of countries.

To further increase the export potential of small businesses in Uzbekistan, the following measures should be taken:

- further improvement of the control system and conditions related to foreign trade;
- improving the activities of customs, sanitary, veterinary and other agencies that carry out control at customs posts;

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establishment of modern insurance services in the implementation of export activities;

introduction of a mechanism for partial state reimbursement of transportation costs to small exporting enterprises;

increase transit capacity by improving infrastructure, applying flexible tariffs and forming new routes;

adapting exporting enterprises to the world production system, world market requirements and integration processes, etc.

In this regard, the Special Programs for the introduction of finished products to new foreign markets, which are planned to be developed for each

industry, reflect the issues of increasing exports, improving the system of exported goods, marketing, financial and organizational support of exporting enterprises.

In general, increasing the volume of exports of small businesses, improving its structure, diversifying foreign trade turnover, achieving qualitative changes in the structure of foreign trade, increasing the competitiveness of exporting businesses will contribute to economic growth and welfare of the population.

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