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SOI: [1.1/TAS](https://doi.org/10.15863/TAS) DOI: [10.15863/TAS](https://doi.org/10.15863/TAS)

International Scientific Journal Theoretical & Applied Science

p-ISSN: 2308-4944 (print) e-ISSN: 2409-0085 (online)

Year: 2021 Issue: 04 Volume: 96

Published: 20.04.2021 <http://T-Science.org>

QR – Issue



QR – Article



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REGULATORY FRAMEWORK FOR FINANCING THE EXPORT OF AGRICULTURAL PRODUCTS

Abstract: This article examines the basic legal framework for the practice of financing the export of agricultural products and provides relevant scientific conclusions.

Key words: product export, agriculture, export promotion, competitive in international markets, funding sources.

Language: English

Citation: Tazhenova, G. E., Taspanova, A., Tleubergenov, R., & Dosmuratova, S. K. (2021). Regulatory framework for financing the export of agricultural products. *ISJ Theoretical & Applied Science*, 04 (96), 211-214.

Soi: <http://s-o-i.org/1.1/TAS-04-96-41> **Doi:**  <https://dx.doi.org/10.15863/TAS.2021.04.96.41>

Scopus ASCC: 2000.

Introduction

The primary basis of the practice of financing the export of agricultural products is its regulatory framework.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated July 29, 2019 No PP-4406 "On additional measures for deep processing of agricultural products and further development of the food industry", from August 1, 2019 Reimbursement by the Agency for Export Promotion of the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan in accordance with the substantiated calculations of the Agency "Uzstandard"; On loans from the State Fund for Entrepreneurship Development under the Cabinet of Ministers of the Republic of Uzbekistan in the national currency in the amount not exceeding 10

billion soums, at the rate of not more than 1.5 times the refinancing rate of the Central Bank of the Republic of Uzbekistan - 5 percentage points; for loans in foreign currency, the value of which does not exceed the equivalent of 10 billion soums - 40 percent of the interest rate set by commercial banks, but not more than 4 percent.

In accordance with the Regulation "On the procedure for export of fruits and vegetables", approved by the Cabinet of Ministers of the Republic of Uzbekistan dated February 23, 2019 No 163:

- Business entities have the right to export fruits and vegetables without a wholesale license. In this case, the procedure of taxation, which provides for the payment of a single tax on export earnings of individual entrepreneurs, is applied;

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- exporting legal entities have the right to export fruits and vegetables without down payment, without opening a letter of credit, without issuing a bank guarantee and without an insurance policy against commercial risks;

- from the date of registration of the customs cargo declaration on export operations, the period of occurrence of overdue receivables is set at 120 calendar days for fruit and vegetable products;

- Exporters have the right to export fruits and vegetables on the basis of invoices without concluding an export contract to bank accounts of commercial banks of the Republic of Uzbekistan by bank transfers from nonresidents of the Republic of Uzbekistan in foreign currency, as well as cash in foreign or national currency has

According to the Central Bank of the Republic of Uzbekistan No. 464 of February 22, 2001 "Procedure for microcrediting by commercial banks of farms and other small businesses operating in the legal entity status in national and foreign currencies":

- three-year loans in national or foreign currency in the amount not exceeding the equivalent of 10 thousand US dollars for the development of production and the creation of new jobs in micro-firms, small businesses, farmers and farms with the status of a legal entity;

- Up to 50% of these loans are issued in cash for the purchase of livestock, poultry and seedlings from the population, subject to repayment within a period of up to one and a half years;

- Commercial banks can also provide reliable microcredits without requiring collateral to borrowers with whom they have regular contact, have a regular cash flow in the bank account, have a good reputation and credit history;

- The procedure for consideration of credit applications submitted to the bank by entrepreneurs without the status of a legal entity within a period not exceeding 5 working days, consideration of a loan application submitted by entrepreneurs without the status of a legal entity within a period not exceeding 10 working days.

According to the Resolution of the President of the Republic of Uzbekistan dated February 28, 2018 No PP-3574 "On measures to radically improve the system of financing the cultivation of raw cotton and grain":

- From March 1, 2018, guaranteed state prices for raw cotton and grain will be set;

- indebtedness of cotton and grain farms to service organizations (as of 01.01.2018), including the indebtedness of the domestic sector and the repayment period of debts to the budget and state trust funds, excluding accrued fines and penalties, 3 extended for a period of one year;

- The Fund for Targeted Financing of Public Procurement of Agricultural Products and Agricultural Equipment under the Cabinet of

Ministers of the Republic of Uzbekistan was transformed into the Fund for State Support of Agriculture;

- The Ministry of Finance of the Republic of Uzbekistan has been instructed to place 150 billion soums in a deposit at a rate of 5% per annum within a week to provide loans to grain-growing farms in excess of the planned amount of public procurement.

Ensuring the implementation of this Resolution should increase the profitability of agricultural producers and encourage the production of high quality products.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated August 11, 2020 No PP-4803 "On measures to implement the project" Modernization of Agriculture of the Republic of Uzbekistan "with the participation of the International Bank for Reconstruction and Development and the International Development Association:

- March 20, 2020 by the Board of Directors of the World Bank for 30 years to finance the project "Modernization of Agriculture of the Republic of Uzbekistan" to the Republic of Uzbekistan:

* \$ 181 million loan from the International Bank for Reconstruction and Development with a grace period of 10 years;

* \$ 100 million loan from the International Development Association with a 10-year grace period;

* Approval of the International Development Association's concessional loan of \$ 219 million with a grace period of 5 years;

- The total cost of the project is 659.3 million US dollars, of which the share of the Republic of Uzbekistan - 159.3 million US dollars, including:

* share in the form of tax and customs benefits, payment of financial expenses during the investment period - 124.3 million US dollars;

* The share of project participants (beneficiaries) is the equivalent of 35 million US dollars;

- It is accepted for information that the project implementation period will be 6 years (2020 - 2026).

The following are the priorities of financing under the project "Modernization of Agriculture of the Republic of Uzbekistan":

* creation of an effective system of research, education and consulting services in agriculture, integrated with production;

* introduction of reliable and transparent methods of digitization of agriculture, collection, analysis and dissemination of statistical data;

* Ensuring food safety and strengthening quality control in the cultivation of agricultural products on the basis of the principle "From field to consumption", the creation of agro-logistics, roads and other necessary infrastructure;

* creation of a favorable agribusiness environment and value chain for the promotion of

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exports, the production of competitive, export-oriented high value-added agricultural products in international markets;

* Diversification of the agricultural and food sectors, reduction of state participation in the sector, development of cooperation and increasing the investment attractiveness of the industry;

* rational use of land and water resources, forest resources;

* introduction of modern management systems in the industry, improvement of service.

It is noteworthy that the important regulatory framework for the practice of financing the export of agricultural products in the country are the financial terms of international settlements and generalized rules developed by the International Chamber of Commerce.

Currency terms of international trade agreements:

1. Contract price.

This is the amount of money that the buyer of the goods must pay to the seller of the goods and is denominated in a particular currency.

Fixed and variable prices are widely used in international trade:

Strict valuation - is set at the time the contract is entered into and does not change until the contract is executed.

Variable price - is set at the time of the contract and it changes if its market price changes at the time of delivery of the goods.

Typically, contracts allow fluctuations in market prices from the contract price of the commodity at the level of 2-5%.

The prices published in the special newsletters reflect the world prices.

World prices are the export prices of the major exporters in the world commodity markets and the import prices of the importers. For example, world prices for aluminum and wheat are Canada's export prices. The world price of rubber is the price of the Singapore Stock Exchange, the world price of tea is the auction price in Calcutta, Colombo and Dondon, the world price of oil is the price of the London Stock Exchange.

2. Discounts.

About 20 discounts are applied in international trade.

Discounts range from 2% to 40% of the price of goods, depending on the type.

For example, up to 15% discount on off-season sales of mineral fertilizers.

3. Payment currency.

This is the currency in which the payment is made and may not correspond to the valuation currency of the contract.

4. Payment term.

5. Currency pisanisasi (ogovorka).

This is one of the forms of currency risk insurance and is applied when the valuation currency and the payment currency do not match.

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