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## THE REPUBLIC OF UZBEKISTAN ON THE THRESHOLD OF THE WORLD TRADE ORGANIZATION

**Abstract:** The article describes the history of the World Trade Organization, its goals and objectives. The relations of the Central Asian countries with the WTO are given. There was talk of the positive and negative consequences of Uzbekistan's membership in the organization for the country's economy.

**Key words:** World Trade Organization, International Integration, GATT, Uruguay Round, Foreign Trade Regime, USAID, UNCTAD, German International Cooperation Agency (GIZ), European Union (EU), International Trade.

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### Introduction

The World Trade Organization (WTO) was established to regulate trade relations between countries, increase international trade, and resolve trade disputes between countries as a result of globalization and increasing international integration. The WTO has a history of more than half a century. After the Second World War, in order to revive the economies of the countries, in 1947, 23 countries signed the General Agreement on Tariffs and Trade (GATT) in Geneva, which was implemented in 1948.

The Uruguay Round (1986-1994) was introduced to develop the GATT and reduce reciprocal tariffs on products. The WTO was established on January 1, 1995, and in the same year 125 countries became members. The WTO currently has 164 member countries. 98-99% of international trade is accounted for by WTO member countries.

Uzbekistan began its first bid to join the World Trade Organization (WTO) in December 1994. However, for various reasons, efforts to become a member of the organization were postponed. In December 2017, the President of the Republic of Uzbekistan Sh. Mirziyoyev officially announced the resumption of the process of our country's accession to the World Trade Organization, and in early 2018 an

application was sent to the WTO Secretariat. It contained an updated memorandum on the foreign trade regime and 23 documents of the Republic of Uzbekistan on various aspects of the country's foreign trade regime in the framework of the WTO accession process.

Work is underway to formulate and send clear and high-quality answers to the questions of WTO member countries, as well as to develop proposals for the harmonization of national legislation with the rules and norms of the Organization's agreements. On July 7, 2020, after a 15-year break, the 4th meeting of the Working Group on the accession of the Republic of Uzbekistan to the WTO was held. Bilateral negotiations on access to the market of goods and services are currently underway with some member countries of the Organization.

The Republic of Uzbekistan has taken the first step towards joining the WTO among the Central Asian countries. Currently, Kazakhstan, Kyrgyzstan and Tajikistan are members of the WTO from Central Asia. Turkmenistan is an observer country. If Turkmenistan becomes a member of this organization, we will have a good opportunity. The reason is that we can get to the Iranian port of Bandar Abbas via

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Turkmenistan. Through this port, we can deliver our products to the world market in a short time.

Uzbekistan is also in talks with the WTO Secretariat to join the WTO. The following table

shows the current state of relations between the countries of Central Asia and the WTO.

**Table 1. Central Asian and World Trade Organization**

s/n	Countries	The year you applied to the WTO	Status in the WTO
1.	Uzbekistan	December 1994	During the negotiations
2.	Kyrgyzstan	February 1996	December 1998
3.	Tajikistan	May 2001	March 2013
4.	Kazakhstan	January 1996	November 2015
5.	Turkmenistan	July 2020	Observer

*Source: Edited by the author based on information from www.wto.org*

International organizations such as the United Nations Development Program, USAID, UNCTAD, the World Trade Center, the German International Cooperation Agency (GIZ), the European Union (EU) and donor countries such as Russia, the Republic of Korea and China are trying to attract technical assistance to Uzbekistan's accession to the WTO.

Currently, preparations are underway for the 5th meeting of the WTO accession group of Uzbekistan and multilateral talks on agriculture. Through our country's membership in the WTO, we will be fully integrated into international trade. In order to find buyers and increase trade in international trade, we need to do the following urgent things:

- deepening economic reforms and further liberalization of the economy, including the liberalization of foreign economic activity;
- establishment of international marketing;
- regulation and support of foreign economic activity, in particular, international trade;
- financing of international trade and infrastructure development;
- training of qualified personnel.

### Conclusion

In short, Uzbekistan's accession to the WTO will have the following positive and negative consequences for the economy of our country:

**The positive consequences of Uzbekistan's accession to the WTO are:**

- As a result of the minimization of duties imposed on the customs clearance of products, consumers buy products at lower prices;
- As a result of the fact that exporters import raw materials at low prices, the volume of production will increase, our products will be more export-oriented, and as a result, economic growth will occur;
- imports of machinery and technology will increase and, as a result, production will increase and the market will be saturated, an increase in production will lead to a decrease in unemployment;

- become a country with a favorable customs regime for trade with other members of the WTO;
- Uzbekistan's accession to the WTO will serve as a "seal of guarantee" for the growth of foreign direct investment (FDI) in our country;
- promotes economic and political reforms in the country;
- WTO membership commitments will be an opportunity to diversify our economy;
- As a result of the abolition of tariff and non-tariff barriers, access to foreign markets, especially in developed countries, will be expanded;
- access to the right of free transit of goods through the territory of WTO member states;
- Disagreements and disputes with trading partners can be resolved through the mechanisms and rules established by the WTO;
- As a result of increased foreign trade turnover, fiscal revenues of the state will increase;
- Production costs of domestic producers using imported raw materials and semi-finished products in the production process will be reduced.

**The negative consequences of Uzbekistan's accession to the WTO are:**

- Threats to the economic security of the country will increase, as a result of the multifaceted openness of the national economy, the sustainable development of some sectors will be jeopardized;
- fluctuations in world market prices may affect the balance of payments of the republic;
- As a result of import (commodity intervention) of products that are exactly similar to those produced in the country at relatively low prices, some industries may face a crisis;
- As a result of the reduction of customs tariffs and duties, which should be implemented in practice during the negotiations under the pressure of WTO member states, the revenue side of the state budget may be reduced in the early stages;
- there will be a reduction in the government's ability to directly support certain strategic sectors of the economy;

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- As a result of the growing position of transnational corporations and foreign firms in the country, they can directly interfere in the process of regulating key sectors of the national economy;

- the possibility of maintaining the existing regulatory methods, such as domestic market prices,

monopoly tariffs, technical norms and standards, rules of use of intellectual property, remains unchanged;

- Due to the reduction of customs duties, the products of local producers will lose their competitiveness due to the influx of Chinese products into the country.

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