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# THE SYSTEM OF STATE REGULATION AND SUPPORT OF AGRICULTURAL EXPORTS

**Abstract**: This article describes the system of export, regulation and support of agricultural products in our country. Scientific and practical proposals have been developed to increase the export potential of agricultural products.

**Key words**: agriculture, exports, imports, agrarian reforms, export geography, government guarantees, export insurance, tax incentives, soft loans.

Language: English

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#### Introduction

Expansion of exports of agricultural and industrial products and services is one of the most important priorities of economic development of the Republic of Uzbekistan in the future.

Today, the volume of exports in Uzbekistan is growing rapidly due to the removal of various existing tariffs and non-tariff barriers.

Major barriers, such as financing and lending to foreign trade operations that our national exporters

often face, as well as insurance against political and other risks associated with the production of export products, expansion of exports and sales on world markets, have been removed.

Further increase in the country's export potential, development of new markets and increase in budget revenues are closely linked to the creation of favorable conditions for fruit and vegetable exporters.

In this regard, large-scale work is being carried out in Uzbekistan to introduce modern market



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mechanisms, increase its volume by simplifying the export procedure, and develop the logistics system.

According to the data, fruits and vegetables are the second largest export commodity in the country after gas. This is evidenced by the fact that today 180 types of fruits and vegetables are supplied to 80 countries of the world.

It should be noted that the Decree of the President of the Republic of Uzbekistan dated October 17, 2018 "On additional measures to increase the efficiency of export of fruits and vegetables" significantly simplified the mechanism of export of fruits and vegetables.

In particular:

- now legal entities can export it without a down payment, without opening a letter of credit, without a bank guarantee and without an insurance policy against political and commercial risks;
- organizations that do not provide timely receipts from exports are included in the register of dishonest exporters of fruits and vegetables. They are subject to 100% prepayment requirements for export;
- enterprises have the right to export fruits and vegetables without a wholesale license. Recall that it is planned to be canceled completely. Individual entrepreneurs will have to pay a single tax on the proceeds from the export of fruits and vegetables;
- exported fruits and vegetables are not subject to customs inspection, except in cases where there is a risk of violation of customs legislation. In this case, the exporter is responsible for the reliability of the information contained in the documents, as well as for the illegal movement of goods across the customs border.

In addition, 1 electronic application system was introduced instead of 6 types of paper documents from entrepreneurs, and contracts were transferred to 100% online bidding.

The processing time for permits has been reduced from 10 days to 1 day for exports and from 30 days to 3 days for imports.

A QR code system has been introduced in all permissive documents.

Certification documents have been transferred to an electronic system, and PayMe and the Central Bank's Munis payment system have been launched.

Exports of plants and plant products in January-November 2021: 2 mln. 514 thousand tons (an increase of 113 % compared to 2020).

All agronomic inspectors were attached to 4,275 exporting packaging enterprises, 6,364 orchards and vineyards, 1,444 greenhouses and 4,275 farms growing other agricultural products.

In order to create the necessary conditions for the effective implementation of export and pre-export financing, export credit and risk insurance mechanisms, in accordance with the Resolution of the President of the Republic of Uzbekistan dated 24.05.2019 № RP-4337:

- to cover interest expenses on pre-export loans of commercial banks, including loans to replenish working capital, on loans in national currency in excess of the refinancing rate of the Central Bank of the Republic of Uzbekistan, but not more than 10% In the amount of non-p, for loans in foreign currency compensation in the amount of 40% of the rate set by commercial banks, but not more than 4%;
- guarantees for loans from commercial banks, including pre-export loans, up to 50% of the loan amount, but not more than 4 billion soums;
- establish a mechanism to provide subsidies to local exporters (their authorized representatives) to reimburse up to 50% of transportation costs by road, rail and air;
- legal entities whose share of exports of finished products at the end of the reporting period in the total proceeds from the sale of goods (works, services), including through the commissioner (trustee) at the end of the reporting period is more than 50% A number of benefits and privileges aimed at export development were provided, such as the introduction of a procedure for deferring the payment of value added tax on imports of raw materials, components and materials used in the production of goods for 120 days from the date of adoption of the customs declaration.

Decree of the President of the Republic of Uzbekistan № DP-5177 of September 4, 2021 "On priority measures for the liberalization of foreign exchange policy" and the Decree of the President of the Republic of Uzbekistan dated September 4, 2021 Resolution DP-3253 "On priority measures to support" measures to improve foreign exchange policy and foreign trade, attract foreign investment in the economy, increase export potential, has become one of the fundamental steps in the sustainable development of modern, export-oriented industries and small business and private entrepreneurship.

In accordance with this Decree and Resolution:

- the requirement for all exporters, regardless of the form of ownership, to sell their foreign currency earnings has been abolished;
- -individuals were allowed to freely sell and buy foreign currency through commercial banks and to dispose of the purchased funds without any restrictions

In accordance with the Resolution of the President of the Republic of Uzbekistan dated January 14, 2021 "On measures to implement the export potential of the Republic of Uzbekistan in 2021" No. RP-4949, the Export Promotion Fund 50% of foreign expenses related to the opening and maintenance of trading houses of local exporters, lease of office, commercial and warehouse premises, as well as the establishment of advertising companies, fruit and vegetables and assisting exporters of industrial products in providing factors of production and engineering and communication infrastructure,



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coordinating the activities of local exporters to find foreign partners and ensure the signing of export contracts and other measures of diplomatic support increase exports and practical measures have been taken to encourage exporters.

Effective organization of foreign economic activity will have a positive impact on increasing competition in all sectors of the economy, as well as strengthen the country's position in the world market. The main strategy of our country's foreign economic activity is to develop import-substituting production, develop export-oriented production and strengthen its competitiveness in the world market. In turn, these processes are in many respects related to the integration of the Republic of Uzbekistan into the world economy, its comparative advantage in terms of regional and global competitiveness, the development and implementation of foreign economic policy. Despite the heated debate on the ongoing structural reforms, it is important to take into account the effectiveness of the country's geographical, industrial and technological, labor resources in the development foreign economic policy. Because strengthening of the international division of labor requires a high level of competitiveness from the participants in international financial relations.

In accordance with the Decree of the President of the Republic of Uzbekistan dated October 21, 2020 "On measures to further expand financial support for export activities", a number of preferential procedures aimed at financial support to exporters to increase the country's export potential was introduced. In particular, to compensate for interest expenses on loans in national and foreign currencies, regardless of the interest rate and loan amount established by a commercial bank for loans for working capital, and provide guarantees for loans in this area. This plays an important role in expanding financial opportunities to increase export potential.

In the implementation of effective measures aimed at increasing the export potential of the country, further strengthening the financial support of exporting enterprises, the President of the Republic of Uzbekistan on July 13, 2021 "On further strengthening the financial support of export activities". The adoption of the resolution was important. According to him, in order to further expand the opportunities for financial support to exporters, the Export Support Fund will be allocated \$

100 million for a period of 5 years at a rate of 1%. This has created favorable conditions for increasing the efficiency of export operations in our country by providing financial support and preferential financial resources.

Also, in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated October 4, 2021 "On approval of the Regulation on the procedure for reimbursement of part of transportation costs for export" RCM-618, exporting business entities (their authorized the procedure for reimbursement of up to 50% of transportation costs for the export of goods by road, rail, air and mail, through subsidies from the State Budget of the Republic of Uzbekistan by the Export Promotion Agency under the Ministry of Investment and Foreign Trade marked.

It should be noted that the set of foreign economic activity of our country and its integration into the world economy includes clearly defined goals and key measures to achieve them. First of all, it is necessary to identify the sectors that make up the strong export link of the national economy and ensure its worthy place in the world market, as well as the widespread use of methods of state support of the economy in the field of exports.

In this process, the main strategic goals of developing foreign economic activity and increasing the export potential of the country are to ensure the integration of the national economy into the global economic system, attracting foreign capital to implement projects aimed at producing high-capacity products. Conditions created in free economic zones for increasing the export potential, meeting the needs of the national economy in imported products as much as possible through the implementation of projects for the production of import-substituting products, production of export-oriented products and attracting foreign capital and extensive use of opportunities and further development of the infrastructure of foreign economic activity.

In conclusion, it should be noted that additional measures to stimulate exporting enterprises in the national economy and expand the export of competitive products, attract foreign direct investment and strengthen integration into the world economy measures will become an important factor in achieving sustainable economic growth.

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