



REGULATION OF EXPORT ACTIVITIES OF SMALL BUSINESS IN THE REPUBLIC OF UZBEKISTAN

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Article history:	Abstract:
Received: March 1 st 2023 Accepted: April 6 th 2023 Published: May 6 th 2023	In this article are discussed the innovativeness of small business, the need to clearly define the size of a small and medium-sized business as a recipient of support in export activities.
Keywords: small medium-sized business, export activities, support, regulation, Republic of Uzbekistan, export-import, innovation, foreign economic activity.	

Uzbekistan has set a goal in the Development Strategy to increase exports to \$30 billion, the president said. One of the opportunities for this was to obtain the GSP + status from the European Union and the right to freely import 6,200 goods into the countries of the union. However, the range of goods exported to the EU remains narrow and grows slowly - 79 new items per year (643 in total). The number of exporters also showed only a small increase - plus 102 companies, and there are 579 in total.

Government agencies responsible for certification and standardization do not understand their role in export development and do not help businesses. Many exporters learn about the non-compliance of their products with standards after their arrival in the developed countries of the world, President of the Republic of Uzbekistan Sh.M. Mirziyoyev said.

The head of state pointed out to the leadership of standardization services the need to work more actively with local manufacturers. By the end of the year, it was instructed to increase the number of companies exporting goods to developed countries of the world to 2,000. (2)

The goals of export regulation are manifold: the desire of the government, by limiting the export of raw materials, to protect natural resources from depletion, to ensure priority supply of raw materials to domestic enterprises, to maintain employment and an uninterrupted supply of necessary goods at reasonable prices, to limit the export of goods, the production of which is subsidized by the state to meet domestic needs. countries, finally, to increase foreign exchange earnings from exports and strictly control its flow.

The export potential of a small business is defined as the ability to realize the opportunities contained in the resources concentrated in the production capacities, intangible assets and human

resources of a small enterprise, provided that the national economy is not damaged.

Structural classification and names of subtypes of export potential: scientific and technical potential, production potential, innovation potential, labor potential, investment potential, infrastructural and communication potential, geographical potential, natural resource potential.

However, in the application to each specific enterprise, it is possible to trace which of the designated structural elements have been identified, formed in practice, and which are not yet involved and what can be predicted by competent management decisions. Based on the above, we can define a small innovative enterprise. (3)

A small innovative enterprise is an enterprise (project group of an enterprise) that develops (implements) improves market products (services) of technologies using the results of completed scientific research, scientific and technological achievements, technical improvements and meets the requirements for classifying as a small business entity in accordance with the law Republic of Uzbekistan.

Small business is actively involved in foreign economic activity, while there are factors hindering the development of small business and, as a result, hindering its export activity. There is an increase in the role of small business in the global foreign economic activity. The reasons for this can be called:

-globalization and internationalization processes taking place in the world, as well as the focus on supporting the private sector in the national policy of states. Considering entrepreneurship as the basis of the national economy has led to the fact that about 30% of world exports are currently carried out by small businesses;

- small businesses are characterized by promotion to world markets through intermediaries and association in clusters, effectively show their



capabilities in the certification of their products, respond in a timely manner to larger requests from foreign consumers;

- the role of the state is especially significant for the development of the export potential of small businesses. Support for foreign economic activity in general and small businesses in particular remains an important component of the policy of any state.

Factors hindering the development of external economic activity of small business;

-lack of a state export strategy for the development of both the country and the regions;

- lack of measures of targeted support from state administrative bodies;

-unpreparedness of small enterprises for foreign economic activity;

- lack of financial resources;

- weak information environment;

- low competitiveness of products;

- taxation;

- administrative barriers;

-poor development of industrial infrastructure;

- corruption of public authorities;

- lack of professional knowledge, etc.

The experience of foreign countries in terms of state regulation of the export activities of small businesses is considered the experience of state assistance in the implementation of the export potential of small businesses in developed countries like the UK, the USA, Japan and in developing countries like India, which made it possible to determine the most effective measures of state regulation of the export activities of small businesses.

Based on the generalization of world experience, taking into account the existing structure of state regulation of foreign economic activity and the accumulated experience in the Republic of Uzbekistan, an attempt was made to develop recommendations for improving the state regulation of foreign economic activity of small businesses in the Republic of Uzbekistan.

Following the goal - to develop practical recommendations for state regulation of the export activities of small businesses in the Republic of Uzbekistan, the experience of developed and developing countries is summarized in order to determine the most effective measures of state influence to realize the export potential of small businesses. To obtain generalized data, those countries were selected where the share of export-oriented small enterprises is the largest, and the experience of state assistance in the development of their export potential is interesting for implementation in the Republic of Uzbekistan. To solve these problems, tariff methods of influencing the foreign economic activity of small businesses are used. The

Republic of Uzbekistan implements powerful mechanisms to facilitate this process.(4)

Main mechanisms:

- provision of state guarantees to banks lending to export operations;

- a guarantee of compensation for risks associated with foreign economic activity for small businesses;

- assistance to small businesses in finding reliable and acceptable partners;

- exemption of small business exporters from paying direct or indirect taxes;

- indirect subsidizing of small businesses, for example, by excluding from taxation the amounts spent on research and development work;

- creation of special export-oriented economic zones;

- informational, advisory, technical and legal support for small businesses;

- state assistance (including financial) in organizing exhibitions and fairs for export products and for the participation of small businesses in international exhibitions.

Of course, the set of measures is individual for each country and depends on the level of development of small business and its export potential, on the economic and political situation inside the country and on the readiness of the state to allocate funds to support and stimulate the export activities of small businesses, as well as the ability of small businesses to accept these measures.

Improving the state regulation of the export activities of small businesses in the Republic of Uzbekistan based on the use of world experience, the mechanisms of state regulation of the export activities of small businesses in the Republic of Uzbekistan, the features of the export potential of small businesses in the Republic of Uzbekistan are being studied. Based on the peculiarities of resource support for the export potential of small businesses, we conclude that in the end, all problems come down to the possibilities of its implementation; in the Republic of Uzbekistan, small businesses certainly have export potential. And it is not only in the science-intensive products of innovative enterprises, although at present these products are the easiest to sell. The export potential of small businesses in other sectors is not fully realized, primarily because this work is not carried out systematically. Enterprises themselves are looking for partners and poverty in foreign markets and are trying there, by virtue of their capabilities, to compete with foreign manufacturers of similar products. Having sold products in foreign markets, small businesses often do not pay attention to the organization of after-sales service, since this requires very significant funds. Proceeding from this, it is necessary first of all to



clearly work out the technology of sales, the technology of marketing and service, every product today also includes the technology of preparation, presentation of products - at a very high level. Most of the representatives of small businesses do not have such technology, and there is not always an understanding of what it should be. (6.7)

Before entering the foreign market, it is necessary to achieve a complete normalization of all processes within your enterprise, solve problems with the production program, performance discipline, and product quality, so that entering the international market does not become just an episodic phenomenon.

Measures to encourage small businesses to enter foreign markets, including:

- * development and implementation of a program to prepare entrepreneurs for export activities;

- * providing a special package of assistance to small businesses entering foreign markets for the first time with their product, namely:

- assistance to small businesses in licensing products according to international standards, including financial assistance from the state for the modernization of production;

- development of a system of private lending for the export activities of small businesses by guaranteeing the repayment of loans by the state;

- provision of insurance guarantees for political, commercial and other risks associated with external economic activity for small businesses;

- organization of information and consulting assistance to exporters from among the representatives of small businesses, due to the existing lack of specific information;

- * assistance in organizing exhibitions and fairs of export products, trade missions, as well as state participation in the activities of export associations and chambers of commerce, organizing advertising abroad at the expense of the state budget;

- * creation of a system of state assistance in finding partners for the export of small business products. The functions of a commercial intermediary in the export activities of small businesses should be taken over by the newly created Agency under the Ministry of Foreign Economic Affairs. Intermediary activities within the Agency will be activities to facilitate the conclusion of contracts between a supplier of small businesses and a consumer of goods and services from a foreign side of the market;

- * selection, by analogy with developed and developing countries, of the export component in the statistical observation of small businesses. The implementation of this measure is expected quarterly by the agency of the state statistics service on the following indicators:

- increase-decrease in the number of small enterprises per 100 thousand of the population involved in export activities;

- increase-reduction of costs for the implementation of research and development work in small enterprises engaged in foreign trade operations;

- the volume of foreign trade turnover of small enterprises; growth-decline of investments in fixed assets in export-oriented small enterprises.

Measures to ensure the sustainability of small businesses in foreign markets, which include:

- * development of industrial and technological infrastructure (creation of transport and logistics facilities, industrial parks for companies involved in the export of certain types of products, marketing centers for priority export areas.

- * assistance in uniting small businesses into clusters for joint export activities;

- * creation of a mechanism for the exit of small businesses that produce products that are competitive in foreign markets to export-oriented special economic zones created in the Republic of Uzbekistan;

- * facilitating the unification of the efforts of several companies to implement marketing or logistics activities that are beyond the strength of each individual company;

- * creation of conditions for the development of human capital (support for training programs for specialists in foreign trade activities, state support for training - advanced training of specialists in key specialties in export companies).

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