



# THEORETICAL PRINCIPLES OF IMPROVING THE AGRICULTURAL PRODUCT EXPORT SYSTEM

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<b>Received:</b> 11 <sup>th</sup> November 2023 <b>Accepted:</b> 10 <sup>th</sup> December 2023 <b>Published:</b> 20 <sup>th</sup> January 2024	This article export of agricultural products plays a very important role in the development of the economy of our republic. Improving the system of export of agricultural products, in turn, requires its specific aspects. To date, many measures are being taken in this regard in the development of the sector.
<b>Keywords:</b> Export, economic efficiency, export efficiency, agricultural economy, agricultural products	

## INTRODUCTION

The effectiveness of international economic relations was assessed by the internationalization of the world economy, the openness of the national economy, the deepening of the international division of labor, the introduction of new multimedia and information-communication technologies, and decision-making in the field of international relations.

Liberalization and facilitation of export activity, diversification of export composition and geography, expansion of export opportunities of economic sectors and regions, as well as ensuring the mobility of our republic's companies, as one of the most important directions in the action strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021. imposes a very important task. It is a fact that does not require proof that the development of foreign economic activity, which is one of the factors accelerating the economic development, is the solution of this task set out in the action program. The establishment of modern enterprises equipped with advanced equipment serves to master new branches of industry, to increase the production of competitive products in foreign markets, and ultimately to increase the volume of exports. At this point, we are not talking only about the growth indicators of the export volume.

In the report of the President of the Republic of Uzbekistan Sh. Mirziyoyev at the extended meeting of the Cabinet of Ministers, dedicated to the main results of socio-economic development of our country in 2016 and the most important priorities of the economic program for 2017, "There are very serious issues on the agenda. These are to ensure the competitiveness of the technologies created in our country, to create examples of know-how, to introduce modern information and communication technologies, that is, to implement systematic measures to ensure the production of high-quality products. In this sense, at the current stage of economic development,

marketing activity is emerging as one of the important concepts of enterprise management. Marketing research is becoming more and more important in formulating a targeted production program, responding quickly to emerging situations in product sales markets, and ultimately winning the competition.

From this point of view, the company engaged in the export of agricultural products should effectively organize marketing research and direct the activities of each department to the highest results. Strong competition in international trade requires companies to make decisions based on the principles of international marketing, to form modern international marketing research that ensures high financial results, taking into account the needs of the foreign market. In turn, the principles and research of international marketing rely on methods that require serious knowledge and skills. In the modern market, marketing is not only a guide for the implementation of specific goal-oriented activities (movements), but also a "modern business philosophy". According to this view, marketing is now central to the overall mechanism of economic activity, including internal and external economic planning.

## LITERATURE REVIEW

Content aspects of innovation are explored in many foreign and domestic works. As a process of innovation are considered in the writings of the classic of the theory of innovation process I. Schumpeter, foreign scientists - B. Twiss, D. Tiss, T. Jord, B. Santo [2], J. Bright, Kr. Freeman, X. Hartmann. Innovations as an object are considered in the works of foreign researchers S. Mendell, D. Ennis, F. Jansen. Daniyarov Quatbay Dauirkhanovich IJSRE Volume 07 Issue 03 March 2019 Page 8146 The root causes of innovation, the factors and sources of their appearance are the work of the classics D. Ricardo [3], K. Marx [4], J. Schumpeter [5], modern domestic and foreign



economists - S. Yu. Glazyev, Yu. V. Yakovets, A. A. Dynkin, G. Mensha, B. Santo, A. Barker and others. The role of innovations in the economy and in society, their functions, consequences were investigated by F. Jansen, E. Mansfield, L. Brown and others. Tendencies of modern NTP, the newest technologies are considered in the works of D. Bell devoted to postindustrial development; Yu.V. Yakovets, B.N. Kuzyka, V.I. Kushlin, who identified the main innovative areas in the global economy; J1. Brown, who considers eco-innovation as the innovation of the future; B. Gates, who devoted his work to information technology. The contribution of innovation, NTP to economic growth began to be explored vigorously in the mid-20th century. This problem has been actively studied in the works of foreign researchers - R. Solow, E. Denison, J. Kendrick, S. Kuznets, M. Abramowitz, C. Griliches, D. Jorgenson, Soviet scientists - B. Mikhalevsky, S. Solovev. These researchers considered the NTP factor as exogenous, i.e. out of production process, a kind of "black box". P. Romer, R. Lucas - the creators of the new theory of economic growth, and their followers J. Grossman, E. Helpman, F. Aguion, F. Howitt considered the innovation factor as endogenous. Studies have shown the significance of the contribution of the innovation factor to economic growth. **RESEARCH METHODOLOGY** Taking into account the extensive nature of the subject, research methods such as induction, deduction, analysis, synthesis, comparative analysis, and graphing have been widely and efficiently used. Uzbekistan is the most densely populated country in the Central Asian region, with one third of the population under the age of 29 and half residing in rural areas. As 800,000 people under the age of 29 join the labor market every year, job generation is an urgent and challenging priority. The development of private micro and small enterprises (MSEs) and entrepreneurship has often been declared as a priority by the Uzbek president currently. It is recognized now that small business is a driving force for economic growth, an increase in GDP and the primary solution to acute social problems such as unemployment, poverty - especially among women and youth - and poor quality of life. A low growth of small enterprises during these years may indicate that SMEs face difficulties in terms of an unfavorable business environment and access to finance. In addition, a significant share of small businesses works under a simplified taxation scheme, which on the one hand facilitates business, but on the other discourages business growth (due to limits on the number of workers). Uzbekistan has a high rate of unemployment - around 7% in 2017 with an estimated one in ten

people aged 20 to 24 not looking for a job because they do not believe they can find one. Unemployment rates for youth are about 18%, twice the overall rate.<sup>10</sup> Low employment prospects have led to high levels of outmigration, with one in five males becoming an international migrant and this rate is even higher among young men. According to official data, SMEs are the biggest source of employment, as they now provide 78% of jobs, compared to 50% in 2000. Nearly three out of every four employed persons in Uzbekistan work in small businesses and more than 60% of those jobs are in rural areas. More than 62% of those employed are individual entrepreneurs, and small businesses and micro firms employ only about 16%. Uzbek migrants are included into sectoral employment data, mainly into the employment in agriculture and other sectors. Most of the migrants (around 70-75%) come from rural areas, and, in some cases, they are counted as employed in the agricultural sector and the migrants from urban areas are accounted in the statistics on "employment in other sectors." However, official statistics do not provide all necessary data to provide a more or less credible picture. Therefore, the official data should be assessed critically. For example, a number of individual entrepreneurs are not available, and the State Statistics Committee only collected data on SMEs with legal entity status. Analysis of the open sources did not reveal any data on the number of individual entrepreneurs

### **RESEARCH METHODOLOGY**

The company makes full use of international marketing tools in the process of delivering agricultural products to consumers. Companies use international marketing methods to strengthen their competitive positions within the framework of their foreign economic activities in the market of foreign countries. International marketing as an important component of foreign economic activity expresses the characteristics, scope and needs of foreign economic activity [3] and reorganizes and organizes the company's production and trade system based on consumer needs.

This principle of international marketing based on the last result includes a number of specific aspects [4]:

- directing production to the final result in accordance with the real demands and needs of foreign consumers for the company's products (services) in foreign economic activity;
- striving for long-term results in marketing activities based on foreign market and consumer needs;



- the company's marketing research is focused on increasing and improving the quality of the product and organizing it regularly on a systematic basis;

- development of effective logistics of delivery of products to foreign consumers;

- purposeful regulation of all processes related to the life cycle of the product, scientific developments, production, trade processes;

- identification of priority and weak aspects of the company and competitors and comparative analysis in order to gain a firm foothold in the foreign market

- putting before the marketing service of the company the issue of moving products on the market, taking a strong position in the foreign market, increasing the volume of sales, and finding markets with great potential.

Owners and their other subjects who have planned various goals participate in the study of the impact of the company on the foreign market, especially on the direct foreign consumer. It can be noted that the typology of marketing research is formed as follows [5]:

- foreign market research;
- consumer research;
- evaluation research of the effectiveness of the company's advertising/information;
- brand research;
- corporate business reputation research;
- internal corporate research.

During the past short period of our independent development, huge reforms implemented in Uzbekistan made it possible to radically diversify agriculture and fully provide our population with basic food products, and to start exporting them in large quantities.

Agricultural products, including fruit and vegetable products, are among the main export products of Uzbekistan's agriculture. 500 million annually. Fruit and vegetable products grown in Uzbekistan are sold in foreign markets for around US dollars.

The revival and expansion of traditional consumer markets for wet and processed fruit and vegetable products is one of the main factors in increasing the export potential of Uzbekistan. According to the information of the State Statistics Committee of the Republic of Uzbekistan, the foreign trade turnover in the Republic in January-December 2021 is 27.0 billion. 14.0 billion US dollars, including exports. USD and import 13.0 bln. formed the US dollar. The balance of foreign trade turnover is 945.5 mln. amounted to US dollars.

In recent years, there has been an increase in the export structure of the Republic in almost all groups of goods and services. In January-December 2017, the foreign trade balance amounted to 945.5 million US dollars, of which 809.5 million US dollars were with the CIS countries and 136.0 million US dollars with other countries.

**Indicators of production and export of products in Uzbekistan in 2023.**

**Table 1**

Product type	The total volume of production (thousand tons.)	Including in special districts (thousand tons.)	Product share of special regions in cultivation (%)	Export (thousand tons.)	Including special regions for export (thousand tons.)	In export of special districts share (%)
Vegetables	12842,9	6783,6	52,80	368,8	268,8	72,8
Legumes				195,5	150,6	77,03
Fruits	3429,3	1815,0	53,00	369,3	288,6	78,15



Dried products				178,0	141,9	79,72
Grapes	1926,4	1142,8	54,00	154,9	126,6	81,73
Dried fruits	2422,4	793,9	54,00	10,9	6,1	55,96
Total:	20620,9	10535,3	51,1	1277,	982,6	76,92

**Resource: "Uzbek food store" based on the report data of the Private Enterprise.**

In the above table, it can be seen that in 2023, the indicators of the grown products and exported products totaled 20,620.9 thousand tons.

The implementation of the following measures is of great importance in ensuring the competitiveness of the products of exporting enterprises, farms, small businesses and private enterprises in the world markets:

- assisting exporting enterprises in reducing production and sales costs;
- reducing transport costs by developing transport and communication systems and opening new transport corridors;
- Protection of the interests of the participants of foreign economic activity of the Republic of Uzbekistan in both domestic and foreign markets;
- developing state programs aimed at developing export potential and ensuring their implementation;
- reduction of transport costs of export goods through the development of international transport communications.

Based on the structural reform of the agrarian sector, it provides an opportunity to formulate conclusions and proposals under the study of the importance and theoretical foundations of the development of the export potential of agriculture.

1. Today, all countries of the world participate in the trade of food and agricultural products. This is evidenced by the fact that in recent years, a quarter of the products and raw materials produced in the world are exported to international trade.

2. To determine the types and quantities of agricultural products that can be exported, that is, products that are in high demand, based on the analysis of world markets;

- the global food market situation is analyzed, in which an in-depth study of the strengths and

weaknesses of potential competitors in the world food markets;

- to regularly hold exhibition sales on the introduction of modern technologies for the production and processing of products to the enterprises of the food industry.

3. In order for Uzbekistan to actively participate in international integration processes, we need to solve the following problems:

- it is necessary to increase the volume of finished products in the export structure. For this, it is necessary to give various privileges and preferences to local and foreign entrepreneurs who want to invest in our national economy;
- it is necessary to organize a state incentive system that helps exporters, such as export financing, crediting and insurance;
- it is necessary to establish an effective trade regime by removing discriminatory barriers from the customs system.

4. Development of export-oriented production in the agricultural sector:

- leads to a sharp increase in product production;
- ensures the stability of the country's currency income;
- financially supports farmers and farms by maintaining domestic prices for products at a certain level.

### **ANALYSIS**

Usually, the tasks of conducting marketing research in a company are distributed among various other departments, such as transportation, finance, accounting.

It should be noted that the entry of small companies into international trade is having a serious impact on the position of large companies in the



foreign market. The tactical and strategic tasks of large and small companies in the market can be different: to increase demand and optimize production on this basis, to change the technical capabilities of products according to the needs of consumers, etc.

At the same time, companies should eliminate or reduce various risks associated with foreign market entry. The situation of customers in different segments, extending the life stage of products due to the increase in demand in the foreign market, diversifying market positions as a means of protection from competitors, reducing costs, and implementing the country's comparative advantage were considered the main criteria.

### CONCLUSION

Based on the above, it can be seen that it is important to organize a reasonable marketing research along with full compliance with the principles of international marketing for the success of the activities of the companies engaged in the export of agricultural products of our republic in the foreign market.

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