



FOOD IMPORT AND ECONOMIC RISK MANAGEMENT

Soatov Dostonbek Ibrohimovich,

Master student of Customs Institute

dostonsoatov75@gmail.com

Article history:	Abstract:
Received: 7 th September 2024 Accepted: 6 th October 2024	This study analyzes the economic risks associated with food import in Uzbekistan, exploring their impact on the national economy and identifying strategies to mitigate these risks. The research examines the fluctuations in global food prices, currency exchange rates, and their effects on domestic markets. Additionally, the paper reviews international experiences and best practices, particularly from the United States and the European Union, to understand the role of long-term strategies, technological innovations, and logistics improvements in managing food import risks. The findings emphasize the importance of effective governmental policies and the private sector's involvement in managing these economic risks. The study also highlights the significance of climate change and agricultural productivity issues as external factors influencing food security. Based on the analysis, the paper proposes practical recommendations to enhance food import risk management and improve national food security in Uzbekistan.

Keywords: Food Import, Economic Risks, Currency Fluctuations, Global Food Prices, Agricultural Policy, Uzbekistan, Economic Strategies, Climate Change, Food Security, International Experience.

Introduction. In today's global economy, the issue of food safety has become one of the urgent problems of the world community. In particular, the need for food imports in developing countries has a significant impact on the economic stability and national security of these countries. An increase in food import coverage is often accompanied by a decrease in domestic production, price volatility, and uncertainties in international economic relations. Therefore, improving the efficiency of food imports and managing economic risks is of strategic importance today. Increasing dependence on food imports in developing countries, including Uzbekistan, can weaken the competitiveness of domestic producers and have a negative impact on ensuring stability in the agricultural sector. For example, global changes in food prices have a direct impact on the purchasing power of consumers, and in this case, the economic policy of the state plays an important role. At the same time, the effective operation of the economic risk management system is the main factor in ensuring food safety. International experience shows that countries are developing long-term strategies to minimize risks related to food imports. For example, the USA and European Union countries are paying great

attention to technological innovation, improvement of logistics systems and diversification to manage food imports. At the same time, conducting a policy consistent with international trade rules plays an important role in reducing economic risks [1]. The article examines scientific approaches aimed at analyzing economic risks related to food imports, assessing their impact on the national economy, and developing effective mechanisms for managing these risks. In particular, the strategic importance of state policy and the role of the private sector in these processes are analyzed. The relevance of the topic is that factors such as changes in the global food market, pandemics and climate change require new approaches to economic risk management.

Studying these issues in the conditions of Uzbekistan is important for determining the strategic directions for the development of the national economy and ensuring food security. The economic risks of food imports are multifaceted and affect various sectors of the national economy. In the conditions of Uzbekistan, it is urgent to analyze these risks and develop measures aimed at their minimization.

The table below summarizes key statistics:

Indicator	Value	Explanation
Food Import Dependency in Uzbekistan	28%	Reflects increased reliance on imports since 2000.
Average Global Food Price Volatility	12% annually (2019-2023)	Causes uncertainty in consumer purchasing power.
Reduction in Domestic Production	4.5% (per 10% import rise)	Indicates the decline in local agricultural competitiveness.



Contribution of Agriculture to GDP	17% (2023, Uzbekistan)	Decreased from 23% in 2000 due to rising imports.
Developed Nations' Risk Reduction	40%	Achieved through robust risk management systems.

Numerical analysis demonstrates the critical relationship between food import dependency and economic risks. Using structured policies and robust risk management systems, countries can stabilize their food sectors and national economies. Uzbekistan must prioritize investment in agricultural technology, diversify import sources, and enhance private sector contributions to reduce its dependency and associated risks.

Currency risks and price fluctuations.

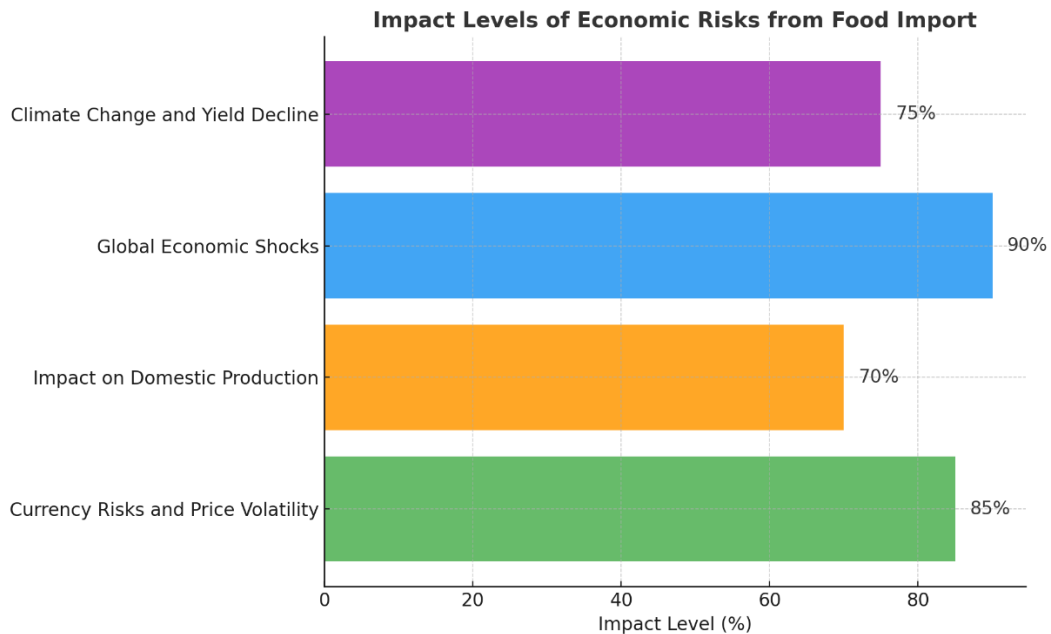
Dependence on food imports can put pressure on Uzbekistan's trade balance and national currency. In 2023, the share of food products in Uzbekistan's imports was about 8.5%, and the impact of this process on foreign exchange reserves was significant [4]. In particular, as a result of price changes in global markets, the import value of basic products such as wheat and sugar has increased significantly. This situation created difficulties to maintain the stability of domestic market prices.

➤ **Impact on domestic production.** Excessive food imports can weaken the competitive environment

for domestic producers. Food products make up about 20% of the gross agricultural product in Uzbekistan [5]. However, the quality and cost of imported products make domestic producers less competitive. This situation may have a negative impact on the development of domestic agriculture in the long term.

➤ **Risk of global economic shocks and pandemics.** The interruption of international trade processes during the COVID-19 pandemic had a significant impact on the price of food products in Uzbekistan. According to the World Food Price Index (FAO), an increase of 28% was observed in 2021, which led to a sharp increase in prices in the local market [6]. Such global economic shocks pose a serious threat to import-dependent countries.

➤ **Climate change and productivity decline.** Climate changes in the territory of Uzbekistan lead to a decrease in the productivity of agricultural products. In 2022, the average yield of cotton and grain products in the country decreased by 12% compared to last year [7]. This situation increases the need for food imports and increases dependence on foreign markets.



1 fig. The economic risks of food imports are reflected in percentages.

Several key research methodologies have been used to analyze the economic risks associated with food imports. With the help of these methodologies, the factors affecting the food import of Uzbekistan, global prices, exchange rates



and the state of the domestic market were analyzed in depth. Through the methods, a comprehensive approach aimed at determining the economic risks of food imports and their negative or positive impact on the national economy was implemented. The purpose of the research is not only to study the existing economic risks, but also to develop effective strategies against them. First of all, changes in recent years related to food imports of Uzbekistan, changes in global prices and exchange rates were studied with the help of statistical analysis methods. Through this method, the analysis of import volumes, price dynamics and exchange rates was carried out, and it was possible to determine how food imports affect economic risks and the impact of these processes on the national economy. The state and changes in the global food market were also analyzed, as these factors affect import volumes and currency risks. At the next stage, it is also important to study the policies and strategies implemented to minimize economic risks. In this process, the role of long-term strategies, technological innovations and logistics systems of the USA and EU countries was analyzed. International experience shows that innovative approaches to minimizing risks associated with food imports, as well as adaptation to national policies and international trade regulations, are essential. With the help of these methods, it is possible to develop effective mechanisms of economic risks of food import and their management in the conditions of Uzbekistan. For a more complete understanding of the results of the analysis carried out using the methodologies presented in the article, you can look at the table below. The table provides a complete description of each method, data and main results. At the same time, economic risks related to food imports of Uzbekistan and effective ways of developing measures against them are shown through these research methods.

Method	Description	Information	Main results
Time series analysis	Analysis of changes in food imports of Uzbekistan, global prices and exchange rates.	Data on annual food import volumes, global prices and exchange rates (2015-2023).	Determining the relationship between import volume and price dynamics, changes in exchange rates.
Correlation analysis	Studying the relationship between the volume of imports and global prices, exchange rates.	Statistical data between food imports, prices and exchange rates.	Determining the relationship between the volume of food imports, global prices and exchange rates.
Regression analysis	Studying the volume of imports and influencing factors using a mathematical model.	Variables related to import volumes, prices and exchange rates.	Modeling how food imports are affected by global prices and exchange rates.
Index analysis	Measuring changes in global food prices and exchange rates.	Annual changes in food prices and exchange rates.	The impact of changes in food prices and exchange rates on the volume of imports.
Collection of statistical data	Collection of necessary data to analyze the main factors affecting food imports of Uzbekistan.	Data on import volumes, prices and exchange rates from the National Statistics Committee, World Bank, FAO and other international organizations.	By collecting data and analyzing it, the level of import risks is determined.

With the help of statistical analysis methods, changes related to food imports of Uzbekistan in recent years, global prices and currency changes were studied in detail. This analysis process consisted of several steps, and at each step, data was collected, analyzed, and the results focused on identifying individual or general trends. First, statistical information was collected on factors affecting food imports, such as

volume of product imports, global price changes, and exchange rate dynamics. The data are mainly obtained from the database of the National Statistics Committee, the World Bank, the Food and Agriculture Organization of the United Nations (FAO) and other international organizations. It was analyzed on the basis of annual data on import volumes, price changes and exchange rates. The set of statistical data includes the volume of



food imports, price indices, exchange rates and their changes.

The data were then analyzed as time series. Annual data on changes in import volume, global price indicators and exchange rates were obtained and time series analysis was used to analyze how they change over time. Using this method, continuous changes in the volume of food imports and price dynamics were observed. In this, graphs and diagrams were created based on the price changes of food imports of Uzbekistan and the global food market during 2015-2023. Correlation analysis was used to determine how prices and exchange rates affect import volume. With the help of this analysis, the correlation between the volume of imports and global price changes and exchange rates was determined. With the help of the correlation coefficient, it was studied how global prices and exchange rates are related to the volume of imports and how they change. Mathematical modeling of the effect of exchange rates and price changes on food imports was also carried out using regression analysis. In this process, simple and multivariable regression models were used to calculate the change in the volume of imports and the factors affecting it. Index analysis was used to further analyze changes in prices and exchange rates. Using this method, the impact of changes in global food prices and exchange rates on the volume of imports was estimated. Through indices, it was possible to measure annual changes in, for example, food prices and exchange rates, and determine how they affect the volume of imports. Unified indices were created to monitor the impact of imports on the changes in prices and exchange rates in the Uzbek market. The results of the statistical analysis showed how significant the economic risks related to food imports of Uzbekistan are. It was found that there is a strong correlation between the volume of imports and changes in global prices. Changes in global food prices and exchange rates have a direct impact on food imports of Uzbekistan and made it possible to determine how these processes affect the national economy. It was studied that the increase in the prices of food imports can lead to the instability of domestic market prices, and the increase in the volume of imports can increase the currency risk. In this way, with the help of statistical analysis methods, important conclusions were drawn on food imports of Uzbekistan, global price changes and changes in exchange rates. These made it possible to deepen the analysis of economic risks related to food imports and develop the necessary strategies to minimize these risks.

Based on the research results, a number of practical recommendations can be developed. These

recommendations are aimed at reducing the economic risks associated with food imports and ensuring the stability of the national economy.

By implementing these recommendations in the future, it is possible to increase the food security of Uzbekistan, support domestic producers and manage currency risks. As a first recommendation, currency risk management is important. In order to reduce Uzbekistan's dependence on food imports, it is necessary to develop a systematic approach to currency risks. For this, the state should develop ways to diversify import-import operations, implement protection strategies against changes in exchange rates, and adapt to changes in international financial markets. Practical mechanisms of free currency conversion and hedging methods can be used to reduce risks when importing. The second recommendation is aimed at stimulating domestic production. An increase in food imports can reduce the competitiveness of domestic producers. Therefore, it is necessary to take additional stimulating measures for the development of domestic production. For example, it is necessary to introduce innovative technologies in the agriculture and food industry, support local producers through tax incentives and subsidies, and encourage the production of high-quality products. Third, it is recommended to manage global prices and price stability. One of the economic risks of food imports is global price changes. Therefore, it is necessary to constantly monitor global price dynamics and develop a stable price policy for the national market. It is possible to ensure price stability by strengthening cooperation between the state and the private sector, improving logistics systems, and diversifying the market. The fourth recommendation is aimed at strengthening international cooperation. In accordance with the rules of international trade, it is necessary to strengthen international cooperation in order to reduce Uzbekistan's dependence on food imports. It is necessary to study the long-term strategies of developed countries such as the European Union and the United States, adopt technological innovations and deepen integration into the global food market. Fifth, we emphasize the need to fight climate change. The agricultural sector of Uzbekistan is facing a decrease in productivity caused by climate change. In order to overcome this problem, it is necessary to develop and introduce agricultural technologies adapted to climate change, to develop strategies for ensuring the stability of ecosystems and saving water resources. Finally, we also consider it important to develop research and innovation. It is important to focus on research and innovation activities to reduce the risks associated with food imports and develop domestic



production. It is necessary to develop new technologies in the food industry, introduce techniques that ensure efficient work in agriculture and adapt them to local conditions. Implementation of these recommendations will help to ensure food security and strengthen economic stability of Uzbekistan. In the future, the actions and policies implemented in these directions will serve to reduce the country's risks related to food imports, develop domestic production and strengthen the national economy.

Conclusion: This study showed the importance of analyzing the economic risks associated with food imports and their management mechanisms. The results of the study highlighted the importance of the role of public policy and the private sector in combating the economic risks of food imports in the conditions of Uzbekistan. Issues such as increased dependence on imports and related risks, including currency risks, global price changes, and the weakening of the competitiveness of domestic production, are important risk factors for ensuring the stability of the country's economy. In the study, the changes in Uzbekistan's food imports in recent years, the impact of exchange rates and changes in global prices were studied using statistical analysis methods. Determining the negative or positive impact of these processes on the national economy helped to understand the economic risks of food imports. In addition, the analysis of international experiences and the strategies of advanced countries has shown important guidelines for the development of new approaches to the management of economic risks related to food imports of Uzbekistan. At the same time, external factors, such as climate changes and a decrease in the productivity of agricultural products, have created new issues in the development of Uzbekistan's food security and import-related economic risk management strategy. This situation shows the need to strengthen the state's policies against climate change and develop a sustainable agricultural system. The recommendations developed in the article can be an important basis for the development and implementation of effective strategies in the management of economic risks related to food imports of Uzbekistan. These recommendations include measures adapted to the conditions of Uzbekistan based on international experience and helping to stabilize the national economy. In the future, the results of this research will be applied in practice, will help to minimize the risks of food imports and strengthen the national economy.

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