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THE BALANCE OF PAYMENTS IN THE SYSTEM OF STATE REGULATION OF THE ECONOMY IN THE REPUBLIC OF UZBEKISTAN

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Abstract

The article summarizes the scientific and theoretical views of economists on the essence of the balance of payments and its importance in the system of state regulation, attempts to analyze the current state of the balance of payments of Uzbekistan, identify problems of its formation. It is concluded that it is necessary to develop and implement measures aimed at diversifying exports through the development of new export industries, actively developing exports of high-value-added products, increasing export competitiveness, improving the investment climate, developing infrastructure, logistics and related services, which will allow Uzbekistan to reduce the trade deficit, increase gross international reserves and ensure sustainable development. economic development.

Keywords: exports and imports of goods and services, current account balance, foreign trade turnover, cross-border money transfers, net foreign direct investment, gross international reserves, export diversification.

ЎЗБЕКИСТОН РЕСПУБЛИКАСИДА ИҚТИСОДИЁТНИ ДАВЛАТ ТОМОНИДАН ТАРТИБГА СОЛИШ ТИЗИМИДАГИ ТЎЛОВ БАЛАНСИ

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Аннотация

Мақолада тўлов балансининг моҳияти ва унинг давлат томонидан тартибга солиш тизимидаги аҳамияти тўғрисида иқтисодчиларнинг илмий-назарий қарашлари, Ўзбекистон тўлов балансининг ҳозирги ҳолатини таҳлил қилишга, уни шакллантириш муаммоларини аниқлашга уринишлар жамланган. Янги экспорт тармоқларини ривожлантириш, юқори қўшимча қийматли маҳсулотлар экспортини фаол ривожлантириш, экспорт рақобатбардошлигини ошириш, инвестиция муҳитини яхшилаш, инфратузилма, логистика ва тегишли хизматларни ривожлантириш орқали экспортни диверсификация қилишга қаратилган чора-тадбирларни ишлаб чиқиш ва амалга ошириш зарур деган хулосага келишди. Бу Ўзбекистонга савдо тақчиллигини камайтириш, ялпи халқаро захираларни кўпайтириш ва барқарор иқтисодий ривожланишни таъминлаш имконини беради.

Калит сўзлар: товарлар ва хизматлар экспорти ва импорти, жорий ҳисоб баланси, ташқи савдо айланмаси, трансчегаравий пул ўтказмалари, соф тўғридан-тўғри хорижий инвестициялар, ялпи халқаро захиралар, экспортни диверсификация қилиш.

ПЛАТЕЖНЫЙ БАЛАНС В СИСТЕМЕ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ ЭКОНОМИКИ В РЕСПУБЛИКЕ УЗБЕКИСТАН

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Аннотация

В статье обобщаются научно-теоретические взгляды экономистов на сущность платежного баланса и его значение в системе государственного регулирования, осуществляется попытка проведения анализа современного состояния платежного баланса Узбекистана, выявления проблем его формирования. Сделан вывод о необходимости разработки и реализации мер, направленных на диверсификацию экспорта за счет развития новых экспортных отраслей, активного развития экспорта продукции с высокой добавленной стоимостью, повышение конкурентоспособности экспорта, улучшение инвестиционного климата, развитие инфраструктуры, логистики и сопутствующих услуг, что позволит Узбекистану сократить дефицит торгового баланса, увеличить валовые международные резервы и обеспечить устойчивое экономическое развитие.

Ключевые слова: экспорт и импорт товаров и услуг, сальдо счета текущих операций, внешнеторговый оборот, трансграничные денежные переводы, чистые прямые иностранные инвестиции, валовые международные резервы, диверсификация экспорта.

Introduction

The balance of payments is a mirror image of the economic state of the country. In modern conditions, it is difficult to predict or actively participate in the international monetary and financial system if the balance of payments is not clearly and realistically balanced. Objectively determined trends in the growth of interconnections and mutual influences of the economies of developed countries require a careful approach to the development of the country's balance of payments. The relevance of the topic also lies in the fact that due to the liberalization of the foreign exchange market and foreign economic activity that occurred at the beginning of the transformation process, both in Uzbekistan and in other countries with transitive economies, the degree of openness of the Uzbek economy and its integration into the world economy has constantly increased. Currently, the degree of dependence of the economy of the Republic of Uzbekistan on the conjuncture of world commodity and financial markets has reached a critical point and consideration of issues related to the regulation of the foreign economic sector has acquired particular relevance.

Foreign economic relations in their development go through certain stages, the change of which characterizes the strengthening of the integrity of the world economy, the complication of the content of international economic relations: from trade and services to the challenge of capital and the subsequent creation of international production, then to the formation of a single world market of currencies, loans, securities. In addition to economic relations, there are political, military, cultural and other relations between countries that generate cash payments and receipts. The multifaceted complex of a country's international relations is reflected in the balance sheet of its international operations, which is traditionally called the balance of payments.

The President of the Republic of Uzbekistan notes that "Uzbekistan's trade turnover with the countries of the Eurasian Economic Union increased by 26.3% in 2023. This indicator is planned to be "dramatically" increased. Uzbekistan is ready to continue working together to simplify trade procedures and create conditions for a drastic increase in trade turnover between our countries. The adoption of an agreement on the elimination of technical barriers and mutual recognition of certificates will allow to increase trade turnover. To do this, Uzbekistan has prepared for the harmonization of national technical regulations with the norms of the EAEU" [1].

Literature review

The balance of payments is an important tool for analyzing the economic situation of a country and making appropriate decisions. It gives an idea of the state of the country's foreign economic relations, allows you to assess its competitiveness in world markets, judge the state of the financial sector, and also provides information on the movement of capital and foreign exchange reserves.

Revealing the essence of the balance of payments, M.G. Nikitina and co-authors note: "the balance of payments reflects the result of the interaction of the national economic system with the rest of the world and is the basis for modeling and forecasting in the field of foreign trade, foreign exchange market, foreign investments, currency regulation and currency control, foreign debt" [2].

O.K. Lyubyakina writes in her works: "the balance of payments is a reflection of the country's foreign economic relations and the degree of its integration into the world economy. Recently, the instability of the balance of international settlements has led to the fact that the balance of payments is subject to state regulation" [3].

A brief and rather succinct definition is given in the works of Turkmen colleagues Chohanova S. and Gokieva J.: "the balance of payments is a valuable indicator of the country's overall global economic relations in the form of total receipts and payments" [4].

Research methodology

The study used methods of retrospective analysis, logical generalization, comparative analysis, vertical and horizontal analysis, graphical representation, on the basis of which conclusions and suggestions were formulated.

Analysis and results

The reforms currently underway in foreign trade in Uzbekistan contribute to the rapid growth of trade relations with foreign countries. The aim of these reforms is to increase the country's export potential by creating favorable conditions for the development of local companies in international markets [5].

The results of the ongoing reforms are already visible. In recent years, Uzbekistan has significantly increased its exports of goods and services, and is actively developing cooperation with various countries around the world. This contributes to the development of the country's economy, the creation of new jobs and the improvement of the welfare of the population [6].

In the first 9 months of 2023, the current account of the balance of payments of Uzbekistan was formed with a negative balance of \$ 4.8 billion under the influence of various factors, such as, on the one hand, the restoration of growth rates in the tourism sector to the pre-pandemic level and a reduction in disruptions in the supply chain of products, and on the other hand, a decrease in gross demand and fluctuations exchange rates in the

countries of Uzbekistan's main trading partners, an increase in the cost of servicing foreign debt and increased fragmentation in international trade as a result of geopolitical conflicts [7].

In the first three quarters of 2023, higher growth rates of imports compared to exports led to the formation of a trade balance with a negative balance of \$ 12 billion. The volume of exports amounted to 17.9 billion dollars, and the volume of imports amounted to 29.8 billion dollars, an increase of 13% and 17% respectively compared to the same period last year. In the structure of exports, goods amounted to \$14.1 billion and services to \$3.8 billion, while imports of goods and services amounted to \$24.3 billion and \$5.5 billion, respectively. The balance of primary income was negative and amounted to 171.3 million dollars. The net international investment position of the Republic of Uzbekistan as of October 1, 2023 amounted to \$14.2 billion. At the same time, the volume of residents' assets in foreign currency amounted to 81.5 billion dollars, and the volume of external liabilities - 67.3 billion dollars [8].

Over the past ten years, Uzbekistan has consistently seen an excess of imports over exports, which worsened in the period from 2019 to 2023. (Fig. 1).

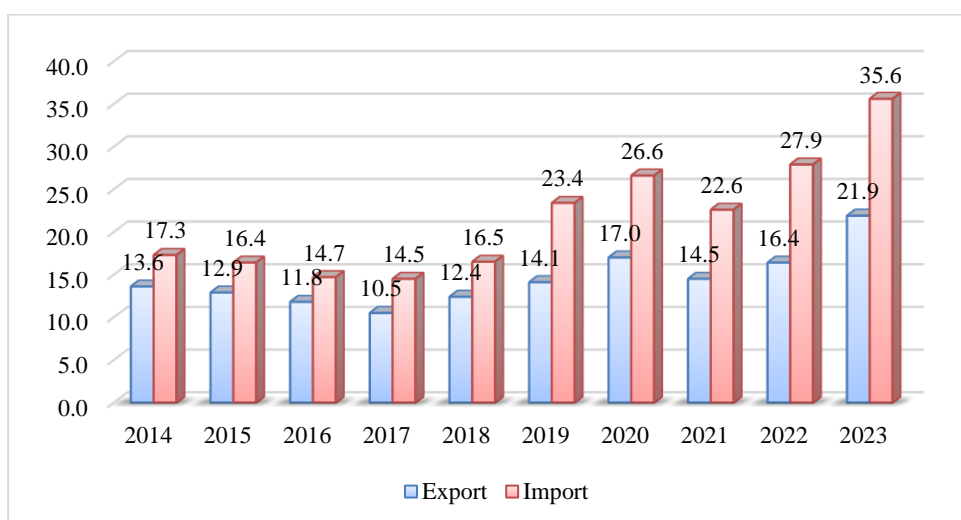


Fig. 1 Export and import of goods and services in Uzbekistan in 2014-2023, billion dollars [7]

The reasons for the excess of imports over exports in Uzbekistan are: insufficient variety of export goods, domestic demand for imported goods, growth of domestic consumption, etc. [9]. The consequences are an imbalance in foreign trade, loss of currency and a decrease in competitiveness, which indicates the need in the republic to develop export competitiveness, stimulate the domestic market and balance trade policies in order to achieve more sustainable and balanced economic growth.

Over the past ten years, Uzbekistan's foreign trade turnover has had a significant growth trend, amounting to almost \$60 billion by the end of 2023. The relative ratio of foreign trade turnover to GDP, which characterizes the openness of the economy, also shows growth, which is evidence of close trade ties, active participation in international trade and penetration into foreign markets (Fig. 2).

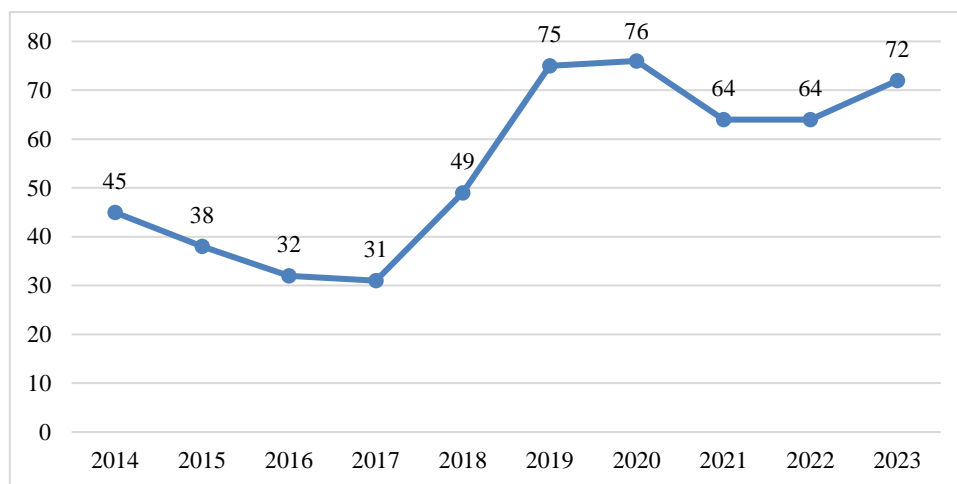


Fig. 2 Foreign trade turnover in Uzbekistan in 2014-2023, in% of GDP [7]

Cross-border money transfers received by residents are an important component of the balance of payments. Over the past ten years, there has been a significant increase - in 2023 compared to 2022 - more than twofold, which indicates an increasing international migration of labor resources, as well as the development of financial technologies and the simplification of cross-border payments. The growth of cross-border money transfers has both positive and negative consequences for the country's economy [10]. On the one hand, an increase in cash flows can mean large receipts into the country, contributing to an increase in the balance of payments and an increase in foreign exchange reserves. On the other hand, most of these transfers can be spent on personal consumption, which can lead to capital outflow and lack of investment in the country's economy. During the period under study, Uzbekistan experienced a slight increase in gross international reserves, amounting to almost 36 billion US dollars by the beginning of 2024.

Conclusions and suggestions

The value of the balance of payments is an important indicator of the economic activity and financial condition of the country. The analysis showed that, starting in 2018, Uzbekistan had a negative balance of payments, while there was an increase in foreign trade turnover. In addition, the study showed that in recent years the level of net portfolio foreign investments has been zero, but at the same time the volume of international reserves has been stable, and there has also been a decrease in exports of non-monetary gold.

Thus, it can be concluded that the Uzbek economy spends more on imports of goods and services than it receives from exports and may indicate a trade deficit and a decrease in gross international reserves, in connection with which, in our opinion, it is important to implement measures aimed at diversifying exports through the development of new export industries, the active development of exports of high-value-added products, increasing export competitiveness, improving the investment climate, developing infrastructure, logistics and related services. The implementation of these measures in a complex will allow Uzbekistan to reduce the trade deficit, increase gross international reserves and ensure sustainable economic development.

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