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[https://doi.org/ 10.61796/ejcbt.v1i4.501](https://doi.org/10.61796/ejcbt.v1i4.501)**WAYS TO INCREASE THE COMPETITIVENESS OF
NATIONAL PRODUCTION IN THE PROCESS OF
FOREIGN TRADE LIBERALIZATION****Rahimov Eshmurad Normuradovich**
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Abstract: This article analyzes the main economic factor affecting the country's competitiveness - foreign trade. The main goal of the article is to explain the effect of trade liberalization and increasing the competitiveness of national production on increasing the competitiveness of the economy, strengthening the position of Uzbekistan in foreign trade, as well as the promotion of economic growth, the provision of further improvement of the welfare of the people, and the origin of international competitiveness, the connection between international trade and the competitiveness of the economy

Keywords: Competitive economy, national economy, foreign trade, trade liberalization, economic growth.

This is an open-access article under the [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license**Introduction**

Currently, the development of international trade between countries, the expansion and improvement of production integration are the cause of further liberalization of foreign economic activity. The international trade policy of the Republic of Uzbekistan is the main and integral part of the country's economic policy. Like any other country, the Republic of Uzbekistan considers the support of importers and exporters of the country's goods and services, producers and consumers, as well as the guarantee of their activity as one of the most important goals of the Republic. Foreign trade liberalization has been a topic of debate for many years, with proponents arguing that it is a catalyst for economic growth, and opponents arguing that it negatively impacts certain industries and regions. However, if done right, trade liberalization can actually lead to economic prosperity by increasing competition, encouraging innovation, and allowing countries to specialize in their comparative advantages

Methods

To increase the competitiveness of national production in the process of foreign trade liberalization, several methodologies can be employed based on the insights from the provided sources:

Enhancing Innovation and Productivity:

Foster innovation and productivity growth through increased competition induced by trade liberalization.

Encourage firms to invest in R&D and upgrade technologies to stay competitive in the global market.

Trade Openness and Competition:

Emphasize the positive impact of trade openness on market competition, leading to reduced prices, increased quantities, and enhanced innovation.

Focus on reducing trade barriers to intensify competition within industries and stimulate growth by reducing domestic firms' market power.

Policy Framework:

Develop policies that create conditions for efficient resource allocation as external and internal conditions change, enhancing competitiveness.

Implement supranational institutions and frameworks to support cooperation among countries for boosting productivity and economic growth.

Product Quality and Market Access:

Improve product quality to promote goods with a competitive advantage in international markets.

Explore strategies to attract foreign direct investment (FDI) and enhance trade promotion efforts at all levels of government.

Structural Transformation:

Focus on structural transformation to specialize in more sophisticated products, fueling economic growth and competitiveness in global trade.

Results and Discussion

Today, the development of international trade between countries, the expansion and improvement of production integration, is the cause of further liberalization of foreign economic activity. As the main form of foreign economic relations, foreign trade plays an important role in the country's economy. In our country, from the years of independence until now, large-scale works are being carried out in this regard. Now, based on the demands and needs of world markets, favorable conditions are being created for strengthening the competitiveness of manufactured products, further improving the type and quality of products produced by economic entities, and for products to enter foreign markets. The foreign trade strategies of the countries are showing fundamental changes. Systematic reforms are being implemented in Uzbekistan to improve the foreign trade policy. The current stage of the

development of the world economic community is characterized by the globalization and internationalization of world economic relations, in such conditions the problems of international competition and the competitiveness of national economies become urgent. The presence of competition in the domestic market of any country is the main indicator of the successful operation of a market economy, in many countries in the world, including countries with transition economies, the adoption of competition laws and the establishment of national organizations dealing with issues confirms this situation. “In the Development Strategy of New Uzbekistan for 2022-2026”[1], the goal of effective economic reforms aimed at deepening the WTO membership process, liberalizing foreign trade policy, and ensuring export competitiveness through the transformation of economic sectors. In one of the seven priorities of the principle "From Action Strategy to Development Strategy" it is aimed to increase the export volume of the republic to 30 billion US dollars by 2026. President Sh. As Mirziyoev noted: "Because, ... only the state that pays special attention to the issues of gaining a strong position in foreign markets will achieve high development and ensure the well-being of the population".

The competitiveness of the national economy is a comparative description that includes a gross assessment of the state of important indicators of the economy in relation to external parameters, therefore, the competitiveness of the national economy is manifested in international competition[2].

The competitiveness of the economy has many levels of manifestation (Figure-1)

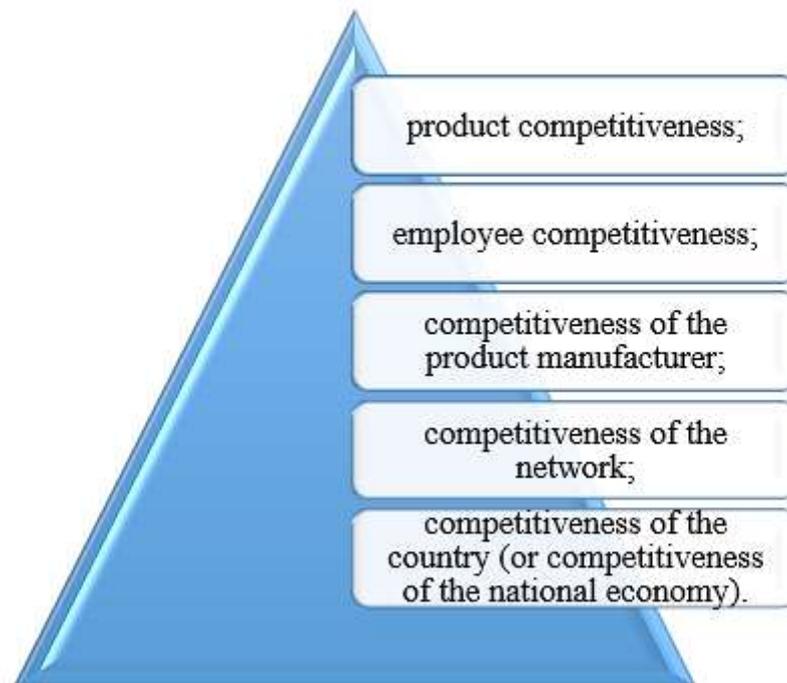


Figure 1. Multilevel forms of economic competitiveness

There is a tight internal and external interdependence between all levels of competitiveness. The competitiveness of the country and the sector ultimately depends on the ability of a specific producer to produce competitive goods.

The main tasks of the country in the field of international trade are to facilitate the competitiveness of local products in the process of production and delivery of goods in the domestic market of the country, to ensure economic stability, and to prevent foreign producers from harming the interests of local producers. The main goal is to help local producers in the production of products for the market as well as for export. Trade liberalization can be a catalyst for economic growth when done right. By increasing competition, encouraging innovation, and allowing countries to specialize according to their comparative advantages, trade liberalization can lead to increased productivity and efficiency. The role of trade liberalization in economic growth is as follows (Figure-2)



Figure 2. Trade of liberation economic in growth role

Competitiveness usually means the ability of producers of goods to produce for sale in the foreign market at a price that ensures minimum profitability. It should be noted that competition is not limited to the goods market, but also has a macroeconomic meaning. The concept of competitiveness of countries is historically based on the theory of comparative advantages (cheap labor, rich natural resources, favorable geographical location, climate, infrastructure factors, etc.) that determine the place of the national economy in the international distribution of labor. Comparative advantages are given to the country by nature, they are not eternal and cannot be reproduced. These advantages are based on the development of science and technology, integration with production, globalization at the level of production and innovation at all stages from the production of goods to their delivery to the consumer[3].

Uzbekistan has the following comparative advantages (Figure-3)

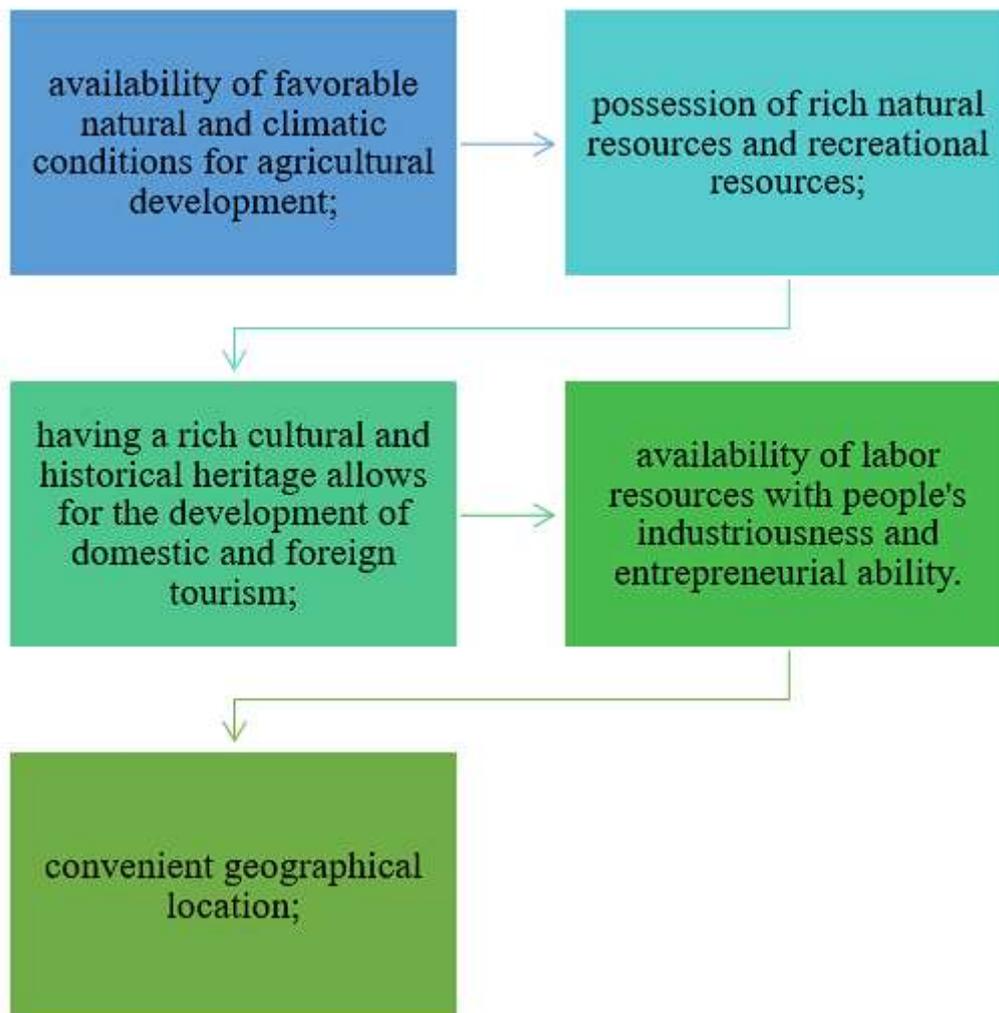


Figure 3. Uzbekistan the following comparative advantages

Analyzing Uzbekistan's competitive advantages, the following can be highlighted (Figure 4):

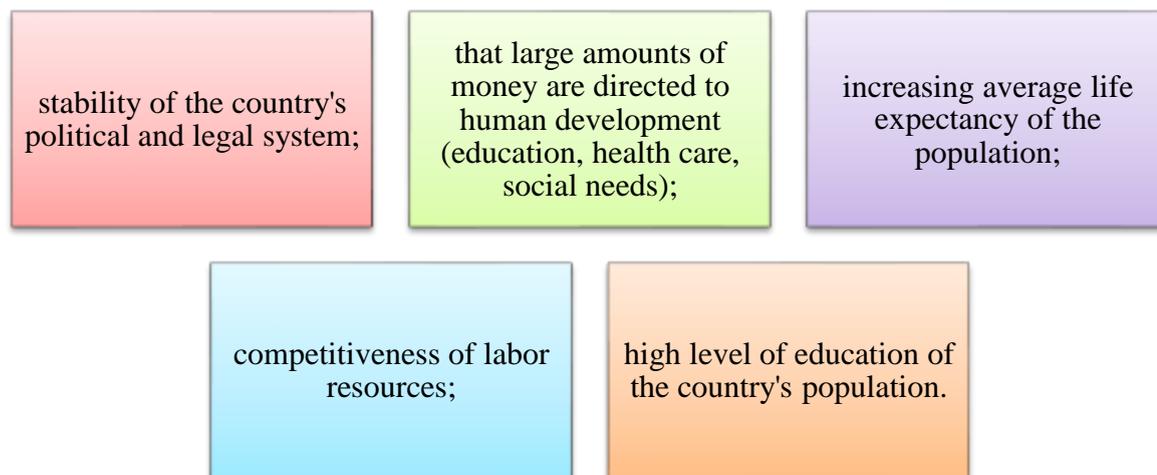


Figure 4. of Uzbekistan competition in the field advantages

In the words of S. Garelli: "... Understanding the mechanisms of competition is what we all need." J. Saks and A. Warner, the creators and ideological initiators of the country competitiveness rating, said that the rating was calculated depending on the ratio of stable growth potential in the countries of the world from an economic point of view. According to M. Porter, competitive environment resistant to world markets is based on national industrial innovation. According to the results of our analysis, the main goal of increasing the competitiveness of the economy should be aimed at increasing the national export potential by rationally using the existing natural and human resources.

Result

As mentioned above, along with the comparative advantages of our country, it is necessary to develop the competitive advantages of our national economy. In order to increase the competitiveness of the economy, the main attention should be paid to the following factors.

Table 1

The main macroeconomic indicators of the Republic of Uzbekistan (2010-2023, billion in dollars)

Years	GDP Indicators	Population soul per head	EXPORT	IMPORT	FOREIGN TRADE CIRCULATION
2010	107.6	1742	6.25	8.2	14.45
2011	107.53	2051	6.61	9.63	16.24
2012	107.1	2268	5.59	10.6	16.19
2013	107.3	2420	7.82	12.5	20.32
2014	106.87	2628	6.37	13.3	19.67

2015	107.22	2754	6.16	10.5	16.66
2016	105.97	2705	7.37	9.6	16.97
2017	104.4	1917	11	13.5	24.5
2018	105.36	1597	10.7	18.6	29.3
2019	105.71	1784	14.3	21.7	36
2020	101.87	1750	13.9	20.5	34.4
2021	107.42	1983	16.6	25.46	42.1
2022	105.7	2255	19.3	30.7	50
2023	106.8	2468	24.4	38.1	62.6

As can be seen from the data in the above table, during the past period, the foreign trade turnover of our country has grown at a very high rate. Between 2017 and the present, the republic has achieved some positive achievements in the foreign trade policy, which is the result of the above reforms. Customs fees have been almost halved: in January-December 2017, foreign trade turnover was 26.5 billion to the US dollar (about 4.3 times increased compared to January-December 2000), 41.75 billion in 2019. to the US dollar (about 6.7 times increased compared to January-December 2000), and in 2021, 42.17 billion. It ensured an increase in the US dollar (about 6.8 times increased compared to January-December 2000). However, since 2017, imports have been prioritized over exports. In 2017, 47.3% of foreign trade turnover was export, 52.7% was import, in 2021, export - 39.6%, import - 60.5%, in 2022, export - 38.6 %, import - 61.4%, and in 2023, export - 38.9%, import - 61.1%. Negative balance in the foreign trade balance - in 2017 (-) 1.5 billion USD, in 2019 (-) 6.8 billion USD, in 2021 (-) 8.8 billion USD, in 2022 (-)11.4 billion and in 2023, (-)13.7 billion USD. Despite the fact that export of food and textile industry products to the markets of near and far foreign countries is given priority as one of the priority directions of the prospect of expanding the export of the Republic of Uzbekistan, we can see that the export composition is still dominated by raw materials.

Conclusion

The presence of competition in the domestic market of any country is the main indicator of the successful operation of a market economy, in many countries of the world, including countries with transition economies, the adoption of competition laws and the establishment of national organizations dealing with issues confirms this situation. The competitiveness of the national economy is a comparative description that includes a gross assessment of the status of important indicators of the economy in relation to external parameters, therefore, the competitiveness of the national economy is manifested in international competition.

The competitiveness of the country can be defined as the ability of the country to produce goods and provide services that meet the requirements of the world market under conditions of free and fair competition. is the unifying general indicator.

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