



## THE NECESSASITY OF INTERNATIONAL MARKETING RESEARCH FOR EFFECTIVE GROWTH OF EXPORT-ORIENTED GOODS IN UZBEKISTAN

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### Annotation

International marketing is part of the target strategy of the company and is an independent area of the company when it enters the international market. International marketing is an interconnected set of activities of the company for the implementation of foreign economic activity in the world market. In the context of the transition to a market economy, one of the factors for the effective functioning of economic entities is access to international markets. Foreign economic relations are becoming an increasingly visible component of the economic activities of Uzbek enterprises and organizations. The international economic activity of business entities creates conditions for their effective functioning in a modern market economy and forms an objective basis for the integration of Uzbekistan into the world economic system.

**Keywords:** international marketing, international environment, international business, export management, export oriented marketing.

### 1. Introduction

Considering the current stage of transformations in the politics and economy of Uzbekistan, one can clearly trace the tendencies of ever increasing and close integration with the world economic community, as well as the increasingly intensive development of forms of international cooperation and specialization. Growth in the range of international relations, intensification of integration, close commercial and business relations, firm positions in the world market.

For the current stage of development of market relations in the Republic of Uzbekistan, a characteristic feature is its integration into the world economy based on the interaction of countries participating in the international market.

The specificity of world markets imposes its own characteristics on the development of international marketing, which should be taken into account in the international exchange of goods.





The expediency and importance of international marketing lies in the fact that the international exchange of goods is economically expedient for a country if it incurs the costs of producing export goods less than it should spend on producing goods instead of imported ones (using the proceeds from export).

## 2. Theoretical Aspects Of Research.

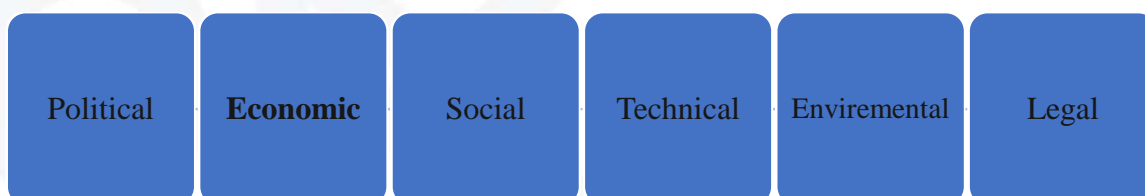
**Essence and specific features of international marketing for Uzbekistan exporters.** The development of international trade relations is accompanied by increased international competition and the one who owns the modern achievements of international marketing gets the greatest profit from this activity. At the same time, in the process of entering the international market, the company is obliged to conduct its business taking into account the requirements and characteristics of the developing world market.

The enterprise in its economic activity, in the international market, primarily analyzes the socio-economic state of the environment. The internal (national market) environment adjusts the activities of the enterprise in anticipation of entering the international market, having:

- Controllable factors (which to a certain extent are influenced by the firm) are: product quality, prices, tariffs, distribution and distribution channels, sales channels.
- The factors that cannot be controlled are: the economic situation, the political situation, the competitive position, the level of social security of society, etc.

The conceptual foundations of the existence of international marketing, as such, are: independence of countries, stability of national currencies, legal development, political situation, cultural and linguistic characteristics.

The international external environment should be studied and taken into account regardless of the location of the firm that plans or is already carrying out international activities.



FigureN<sup>o</sup>1. The characteristics of external environment



Economic factors reveal the economic conditions for the organization and functioning of entrepreneurship in foreign countries. When studying economic conditions, it is necessary to take into account and analyze: the main trends and the level of economic development; main macroeconomic indicators (at the moment and forecast), currency stability; the degree of the country's integration into international economic relations; membership of a given country in international organizations; development of transport infrastructure; features of national accounting standards and taxation systems; development of the financial market and monetary system; the level of labor productivity and development of the service sector; saturation of the labor market with highly qualified personnel, etc. In order to acquire the most generalized picture of economic development and foreign economic activity, most often they analyze and calculate such aggregate indicators as: real GDP, GDP per capita, the ratio of foreign trade turnover and domestic production volume, the volume of foreign trade and foreign investment per capita, the balance foreign trade balance, the state budget deficit, the ratio of the state debt to the country's GDP and many others.

Political factors are characterized by such characteristics as the level of political stability, the development of political ties between countries, the image of international economic and political organizations in which the country participates. An analysis of political factors makes it possible to assess the likelihood of a change in the political system in a particular country, the emergence of military conflicts, the creation of new political and economic alliances between partner countries, and also to determine the degree of influence of such transformations on the structure of exports and imports, the stability of the exchange rate, price stability and so on.

Legal factors are closely interconnected with political ones, and at the same time, the legal field has specific characteristics, having a significant impact on the efficiency of international economic activity. The study of the legal environment is based on the study of the type of legal system of the state, legal support for the marketing activities of an international company or firm, etc.

Socio-cultural factors can be divided into two main groups: cultural factors (such as religion, history and art, means of communication, ethics and etiquette, entrepreneurial traditions) and the physical characteristics of the population. And although any country is inhabited by people whose physical characteristics are different, as a rule, there are some predominant characteristics, the differences in which, sometimes extremely subtle, can significantly affect the conditions for doing business in a foreign market. The specific characteristics of a person's behavior may depend on his involvement in a particular social group. The population of any country is usually subdivided into certain social groups, where, in turn, each individual





belongs to more than one group. Group membership can be either congenital (gender, family, age, caste, etc.) or acquired (religious, political, professional, and other associations).

The factors of state regulation in the context of international marketing are: regulation of entrepreneurial activity and regulation of foreign economic activity.

The rest of the environmental factors are mainly associated with technological characteristics, geographic and demographic characteristics.

Technological characteristics determine the level of development of the productive forces, scientific and technological development in the country, technical support of production, the level of provision with innovations, etc.

Geographic factors determine the location of the country on the geopolitical map of the world, climate features, the availability of natural resources, and the state of environmental protection.

Demographic characteristics are directly related to the size and structure of the population, the average statistical family size, family income, the prevailing occupation of the population, etc.

The effectiveness of the analysis of the external environment allows you to track important changes taking place in a country, world or region. The monitoring of factors that are both of interest and a threat to business stability is carried out: data is collected and analyzed in different directions, which allows us to develop sustainable development strategies and implementation of anti-crisis measures. Long-term or short-term planning is available, but it is worth remembering that factors are not stable: they change, depend on global unpredictable events.

The results of the analysis of the external environment can be subjective: the data are drawn from different sources (be sure to double-check them), the analytics is based on the experience of experts. In this regard, the strategy will have to be repeatedly adjusted, adjusting to changing conditions, but the analysis of the external environment ensures the identification of the main priorities that the business will focus on in the near future.

### **3. Methodological Aspects of Research**

This article is of an analytical and research nature. The study is based on an analysis of the main indicators of economic development in the Republic of Uzbekistan. They are collected from various international and national scientific articles, the official website of the President of Uzbekistan, the ministries of foreign affairs, investment and trade



Of the Republic of Uzbekistan, data from the official sites of national magazines, etc. The economic situation in the Republic of Uzbekistan is analyzed, measures taken by the state to develop the export of oriented products in Uzbekistan. Methods of statistical and economic analysis were used in the work.

### **3.1. Basic recommendations for exporters in accordance with the legislation of the Republic of Uzbekistan for legal entities**

The export of goods from the Republic of Uzbekistan is carried out on the basis of an export contract and an exporter's invoice (for example, export, export-consignment, centralized export, export and exchange export contracts).

In accordance with the Regulation on the procedure for monitoring and control over the implementation of foreign trade operations, approved by the Cabinet of Ministers of the Republic of Uzbekistan dated May 14, 2020 No. 283, exporters are legal entities, as well as individuals carrying out entrepreneurial activities without forming a legal entity - residents of the Republic of Uzbekistan who have concluded export and barter contracts with non-residents of the Republic of Uzbekistan for the export of goods (works, services).

- Export contract - a business agreement concluded between a resident and a non-resident of the Republic of Uzbekistan for the export of goods (works, services), as well as contracts equated to export in accordance with the law (except for barter contracts).
- Invoice (invoice) - a document containing in international trade practice a list of goods and services provided by the seller to the buyer, as well as information about their quantity and price, official features, delivery conditions, sender and recipient.

In accordance with Articles 29 and 30 of the Customs Code of the Republic of Uzbekistan, the "Export" customs regime is a regime in which goods of Uzbekistan are exported outside the customs territory without an obligation to return it. Goods placed under the "Export" customs regime and exported from the customs territory lose the status of goods of Uzbekistan. Requirements and conditions for placing goods under the "Export" customs regime - consist of the payment of customs duties and compliance with economic policy measures.

In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated July 20, 2015 No. 197 "On Approval of the List of Documents Submitted to State Customs Bodies in the Implementation of Export-Import Operations", for clearance of goods at customs for the export of goods under the "Export" customs regime the following documents must be submitted to the customs authorities:





- Cargo customs declaration, except for cases of declaring goods by filling out a passenger customs declaration in the manner prescribed by law and selling goods (works, services) worth up to five thousand US dollars under one invoice through e-commerce:
- Shipping documents, with the exception of the packing list.

At the request of a participant in foreign economic activity, all the necessary documents for customs clearance, including documents from authorized bodies, can be submitted on paper.

Customs clearance of goods in electronic form is carried out in accordance with the decree "On further improvement of the procedure for customs declaration of goods in electronic form" approved by the Cabinet of Ministers of the Republic of Uzbekistan dated August 2, 2018 No. 605.

It is prohibited to demand from the bodies of the state customs service when the subjects of entrepreneurship of foreign economic activity carry out additional documents:

- Not provided for by this resolution;
- Available at the disposal of the bodies of the state customs service or in other state bodies and other organizations providing public services.

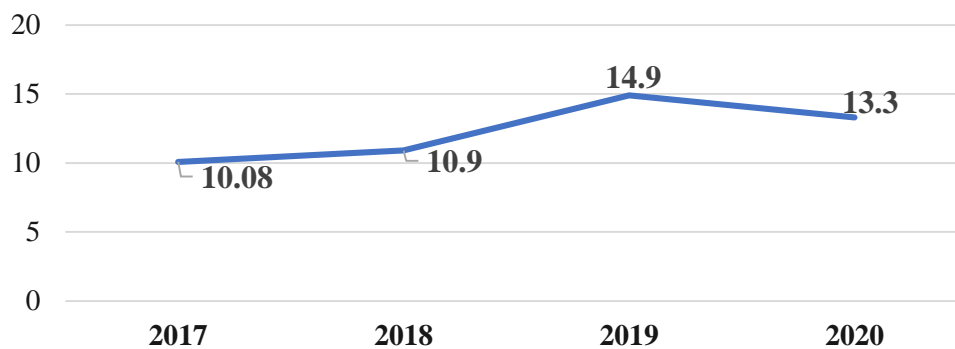
In accordance with the Regulations on the procedure for monitoring and control over the implementation of foreign trade operations, approved by the Cabinet of Ministers of the Republic of Uzbekistan dated May 14, 2020 No. 283, business entities, through the Single portal of interactive state services, enter information on foreign trade contracts and invoices into the Unified Information System of Foreign Trade Operations in electronic form using an electronic digital signature.

The customs posts of the territorial departments of the State Customs Committee of the Republic of Uzbekistan compare the information on the contract (including the invoice) entered in the "ЕЭИСВО" by business entities with the information on the cargo customs declaration issued in the customs regimes "release for free circulation (import)", "export", as well as the amount of currency in the certificate of settlements entered by commercial banks in the "ЕЭИСВО", with the correspondence or excess of the export value of goods for which payment is guaranteed, and in the absence of discrepancies, a cargo customs declaration is drawn up in the manner prescribed by law. Exporters have the right to export goods (works and services) through online stores on the Internet on the basis of a cargo customs declaration, unless otherwise provided by law, after entering information on invoices into the "ЕЭИСВО" and receiving 100 percent payment to their bank accounts in the Republic of Uzbekistan.





At the same time, goods worth up to 5000 (five thousand) US dollars can be sold through e-commerce without entering information into the “ЕЭИСБО” and issuing a cargo customs declaration, in accordance with the rules for the provision of postal services. In the conditions of economic growth, more and more enterprises of Uzbekistan, both large and small businesses, enter the world market. In the structure of exports, the share of industrial products with high added value is noticeably growing. Every year, many international contracts are concluded, not only goods are purchased, but also equipment, and not only raw materials, but also products of our own production become the subject of export.



Figure№2. Export of goods of the Republic of Uzbekistan 2017-2020, in billions<sup>1</sup>

Exports structure from Uzbekistan in 2020 represented by the following main commodity groups:

- 44% (5.95 billion US \$): 71 - Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metals and articles thereof; bijouterie; coins
- 9.04% (1.2 billion US \$): 52 - Cotton
- 5.91% (785 million US \$): 27 - Mineral fuels, oil and products of their distillation; bituminous substances; mineral waxes
- 5.5% (730 million US \$): 74 - Copper and articles thereof
- 4.35% (578 million US \$): 08 - Edible fruits and nuts; peel of citrus fruits or melons
- 4.1% (544 million US \$): 99 - Commodities not specified by type
- 3.45% (459 million US \$): 61 - Articles of apparel and clothing accessories, knitted or crocheted
- 3.01% (400 million US \$): 07 - Vegetables and some edible roots and tubers
- 2.44% (324 million US \$): 39 - Plastics and articles thereof

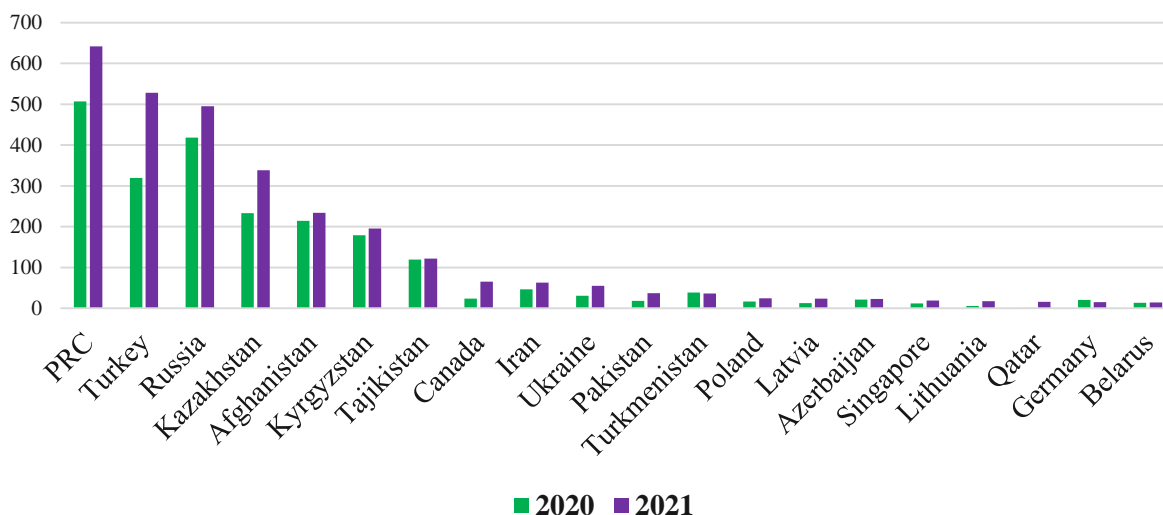
<sup>1</sup> <https://trendeconomy.ru/data/h2/Uzbekistan/TOTAL>





- 1.65% (219 million USD): 11 - Products of the flour and cereals industry; malt; starches; inulin; wheat gluten

It is noteworthy that in the period under review, Turkey (\$ 528.2 million) surpassed the Russian Federation (\$ 494.8 million) and took second place among Uzbekistan's export partners. Together with China, Kazakhstan, Afghanistan, Kyrgyzstan and Tajikistan, these countries occupy 73.4% of the total export volume.



FigureN<sup>o</sup>3. Comparison of export indicators of Uzbekistan with main partners for 2020-2021, in USD million

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In January-April 2021, exports of goods and services (excluding gold exports) in the amount of \$ 3.4 billion were carried out, which is \$ 715.7 million more compared to the same period last year. Thus, we can observe an increase of 26.7%.

Due to an increase in exports of products of the garment and knitwear industry (+217 million dollars), copper and copper products (+122 million dollars), cars (+59 million dollars), flour (+ 29 million dollars), household appliances (+ \$ 22 million), etc., in the period from January to April of this year, additional exports in the amount of \$ 660 million were provided. Since the bulk of gas was redirected to the domestic market, the volume of natural gas exports decreased by \$82 million.

Due to the strengthening or re-introduction of restrictive measures in foreign countries against the background of a worsening epidemiological situation in the world associated with the spread of coronavirus, there is a decrease in exports in the





field of aviation and tourism services (-3 million dollars and 122 million dollars, respectively).

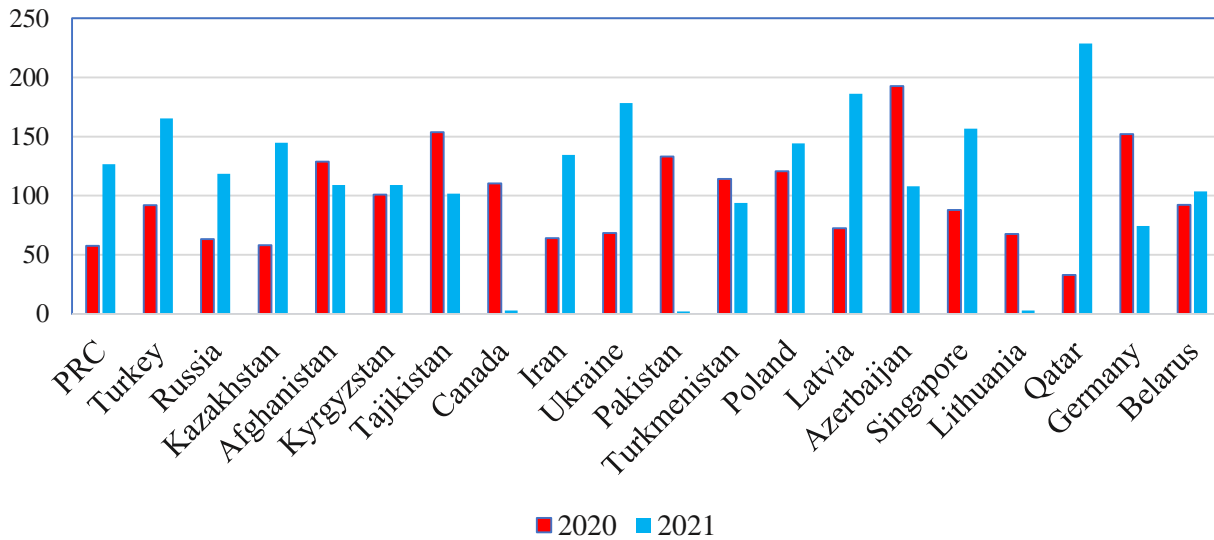


Figure N<sup>o</sup>4. Comparison of the growth rate (in %) of export indicators in 2020-2021 of Uzbekistan, with the main foreign partners

Among the 20 large partner countries in foreign economic activity, there is also an active foreign trade balance with six countries, in particular, Afghanistan (positive balance - \$233.4 million), Kyrgyzstan (\$ 141.4 million), Tajikistan (\$104.4 million), Turkey (\$100.6 million), Canada (\$58.9 million) and Iran (\$16.6 million). Nowadays, Uzbekistan carries out trade relations with 156 countries of the world. The largest volume of foreign trade turnover was recorded with the PRC (20.5%), the Russian Federation (17.8%), Kazakhstan (11.8%), Turkey (9.3%), the Republic of Korea (4.8%), Kyrgyzstan (2.4%) and Afghanistan (2.3%).

Table N<sup>o</sup>1. Comparative rating of 2020-2021 of the main export countries of Uzbekistan

Year/cou	PRC	Turkey	Russia	Kazakhsta	Afghanista	Kyrgyzstan	Tajikistan	Canada	Iran	Ukraine	Pakistan	Turkmenis	Poland	Latvia	Azerbaijan	Singapore	Lithuania	Qatar	Germany	Belarus
20	1	3	2	4	5	6	7	13	9	12	16	10	17	20	14	21	33	75	15	19
21	1	2	3	4	5	6	7	8	9	10	10	12	13	14	15	16	17	18	19	20

In January-April of this year, exports of goods and services (excluding gold exports) in the amount of \$ 3.4 billion were carried out, which is \$ 715.7 million more compared to the same period last year. Thus, we can observe an increase of 26.7%.



Due to the strengthening or re-introduction of restrictive measures in foreign countries against the background of a worsening epidemiological situation in the world associated with the spread of coronavirus, there is a decrease in exports in the field of aviation and tourism services (-3 million dollars and -122 million dollars, respectively). In January-April 2021, 346 new enterprises were involved in export activities, 60 new types of goods were exported. Among them are zinc alloy, veterinary vaccines, polypropylene thread, new types of medical instruments.

## Conclusion

According to the modern concept of international marketing, a successful venture planning to enter the international arena must take into account the economic, cultural and legal aspects of each national market. International marketing, of course, is more complex than traditional, due to a wide variety of risks that are associated, for example, at least with settlements in foreign currency, as well as price, transport risk, risk of non-payment or non-compliance with the terms of delivery of goods and etc. Difficulties associated with customs formalities and other factors that often manifest themselves in world trade are not excluded.

Thus, international marketing increases the profitability of operations by minimizing the degree of risk, as well as the uncertainty in global markets, which is often much higher than in national ones.

Uzbekistan has all the necessary prerequisites for achieving a level of foreign trade that corresponds to its potential, that is, a capacious domestic market, raw materials, the ability to satisfy not only domestic needs, but also the needs of the largest countries of the world, a sufficiently high technical level in a number of industries.

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