



Legal Mechanism For Regulation Of Trade Relations Of The Republic Of Uzbekistan Within The Framework Of Joining The World Trade Organization

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ABSTRACT

This scientific article notes the formation of the state as a full-fledged participant in international trade relations, the development of partnership trade relations, as well as joining leading international trade organizations to enter the international market. Also, this paper discusses the identification of possible problems and prospects for the membership of the Republic of Uzbekistan in the World Trade Organization, the characteristics of the socio-economic situation of the country, the prospects for the development of the current state of the country, the assessment of the foreign economic activity of the state, the benefits and risks for the Republic of Uzbekistan when joining the WTO.

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Introducing to the WTO will provide huge opportunities for increasing exports of finished products. But at the same time, this will entail intensive changes in the national legislation of the country. All areas of legislation, namely: customs, tax, financial, labor, migration and other areas will be modified and brought closer to the basic international legal norms of the WTO.

A huge production potential has been formed in Uzbekistan, which, first of all, is the basis for the sustainable development of the economy of Uzbekistan. Shifts in the structure of industry are primarily aimed at ensuring food and energy security.

The medium-term goals for the development of the economy of Uzbekistan provide for maintaining economic growth rates at a level of at least 8% annually. The solution to this problem is impossible without a significant increase in investment in the country's economy, including foreign investment. Economic theory and practice show that foreign investment, when combined with the right set of investment policies, contributes, in general, to the economic development of host countries.

This happens not only through the injection of additional capital into the economy, but also in the form of the transfer of modern technologies and innovations, a positive impact on competition in the domestic market, the improvement of human resources and the development of international trade. The practice of attracting foreign investment in Uzbekistan shows that today the efforts of central ministries and departments are aimed at targeted attraction of foreign investment for large investment projects included in the State Investment

Program and a consolidated list of promising investment projects annually approved by the Interdepartmental Council of the Cabinet of Ministers. The powers of local authorities are limited to assisting project initiators in developing a passport and an investment proposal. ²³ In general, economic science has long argued that the level of attracting foreign investment, primarily direct, into the economy of a particular country directly depends on the investment climate and business environment formed in the country, and the quality of state institutions.

These days, international trade is a powerful catalyst for the country's economic growth, which contributes to the development of efficient production of goods and services, enhances the competitiveness of entrepreneurs, as well as the inflow of foreign exchange funds into the national economy. Industry is the most important sector of the economy, favorably influencing the socio-economic development of Uzbekistan. The creation of an efficient and competitive industrial sector is the strategy of Uzbekistan, both for the medium and long term. In the early years of independence, the country's government mobilized strong political will in order to strengthen the new global cooperation. In the conditions of modern globalization, the economic development of a country largely depends on how integrated it is into the world economic community. Therefore, the development of foreign economic relations is a priority.

In the foreign economic sphere, the Republic of Uzbekistan pursues an "open door policy", the main principles of which are:

- development of trade and economic relations, regardless of ideological views;
- equality and mutually beneficial cooperation, both on a bilateral and multilateral basis;
- priority of international law norms over national norms and rules, recognition of the principles and provisions of the GATT / WTO.

In the conditions of energy hunger, which is observed in the modern world among developed and developing countries, the main advantage for Uzbekistan is that the country's economy is characterized by energy independence. Accession to the WTO will require fixing maximum rates for import duties that WTO partner countries will agree to. Naturally, when the country joins the WTO, they will strive to reduce import duties in Uzbekistan as much as possible. At the same time, WTO rules provide for the elimination of all non-tariff barriers to trade that have no basis in terms of the safety of human life and health.

It also provides for a clear regulation of all customs procedures in order to prevent their use as hidden barriers to trade.

Currently, Uzbekistan conducts foreign trade operations with more than 120 countries of the world. There are two main directions in foreign trade relations of Uzbekistan:

- with CIS countries,
- with foreign countries.

In recent years, there have been significant changes in the geographical distribution of exports and imports of Uzbekistan. Most notably, Russia has overtaken the EU as Uzbekistan's leading trading partner, becoming the latter's main export and import market. China's share has increased significantly, both in exports and imports. South Korea became the second market in terms of imports of goods from Uzbekistan. The share of EU countries has declined, both in exports and imports, as Uzbekistan has redirected exports of cotton fiber from the EU to Russia, China and other Asian countries, and has also reduced the share of machinery and equipment imported from the EU.

The accession of the Republic of Uzbekistan to the WTO accelerates the possibilities of scientific and technological progress in the industry, by choosing and acquiring efficient and reliable imported equipment. In addition, upon accession, domestic exporters will receive an easier access to foreign markets, and at the same time, with all WTO members, they will receive the most favored nation treatment (MFN).

In addition, additional and profitable transit routes for the exporter's goods will be formed, which is essential for the development of foreign trade by domestic producers. The first aspect of the regulation of the foreign trade regime is the regulation of the import of goods. The regulation of the import of goods in Uzbekistan determines the use of various instruments, such as import tariffs and duties, quotas and licensing, administrative and technical barriers, internal taxation of imports, and others. Undoubtedly, the main instrument is import customs duties.

As for exports, in terms of export regulation, the weaknesses in the negotiation process are bans on exports from Uzbekistan, as well as tax and customs benefits for the export of goods from national producers. In the context of the WTO, member countries may view these measures as the practice of unjustifiably restricting and disrupting foreign trade. Article 11 of GATT 1994 prohibits the use of prohibitions or quantitative restrictions on exports, unless such prohibition is applied temporarily to eliminate or alleviate a significant shortage of food or other goods that are important to the exporting country. The ban on the export of food products has been introduced since 1994. According to the WTO requirements, a ban can be introduced for a certain time to eliminate the shortage of food products. Referring to the provisions of the GATT, the member countries of the World Trade Organization in the negotiation process are already demanding that Uzbekistan lift such a ban or provide reasonable arguments that goods prohibited for export are essential for the country's economy. However, in recent years there has been a reduction in the number of goods prohibited for export.

In particular, in 2002 such goods as tea, raw tea, milk powder and ethyl alcohol were excluded from this list; a start has been made for a gradual reduction in the list of goods prohibited for export, the number of which has now been reduced to 11 positions, and in the course of economic reforms objective prerequisites have been created for its further reduction. When a country joins the WTO, tax incentives for exporting enterprises in the territory of this country can serve as an important lever for the development of exports. The WTO Agreement on Subsidies and Countervailing Measures sets out strict bases for allocating subsidies to producers of non-agricultural goods.

Support measures in the form of a subsidy are seen as additional financial benefits provided to business entities, while creating an unfair trading environment. In this agreement, subsidies are considered direct payments by the state to exporters or producers of export products, unclaimed state revenues in the form of tax, customs and other benefits, price support measures and other measures aimed at supporting exporters or producers of export products. These measures are recognized as unfair trade practices and are strictly regulated by the provisions of the WTO.

At present, WTO member countries believe that the system of organizing world trade should comply with the five principles they have adopted:

- Unacceptability of discriminatory measures in trade. There is that any state cannot complicate the foreign economic activity of another country by imposing restrictions on its export and import of goods and services. In the domestic market of each country, there can be no restrictions and differences in the conditions for the sale of national and foreign products and services;
- Removal of trade and other protectionist conditions. Trade barriers are factors that reduce the ability to supply foreign goods to the domestic market of another country. These barriers include: import quotas, i.e. quantitative restrictions on imported goods and customs duties. Also, trade between countries is influenced by administrative barriers and exchange rates;
- Certainty and stability of trade organization. Terms of trade, non-tariff and tariff restrictions should not change arbitrarily and suddenly;
- Development of competitiveness in the organization of international trade. For equal competition of firms from different countries, it is necessary to suppress "unfair" methods. Trade competition between countries must be fair, in order to organize equal competition between enterprises of different states, it is necessary to suppress "unfair" actions: export subsidies of the state, the use of price dumping;
- Availability of benefits for international trade of underdeveloped countries. This principle is necessary for the involvement in world trade of underdeveloped countries of the periphery, which cannot compete with developed countries on equal terms at the initial stages. But basically the WTO puts into practice the ideas of free trade (free trade) and fights for the elimination of protectionism.

For countries wishing to become members of the WTO, there is an accession procedure developed and formed over the 50 years of the existence of the GATT / WTO; it is multifaceted and consists of a number of stages. This entry process takes about 5-7 years.

In 1999, the first edition of the list of "Specific Conditions and Obligations for Possible Access to the Services Market" and the draft "List of Exemptions from the MFN" were submitted to the WTO Board.

The main goal and task of the WTO is to promote international trade without any restrictions. Those developed states, on whose initiative the WTO was organized, believe that only economic freedom and equality in international relations between countries and international trade favors the socio-economic growth of the country. Participation in the WTO must comply with the strategic concept of the countries in matters of achieving the economic security of the country and, consequently, its political independence. Ensuring these conditions is achievable only under the condition of a sharp increase (doubling and tripling) of the country's GDP in the coming years. First of all, due to the entry of countries' products into new markets, as well as the growth of exports in the manufacturing industries and the development of high-tech, nanotechnological and innovative sectors of the economy. Given the state of the economy of Uzbekistan, and especially industry, the state needs to solve the issues of state regulation of the economy at the present stage, namely: support for the leading industries and industries of the domestic industry. Without this step, Uzbekistan will not be able to be a full-fledged member of the WTO and will turn into its raw materials appendage. The existing experience of the post-Soviet countries of Eastern Europe and the Baltic States suggests that when the international and national markets merge, the state may lose control over entire sectors of the economy. This threat also exists for Uzbekistan after its accession to the WTO. Due to the current structure of the economy of the Republic of Uzbekistan, the country does not particularly suffer damage, except for lost profits. Moreover, it still needs to be compared with future losses. In this case, Uzbekistan does not need to rush and make unjustified concessions and sacrifices. In this regard, the main goal of the Republic of Uzbekistan is not membership in the WTO at any cost, but namely the achievement through negotiations of the optimal and most beneficial conditions for oneself, which include:

- participation of the state in the development of regulatory norms of international trade;
- exclusion of unfavorable conditions that infringe on the rights of the country in the field of international trade;
- ensuring a certain degree of protection of domestic production in an open (reasonably) economy based on the rules and norms of the WTO;
- real provision of increased access to world markets for goods and services of local products (services);
- optimization of the trade and political regime compared to the current situation, taking into account the balance of rights and obligations of Uzbekistan in the WTO;
- state assistance to the development of the country's export potential and the formation of a modern structure of national exports;
- accessibility of Uzbekistan to the mechanisms of international dispute resolution in trade;
- creation of investment attractiveness of the Uzbek economy, especially industry, bringing this process in line with WTO standards;
- increasing the opportunities for local investors, especially in the financial sector;
- creation of favorable conditions for the growth of the level of quality and competitiveness of local products;
- participation in the development of norms and rules of international trade, taking into account the national priorities of the country;
- improving the image and rating of the country in matters of international trade.

The development priorities of the Government of the Republic of Uzbekistan include the substitution of imports with domestic production and the promotion of exports of high value-added finished products. Economic theory and international experience suggest that the policy of import substitution cannot be carried out simultaneously with the policy of export promotion. Those countries that attempt to do so usually end up in a situation characterized by promoting the development of import-substituting industries and slowing down the development of export-oriented industries. This is exactly what happened in Uzbekistan, as far as it can be seen from the data on the trade regime and the latest trade indicators. At the same time, the trade regime hinders the development of export-oriented industries (especially manufacturing) through restrictions on the export of a wide range of goods, the mandatory sale of foreign exchange earnings at an overvalued exchange rate, difficulties in importing intermediate goods, and burdensome export procedures. Therefore, the structure of Uzbekistan's merchandise exports continues to be dominated by commodities such as cotton fiber, natural gas, gold and uranium, while the share of finished products in total merchandise exports remains small.

Uzbekistan's accession to the WTO increases the possibility of accelerating scientific and technological progress in the industry by choosing and acquiring efficient and reliable imported equipment. In addition, domestic exporters, upon joining the WTO, will have easier access to foreign markets. It is especially important that exporters will have the opportunity to use profitable and additional transit routes for their goods in the development of foreign trade by domestic producers.

Any legal system, due to natural causes associated with the dynamics of the development of social relations, changing circumstances, the emergence of new challenges, inevitably faces such a negative phenomenon as conflicts (collisions) of various norms and regulations included in it. Legal conflicts create certain obstacles to the normal functioning of the legal system, since they give rise to a situation of uncertainty, suggesting several options for resolving the same legal issue at once, thereby complicating law enforcement activities.

To overcome such conflicts in legal practice, there are several generally accepted rules. Firstly, if acts of the same body, issued at different times on the same issue, contradict each other, then the latest act is applied, based on the principle that "the next law cancels the previous law". Secondly, if the acts are issued simultaneously, but by different bodies, then the act that has a higher legal force according to the principle of hierarchy is applied. For example, in the event of a conflict between a law and a subordinate normative act (decree, resolution, government, ministry), the former has priority. Thirdly, if the general and special acts of the same level diverge, then the special act takes precedence.

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