

## **IMPROVING THE TARIFF POLICY IN REGULATING FOREIGN TRADE IN THE WORLD MARKET**

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***Annotation:** This article talks about modern methods of improving the customs policy in the regulation of foreign trade in the world market. In addition, the importance, place and role of notarial methods used by developed countries and developing countries are revealed. Practical suggestions and recommendations are presented on the improvement of the customs policy in the regulation of foreign trade in the world market.*

***Keywords:** world market, foreign trade, export subsidies, quantitative restrictions, safeguard measures, import restriction measures, anti-dumping inspections, technical barriers to trade, anti-subsidy.*

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### **Introduction**

One of the distinctive features of the development of the world economy is the intensive development of international economic relations. This is explained by the expansion and deepening of trade and economic relations between countries, groups of countries, individual firms and enterprises. This situation, as well as economic changes occurring in the world market, as well as in its various segments, encourage any country to become active in the world market, to use the tools and levers of regulation, control and support of foreign trade more effectively than ever before.

It is becoming clear that there is a need to reorganize foreign trade relations of countries in the world economy, to deepen structural changes in some industries and sectors. As a result, in recent years, global and regional world trade has been moving in new directions. The foreign

trade strategies of the states are also showing fundamental changes.

Systematic reforms are being implemented in Uzbekistan to improve the foreign trade policy. The decree of the President of the Republic of Uzbekistan Sh.M. Mirziyoev of April 13, 2017 No. PF-5012 "On measures to improve the management system in the field of foreign trade" further increases the efficiency of foreign trade relations of our country, liberalizes foreign trade, strengthens export potential and competitive local products improvement of the system of export to foreign markets is intended to serve the purposes of forming long-term stable partnership relations between the production enterprises and foreign partners in the field of trade.

With this decree, the organizational-institutional system for the management, control, regulation and promotion of foreign trade will be further improved, and it is envisaged to attract additional opportunities for further acceleration of export and import activities.

The Ministry of Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan was reorganized into a new structure - the Ministry of Foreign Trade of the Republic of Uzbekistan. The Ministry of Foreign Trade of the Republic of Uzbekistan primarily coordinates the work of state administration bodies in the field of foreign trade policy formation and implementation, as well as regulation of foreign trade activities. In addition, the decisions of this Ministry adopted within the scope of its powers and having a regulatory legal nature are mandatory to be implemented by state and economic management bodies, local state power and management bodies, and business entities regardless of the form of ownership and departmental affiliation.

#### **Analysis of literature on the topic**

Many economists have conducted scientific research on foreign trade, foreign trade policy, methods of foreign trade regulation. In particular, we will dwell on the opinions of economists who conducted research on foreign trade policy based on modern approaches. Foreign trade, foreign trade policy, foreign trade strategies and related theoretical and practical issues have been developing in recent years based on different approaches. These studies are the results of the study of new situations or situations and trends in modern economies. For example, V.V. Sokolov believes that "Export is the export of goods, services, results of intellectual property, including exclusive rights to them, from the customs territory without the obligation to bring them back" (2, pages 40-47).

While researching modern features of international trade, V. Pankov pays special attention to 7 aspects. These are a sharp increase in the volume of trade in products and services under the influence of science and technology development, a decrease in the weight of developing countries in international trade, an increase in the share of products and services with a high science capacity in the product composition of world exports under the influence of science and technology development, foreign trade turnover per capita such as the uneven distribution of the estimated value, the emergence of new sectors and industries, the increasing dependence of more and more countries on the import of a particular group of products, and the transition from the sale of surplus products on the foreign market to the form of product

delivery on the basis of cooperation between enterprises of different countries (3, 16 -28 pages).

Bulatova A.S. and Liventseva N.N. researched the effectiveness of foreign economic activity and identified 10 indicators for its evaluation. At the same time, they also analyze the priorities of foreign trade regulation (4, pp. 183-188).

According to A.Vahobov, "the process of direct and indirect intervention in economic activity aims to ensure domestic employment, achieve economic growth, ensure macroeconomic stability, improve the balance of payments, and regulate the exchange rate by influencing the volume and composition of exports and imports. According to the scientist, trade policy is a relatively independent direction of general economic policy, which includes regulation of the volume of foreign trade through taxes, subsidies, foreign exchange controls and direct restrictions on imports or exports (5, pp. 274-288).

N. Ivanov is one of the economists who emphasized the need to properly plan, organize, manage and implement foreign trade activities and classify them in order to achieve accuracy. According to him, classification means that international commercial agreement can be divided into sales and exchange of goods agreements. According to the nature and subject of foreign trade operations, it consists of finished products, unassembled products, obsolete equipment, raw materials, licenses, barter operations, and engineering services (pages 6, 44-51).

In general, while acknowledging the contributions of economists who conducted research in this field to the improvement of the foreign trade regulation system, it should be noted that these studies did not cover the issues of modern methods of foreign trade regulation in Japan and the impact of these methods on the volume of Japanese foreign trade and the economy in general. .This determines the relevance of the topic of this article.

### **Research methodology**

Methods and means of foreign trade regulation in Japan were selected as the main research object in the implementation of the research work. Also, notarial methods applied to products in international trade, handles used by Asian countries in foreign trade, notary handles used by Japan in international trade were dynamically analyzed by years. Grouping and comparative analysis methods were also used in the study.

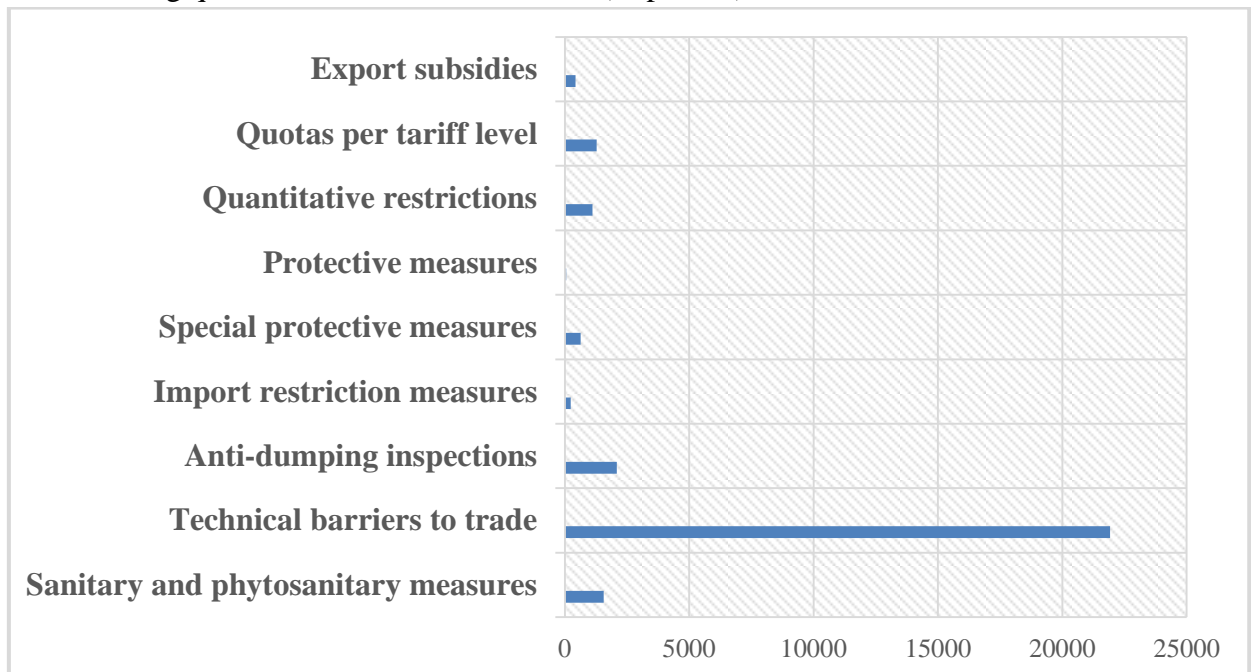
### **Analysis and results**

In recent years, the participation of the countries of the world in the international market and their desire to further strengthen their position in this market is taking place in the conditions of increasingly intense competition. This situation is also reflected in the protectionist or free trade methods used by governments in their foreign trade policy, depending on the extent of the state's intervention in foreign trade relations, the level of regulation of foreign trade.

Modern trends show that foreign trade policy is a relatively independent direction of general economic policy, which includes regulation through taxes, subsidies, exchange controls, direct restrictions on imports or exports. It is worth saying that any measures taken to restrict foreign trade often have short-term effects. For the long term, only free trade, which is reflected in the experience of developed countries, allows for a more rational and efficient

allocation of economic resources. Although free trade can be beneficial from the point of view of the global economy, this approach does not always pay off in terms of comprehensive improvement of the economy of an isolated developing country.

It is known that there are more than 50 types of foreign trade restriction methods. Some of them are aimed at filling the public treasury, some are aimed at restricting imports altogether, and still others are aimed at restricting or encouraging exports. Two groups of foreign trade regulation methods are used - tariff and notary methods. In international trade, countries apply their own bans or levers on imported products. In general, the countries of the world use more than 43,400 notary methods for various purposes. Among them, the most frequently used are technical barriers to trade - 21,926, sanitary and phytosanitary measures - 15,670, implementation of anti-dumping inspections - 2,084, setting quantitative restrictions - 1,108, setting quotas at the tariff level - 1,274 (1- picture).



**Figure 1. Notarial methods applied to products in international trade (unit, status of 01.01.2022)**

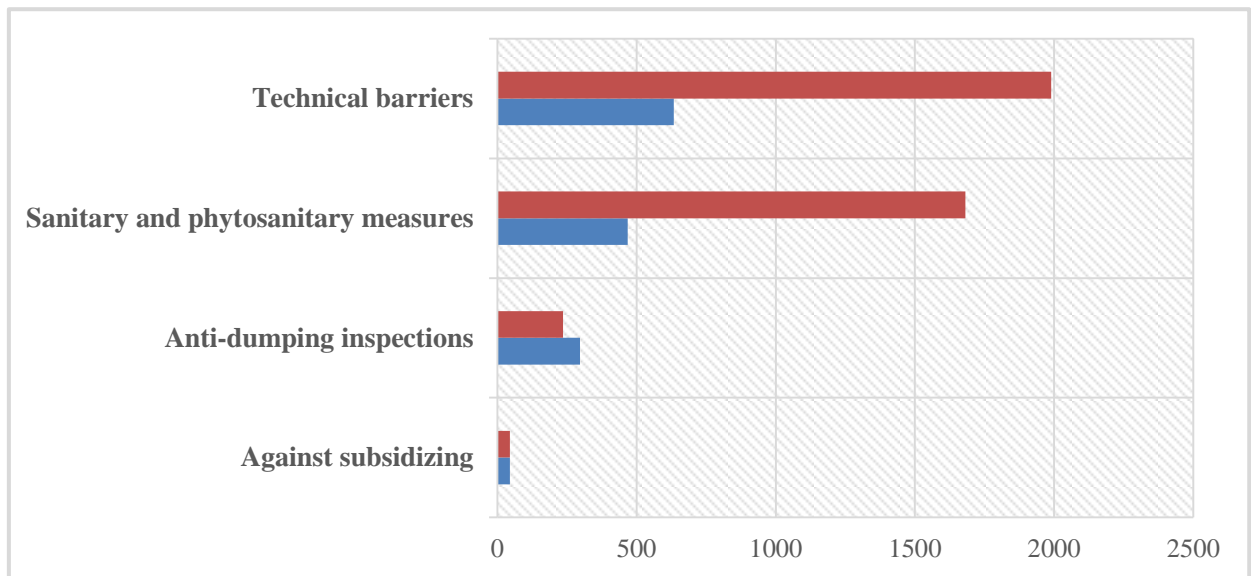
*Source: Compiled from <https://i-tip.wto.org/goods/Forms/ProductView>.*

In general, the existence of notarial methods applied to products in international trade leads to the support of each country's national producers, ensuring the competitiveness of their products in international trade.

Foreign trade of countries has developed rapidly compared to the production of goods and services. This has led to an increase in export and import quotas in most countries of the world, an increase in technical barriers to trade, and a large number of sanitary and phytosanitary measures with high requirements for the quality and safety of food products. Of course, these numbers show that today countries are making every effort to strengthen exports while protecting their national producers.

Despite the measures of the World Trade Organization aimed at liberalizing foreign trade, the number of notarial measures, including sanitary and phytosanitary measures, used among the member countries of the organization in the context of the next waves of the world financial and economic crisis is growing at a steady pace. The data show that the number of sanitary and phytosanitary measures used in 2000-2022 increased from 468 to 1681, and the number of technical barriers increased from 633 to 1989 [7]. The amount of anti-subsidy measures did not change significantly during this period. Anti-dumping inspections decreased by 0.8 percent. In 2000-2022, the development of countries and increased attention to human health and consumption led to an increase in sanitary and phytosanitary measures by 3.6 times. We can see that technical barriers are used 3 times more. In general, the use of notarial methods used in international trade increased by an average of 0.4 percent.

The methods used by Asian countries are noteworthy. For example, according to 2022 data, Australia has introduced 411 sanitary and phytosanitary barriers to imported products, 203 technical barriers to trade, 122 quantitative restrictions, 2 tariff quotas, and 6 export subsidies. Japan has 498 sanitary and phytosanitary measures, 775 technical barriers to trade, 57 special barriers, 42 quantitative restrictions, and 18 tariff quotas. In general, in the Eastern countries, China, Japan, and Korea have the most widely used levers in the world. From this, we can see that Eastern countries have many government barriers in the world, which lead to the growth of their export potential and foreign trade (Figure 2).



**Figure 2. Change in the number of notarial methods used in international trade, unit**

Source: Compiled based on data from <https://i-tip.wto.org/goods/Forms/ProductView>.

Among the countries of the world, one of the countries with an exemplary economic experience is Japan. The implementation of Japan's foreign trade policy and the active participation of the state in it is a characteristic of Japan. The state encompasses and regulates almost all directions of foreign economic activity, starting from the analysis of the internal and external situation, developing a foreign economic strategy, determining the importance of

geographical and structural areas, and applying financial incentives to control and regulate them.

In the implementation of foreign trade policy, Japan relies on a broad legal and regulatory framework. The legal and legal-administrative regulation system is manifested on the basis of priority, and it is implemented through the law on currency exchange and foreign trade, the general regulation of the state. This law can be considered free due to the presence of the main principles from the code of international organizations such as the International Monetary Fund, the World Trade Organization - international agreements on trade liberalization, principles of free and comprehensive trade. Based on the principle of free foreign economic activity, in normal cases it exercises only minimal state control.

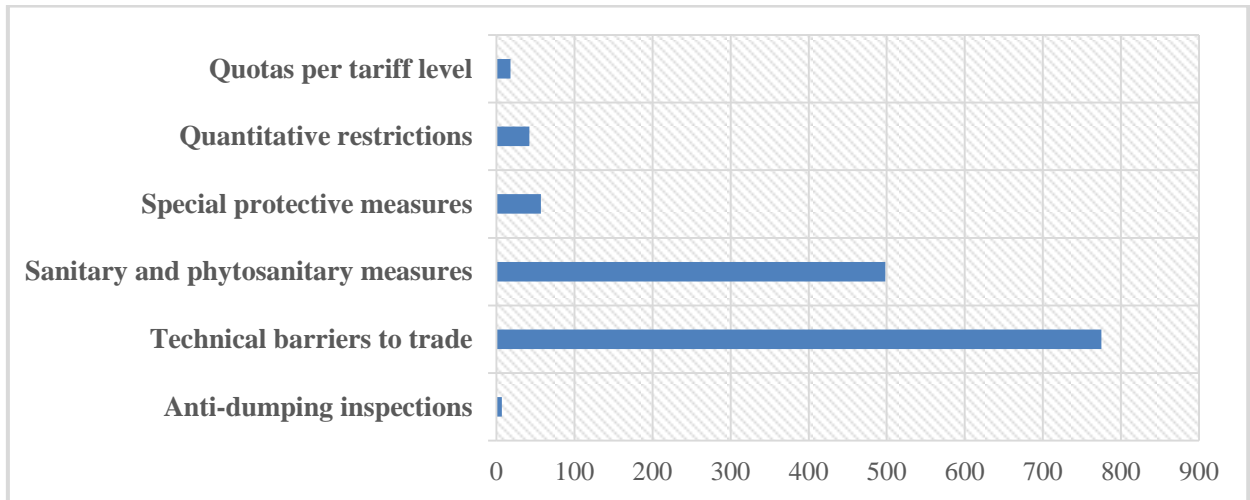
Foreign trade policy is a well-thought-out state policy that makes foreign economic relations one of the main influential factors in the development of the state. This policy, taking into account Japan's national interests, made it a major international economic, scientific, technical and financial trading center, a significant participant in the world economy. In the regulation of international trade by the state, complementary methods such as administrative-legal, economic and informal are widely used (Table 1).

**Table 1**
**Used by Asian countries in foreign trade  
number of handles, 2022**

| Countries             | Sanitary and phytosanitary measures | Technical barriers to trade | Special barriers | Quantitative restrictions | Tariff quotas |
|-----------------------|-------------------------------------|-----------------------------|------------------|---------------------------|---------------|
| <i>1</i>              | <i>2</i>                            | <i>3</i>                    | <i>4</i>         | <i>5</i>                  | <i>6</i>      |
| <b>Australia</b>      | 411                                 | 203                         |                  | 122                       | 2             |
| <b>China</b>          | 1192                                | 1179                        |                  | 21                        | 10            |
| <b>Hong Kong</b>      | 40                                  | 78                          |                  | 103                       |               |
| <b>India</b>          | 163                                 | 101                         |                  | 59                        | 3             |
| <b>Indonesia</b>      | 114                                 | 113                         |                  |                           | 2             |
| <b>Japan</b>          | <b>498</b>                          | <b>775</b>                  | <b>57</b>        | <b>42</b>                 | <b>18</b>     |
| <b>Korea Republic</b> | 554                                 | 798                         | 39               | 92                        | 67            |
| <b>Macau</b>          | 19                                  | 6                           |                  | 10                        |               |
| <b>Malaysia</b>       | 37                                  | 229                         |                  |                           | 13            |

Source: Compiled based on data from <https://i-tip.wto.org/goods/Forms/ProductView>.

Different countries of the world use different levers to implement their trade policies. According to the average level of non-tariff restrictions, Japan is a highly developed country and is considered a post-industrial country. It is a world leader in the production of automobiles, ships, household appliances, industrial robots, machine tools and fishing. Japan has established foreign trade with most countries of the world.



**Figure 3. Notarial levers used by countries in international trade of Japan, unit 01.01.2022**

Source: Compiled from <https://i-tip.wto.org/goods/Forms/ProductView>

There are a total of 1,397 notarial methods used by Japan for countries in international trade. Of these, technical trade barriers make up 775, and sanitary and phytosanitary measures make up 498. It can be seen that Japan pays serious attention to the quality of the goods it imports. There are 57 special protection measures, 42 quantitative restrictions, 18 tariff level quotas, and 7 anti-dumping inspections. The number of main notarial handles used by countries in international trade of Japan is 1397 on average. In our opinion, the growth of Japan's export potential may have been caused, on the one hand, by its levers on imports (Figure 3).

**Conclusions and suggestions**

In the foreign trade policy of the countries participating in the world market in recent years, the trends of using tools and instruments of foreign trade regulation are clearly visible. Instead of the liberalization of world trade, almost all countries are trying to use other levers and tools in addition to the traditionally accepted tariff and notary methods in order to protect their domestic markets or to support their exporters operating in the foreign market. However, the World Trade Organization continues its policy aimed at ensuring the free movement of goods, products, work and services, contrary to such protectionist actions and attempts.

The results of the analysis also revealed that relatively strict methods, levers and tools are actively used in the regulation of foreign trade by more Asian countries. Asian countries are trying to use all methods of regulating foreign trade that are in the interests of national producers in order to take a strong position in the world market. From a theoretical point of view, both Germany (late 19th century) and the USA (early 20th century) used a wide range of tools and methods in foreign trade during the rapid stages and periods of development. At a glance, in the last 15-20 years, when globalization and foreign trade liberalization are taking place on a large scale, in fact, developed countries have been using different methods.

As Japan's economy becomes more and more depressed over the next 5-10 years, the country has increasingly resorted to protectionist approaches to foreign trade. However, in our opinion, such trends are unlikely to continue for a long period. Because the economy of

developed countries is essentially a free market economy, measures are taken to prevent this or that economic problem from worsening.

In conclusion, it can be said that in order for Uzbekistan to enter the world market and implement an active foreign trade policy, it is appropriate to implement a foreign trade policy aimed at further strengthening the position of national producers, based on the interests of national producers, using the methods and tools mentioned above. For this, it is necessary to constantly analyze the methods and tools used by developed and developing countries, to learn those that are suitable for our conditions. If we draw a conclusion for Uzbekistan, it will result in the use of tools and levers that are gradually used by South Korea and Japan in the regulation of foreign trade in our country based on its internal situation, as well as the perspective of the investment, infrastructural projects and programs that our main partners are implementing with us. , can be considered. There is no doubt that these actions will serve the medium-term development programs for 2022-2033, as well as the long-term development programs developed for the following periods.

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