

The Main Aspects of Interaction Between Uzbekistan and the WTO

Shokhrukh B. Akhmedov

Post-Graduate student of the Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation, Moscow, Russia

Vladimir M. Kutovoi

Dr. of Sci. (Economics), professor, Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation, Moscow, Russia

Abstract: The article discusses the relevance of issues related to Uzbekistan's accession to the WTO, the most important "new spheres" for Uzbekistan, as well as the problems of regional integration during WTO accession. Moreover, the development of a contractual legal framework at the level of multilateral cooperation in international organizations and economic reforms based on market principles, expanding the share of the private sector, strengthening economic stability and increasing the attractiveness of the republic to meet the minimum requirements of international economic organizations are being considered. At the same time, it was noted that within the framework of accession to the WTO, Uzbekistan has established cooperation with partner countries and a practical action plan (Roadmap) was developed on that.

Keywords: WTO, "new spheres", restructuring of the national economy, multilateral cooperation, "Roadmap", Action Strategies of Uzbekistan for 2017-2021, UNDP, "BUYUK KELAJAK".

Introduction

The liberalization of foreign economic activity within the framework of market reform is a necessary but insufficient condition for integration into the world economy. Genuine integration involves joining international agreements and organizations regulating foreign economic relations between members of the world community, rules and norms of mutual liberalization of trade and the economy as a whole.

In this regard, the relevance of issues related to Uzbekistan's accession to the WTO has increased significantly recently. Uzbekistan's accession to the WTO is considered as a necessary condition for modern development in the conditions of growing openness of national economies. At the same time, Uzbekistan's accession to the WTO, given the presence of a number of features of our economic system and state structure, the difficulties of the transition period, according to many economists, may entail an excess of costs not only in the short term, but also in the long term, and not benefits.

Since the WTO does not automatically equalize the competitiveness of the organization's member countries, the large-scale opening of national markets after Uzbekistan's accession to the WTO will be the beginning of a rather tough and often unequal competition for it. And the growth of exports and the inflow

of foreign investment to Uzbekistan is possible only if it competes successfully in world markets. The process of restructuring the national economy both at the sectoral and regional levels indicates the inevitability of losses of domestic producers. In this regard, the collapse due to the disclosure of obviously uncompetitive industries and regions in the face of steadily escalating global competition is the most short-sighted solution to this problem.

At the same time, negotiations on Uzbekistan's accession to the WTO are being conducted in the context of the ongoing liberalization and globalization of the world economy, and new regulatory areas are constantly being developed within the WTO. Therefore, the delay in the negotiation process for our country is associated with the accumulation of new requirements for its accession to the WTO.

In order not to create gaps in the integration process within the organization itself, the WTO is tightening the requirements for compliance with previous and newly approved agreements regarding the economy and foreign trade policy of candidate countries. Thus, the problem of Uzbekistan's accession to the WTO is becoming more complicated.

The issues raised at the WTO Ministerial Conference in Doha, which took place in November 2001, relate to the so-called "new areas" of WTO competence, including competition policy, regulation of foreign investment, environmental issues, as well as a number of other issues. Other areas are included in the declaration of the 1996 Ministerial Conference in Singapore.

Among the "new areas" of the WTO, the most important for Uzbekistan are such areas as competition policy, investment policy, ecology, TRIPS, as well as problems of regional integration. Despite the fact that most of the "new areas" are not new in the full sense of the word, since multilateral liberalization agreements (for example, TRIMS, TRIPS) were concluded in relation to them within the framework of the Uruguay Round. The problem of "new spheres" of the WTO in the negotiation process of Uzbekistan with the member countries of this organization has acquired particular importance due to the likelihood of additional conditions for our country. At the same time, concessions in negotiations for the sake of early accession to the WTO in the long term may lead to an unfavorable outcome for Uzbekistan from the point of view of its national interests.

Therefore, it is necessary to approach this urgent problem, of course, from the standpoint of the priority of national interests in the context of a long-term strategy for the development of the national economy. At the same time, the ability to adhere to an active strategy of protecting national interests largely depends on the economic power of the state, its place and importance in the world economy.

In the conditions of the economic system of Uzbekistan, it is quite difficult to ensure not subordinate adaptation of the country, but its maximum equal participation in the process of globalization.

On the other hand, the huge potential of the national economy not only justifies, but also strongly dictates an active policy of protecting national interests in the context of globalization. From the point of view of the process of Uzbekistan's accession to the WTO, this implies using all the opportunities available to the country for long-term, reliable and adequate integration of the national economy into the world economy in accordance with national priorities.

The urgency of protecting national interests in the economic sphere is also justified by two main factors: the inadequacy of the interests of TNCs and the national interests of specific states, the inability of the modern market to adequately take into account national traditions and political imperatives of self-preservation of the state.

Of course, the sphere of national interests is not the isolation and protection of the domestic market and domestic producers from international competition, but the creation of qualitatively new competitive

172	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 5 Issue: 8 in Aug-2022 https://www.grnjournals.us/index.php/AJEBM
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

industry complexes focused on long-term trends in the development of the world economy, which in turn requires the development of an appropriate economic strategy that improves the quality of public and commercial management.

The totality of Uzbekistan's socio-economic problems requires detailing and elaboration of the entire economic policy, including foreign economic policy as its most important element.

The Republic of Uzbekistan is consistently pursuing economic reforms based on market principles, increasing the share of the private sector, strengthening economic stability and increasing the attractiveness of the republic to meet the minimum requirements of international economic organizations. Today, our country has joined more than 180 important multilateral international conventions and agreements in the field of trade and economic relations.

Membership in international organizations is especially relevant for the Republic of Uzbekistan in the light of the development of the contractual and legal framework at the level of multilateral cooperation. Having already become a member of the majority of the most authoritative of them, the republic does not stop there. In this context, WTO accession is one of the priorities of the foreign economic policy of the Government of Uzbekistan and is considered as one of the key factors in improving the country's international image.

The Strategy of Uzbekistan's actions for 2017-2021, developed under the leadership of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev, is devoted for the third time to "priority areas of economic development and liberalization", which includes the implementation of a number of specific measures aimed at improving the international image and attractiveness of the republic for foreign investors.

Along with this, the State Program of the Republic of Uzbekistan for 2018 "Year of Active Entrepreneurship, innovative ideas and technologies" provides for the implementation of a number of measures aimed at accelerating the work on WTO accession. In particular, the preparation of proposals to bring the legislation of Uzbekistan in line with the norms of the organization, the approval of a new composition of the interdepartmental commission that will deal with issues of WTO accession, as well as the introduction of a large number of changes and reforms in the country. The package of measures also includes an assessment of the consequences of membership in this organization and the preparation of proposals for institutional reforms.

After an almost 15-year break, the Uzbek side submitted to the WTO an updated memorandum on the foreign trade regime for consideration of the country's application for membership in the organization in July 2019, Uzbekistan has intensively begun to address the issue of WTO accession and is taking a number of measures in this direction. In particular, not only international experts and domestic ministries and departments are involved in this process, but also working groups and interdepartmental commissions have been formed to assess risks, the readiness of economic sectors and the adaptation of local legislation to join the organization.

It is also planned to implement measures to increase the competitiveness of domestic enterprises on the basis of updating their technical and technological potential, to intensify state support for scientific and technical developments and their introduction into production. It is important to develop a well-thought-out and carefully verified accession strategy so that the conditions of accession minimize the negative impact on national producers and sensitive sectors of the economy.

In accordance with the order of Shavkat Mirziyoyev dated June 29, 2018 "On measures to further improve foreign economic activity and improve the system of customs and tariff regulation of the Republic of

173	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 5 Issue: 8 in Aug-2022 https://www.grnjournals.us/index.php/AJEBM
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Uzbekistan", a Working Group was established to improve the system of customs and tariff regulation and optimization of customs payments in the implementation of foreign economic activity.

Moreover, in order to achieve effective systematic work and regular monitoring of the process of Uzbekistan's accession to the WTO, the government has approved a "roadmap", which includes 34 activities aimed at preparing documentation for the resumption of the accession process and adapting national legislation.

Another step of the country in this direction is the formed Interdepartmental Commission for Work with the WTO headed by the Ministry of Investment and Foreign Trade (MIVT). It consists of the heads of various ministries and departments of the country. At the same time, measures are being worked out to activate the activities of the representative of Uzbekistan to the WTO in Geneva, whose work will be coordinated directly by the MIVT.

At the same time, within the framework of WTO accession, Uzbekistan is establishing cooperation with partner countries. In particular, according to the Decree of the President of the Republic of Uzbekistan "On measures to further expand and strengthen bilateral cooperation between the Republic of Uzbekistan and Japan", a practical Action Plan ("Roadmap") has been developed to implement measures aimed at further expanding political, trade, economic, cultural and humanitarian cooperation between the Republic of Uzbekistan and Japan.

At the same time, in April 2018, a memorandum and roadmap were signed with the Korean side, which provides assistance in technical, advisory and expert support in the process of Uzbekistan's accession to the WTO.

In addition, in November 2019, the Republic of Uzbekistan and UNDP signed the "Trade Facilitation in Uzbekistan" project in order to strengthen national capacity and attract international experience to support the process of Uzbekistan's accession to the WTO, as well as to increase the production and export potential of niche products, which will be identified in agriculture, the agro-industrial sector, as well as in other sectors that promote employment and are potentially environmentally friendly, in order to contribute to more economically, socially and environmentally sustainable growth models. For example, within the framework of this project, UNDP, together with the ANO "Center for Expertise on WTO Issues" (Russia), with the financial support of the Government of the Russian Federation, organized seminars and trainings with the participation of specialists. from the Higher School of Economics (Moscow).

In addition, the Government of the Republic of Uzbekistan, together with the International non-governmental non-profit Organization "BUYUK KELAJAK" (INNO), which unites 240 compatriots of specialists with work experience abroad from more than 30 countries, has developed the "Concept of the Development Strategy of the Republic of Uzbekistan until 2035" (April 14, 2018 zareg. to the Ministry of Justice of the Republic of Uzbekistan). The purpose of the organization is to promote ongoing reforms in the economic and social spheres, to provide expert support in improving the effectiveness of ongoing reforms, accelerated development of the state and society.

To date, four meetings of the working group on Uzbekistan's accession to the WTO have been held, following which the parties agreed to move on to the next stage of negotiations. In other words, at the next stages, the Government of the Republic of Uzbekistan, among other things, needs to conduct bilateral negotiations with interested WTO members to conclude agreements on access to Uzbek markets for goods and services, as well as to amend national legislation. in accordance with the rules and regulations of the WTO.

174	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 5 Issue: 8 in Aug-2022 https://www.grnjournals.us/index.php/AJEBM
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

Thus, joining the WTO requires Uzbekistan not only to regulate foreign trade in a civilized manner, but also significant preparatory work to develop the main directions of domestic economic policy for the long term.

Uzbekistan's national interest in the WTO accession process is based on the development of conditions for joining this organization that would allow achieving a balance between economic liberalization and maintaining the sustainability of sectoral and regional development in accordance with the requirements of economic security. This type of strategy is all the more important given the fact that the costs associated with opening the national economy to external competition can be significant in the short term.

Further, Uzbekistan's appeal to the WTO presupposes the existence of two interests of the state and society.

Firstly, it is a geo-economic and geopolitical interest. In December 2020, Uzbekistan received observer status in the Eurasian Economic Union (EAEU), which means that Uzbekistan will soon become a member of the EAEU. According to which the main task of the business sector - state and local producers - is to prevent the monopoly of the EAEU, that is, by Uzbekistan's accession to the WTO, to maintain a balance with the EAEU within the rules of world trade, not to establish a monopoly on the rules of the EAEU in Uzbekistan.

Secondly, the society of Uzbekistan suffers greatly from internal monopolists. In the field of transport, for example, there is only one airline, one railway company. They set the prices they want, and society and the state cannot effectively fight them. The entire economy of Uzbekistan suffers from this. The second task is to call the monopolists to order at least a little, because if Uzbekistan becomes a member of the WTO, we will be forced to compete freely in many areas at the international level.

Conclusion

An analysis of national legislation and business practices in those areas that are becoming central to the negotiations of the round clearly shows that the issues of Uzbekistan's accession to the WTO are complex, multifaceted and extremely significant in terms of their impact on long-term development prospects. Of the Republic of Uzbekistan.

In addition, it is necessary to take into account the fact that joining the WTO will require changes in many laws, and so that this does not entail unpredictable consequences, so that the agreements already concluded do not have to be hastily modified, as always. With foreign investors, in accordance with WTO rules, it is necessary to take an extremely responsible and balanced approach to discussing and resolving the most fundamental, systemic issues related to changes in the current legislation in Uzbekistan.

References

1. Vaskina, A. Yu. *International legal obligations of the state related to accession to the Marrakesh Agreement on the establishment of the World Trade Organization*: abstract. dis. cand. jurid. sciences': 12.00.10/ A. Y. Vaskina; Diplom. acad. M-va inostr. Del was growing. Federation. - M., 2017. - 30 p. The NBB cipher: 2//215370(039).
2. Zenkin, I. V. *WTO in schemes and texts: method. handbook on the study of WTO law* / I. V. Zenkin, N. G. Yakubova. - M.: International. relations, 2015– - 159 p. NBB cipher: 1//525569K(039).
3. Nikulin, E. N. *The international legal status of the World Trade Organization and the forms of its interaction with international organizations*: abstract. dis. ... cand. jurid. Sciences: 12.00.10 / E. N. Nikulin ; Diplom. acad. M-va inostr. Del was growing. Federation. - M., 2018. - 33 p. The NBB cipher: 2//219071(039).

175	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 5 Issue: 8 in Aug-2022 https://www.grnjournals.us/index.php/AJEBM
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/

4. A. I. Pogorletsky *World economy and international economic relations: textbook for universities* / [et al.]; edited by A. I. Pogorletsky, S. F. Sutyurin. — Moscow: Yurayt publishing house, 2020 — - 499 p. — (Higher education). - ISBN 978-5-534-01336-8. - Text: electronic // EBS yurayt [site]. pp. 264-267.
5. A. I. Pogorletsky [et al.] *The world economy and international economic relations: the textbook for high schools* / under the editorship of A. I. Pogorelskogo, S. F. Sutyrina. — Moscow: Yurayt publishing house, 2020 — - 499 p. — (Higher education). - ISBN 978-5-534-01336-8. - Text: electronic // EBS yurayt [site]. p. 234.
6. Vologdin, A. A. *Legal regulation of foreign economic activity: textbook and practice for higher education institutions* / A. A. Vologda — - 6th ed., add. - Moscow: yurayt Publishing house, 2020. - 387 p. — (Higher education). - ISBN 978-5-534-09280-6. - Text: electronic // EBS yurayt [site]. pp. 56-64.

176	ISSN 2576-5973 (online), Published by "Global Research Network LLC" under Volume: 5 Issue: 8 in Aug-2022 https://www.grnjournals.us/index.php/AJEBM
	Copyright (c) 2022 Author (s). This is an open-access article distributed under the terms of Creative Commons Attribution License (CC BY). To view a copy of this license, visit https://creativecommons.org/licenses/by/4.0/