

**INCREASING THE EXPORT POTENTIAL OF FRUIT AND VEGETABLE
PRODUCTS IN UZBEKISTAN AND SIMPLIFYING THE PROCEDURE FOR ITS
TRANSPORTATION**

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ABSTRACT:

Production and export of fruits and vegetables is one of the most promising sectors of the Uzbek economy, increasing its export potential by supplying foreign markets with products that can compete in terms of price and quality. Today, the increase in fruit and vegetable production allows us to think seriously about joining the world community through associations and economic associations such as the WTO and the European Union. The accession of the Republic to such an association will allow the country to further strengthen its position in foreign trade, as well as to establish mutually beneficial cooperation.

Keywords: market, vegetables, products, exports, volume, fruits, price, association, economy, association

INTRODUCTION

Uzbekistan is a world leader in the abundance and diversity of fruits and vegetables. Dried apricots are the second largest exporter, the fourth largest supplier of apricots, and the seventh to tenth largest exporter of plums, cabbage and raisins, peaches and grapes. In general, the country exports 180 types of fruits and vegetables to 80 countries. In 2018, the total value will be \$ 2 billion. Of course, there are many problems in agriculture and work that needs to be done. Such is the modernization and accelerated development of the industry, the deepening of structural self-sufficiency and the continuous improvement of agricultural production, further strengthening the country's food security, expanding the production of environmentally friendly products, significantly increasing the export potential of the agricultural sector. is one of the current issues. The primary human need is the demand for food. The bulk of these products are grown in agriculture. Most are processed and hundreds of types of food are prepared and served to consumers.

The production of fruits and vegetables is one of the most promising sectors of the economy of Uzbekistan, which is increasing its export potential by supplying products to foreign markets that can compete both in price and quality. Volumes are increasing every year, and the geography of export of fruits and vegetables produced in Uzbekistan is expanding.

The volume of exports of fruits and vegetables in physical terms over the period of 2019 amounted to more than 1.4 million tons, and in value terms exceeded 1.2 billion US dollars. The growth rate compared to 2018 amounted to 112.7% and 135.5%, respectively. The export of vegetables amounted to more than 816.5 thousand tons in the amount of 542.4 million US dollars, as well as 591.2 thousand tons of fruits and berries in the amount of 658.1 million US dollars. The growth rate compared to 2018 was 170.1% and 116.1%, respectively.

The main export markets for fruits and vegetables from Uzbekistan are Kyrgyzstan, Kazakhstan, Russia and Turkey.

Analysis and results

The leader in the export of fruits and vegetables in value terms was Kyrgyzstan with a volume of 320 million US dollars, which is 26.7% of the total volume of exported fruits and vegetables. The largest volume of export of fruits and vegetables in physical terms is in Kazakhstan with a volume of 556.5 thousand tons, which is 39.4% of the total export of fruits [1].

Table 1.

Geography of export of fruits and vegetables

| Country | 2018 | | | 2019 | | |
|--------------------|---------------|--------------------|----------------------------------|---------------|--------------------|----------------------------------|
| | thousand tons | million US dollars | specific gravity,% ¹⁾ | thousand tons | million US dollars | specific gravity,% ¹⁾ |
| Kyrgyzstan | 89,9 | 80,3 | 9,1 | 127,0 | 320,0 | 26,7 |
| Kazakhstan | 598,1 | 392,3 | 44,3 | 556,5 | 283,0 | 23,6 |
| Russian Federation | 238,9 | 166,3 | 18,8 | 245,1 | 160,6 | 13,4 |
| Turkey | 23,5 | 25,1 | 2,8 | 65,1 | 99,3 | 8,3 |
| Pakistan | 29,8 | 22,2 | 2,5 | 76,2 | 78,8 | 6,6 |
| Afghanistan | 73,4 | 53,2 | 6,0 | 45,5 | 57,5 | 4,8 |
| PRC | 66,9 | 46,2 | 5,2 | 55,3 | 48,5 | 4,0 |
| Ukraine | 15,1 | 9,0 | 1,0 | 55,2 | 32,4 | 2,7 |
| Tajikistan | 5,8 | 3,6 | 0,4 | 21,0 | 13,5 | 1,1 |
| Iran | 13,0 | 10,0 | 1,1 | 16,2 | 12,4 | 1,0 |
| Iraq | 6,1 | 6,2 | 0,7 | 20,5 | 12,3 | 1,0 |
| Belarus | 8,5 | 7,7 | 0,9 | 14,3 | 10,6 | 0,9 |
| UAE | 11,6 | 5,7 | 0,6 | 27,5 | 9,7 | 0,8 |
| Turkmenistan | 9,5 | 7,5 | 0,8 | 8,5 | 9,5 | 0,8 |
| Azerbaijan | 4,3 | 4,9 | 0,6 | 6,5 | 7,3 | 0,6 |
| Germany | 2,7 | 5,6 | 0,6 | 2,9 | 6,6 | 0,6 |
| Other | 51,8 | 40,0 | 4,5 | 64,1 | 38,3 | 3,2 |

¹⁾ – from value expression

Based on table 1, countries such as Kyrgyzstan, Kazakhstan, Russia and Belarus are included in 16 countries, where Uzbekistan exports the largest volume of fruits and vegetables. They are also members of the EAEU (in addition to these countries, Armenia also enters the union). Moreover, with Kyrgyzstan, Russia and Belarus, the volume of exports is increasing from year to year.

The three countries of the EAEU leader in terms of export of fruits and vegetables from Uzbekistan in value terms are Kyrgyzstan, Kazakhstan and Russia, in physical terms, Kazakhstan is in first place, and Russia and Kyrgyzstan are in second and third respectively.

Today, the development of such volumes of fruit and vegetable production by the republic allows it to seriously think about integration into the world community through associations and economic unions such as the WTO and the EAEU. Entering the republic into such a kind of association will allow the country to fully strengthen its position in foreign trade, as well as build up comprehensively beneficial cooperation.

By becoming a member of such a union, producers of fruits and vegetables in Uzbekistan will gain access to the 180 millionth EAEU market. The Republic of Uzbekistan will be able to take advantage of the EAEU international free trade agreements with countries such as China, Iran, Cuba, Vietnam, and in the near future with Egypt, Singapore, India, Serbia, Israel and Thailand. Thus, exported agricultural products within the EAEU will not be subject to customs and sanitary-quarantine control.

The possibilities of the EAEU, taking into account the Chinese initiative “One Belt of the One-Ding Way,” open up prospects for maximizing the effective use of the transit potential of Uzbekistan, which has the greatest integration potential in the region.

Goods exported by Uzbekistan will gain access to the transport corridors of the EAEU, and there will be only one customs border - the Belarusian-Polish border between the EU (European Union) and Uzbekistan. In the case of integration into the EAEU, Uzbekistan has the prospect of participating in the EAEU's joint projects in the field of transport, claiming to co-finance China.

Cooperation in this direction will establish end-to-end logistics between China, the Eurasian Economic Union and the European Union and along the accompanying routes supplementing the main transport corridors of Eurasia: Western Europe – Western China, North – South, East – West and Northern Sea Route.

Within the EAEU, Uzbekistan will also receive privileges such as:

1. reduction in transportation costs;
2. unification of transit opportunities of all countries of the organization;
3. reduction of bureaucratization of transport procedures;
4. development of the logistics base;
5. The ability to access Russian ports on the Baltic Sea on an equal basis.

To assess the impact of Uzbekistan's accession to the Eurasian Economic Union (EAEU), the Center for Economic Research and Reforms under the Presidential Administration (CEIID) presented a study that reflects the positive and negative factors of economic development according to the accession scenario. This kind of research is based on the forecast indicators of Uzbekistan and the study of the economies of the EAEU countries.

Joining the EAEU for Uzbekistan means becoming a part of a single customs space on the territory of which the EAEU common customs tariff (ETT) applies, which is especially relevant for our republic in the matter of rail freight transportation.

At present, the railway tariffs of Uzbekistan-Miriullari for the transportation of export products exceed the tariffs used for transportation of products for the domestic needs of the republic. So, the cost of transportation (freight charge) of fresh fruit and vegetable products in a covered wagon (60 tons) on the route Tashkent - Chimkent (220 km) is 580 dollars per wagon. At this stage Art. Chukursai-Keles (10 km in Uzbekistan) the freight charge is \$ 428 per wagon (tariff - \$ 7.14 per 1 ton), and sludge. Saryagach to Chimkent (210 km across the territory of Kazakhstan) the freight charge is 152 dollars (tariff - 2.54 dollars per ton). This situation significantly increases the cost of domestic products, which negatively affects its competitiveness.

In addition, with the use of ETT, the republic's transit potential will increase, which will have a beneficial effect on the volume of transit cargo flow, thereby offsetting the high transit rates.

When Uzbekistan joins the EAEU, diesel prices are also expected to decline. This is due to an increase in the volume of cheap oil from the EAEU countries, which will allow trucking companies in Uzbekistan to save up to \$ 20 million a year [2]. This is especially true when transporting fruit and vegetable products, transported

mainly by refrigerated cars, which consume fuel not only to ensure the movement of the vehicle, but also as a function of the refrigeration compartment units to ensure the set temperature.

One of the most expensive road haulage has the ability to become reasonably acceptable and relevant. This, in turn, will push the parties to the transaction to give preference to an option that will not only provide the necessary transportation technology and maintain the quality of the product, but also ensure the financial attractiveness of the transportation.

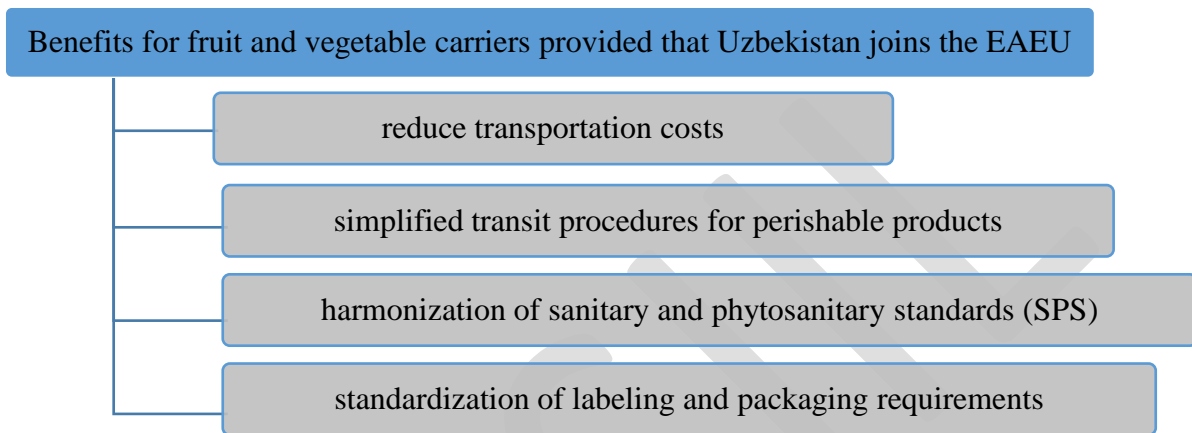


Fig. 1. Key benefits for carriers

perishable products, including fruits and vegetables

It is worth noting another indisputable plus - the legal framework. In the process of integration, Uzbekistan will receive a layer of modern supranational legislation based on the best international practices. This, and first of all, implies a positive reflection of Uzbekistan in various international ratings due to improved management and transparency of legislation regulating the foreign economic activity of the republic.

CONCLUSION/RECOMMENDATIONS

Thus, the entry of Uzbekistan into the EAEU is a way to improve logistics for the delivery of goods and to reduce the terms of delivery of agricultural products by eliminating unnecessary requirements and barriers at the borders, which will increase the export of fruits and vegetables of Uzbekistan, as well as goods with high added value in the form of processed agricultural products [3]. In addition to the above, integration into the EAEU will allow Uzbekistan to increase transit potential, thereby becoming more attractive for carriers in China and the EU.

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