

IMPACT OF IMPORTS AND EXPORTS ON THE COUNTRY'S ECONOMIC GROWTH

Umida Otakhanova

teacher of Tashkent institute of finance

Annotation: today in our country, foreign products or imports provide consumers with more choice. Because they are usually produced cheaper than the locally produced equivalent, imports help consumers manage their household budgets. In this article, Uzbekistan's cooperation with foreign imports, implementation of import substitution projects in the Republic, the level of development of sectors in the economy, the availability of raw materials resources in the Republic, the constant demand of industries in production for imported goods, as well as for industries, the availability of necessary infrastructure and import substitutes.

Key words: benefits, tax base, excise tax, statistics, VAT, exports, imports

Abstract

Deepening structural reforms in the national economy, increasing the competitiveness of the national economy due to diversification and modernization of leading sectors, modernization and diversification of the industry in the "strategy of action on the five priority areas of development of the Republic of Uzbekistan in 2017-2021", deep processing of local raw materials resources, further development of high-tech processing, issues of effective and optimal use of the existing industrial potential of the regions have been advanced. The activities of industrial enterprises directly depend on the investment opportunities of the regions. The investment activity of the national economy sectors and its volatility are considered an important factor in the penetration of foreign investment into high-income sectors and their distribution by the regions of the country, as well as the coverage of The Associated territorial areas.

The effectiveness of the country's participation in international trade will also depend on the composition of its exports and imports. The volume of exports of developed countries is large and is mainly finished products. The volume of exports of developing countries is generally small, consisting mainly of raw materials.

Moreover, the development of large investment projects with the participation of foreign investors within the framework of the development of raw material resources and specialized industries is the reason for their penetration into areas with relatively high investment potential, that is, raw materials and production potential.

The presidential decree "on the development strategy of New Uzbekistan for 2022-2026" was adopted. At the same time, the state program on the development strategy for 2022-2026 and its implementation in the "year of glorification and active neighborhood of human value" was approved. According to the program, measures will be taken to reduce inflation to 9% in 2022 and 5% in 2023 and fiscal deficit to 3% as part of ensuring economy stability. By the end of 2026, the share of the private sector in the bank's assets will be released up to 60 percent. From 2023, the value-added tax will be lowered to 12% and the profit tax for entrepreneurship such as banking, finance and telecommunications will be lowered to 15%. In regions with "heavy" conditions, until January 1, 2025, a system will be introduced for new entrepreneurs to pay turnover tax at a rate of 1 percent, land tax, property tax from the calculated amount. From July 1, 2025, a single electronic register of all mandatory requirements for entrepreneurship will be launched. Until

April 1, 2022, obtaining a license and other permissive documents will be simplified. In particular, it will be possible to engage in certain activities in a portable manner, by motor transport.

Research methodology

The methodology of this article uses methods of analysis and synthesis, scientific abstraction, generalization, comparative theoretical interpretation. In addition, the scientific basis of the article is international data from the research of scientists in domestic and foreign scientific publications.

Discussions and results

In today's global economy, consumers are used to seeing products from different parts of the world in their grocery stores and retail outlets. These foreign products or imports provide consumers with more choice, and as they are usually produced cheaper than the locally produced equivalent, imports help consumers manage their household budgets. If a country receives a large amount of imports relative to exports, then products shipped abroad from that country can disrupt the country's trade balance and devalue its currency. The devaluation of the country's currency can have a huge impact on the daily life of the country's citizens, since the value of the currency is one of the main factors in the economic indicator of the country and its gross domestic product (GDP). Ensuring the balance of imports and exports is decisive for the country. The country's import and export activities can affect the country's GDP, its exchange rate, inflation rate and interest rates.

Gross domestic product (GDP) is a broad measure of the country's economic activity. Imports and exports are an important component of the method of calculation costs of gross domestic product.

The formula for GDP is as follows:

$$GDP = C + I + G + (X - M)$$

where: C = consumer spending on goods and services = expenditure on enterprise capital goods, G = expenditure on public goods and services x = exports = imports

In this equation, the import (X - M) from which the export is removed is equivalent to the net export. Net export performance is positive when exports exceed imports. This is evidenced by the presence of a positive trade turnover in the country. If exports are less than imports, the net export factor will be negative. This indicates a trade deficit in the country.

Trade surplus contributes to economic growth in the country. When exports increase, it means a higher level of production from factories and production facilities in the country, as well as an increase in the number of people employed to ensure the operation of these factories. When a company exports high-end goods, this equates to the flow of funds that stimulate the flow of consumption in the country and contribute to economic growth.

If a country imports goods, it means the withdrawal of funds from this country. Local companies are importers and they make payments to foreign enterprises or exporters. The high level of imports indicates a stable domestic demand and a developing economy. If these imports are mainly production assets such as machines and equipment, this is more convenient for the country, since the productive assets will increase the efficiency of the economy in the future.

A healthy economy is an economy in which both exports and imports are growing. This usually indicates economic stability and a stable trade surplus or deficit. If exports are growing, but imports have dropped significantly, this is a sign that the foreign economy is in good condition compared to the domestic economy. Conversely, if exports drop sharply, but there is an increase in imports, this may indicate that the domestic economy is improving compared to foreign markets.

The relationship between the country's imports and exports and its exchange rate is complicated, since there are constant links between international trade and the way the country values its currency. The exchange rate affects the trade surplus or deficit, which in turn affects the exchange rate, etc. In general, a weak national currency encourages exports and makes imports more

expensive. On the contrary, a strong national currency makes exports difficult and imports cheaper.

Inflation and interest rates affect imports and exports, primarily through their impact on the exchange rate. High inflation usually leads to high interest rates. It is not clear whether this will lead to a stronger currency. A stronger national currency can negatively affect exports and the balance of trade. High inflation can also affect exports by directly affecting access costs such as materials and labor. These high costs can seriously affect the competitiveness of exports in the international trade environment.