

IV. ГЛОБАЛ ВА МИНТАҚАВИЙ ИҚТИСОДИЁТ ЧАҚИРИҚЛАРИ

Глобальные и региональные экономические вызовы

Global and Regional Economic Challenges

**UZBEKISTAN'S WTO MEMBERSHIP PRIORITIES IN RURAL
DEVELOPMENT PRISM**

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Annotation: *The goal of the paper is to learn impact of Uzbekistan's WTO membership on the agricultural sector. The authors deeply analysed impact of WTO membership through TRIST model, SWOT analysis, learning Uzbekistan's laws and regulations as well as comparing national agricultural efficiency with the agricultural efficiency of foreign countries. As a result of these analyses, practical proposals for the WTO membership process were developed.*

Key words.: *WTO membership, TRIST model, agriculture sector, “developing” country status.*

Introduction

Sudden changes, economic fluctuations and transformation processes taking place in the world are creating a basis for mutual integration of states and nations at the international level. Countries in the modern world continue to develop their economic relations with other countries, establish favorable trade relations with them, and develop numerous economic cooperation. In this regard, the WTO membership of Uzbekistan, located in the center of Central Asia, is one of the most urgent issues for its economy today.

WTO accession is an important priority in the context of large-scale reforms to modernize the national economy, strengthening Uzbekistan's integration into the international trade system. Annex 1 of the “Uzbekistan-2030” strategy, goal 93, sets the goal of becoming a full member of the WTO by 2030. Therefore, it is important to study the impact of WTO membership on the country's economy, especially on agriculture sector. All the processes currently taking place in the economy of Uzbekistan, such as liberalization of foreign trade,

finding new export markets, liberalization of foreign exchange policy, attraction of direct foreign investments, increase of competitiveness of domestic producers, are fully in line with WTO rules.

In 1994, at the end of the Uruguay round of negotiations (1986-1994), with the participation of GATT members, the World Trade Organization was founded as the successor of GATT, and this organization officially began its activities on January 1, 1995¹. Unlike the GATT, the WTO is a legal and institutional body of the multilateral trading system. Currently, the WTO is engaged in establishing the rules of international trade law and resolving trade disputes. The WTO Secretariat is located in Geneva, Switzerland, and consists of the Director-General, his four deputies and 550 employees of various nationalities. Its international nature is explained by the fact that the WTO is an organization that is not subject to any government and government bodies. WTO membership is a long and complicated three-step process. Today, 164 countries are members of the organization. 98-99% of the world's trade is within this organization². These numbers show the importance of the organization in international trade today. Trade of industrial products, agricultural products, intellectual property and services are also regulated based on the rules of the organization.

As a result of the Uruguay Round of negotiations (1986-1994), multilateral trade rules in agriculture were developed. These rules consisted of 4 main components:

1. AoA-Agreement on Agriculture;
2. A list of "programs" or commitments by WTO members to impose new tariffs and other limits on market access, support for domestic producers, and export subsidies;
3. SPS- the Sanitary and Phytosanitary;
4. Decision of the Ministers on measures of the reform program that may have a negative impact on the least developed and developing countries that net food³.

¹ History of the multilateral trading system // https://www.wto.org/english/thewto_e/history_e/history_e.htm

² Members and observers// https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

³ Josling, T.E., Roberts, D. & Orden, D. 2004. *Food Regulation and Trade, Toward a Safe and open Global System*. Institute for International Economics.

The importance of agriculture in the economy of Uzbekistan

Uzbekistan is one of the largest producers of agricultural products in Central Asia. Agriculture plays a very important role in the economy of Uzbekistan. The reason is that the share of agriculture in GDP is 23.5% (2022) and 24% of the total population employed in this sector⁴. Considering that in 2021, 49.3% of the country's population or 17 million 48 thousand people live in rural areas⁵, it can be said that agriculture is one of the main sources of income for the rural population.

As a result of the economic reforms carried out by the government, the volume of GDP and agricultural products in Uzbekistan is growing year by year (Figure 1).

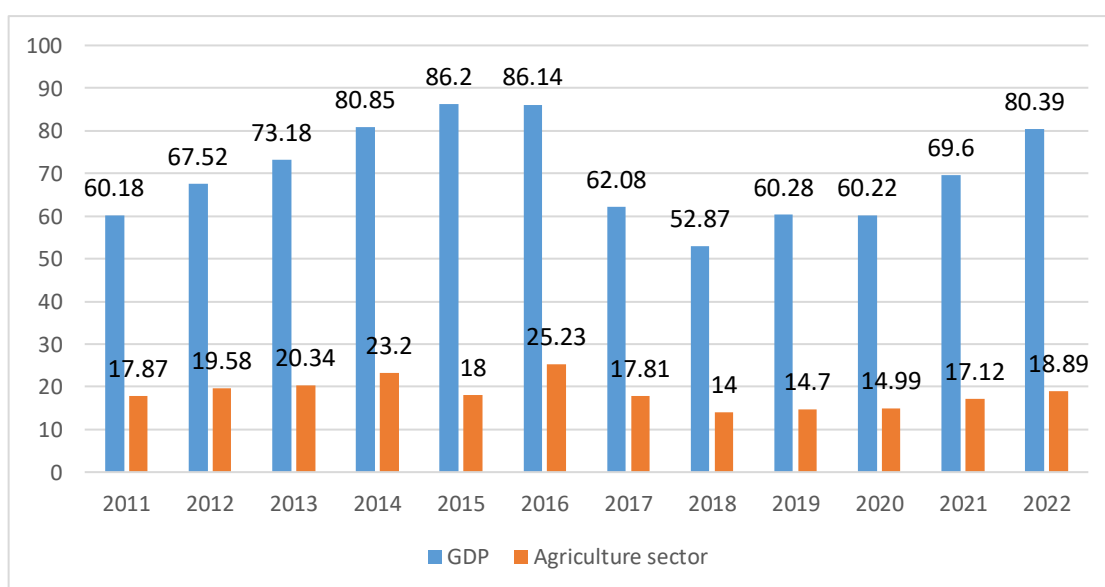


Figure 1. The volume of GDP and agriculture of Uzbekistan (billion dollars, 2011-2022)

In 2011, the total labor force of the country was 12 million 82 thousand people. 3 million 260 thousand of them or 26.98% were agricultural workers. By 2022, the country's total labor force reached 14 million 40 thousand people, and 3 million 360 thousand of them employed in agriculture (Figure 2).

⁴ Employment in agriculture // <https://data.worldbank.org/indicator/sL.AGr.empL.Zs?locations=UZ>

⁵ Demography // <https://stat.uz/uz/rasmiy-statistika/demography-2>

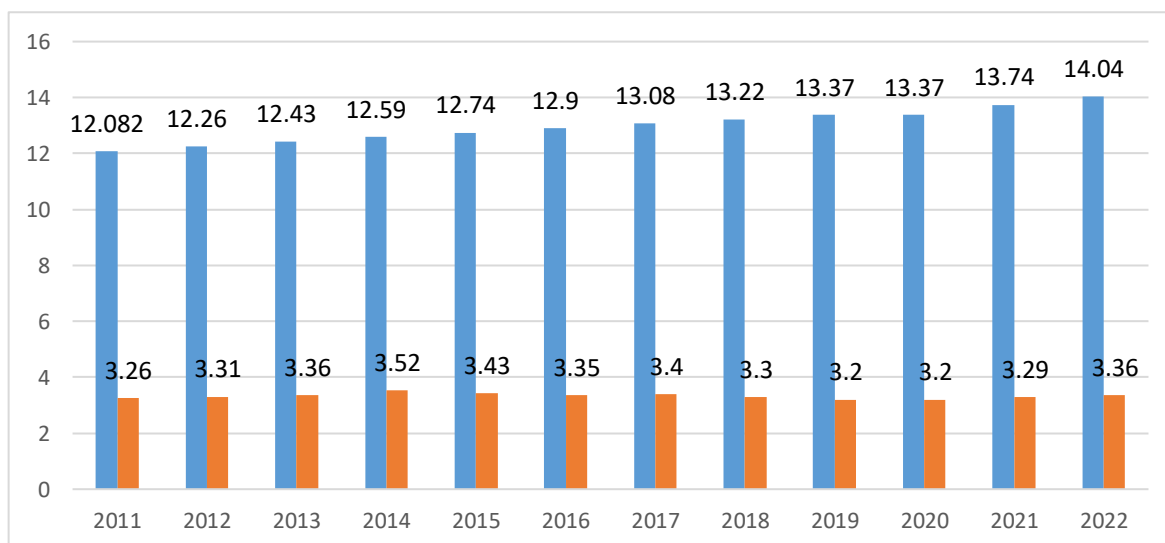


Figure 2. Dynamics of labor force and population employed in agriculture (million people, 2011-2022)⁶

In 2019, the total volume of agriculture amounted to 14 billion 700 million dollars, and in 2022, this figure increased by 1.28 times to 18 billion 890 million dollars. But due to the restrictions of Covid-19, the export volume in 2020 and 2021 was less than in 2019. In 2019, the export volume was 1 billion 706 million dollars, and in 2020 and 2021 it was 1 billion 456 million and 1 billion 483 million dollars, respectively. During last four years, the export volume increased by 1.28 times and reached 2 billion 192 million dollars in 2022 (Table 1).

Table 1

The size of the agricultural market of the Republic of Uzbekistan (million dollars)⁷

	2019	2020	2021	2022
Total production volume	14700	14990	17120	18890
Total export	1706	1456	1483	2192
Total import	2390	2490	3630	4620
Total market volume*	15384	16024	19267	21318

⁶ Labor force, total Uzbekistan

https://data.worldbank.org/indicator/SL.TLF.TOTL.IN?most_recent_value_desc=false&locations=UZ

⁷ Developed by the authors based on World Bank data.

* Total market volume= (Total production volume+total import)-total export

However, although the total volume of export and agriculture did not increase significantly, the import of agricultural products increased significantly. In 2019, the import of agricultural products amounted to 2 billion 390 million dollars, and by 2022 it was almost double.

Comparative analysis of agricultural productivity of Uzbekistan with agriculture productivity of other foreign countries

Competitiveness of countries' agriculture, in turn, is measured by the efficiency of agriculture. During the analysis, the agricultural efficiency of our country was compared with the agricultural efficiency of countries such as Brazil, Turkey, the Netherlands, Israel and the Philippines. During the analysis, the necessary conclusions for the country's agriculture were obtained (Figure 3).

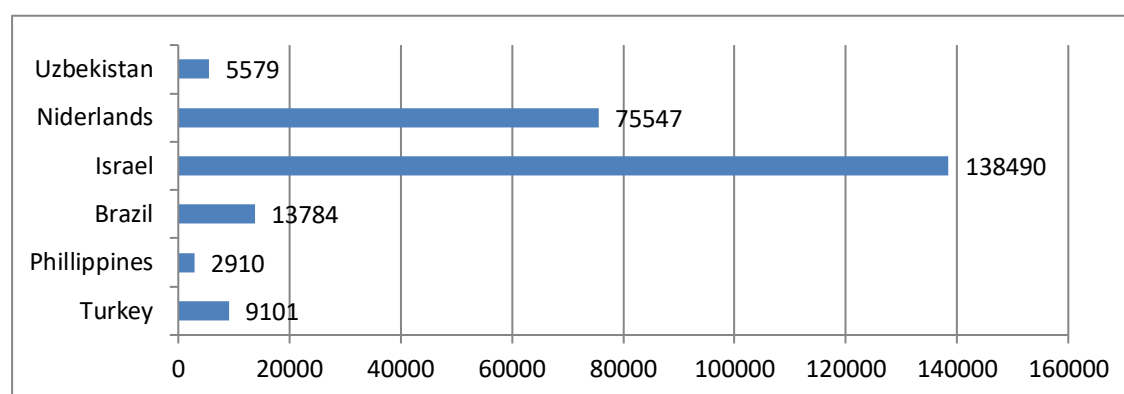


Figure 3. Average productivity of agricultural workers by country (USD, 2022)⁸

The average productivity per worker in the agricultural sector of Uzbekistan in 2022 was 5,579 dollars. However, compared to other comparable countries, this is higher than only the Philippines (\$2,910). According to this indicator, Uzbekistan lags behind Israel by 24.8 times, the Netherlands by 13.5 times, Turkey by 1.6 times and Brazil by 2.75 times.

⁸Developed by the authors based on World Bank data.

Table 2

**Average yield of agricultural products of countries (centners per
hectare)⁹**

	Cereals	Vegetables	Oil crops	Fruits	Roots
Brazil	52,5	243	34	190	162,9
Israel	38,4	117,6	24,6	189,3	312,9
Niderlands	79,3	588,1	20	351,9	425,4
Turkey	33,4	348,5	26,2	179	351,3
Phillippines	37,7	87,7	40	124,6	101,7
Uzbekistan	45,5	446,1	29	145,9	338

The yield of grain products in Uzbekistan in 2020 was 45.5 centners (Table 2). Among the comparative countries, only Brazil and the Netherlands were ahead of the country in terms of the average yield of grain products. Among the compared countries, the Netherlands, which has the highest average yield of grain products, is 1.74 times ahead of the country in terms of this indicator. In terms of average yield of vegetables, the country is behind only the Netherlands. In these countries, an average of 446.1 centners of vegetables per hectare was grown in Uzbekistan and 588.1 centners per hectare in the Netherlands. In terms of fruit production, the situation is slightly different. In 2020, the country produced 145.9 centners of fruit per hectare, which was ahead of only the Philippines in terms of this indicator. In general, it can be concluded that the average yield of agricultural products is not bad today. The above situation can be expressed in two different ways. First, the country's agriculture has a low level of technology use, and the second is the low value added in agriculture. These results mean that the country's agriculture is not yet competitive. It is necessary to increase the value added in the country's agriculture.

⁹ Developed by the authors based on FAO (<https://www.fao.org/home/en/>) .

Law and regulations on the agriculture sector of Uzbekistan

The main laws regulating foreign trade in Uzbekistan are “Law about foreign economic activity”¹⁰, “Law about protective measures, anti-dumping and countervailing duties”¹¹, “Law about export control”¹². Foreign economic activity in the country is regulated by the Law of the Republic of Uzbekistan “On Foreign Economic Activity”¹³. This law was adopted on May 26, 2000 and includes 31 articles. According to this law, foreign economic activity is regulated by the state in the following ways:

- formation and improvement of the legal basis of foreign economic activity;
- currency regulation;
- tax regulation;
- tariff and non-tariff regulation;
- application of protection, compensation and anti-dumping measures to protect the economic interests of the Republic of Uzbekistan;
- determining the procedure for carrying out foreign trade activities, including setting quantitative restrictions and establishing a state monopoly over the export and import of certain types of goods;
- establishing a complete list of documents required for export-import transactions;
- certification of imported and exported goods;
- determination of technical, pharmacological, sanitary, veterinary, veterinary-sanitary, phytosanitary, ecological standards, requirements, rules and regulations;
- providing preferences and benefits for subjects of foreign economic activity.

In addition, Presidential Decree No. PF-5853 of October 23, 2019 of the President of the Republic of Uzbekistan “On approval of the strategy of agricultural development of the Republic of Uzbekistan for 2020-2030” was

¹⁰ Law of the Republic of Uzbekistan dated May 26, 2000 No. 77-II "On Additions and Amendments to the Law of the Republic of Uzbekistan on Foreign Economic Activity of the Republic of Uzbekistan"// <https://lex.uz/docs/67345>

¹¹ Law of the Republic of Uzbekistan dated January 1, 2003 No. 554-II “About protective measures, anti-dumping and countervailing duties”// <https://lex.uz/uz/docs/-62843>

¹² Law of the Republic of Uzbekistan dated August 26, 2004 No. 658-II “About export control” // <https://lex.uz/uz/docs/-262949>

¹³ Law of the Republic of Uzbekistan dated May 26, 2000 No. 77-II "On Additions and Amendments to the Law of the Republic of Uzbekistan on Foreign Economic Activity of the Republic of Uzbekistan"// <https://lex.uz/docs/67345>

adopted. In this decree, urgent issues such as adaptation of agricultural regulations to WTO regulations, increase of added value and improvement of agricultural infrastructure until 2030 are defined.

On June 2, 2023, the decision PQ-181 of the President of the Republic of Uzbekistan “On additional measures to accelerate the process of becoming a member of the World Trade Organization of the Republic of Uzbekistan” was adopted. According to this decision, from July 1, 2023, it is forbidden to develop draft legal documents that do not comply with WTO rules and norms.

Assesment of Uzbekistan’s membership to the WTO through TRIST model

TRIST (Tariff Reform Impact Simulation Tool) was used to model the impact of WTO membership on agriculture. TRIST is a partial equilibrium model created by the World Bank used to evaluate foreign trade reforms. TRIST was initially developed by Mombert Hoppe and Erik von Uexkull under the leadership of Paul Brenton. TRIST is the most appropriate model for evaluating foreign trade reforms, and in this model, conclusions are drawn based on collected customs tariffs, not statutory tariffs. In addition, this model is open to a wide range of users and is very easy to use. TRIST also forecasts the impact of the tariff reform on VAT and excise tax. In addition, the model provides an opportunity to apply tariff liberalization scenarios for a certain group of products and countries separately.

The essence of the scenario proposed in the model was left unchanged if the current customs tariffs are lower than the Eurasian Economic Union customs tariffs, and if it is the opposite, i.e. the current customs tariffs are higher than the customs tariffs applied by the Eurasian Economic Union. These customs tariffs have been brought to the same level as the customs tariffs of this Union. In this model 572 tariff lines were used to evaluate foreign trade reform (Table 3).

Table 3

**Evaluation of Foreign Trade Reforms Based on Econometric Modeling
(TRIST)**

The impact of changes in customs tariffs on the volume of imports	
Import volume before tariff changes	1 billion 573 million 354 thousand dollars
Import volume after tariff changes	1 billion 542 million 569 thousand dollars
The impact of changes in customs tariffs on the volume of imports	

Changes in the volume of imports	The volume of imports will decrease by 30 million 785 thousand dollars
Changes in the volume of imports	The volume of imports will decrease by 2%
Impact of tariff changes on income	
The amount of revenue received from duties before the change in duty rates	8 million 676 thousand dollars
The amount of revenue received from duties after the change in duty rates	36 million 806 thousand dollars
Impact of changes in duty rates on revenue from duties	
Change in income	The income will increase by 28 million 130 thousand dollars
Change in income	Income will increase by 324.2%
Total tax revenue from imports	
Total tax revenue is before rate changes	172 million 306 thousand dollars
Total tax revenue is after rate changes	221 million 914 thousand dollars
Changes in total tax revenues from imports	
Changes in tax revenues	Total tax revenues will increase by 54 million 025 thousand dollars
Changes in tax revenues	Total tax revenues will increase by 31.4%
Statutory tariff rate	
Average statutory tariff rate before	8,9 %
Average statutory tariff rate after	2,4 %

VAT was 12% in the model. In 2022, the import volume of the main agricultural products amounted to 1 billion 573 million 354 thousand dollars, and as a result of the change in customs tariffs, the import volume is estimated by the model to be 1 billion 542 million 569 thousand dollars. That is, as a result of the application of the proposed scenario, the import of basic agricultural products will decrease by 30 million 758 thousand dollars or 2%. As a result of the application of this scenario, if the import of basic agricultural products decreases by 30 million 758 thousand dollars or 2%, the income from customs tariffs will change from 8 million 676 thousand dollars to 36 million 806 thousand dollars. That is, the income from customs tariffs will increase by 28 million 130 thousand dollars or 324.2%. In addition, as a result of the proposed scenario, total tax revenues from imports will change from 172 million 306 thousand dollars to 226 million 331 thousand dollars. That is, the total tax revenues from imports will increase by 54 million 25 thousand dollars or by 31.4%. These results show that the proposed scenario will help protect the interests of the country in the field of agriculture as

much as possible in the process of becoming a member of the World Trade Organization. As a result of applying this scenario, the average set tariff rate will change to 2.4%, if it was 8.9% before.

Table 4

Main changes based on econometric modeling (TRIST)

Current situation	Change based on the proposed scenario
Import - 1 billion 573 million 354 thousand \$	Import - 1 billion 542 million 569 thousand \$
Average statutory tariff - 8.9%	Average statutory tariff – 2,4 %
Average collected tariff – 0,6 %	Average collected tariff – 2,4 %
Collected tariff – 8 mln 676 thousand \$	Collected tariff – 36 mln 806 thousand \$
Collected VAT – 15 %	Collected VAT – 12 %
Collected VAT volume – 163 mln 630 thousand \$	Collected VAT volume – 189 mln 525 thousand \$
Collected excise – 0 %	Collected excise – 0 %

According to the tariff established in 2022, customs tariffs of 140 million 658 thousand dollars and VAT of 236 million dollars should be collected from the import of the main agricultural products in Uzbekistan. In practice, tariffs of 8 million 676 thousand dollars and VAT of 163 million 631 thousand dollars were collected. That is, the amount of 204 million 351 thousand dollars did not enter the state budget. The main reason for this is the tariff and VAT concessions. As a result of the proposed scenario, it is estimated that after joining to WTO more than 54 million 25 thousand dollars will fall to the state budget from the total taxes collected from the import of the main agricultural products (Table 4).

Aspects that should be changed in the agricultural regulations of Uzbekistan during WTO membership

In the process of becoming a member of the World Trade Organization, several mechanisms for the regulation of the country's agriculture are also required to be changed. That is, after becoming a member of this organization, it will be necessary to develop agriculture based on the rules generally recognized by this organization. During the analysis, we found that the following forms of agricultural governance should be changed during the WTO membership process.

1. Based on the decision of the Cabinet of Ministers of the Republic of Uzbekistan dated August 18, 2014 No. 235 “On improving the system for determining the normative value of agricultural arable land”¹⁴, more than 70% of the total arable land is still for cotton cultivation is being separated. For this reason, this decision should be canceled and the mandatory state order should be completely abandoned. In 2018, the total area of agricultural land for growing products for state procurement was 2.5 million hectares¹⁵. This indicator is planned to be reduced to 0 by the government only in 2025. Of course, this process should be accelerated. Because it plays an important role in the WTO membership process.
2. It is necessary to create a free market for cotton and wheat crops. These crops are purchased on the basis of government prices along with forced planting. These situations should be formed based on the rules of the free market.
3. It is necessary to form a free financial and services market for agricultural producers. Today, agricultural producers do not have this opportunity.
4. The intervention of local bodies in the allocation of land should be completely limited. As a result of this restriction, the possibility of selling land and confiscating land from farmers with the help of local authorities is limited.
5. Effective and transparent rules for allocating land to new owners should be developed. The reason is that today more than 60% of country’s irrigated land is saline. For this reason, the lands should be handed over to real devotees.
6. More budget expenditure should be spent on scientific research in the field of agriculture. State budget expenditures for agricultural scientific research (as a percentage of gross agricultural output) in 2018 amounted to 0.02%¹⁶. The government plans to bring this figure to 0.5% by 2025. However, middle-income countries with successful agriculture spend 1 percent of their gross agricultural output on agricultural research, while high-income countries spend an average of 2.5 percent. Increasing government expenditure on agricultural scientific research will play an important role in the development of agriculture and the competitiveness of domestic producers after WTO membership. At this point, it should be noted that the qualifications of the personnel developing in the field of

¹⁴ Resolution No. 235 of the Cabinet of Ministers of the Republic of Uzbekistan dated August 18, 2014 "On improving the system for determining the normative value of agricultural arable land" // <https://lex.uz/docs/2448660>

¹⁵ Decree of the President of the Republic of Uzbekistan dated October 23, 2019 No. PF-5853 "On approval of the strategy of agricultural development of the Republic of Uzbekistan for 2020-2030" // <https://lex.uz/docs/-4567334>

¹⁶ Decree of the President of the Republic of Uzbekistan dated October 23, 2019 No. PF-5853 "On approval of the strategy of agricultural development of the Republic of Uzbekistan for 2020-2030" // <https://lex.uz/docs/-4567334>

agricultural specialization in the country today are not sufficient. For this reason, the country's higher education institutions should start training personnel in cooperation with foreign HEIs that are in the TOP-500.

Opportunities for WTO membership with “developing” country status

There are no definitions of “developed” and “developing” countries in the WTO. Member countries self-declare whether they are “developed” or “developing” countries. However, other member countries may object to a candidate country's decision to use the rules available to developing countries. WTO defines de minimis as the “minimal amounts of domestic support that are allowed even though they distort trade (Table 5).

Table 5

The status of “developed” and “developing” countries in the WTO¹⁷

“Developed” country	“Developing” country
“De minimis” - 5 %.	“De minimis” - 10 %.
Development Box is not available.	Development Box is available.
A shorter period is given for the implementation of agreements and obligations.	Longer periods are given for the implementation of transactions and obligations.
There are no such rules for “developed” countries.	There are rules that require all WTO member countries to protect the trade interests of developing countries.
No help is provided.	Support is provided for the implementation of WTO terms, dispute resolution and the introduction of technical standards.

Uzbekistan should announce its membership of the organization with the status of a “developing” country and prove it to other member countries that have objected to it. This process is highly dependent on the skill of the negotiating team. In this case, the term low-income or resource-limited domestic producers should be included in the legislation. Because it is important to use the “Development Box” within the framework of the WTO.

It is possible to see the conditions under which WTO members from the CIS countries became members of this organization. Of the 8 CIS countries that

¹⁷ Developed by the authors based on wto.org information

are members of the WTO, Armenia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan and Ukraine, only Tajikistan became a member of the organization, having the opportunity to apply de minimis in the amount of 10%. Kazakhstan became a member with the possibility of applying de minimis of 8.5%, while all other members joined with a de minimis level of 5% (Table 6).

Table 6

Domestic obligations of countries to support agriculture after accession to the WTO ¹⁸

Country	Currency	General support			De minimis, %
		Initial AMS	Transit period	Final AMS	
Armenia	US dollar	0	-	0	5
Georgia	Georgian lari	0	-	0	5
Kazakhstan	Kazakh tenge	0	-	0	8,5
Kyrgyzstan	Kyrgyz soum	0	-	0	5
Moldova	SDR (million)	15,9	2001-2004	12.8	5
Russia	US dollar (billion)	9	2012-2018	4.4	5
Tajikistan	US dollar (million)	182,7	-	182.7	10
Ukraine	Ukrainian hryvnia (million)	3043	-	3043	5

Among the above countries, it can be said that only Tajikistan became a member with good internal support conditions for agriculture, despite the fact that this country did not have a transition period. Uzbekistan should also become a member of the WTO, first of all, assuming the conditions of a developing country.

WTO rules on agriculture can be divided into four main types. They are market access, support for domestic manufacturers, export regulations and other rules. We have presented the main results in Table 7, having studied the main agricultural regulations of the WTO and the laws regulating agriculture in Uzbekistan.

¹⁸ Supporting tables for commitments on agricultural subsidization // https://www.wto.org/english/tratop_e/agric_e/supporting_tables_e.htm

Table 7

**Conformity of the agricultural regulations of the Republic of
Uzbekistan with the agricultural regulations of the WTO ¹⁹**

1. Market access	2. Support for domestic manufacturers
<p>A) The average tariff for agriculture was 11.2% (The import tariff should be reduced).</p> <p>B) The country uses the Special Safeguard, special treatment measures (The use of these should be stopped during the WTO membership process).</p> <p>C) The country has the possibility to use the tariff quota. Tariff quotas should be cancelled.</p> <p>D) The share of foreign products in domestic consumption of agricultural products in the country is more than 5%. Uzbekistan is fully appropriate to this rule.</p> <p>E) Privileges are granted to certain legal entities or individuals when importing products. (According to WTO rules Uzbekistan should completely abandon these privileges).</p> <p>In general, these types of rules must be fully adapted to WTO rules.</p>	<p>A) Green Box subsidies cover government services such as research, disease management, infrastructure, and food security. Very few funds are allocated in the country within the framework of "Green Box". However, there is no limit to the allocation of funds within this box. This box is very huge opportunity for Uzbekistan.</p> <p>B) The WTO defines the Blue Box as the "amber box with conditions", which are intended to reduce distortion. Almost no funds are allocated within the Blue Box. The country can use from this box after joining to WTO.</p> <p>C) Governments can use from "Development Box" to support low-income or resource-limited domestic producers. So, the term low-income or resource-limited domestic producers should be included in the legislation.</p> <p>D) "Amber box" are those subsidies that can distort international trade. Within the framework of the "Amber box" funds are allocated much more than the requirements of the WTO.</p> <p>In general, the rules for supporting domestic producers should be completely revised. Today there are more than 16 decrees and regulations.</p>
3. Export regulations	Other rules
<p>A) The Export Promotion Agency provides a number of financial assistance to exporting enterprises. For example, up to 50% of transportation costs are covered by the agency. In addition, when international standard certificates are introduced, their fees are also covered by the agency.</p> <p>B) In addition, if preferential treatment is given to domestic producers, this is a subsidy even if</p>	<p>A) National food standards should be aligned with relevant WTO food standards. Many active chemical fertilizers and pesticides used in the country's agriculture are banned substances in the European Union and many WTO member countries. This situation shows that there are serious problems in the implementation of the unified state policy and control in the fields of plant quarantine, protection and agrochemistry,</p>

¹⁹ Developed by the authors

these products are exported. In general, these types of rules must be fully adapted to WTO rules.	and these problems should be eliminated during the WTO membership process. B) Some agricultural products (such as meat, grain, flour) are exported based on the decision of the President of the Republic of Uzbekistan or the Government of the Republic of Uzbekistan. It is against to WTO rules. In general, all the rules of the country must be fully adapted to WTO rules.
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In the process of becoming a member of the WTO, agricultural laws must be adapted to the provisions of the WTO law. In the process of the analysis, the extent to which the provisions of the WTO law and national laws are compatible with each other has been studied.

We have presented the main results in Table 8, having studied strengths, weaknesses, opportunities and threats of agriculture sector in the process of joining to WTO.

Table 8

SWOT analysis of Uzbekistan's agriculture sector in the process of joining to WTO²⁰

Strengths	Weaknesses
1. Diverse agricultural production. 2. Favorable climate for year-round production 3. Government reforms. 4. Growing export potential. 5. Traditional farming practices. 6. Growing organic agriculture. 7. High agricultural potential. 8. Strong cotton production. 9. Increasing investment in agribusiness. 10. Favorable government policies. 11. Skilled and low-cost labor.	1) Limited diversification. 2) Lack of modernization. 3) Water scarcity and inefficient irrigation. 4) Inefficient land use and management. 5) Limited access to credit and financing. 6) Poor infrastructure and logistics. 7) Vulnerability to climate change. 8) Limited value addition and processing. 9) Lack of modern agricultural techniques and technology. 10) Lack of agricultural education and research. 11) Inadequate storage and processing facilities. 12) Limited market access and poor trade infrastructure.

²⁰ Developed by authors

Opportunities	Threats
<ol style="list-style-type: none">1. Technology transfer.2. Diversification of exports.3. Partnerships and collaborations.4. Economic growth.5. Increased foreign direct investment.6. Development of value-added industries.7. Trade facilitation development.8) Increased market access.9) Access to international standards.10) Improved infrastructure.11) Enhanced agricultural productivity.	<ol style="list-style-type: none">1. Unfair competition from heavily subsidized producers.2. Processing and value addition challenges.3. Dependence on imported inputs.4. Displacement of domestic producers.5. Regulatory challenges.6. Price volatility.7. Non-tariff barriers.8. Limited bargaining power.9. Decreasing government support.10. Environmental concerns.11. Displacement of small-scale farmers.

Conclusion

Uzbekistan's WTO membership opens up both opportunities and challenges for its agricultural sector. Increased access to international markets and the potential for technology transfer and infrastructure investment are significant benefits that can lead to economic growth and diversification. However, the sector also faces threats such as market fluctuations, displacement of domestic producers and regulatory problems.

In general, Uzbekistan's membership in the WTO has both positive and negative consequences for the country's agriculture. In addition, efforts to increase the competitiveness of producers in the country should begin now. As the most important aspect, we can mention the issue of increasing government spending on agricultural research. In the process of joining the WTO, the country should protect its interests as much as possible. To do this, first of all, it is necessary to become a WTO member with the status of a “developing” country. This allows government to support domestic producers even after joining.

It will be extremely important for Uzbekistan to carefully cope with these challenges and use its strengths to ensure the sustainable development of its agricultural sector within the framework of WTO membership.

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1) Law of the Republic of Uzbekistan dated May 26, 2000 No. 77-II "On Additions and Amendments to the Law of the Republic of Uzbekistan on Foreign Economic Activity of the Republic of Uzbekistan"// <https://lex.uz/docs/67345>

- 2) Law of the Republic of Uzbekistan dated January 1, 2003 No. 554-II “About protective measures, anti-dumping and countervailing duties”// <https://lex.uz/uz/docs/-62843>
- 3) Law of the Republic of Uzbekistan dated August 26, 2004 No. 658-II “About export control” // <https://lex.uz/uz/docs/-262949>
- 4) Law of the Republic of Uzbekistan dated May 26, 2000 No. 77-II "On Additions and Amendments to the Law of the Republic of Uzbekistan on Foreign Economic Activity of the Republic of Uzbekistan"// <https://lex.uz/docs/67345>
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