International Journal of Trend in Scientific Research and Development (IJTSRD)
Special Issue on Integrated Innovation on Technical Science and Economic Development
Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470

Improvement of Exports, Imports and Trade Balance in Market Economy

Abdurasulova Manzura Abdushukur Qizi, Kuzieva Fotima Javlon Qizi

Student of Tashkent State University of Economics, Tashkent, Uzbekistan

ABSTRACT
This article discusses how imports and exports affect the trade balance. The article provides information on the advantages and disadvantages of exports and imports, as well as the mistakes made in this process. And, of course, the article considers the state of the trade balance of imports and exports in some countries.

KEYWORDS: *Exports index, imported goods, impress Gdp, exchange, trade balance.*

INTRODUCTION

Nowadays, the import of goods or services is one of the most common methods of legal activity. Exports, along with imports, form the basis of economic relations in the world market. Exported goods need to be optimized for sale in other countries, but at the same time exported goods are optimized in the domestic market.

Export means the export of goods belonging to a particular property. Export means the sale of goods and services to foreign counterparties for use abroad. Accordingly, the supply of goods and services from foreign counterparties is called. Foreign economic activity, import and export, is carried out both by the state and its economic entities[1].

Export of services - the return of production or household services to foreign partners. Capital export is an investment to organize domestic production abroad. The material basis of exports is income, resulting in the international division of labor. Revenue is a source of payment for imports. Exports are divided into the following types:

- export of processed and returned goods (raw materials or semi-finished products);
- temporary exports (fairs, auctions). This means the return of the goods;
- delivery of goods within the company;
- re-export - the export of previously exported goods, unless additional exports;
- export of goods sold at auction.

The country's export index is the country's foreign trade balance, which reflects the difference between export and import figures. The structure of exports of material goods produced in the country depends on the specifics of the national economy and its role in the international division of labor[3]. While industrialized countries, especially machinery and technology, are exported to industrialized countries, raw materials and food play a major role in the exports of countries with backward agrarian economies. In the exports of countries where individual farms are dominant, 1-2 types of goods play a key role.

Revenues from freight, brokerage, tourism, science and technology, and other services make up invisible exports, and their importance is growing in many developed economies. Restrictions on exports are often politically motivated by embargoes on trade with certain countries. Exports of certain goods are sometimes restricted for economic or environmental reasons (the importance of the product to the country's economy, the conservation of endangered species of animals or plants, the preservation of national cultural heritage, etc.).

In accordance with the Customs Code of the Republic of Uzbekistan, the export of goods is excluded from the customs territory of the Republic of Uzbekistan under the customs regime, after payment of customs duties, in compliance with economic policy measures and other requirements of the legislation. The concept of import means the import of goods or services, as well as the results of intellectual activity without the obligation to re-export them[6].

There is also something like re-import. Re-export is the import of goods that were previously exported but not processed. The importing country is the country that supplies the goods. However, some imported goods can be optimized for sale in the domestic market.

Imports are divided into:

- imports for consumer and industrial goods;
- import of intermediate goods and services.

Foreign companies observe that imported goods are of higher quality and lower prices than domestic goods. Another characteristic of foreign companies is the desire to bring into the country goods that are not produced in the country for any reason or whose production is limited. Currently, importers are divided into the following types [4]:

- importers looking for products in the world to import and sell in the domestic market;
- importers looking for external suppliers with the most attractive prices;
- importers using foreign suppliers.

Indicators of state participation in foreign trade are exports and export quotas - the ratio of exports of goods and services to GDP. Its economic meaning is clear: how much of the gross domestic product is exported. Similarly, the import quota is defined as the ratio of imports of goods and services to GDP. Its meaning is to show the share of imported goods in domestic consumption.

Thus, the above quotas reflect the share of exports and imports in the economic activity of the country. In addition to the absolute value, the priority donor or recipient of the state's foreign economic activity is characterized by another indicator - the foreign trade balance [2].

This is the difference between the country's total exports and imports. The composition of the country's imports indicates a lack of advantages in the production of goods and services. Exports, on the other hand, are reflected when the production of goods and services included in it is economical and promising.

Often, the state bears the cost of stimulating its exports. Many countries enjoy tax breaks for exporting businesses, such as VAT refunds. Traditionally, the most important export subsidies for agricultural products. Developed countries only help their farmers by guaranteeing the purchase of all agricultural products. Its next export is already a state problem [2].

In addition, export incentives will also lead to an increase in imports. Here the engine is the exchange rate. Export subsidies increase the national exchange rate, making it more profitable to buy imports accordingly. Risks of Exporting there are risks in relying on the export option. If you merely export to a country, the distributor or buyer might switch to or at least threaten to switch to a cheaper supplier in order to get a better price.

Or someone might start making the product locally and take the market from you.[1] Local customers may also feel that a business that only exports to them isn't as dedicated to delivering long-term service and support after a transaction is completed. As a result, they may choose to purchase from someone who manufactures directly in the country. Many businesses begin to rethink getting a local presence at this stage, leading them to pursue one of the other entry options [5].

Importing and exporting require much documentation (i.e., filing official forms) to satisfy the regulations of countries. The value of the documentation is that it enables trade between entities who don't know each other. The parties are able to trust each other because the documentation provides a common framework and process to ensure that each party will do what they say in the import/export transaction.

Import and export transactions necessitate various types of paperwork. The bill of lading is a contract between an exporter and a carrier (such as UPS or FedEx) that authorizes the carrier to transport the goods to the buyer's place. The bill of lading serves as evidence that the shipping was completed and that the goods were delivered.

The bill for goods delivered from the exporter to the importer or customer is known as a commercial or customs invoice. Exporters send invoices to collect payment, and governments use these invoices to figure out how much the goods are worth for customs purposes[7].

The trade balance is the difference between exports and imports. Import price includes insurance, value and freight. Imports are an important topic of government regulation. Such regulation is carried out by the following means:

- functions;
- quotas;
- minimum import price;
- obstacles and so on.

Sometimes countries impose restrictions on imports, often for protectionist purposes. Import regulation depends on what goals the state pursues.[3] At present, exports and imports are an integral part of the world market for goods and services. However, not all countries have high levels of exports and imports.

For example, Russia faces some problems in exports and imports. At present, Russia's foreign trade turnover decreased by 7.0%. This decline was caused not only by the sanctions imposed on our country, but also by the crisis in Ukraine. If the situation in Ukraine does not worsen and new sanctions are imposed that will affect Russia's economic development, this stagnation is temporary. The main partners in import-export relations are neighboring countries.

The main goods for export in Russia are fuel and energy products, chemical industry and metals. The main imported goods are the chemical industry and machinery. In addition to Russia, import-export relations are declining in Turkey, India and Cyprus. These countries are of strategic importance to Russia.

The world economy allows us to develop specialization in the production of economically efficient and subsequently exported goods and services. In this case, we are talking about the relative advantages of countries that allow the production of certain types of goods in greater volume and quality.

Such countries, which have foreign exchange earnings from exports, are able to replace the most expensive production with imports from other countries. As a result, the total cost of production in the world economy is reduced. This is the positive constructive role of international trade for the dynamic development, and the country's exports and imports will serve the more harmonious and rapid development of the country. The world economy allows us to develop specialization in the production of economically efficient and subsequently exported goods and services[8].

In this case, we are talking about the relative advantages of countries that allow the production of certain types of goods in greater volume and quality. Such countries, which have foreign exchange earnings from exports, are able to replace the most expensive production with imports from other countries [10]. As a result, the total cost of production in the world economy is reduced. This is the positive constructive role of international trade for the dynamic development, and the country's exports and imports will serve the more harmonious and rapid development of the country.

References:

[1] Law of the Republic of Uzbekistan No. ZRU-370 "On Joint Stock Companies and Protection of Shareholders' Rights". Source: www.lex.uz

[2] Law of the Republic of Uzbekistan No. 310-II "On Limited Liability and Additional Liability Companies". Tashkent, December 6, 2001.

[3] Decree of the President of the Republic of Uzbekistan "On measures to further radically improve the business environment and give greater freedom to entrepreneurship" Tashkent, July 18, 2012, No. PD-4455. source: www.lex.uz

[4] "Rules for filling out financial reporting forms", registered by the Ministry of Justice of the Republic of Uzbekistan on 24.01.2003 No 1209. Source: www.lex.uz

[5] Karimov, A.A., et al. Accounting: A Textbook for University Students / Authors: A.A. Karimov, F.R. Islomov. A.Z. Avloqulov. - T .: «Sharq», 2004.

[6] Practical manual for accountants: two volumes / EF Gadoev (et al.) .- Tashkent: "NORMA", 2010 - 344 p.

[7] Gulomova F.G., Fayzieva U.T. A Guide to Independent Study of Accounting. - Tashkent: "Norma", 2012. - 528 p.

[8] Umarova M., Eshboev O., Ahmadjonov K. Accounting. Textbook. T., UAJBNT Center. -2004 - 352 p.

[9] Ermatov A.A. Proceedings of the international conference "Actual problems of the introduction of innovative techniques and technologies at enterprises for the production of building materials, chemical industry and related industries." - Fergana, 2019.73-75 p.

[10] Ermatov A.A. Accounting for dividends and issues of its improvement // Accounting: achievements and scientific prospects of the XXI century. Materials of the International Scientific and Practical Conference - Yaroslavl-Moscow: Chancellor, 2019. ISBN 978-5-91730-918-7. 251-256 p.