

WAYS TO INCREASE NATIONAL EXPORT COMPETITIVENESS IN THE DEVELOPMENT OF FOREIGN TRADE (ON THE EXAMPLE OF AGRICULTURAL PRODUCTS)

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Abstract. Uzbekistan's agricultural sector holds significant potential in driving national economic development through increased foreign trade. However, challenges such as outdated infrastructure, limited product diversification, and restricted access to global markets continue to hinder export competitiveness. This article explores the current state of Uzbekistan's agricultural exports and proposes practical strategies for enhancing competitiveness. Emphasis is placed on technological modernization, quality improvements, trade agreements, financing tools, and human capital development. Strengthening these areas will not only diversify Uzbekistan's export structure but also ensure its sustainable integration into the global economy.

Keywords: Trade policy, market access, product diversification, infrastructure development, quality standards, export financing, agricultural modernization, economic growth, agricultural exports, foreign trade, export competitiveness.

Introduction.

As a key sector in Uzbekistan's economy, agriculture contributes significantly to employment, food security, and rural development. In recent years, the government has prioritized the expansion of agricultural exports to boost economic growth and reduce dependency on raw material exports, such as cotton and natural gas. Despite these efforts, Uzbekistan still faces multiple obstacles in realizing its full export potential. This article analyzes the major factors affecting the export competitiveness of agricultural products and identifies effective policy measures that could increase Uzbekistan's presence in international markets.

Literature Review

The literature on Uzbekistan's agricultural export competitiveness identifies several recurring themes:

Export Growth & Volume Trends

Recent reports show that Uzbekistan exported over 2 million tons of fruits and vegetables in 2024, valued at USD 1.5 billion.

Between January and July 2025, the volume for fruits and vegetables exports reached about 1.3 million tons, generating over USD 1 billion, marking substantial growth over the same period in 2024.

Diversification of Markets

While Uzbekistan has expanded its list of export destinations (from about 68 countries in 2019 to 73 countries by 2024), much of the export volume remains concentrated in a few key markets. In particular, the top five importers still receive a large share of exports.

Challenges in Quality, Processing, and Infrastructure

Studies note that despite production growth, there are constraints: post-harvest losses, insufficient cold-chain logistics, variable compliance with international quality and phytosanitary standards, limited processing and value-addition (dried fruits, packaged goods), and infrastructure deficiencies (storage, transport).

The International Trade Council

Policy Measures and Strategic Plans

Government strategy documents (e.g. Agriculture Development Strategy 2020-2030), recent decrees, export incentive policies, subsidies, support for small farmers, investments in agro-logistics centers, and commitments to increase exports of agricultural products to USD 3.5 billion have been highlighted.

Research methodology.

Methods such as comparative analysis, systematic approach, and analysis were used during the research.

Analysis and discussion of results.

Based on the most recent data:

Export Volume & Value Growth

In 2024, Uzbekistan exported more than 2 million tons of fruits and vegetables valued at USD 1.5 billion.

From January to July 2025, roughly 1.3 million tons of fruits and vegetables were exported, generating over USD 1 billion, signifying a strong continuation of growth.

Market Diversification

Uzbekistan extended its export destination list from ~68 countries in 2019 to ~73 by 2024.

However, market concentration remains: the top five importing countries (Russia, Pakistan, Kazakhstan, China, Afghanistan) account for approximately 70-80% of export volume. For example, in 2024, Russia alone imported ~815,100 tons (~USD 632.9 million) of Uzbek fruits and vegetables.

Challenges

Some products have seen declining export value: peppers and cucumbers dropped in certain periods.

Infrastructure gaps remain: cold storage, transportation, packaging in “modern packaging,” and agro-logistics centers are still underdeveloped, though steps are being taken to address these.

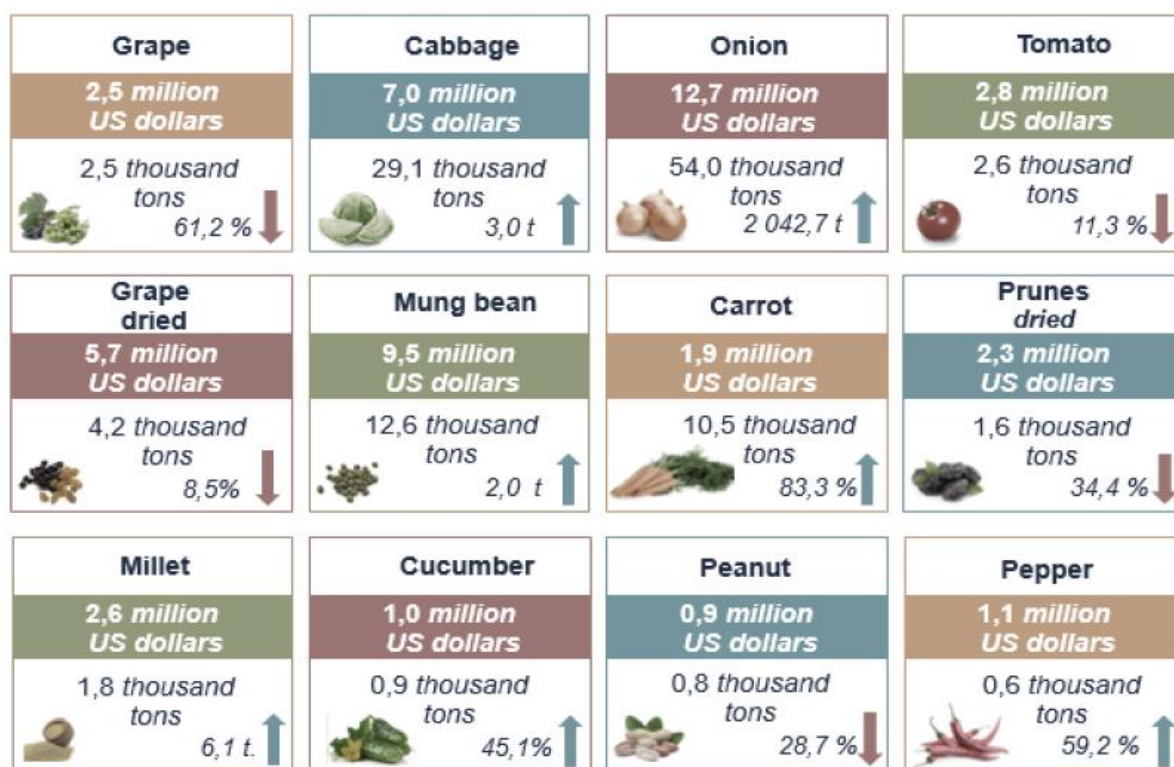
Invest Uzbekistan

Policy Interventions

Decrees have been issued to reach USD 3.5 billion in agricultural products exports, with significant emphasis on fruits, vegetables, and “modern packaging.”

Financial tools: ~\$310 million allocated to banks for investment and export expansion. Programmatic support for >2,300 enterprises exporting agricultural products.

Small-farmer support, improving seed quality, introducing greenhouse infrastructure, and compliance with export quality standards are part of recent strategies.



Picture 1. Exports of fruits and vegetables products (for January 2024, growth rate from value expression)¹

Due to the fact that the state pays great attention to the development of agriculture and horticulture, the quality and volumes of exported products are increasing from year to year. In particular, in January 2024, 146.3 thousand tons of fruits and vegetables were exported, and, compared to the same period in 2023, this figure increased by 2.2 times, or by 78.8 thousand tons.

The main export markets for fruits and vegetables were Russia (27.2%), Pakistan (21.2%), China (13.4%) and Kazakhstan (9.2%).

The volume of exports of fruits and vegetables during the period under review amounted to 75.4 million US dollars (the rate of increase, compared to the same period in 2023, amounted to 29.3%). In total exports amounted to 6.8%.

From the data and literature, the following conclusions emerge:

Uzbekistan's agricultural exports (fruits and vegetables) are growing in both volume and value, with consistent year-on-year increases.

¹ Foreign trade turnover of the Republic of Uzbekistan. Preliminary data for January 2024.

Market diversification is improving, both in terms of number of destination countries and slightly reduced dependence on a few importing countries, though concentration remains high.

Policy measures have been implemented to push for higher export targets (e.g. USD 3.5 billion), improve packaging, support small farmers, invest in agro-logistics, and enhance compliance with quality standards.

Yet, challenges persist: infrastructure (storage, transport, logistics), ensuring consistent quality, value addition (processing), and more equitable access to export benefits for smaller producers.

Recommendations

Based on the analysis, the following recommendations are proposed to further increase export competitiveness in Uzbekistan's agricultural sector:

Enhance Infrastructure & Cold Chain Logistics

Expand the establishment of agro-logistics centers, cold-storage facilities, and post-harvest handling capacity. Improve rural road networks to connect production areas with processing and export hubs.

Promote Value-Added Processing

Support industries that can produce dried fruits, juices, packaged products, and organic foods to capture higher margins. Encourage investment in processing machines and technology, possibly via tax-incentives or subsidized loans.

Strengthen Quality Control & Certification

Establish more accredited testing and certification labs. Implement training programs for farmers and exporters in global phytosanitary, food safety, and quality standards (e.g. EU, ASEAN, Middle East).

Diversify Export Destinations

Negotiate trade agreements or preferential access with new markets beyond traditional ones (Russia, CIS). Facilitate participation in trade fairs and export promotion missions, especially in the Middle East, East Asia, and EU, to build new buyer relationships.

Support Small and Medium Producers

Provide financial instruments (low-interest loans, grants, subsidies) to small-scale farmers to enable them to upgrade their practices, adopt modern packaging, access certification. Organize cooperatives or export clusters to achieve economies of scale in packaging, marketing, shipping.

Policy & Institutional Reforms

Streamline export procedures and reduce bureaucratic hurdles (customs, certification, inspection). Ensure timely implementation of export support decrees and monitor outcomes. Improve data collection and transparency around export performance to inform evidence-based policy.

Capacity Building & Training

Invest in agricultural education (vocational and higher education) focused on agribusiness, export requirements, value chain management. Provide extension services to farmers on modern cultivation, post-harvest handling, packaging, and market trends.

Monitoring & Evaluation Framework

Establish indicators to monitor progress toward export value and volume targets. Use feedback mechanisms with exporters and farmers to detect bottlenecks

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