



## Forecasting the prospects for the accession of the Republic of Uzbekistan to the Eurasian Economic Union

**Kh.R.Nuriddinova,  
S.A.Kamalov,  
M.Zh.Khalimov**

**ABSTRACT**

Today, the Republic of Uzbekistan is negotiating cooperation with the Eurasian Economic Union (EAEU). The steps taken make us think about the feasibility of such decisions within the framework of the economic situation in the country. In addition, the factors influencing the decision-making regarding accession to the EAEU have been analyzed .

**Keywords:**

Republic of Uzbekistan, Eurasian Economic Union (EAEU), trade relations, economy, World Trade Organization (WTO), forecasting tube, factors, forecasting

At present, the role of any state in the system of international relations, both political and economic, is of great importance for this country, no matter how developed its national economy may be. It is true that the further development of the country's economy is closely related to its place in trade in goods and services, the movement of capital and foreign investment, labor migration, monetary and financial relations and economic integration in the international arena.

According to the version of the well-known weekly economic magazine The Economist on December 19, 2019, the Republic of Uzbekistan became the country of the year, overtaking countries such as New Zealand and China. In view of the reforms of recent years and changes in the root of both domestic and foreign economic and trade policy, the Republic of Uzbekistan is beginning to transform for the better: the investment climate is improving, relations with foreign partners are strengthening, and the standard of living of the population is improving. Consequently, the question of the country's role in the integration processes taking place on the world stage is acute.

The main goal for any state in participating in the development of the international economy is the aggregate potential of the world community, to which the country will have access and which will be able to use for the development of its national economic potential.

Consequently, the country will only seek to build up international economic relations through the establishment of trade, investment, migration relations with other countries, as well as through the improvement of existing relations. Moreover, in today's world, for a more productive dialogue between countries, it is necessary to participate in international integration associations and international organizations that create platforms for discussing the most pressing economic issues and developing so-called "rules of conduct" that are mandatory for all participants. But before reaching the international level, a country with an economy in transition should sufficiently prepare national economies and markets to avoid becoming import-dependent.

To date, the Republic of Uzbekistan is negotiating cooperation with the Eurasian

Economic Union. In parallel, negotiations are underway on the state's accession to the World Trade Organization. The steps taken make us think about the feasibility of such decisions within the framework of the economic situation in the country.

In this regard, in the current integration conditions, there is a need for a comprehensive assessment of the consequences of a sharp change in the course of foreign economic and trade relations, primarily with countries close in history and geographical location. Based on this, the question of the EAEU or the WTO is raised?

Experts have different approaches to the question of the relationship between these two systems: whether they are in the same hierarchy or whether they are two different systems. On the one hand, the provisions of the Treaty of 19.05.2011 "On the functioning of the Customs Union within the framework of the multilateral trading system", which is an annex to the EurAsEC Treaty of May 29, 2014, establish that the WTO Agreement is an integral part of the Eurasian system<sup>1</sup>

However, in practice, many questions arise, the answers to which are not given in the texts of treaties and their annexes. Taking into account the youth of this regional association, not all the pitfalls have yet been studied.

Consider the forecasting tube when Uzbekistan joins the EAEU:

**Object:** Economy of the Republic of Uzbekistan

**The principle of the goal:** to find out what positive and negative consequences the country may face as a result of joining the EAEU.

**Classification:**

1. Economic factors;
2. Political factors;
3. Social factors;

**Information unity:** obligations on membership in the EAEU.

**Coordination of criteria:** customs duties, the level of competitiveness of national producers, the policy of other EAEU members, trade wars, etc.

**Factors in the context of directions:**

**Economic:**

1. Level of customs duties;
2. Competitiveness of national producers;
3. Investment attractiveness;
4. Exchange rate of sum to euro / to dollar;
5. Income level of the population;
6. Epidemiological situation;
7. Inflation rate;
8. Migration status;
9. Conditions for Uzbekistan's accession to the EAEU;

**Political:**

1. China's reaction to joining the EAEU;
2. Populism;
3. Trade wars;
4. Shifting emphasis from international to regional associations;
5. The level of stability of the political system;
6. Informing and working with the population and about the riots;
7. Collapse amount;
8. Lobbying for withdrawal from the EAEU;
9. The reaction of all countries to the decision to join the EAEU;

**Social:**

1. Demographic situation;
2. Gini coefficient;
3. TEACHING STAFF;
4. Level of awareness of the manufacturer;
5. The level of competence of service providers;
6. Population density;
7. World trends;
8. The reaction of the population to changes within the market;

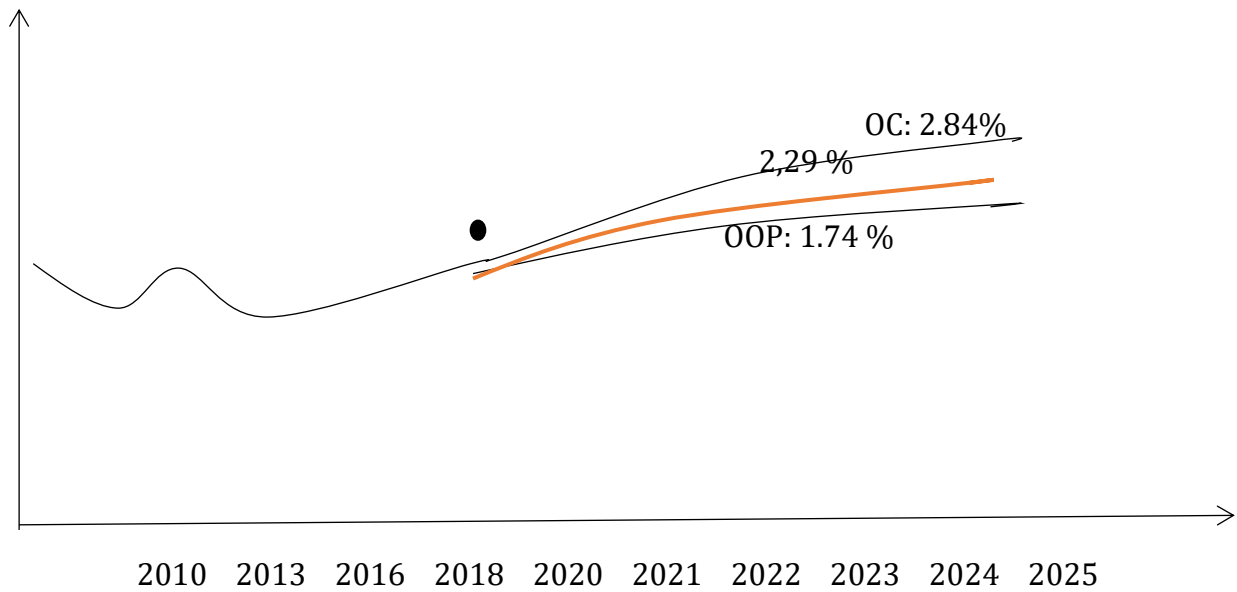
<sup>1</sup> The EAEU and the WTO: Problematic Coexistence. A. Makarova. Article. Information portal Law.

[https://zakon.ru/blog/2017/7/25/eaes\\_i\\_vto\\_problematichnoe\\_sosuschestvovanie](https://zakon.ru/blog/2017/7/25/eaes_i_vto_problematichnoe_sosuschestvovanie)

Type of factors	Factor	-5	-4	-3	-2	-1	1	2	3	4	5
<b>Economic</b>  <b>Negative arithmetic mean - 3.52</b>  <b>The average arithmetic positive +3.62</b>	Global financial or economic crisis			-3.4							
	Negative consequences of partners as a result of trade wars			-3							
	Strengthening the role of the WTO in the world trade system			-3							
	Decline in the exchange rate of the sum against the dollar and against the euro			-3.1							
	Reduced availability of goods		-4.2								
	Reducing the competitiveness of national producers		-4								
	Reduced revenues of buyers		-4								
	Poor adaptation to change				-2.6						
	Infrastructure development									+4	
	Increase the level of income of buyers								+3		
	Increasing the competitiveness of national producers										+5
	No additional costs for importing goods							+2			
	Entry on favorable terms										+5
	Low inflation								+3		
	Low level of costs for the production of goods							+2.7			
Subsidies to enterprises engaged in a suffering industry										+5	
<b>Political</b>	Lack of legal regulation of important changes				-2.6						

<p><b>Negative arithmetic mean - 3.28</b></p> <p><b>Positive arithmetic mean +3.52</b></p>	Unstable domestic political situation		-4						
	Lack of measures to adapt the market		-4						
	Low level of law enforcement			-3					
	Corruption				-2.8				
	Timely ratification						+3		
	Activist organizations and campaigns							+4	
	International fragmentation						+2		
	Promoting competitiveness								+5
	Increase in the number of public officials satisfied with accession						+3		
	<p><b>Social Negative arithmetic mean - 3.15</b></p> <p><b>Positive arithmetic mean 3.54</b></p>	Reduced population density			-3				
Rising levels of discontent			-4						
Low level of education of manufacturers					-2.6				
Low degree of urbanization				-3					
Raising awareness							+2		
Growth of macro indicators									+5
Growth in demand for domestic products								+4	
Work of the state with the private sector									+5
Dissemination of news about the positive effects of accession									+5

**Tube of forecasting the average annual growth rates of the economy of the Republic of Uzbekistan due to accession to the EAEU**



Years	A.O.	O.P.	Real forecast
2021	2,54 %	1,32 %	2,12 %
2022	3,01 %	2,1 %	2,51 %
2023	2,89 %	1,94 %	2,87 %
2024	2,64 %	1,84 %	2,45 %
2025	2,96 %	1,95 %	2,41 %
Average.	2,84 %	1,74 %	2,29 %

As we can see from the model, when the country joins the EAEU, the national economy will grow in any case, since Uzbekistan will enter with a transition period, which, with a competent approach, will only give impetus to further growth of economic indicators. The only question is how large the growth rate will be.