

EXPORT OF AGRICULTURAL PRODUCTS AND THE EFFECT OF
ATTRACTING FOREIGN INVESTMENTS

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Annotation. This article scientifically analyses the importance and role of foreign investments in the process of exporting agricultural products. The characteristics of agricultural exports, the competitiveness of products in the market, and methods for determining supply and demand are considered. Also, effective methods of attracting foreign investments (direct investments, joint ventures, loans and grants) and export development strategies are presented based on the experience of Uzbekistan and other countries.

Keywords. Agriculture, export, foreign investments, investment attraction, international market, joint venture, financial mechanism, product quality.

**ЭКСПОРТ СЕЛЬСКОХОЗЯЙСТВЕННОЙ ПРОДУКЦИИ И ЭФФЕКТ
ПРИВЛЕЧЕНИЯ ИНОСТРАННЫХ ИНВЕСТИЦИЙ**

Аннотация. В данной статье научно анализируются значение и роль иностранных инвестиций в процессе экспорта сельскохозяйственной продукции. Рассматриваются особенности экспорта сельскохозяйственной продукции, конкурентоспособность продукции на рынке, методы определения спроса и предложения. Также представлены эффективные методы привлечения иностранных инвестиций (прямые инвестиции, совместные предприятия, кредиты и гранты) и стратегии развития экспорта на основе опыта Узбекистана и других стран.

Ключевые слова: Сельское хозяйство, экспорт, иностранные инвестиции, привлечение инвестиций, международный рынок, совместное предприятие, финансовый механизм, качество продукции.

INTRODUCTION. Agriculture is one of the strategic sectors of the country's economy. Export is an important factor in national economic growth, increasing foreign exchange earnings and creating jobs. At the same time, the role of foreign investments in the export of agricultural products is increasing, as they help to increase production capacity, improve quality and modernize the logistics system. Exporting agricultural products differs from exporting other types of products. These are as follows:

1. The perishable nature of products requires improving the transport and storage system.

2. Price sensitivity, that is, high dependence on market supply and demand.
3. The need to comply with international standards, including environmental and quality certificates¹.

Taking the example of Uzbekistan, according to the statistics agency, the total volume of agricultural, forestry and fishery products in 2023 amounted to 426.3 trillion soums. This figure increased by 4.1% compared to 2022. In 2024, the country continued to increase its agricultural exports, strengthening its position in international markets. According to the Statistics Agency, the country exported 169.8 thousand tons of cabbage worth 47.6 million US dollars. The main destinations for cabbage exports were Russia (88.65 thousand tons), Kazakhstan (67.87 thousand tons) and Kyrgyzstan (8.56 thousand tons). The product also found its buyers in Belarus (about 3 thousand tons) and Latvia (1.31 thousand tons). 402 tons were exported to other countries. In addition, cherries made a significant contribution to export statistics. During the same period, Uzbekistan supplied 32.2 thousand tons of this fruit worth 70.3 million US dollars to world markets. Russia is the leader in cherry imports, purchasing more than 25.42 thousand tons of cherries. Kazakhstan imported 3.52 thousand tons, and Kyrgyzstan 2.75 thousand tons².

Foreign investments are effective in developing agricultural exports in several main areas:

- 1) Increasing production capacity: new technologies and machinery are imported through investment.
- 2) Improving product quality: effective use of technologies that meet international standards.
- 3) Modernizing logistics and storage systems: maintaining product quality and expanding export opportunities.
- 4) Increasing export volumes and strengthening competitiveness: creating new product types and introducing alternative investments. Statistical analyses show that export volumes at enterprises that have attracted foreign investments increase by an average of 15–25%, especially for high-value products (fruits and vegetables, organic products)³.

Direct investment (FDI): This is an investment made to acquire a controlling interest in a foreign business entity, which requires the provision of capital in addition to the simple purchase of shares in the company. This type of investment involves a company from one country starting operations in a local area of another country. It also includes the acquisition of assets of an existing foreign business.

Joint ventures: These are business entities established jointly by two or more parties, characterized by common ownership, common profits, common risks, and

¹ Murodov T. Investments and foreign trade. Tashkent: Sharq, 2020.

² State Statistics Committee of the Republic of Uzbekistan. Agricultural Statistics, 2024.

³ Murodov T. Investments and Foreign Trade. Tashkent: Sharq, 2020.

common management. Companies typically form joint ventures for one of four reasons: to enter a new or developing market; to achieve efficiencies by combining assets and operations; to share risks for large investments or projects; or to build skills and capabilities. There are also advantages to forming joint ventures:

1) Local and foreign companies produce together, and technology and management experience are exchanged.

2) Loans and grants: Funds are attracted through international financial institutions (World Bank, Asian Development Bank).

3) Subsidies and incentives: Investments are encouraged through tax and financial incentives provided by the state⁴.

International and local experience.

Vietnam: storage and processing enterprises were established through direct investment (FDI) to develop fruit and vegetable exports.

Poland: used joint ventures and grants to develop organic product exports.

Brazil: increased cotton and grain exports through technological investments.

Uzbekistan: attracting foreign investment to cotton-textile and fruit and vegetable exports helped to significantly increase export volumes. These experiences serve as the basis for developing an effective export strategy for Uzbekistan⁵.

In conclusion, it can be said that foreign investments are an important tool for exporting agricultural products. They greatly help in increasing production capacity, improving product quality, and strengthening the competitiveness of the country in the international market. The experience of Uzbekistan and other countries shows that loans, grants, joint ventures, and preferential taxes are effective mechanisms for attracting foreign investments. The above analysis shows that the correct direction of investments can significantly increase export volumes, especially for high-value and organic products. In the future, for the development of exports, alternative foreign investments should be attracted for strategic diversification, technological modernization, and the production of products that meet international standards.

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⁴ World Bank. *Agricultural Export and Investment*, 2023.

⁵ World Bank Report. *Agricultural Investment Best Practices*, 2021.