



IMPACT OF THE WORLD TRADE ORGANIZATION ON THE NATIONAL ECONOMY.

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Annotation. This scientific article analyzes the impact of the World Trade Organization (WTO) on the national economy using the example of Uzbekistan. The process of joining the WTO creates opportunities for the liberalization of the country's foreign trade relations, strengthening the competitive environment, increasing export potential and attracting international investments. The article covers Uzbekistan's strategy for joining the WTO, the positive and negative aspects of this process, changes in tariff policy, the impact on local producers, and the reforms being carried out based on the experience of China. The analysis shows that WTO membership has a profound impact not only on foreign trade, but also on domestic economic structures. The article substantiates the role of WTO integration as a strategic tool for national economic stability and growth.

Keywords. World Trade Organization, national economy, Uzbekistan, export potential, tariff policy, competitive environment, international trade, investment environment, Chinese experience, economic integration.

In the process of global economic integration, the World Trade Organization (WTO) is one of the most important institutions that regulates trade relations between countries around the world. The main goal of the WTO is to liberalize international trade, create a fair and transparent trading system, resolve trade disputes among its members, and improve the competitive environment. Becoming a member of the WTO is a strategic decision for every country, as it not only increases the volume of foreign trade but also contributes to the reform of the national economy's internal structure, enhances competitiveness, and improves the investment climate.

The Republic of Uzbekistan began the process of joining the WTO in 1994; however, active negotiations in this direction entered a new stage starting from 2022. In the decree signed by President Shavkat Mirziyoyev, titled "On the Development Strategy of New Uzbekistan for 2022–2026," joining the WTO was identified as a separate priority area. Under Goal 97 of the strategy, it is planned to accelerate negotiations on Uzbekistan's accession to the WTO, enhance the capacity of national specialists, and develop legislation in line with international trade rules.

The impact of WTO membership on the national economy is multifaceted, requiring a comprehensive analysis of both its positive and negative aspects. Among the positive effects, the most notable are the increase in export potential, greater openness to foreign markets, growth in international investments, and acceleration of technological exchange. Member states of the WTO gain the opportunity to export their goods to other member countries without customs barriers. This, in turn, opens new markets for domestic producers, increases export volumes, and boosts foreign currency inflows.

Uzbekistan plans to take full advantage of these opportunities by joining the WTO. According to analyses conducted by experts from the Institute for Forecasting and Macroeconomic Research, WTO membership will help Uzbekistan strengthen its economic relations with other countries, increase the volume of trade, enhance external competitiveness, and accelerate the transition to market-oriented relations.

However, there are also potential risks. The reduction of tariffs could make it difficult for weaker sectors of domestic production to withstand competition. Research findings indicate that a decrease in tariffs and domestic prices could increase export attractiveness, leading to a 0.06% rise in export volumes, while domestic goods supply may decrease by 0.03%. Import volumes are projected to increase by 0.06%, while demand for domestic goods may decline by 0.03%. Additionally, due to the reduction in state budget revenues, total savings may decrease by 0.35%.

From this perspective, the economic impact of WTO membership is not limited to foreign trade alone. This process also necessitates the reform of the internal structure of the national economy, the improvement of the competitive environment, the prevention of monopolies, and the establishment of production in line with international standards. In accordance with WTO requirements, national standards will be harmonized with international standards, which will help exporters adapt to the demands of foreign markets. At the same time, the competitive environment will improve, and monopolistic practices will be prevented.

China's experience can serve as an important example in assessing the impact of WTO membership on a national economy. After joining the WTO, China reformed its domestic market, developed competitive industries, and significantly increased its export potential. Uzbekistan is looking to draw from China's experience during its own WTO accession process.

As noted in an article published on the CyberLeninka scientific platform, WTO membership represents a crucial step toward Uzbekistan's integration into the global economy. Through this process, the country will become a full participant in the international trade system, which is of strategic importance for ensuring economic stability and growth.

The World Trade Organization (WTO) is an international institution established in 1995 with the purpose of overseeing global trade regulations, resolving trade disputes, and promoting trade liberalization. It operates as the successor to the GATT (General Agreement on Tariffs and Trade). [4]

The main tasks of the WTO include reducing tariff and non-tariff barriers among member countries, making trade policies predictable and transparent, and improving dispute resolution mechanisms. Through these functions, the WTO influences national economies in both positive and negative ways. Below, we will analyze these mechanisms with empirical examples.

First and foremost, WTO membership and trade liberalization directly affect a national economy through increased trade flows.

Research shows that GATT/WTO membership significantly boosts trade between countries. For instance, one study found that joining GATT/WTO increased total trade between member states by an average of 171%, while trade between member and non-member states rose by approximately 88%. [5]

This growth provides substantial benefits, especially for countries focused on production and export expansion.

Furthermore, the WTO's influence on economic growth has been studied extensively. According to the World Economic Forum's 2024 article, "Five Findings from the WTO's World Trade Report," between 1995 and 2023, low- and middle-income countries experienced nearly a threefold increase in real per capita income, with roughly one-third of this growth attributed to trade openness and WTO membership. [6]

This suggests that WTO integration plays a vital role in reducing economic disparities between nations.

However, trade openness and WTO membership do more than just increase trade volumes—they also drive structural transformations within national economies.

By joining the WTO, countries are required to lower tariffs, making imports cheaper and opening domestic markets to foreign goods.

While this puts competitive pressure on domestic producers, it also forces inefficient enterprises out of the market and reallocates resources to more productive sectors, a process often referred to as "creative destruction."

For example, lower costs of importing capital goods and intermediate products give local manufacturers the opportunity to modernize production tools, ultimately boosting industrial efficiency.

In conclusion, Uzbekistan's WTO membership represents a critical strategic milestone for its national economy.

The success of this process depends on consistent state policies, deep economic reforms, and the competitiveness of local producers.

Through WTO accession, Uzbekistan will integrate into the international trade system, accelerating economic growth, investment activity, export potential, and technological advancement.

However, this process must be carefully managed to maintain domestic economic balance, protect vulnerable sectors, and ensure social stability.

In the long term, WTO membership has the potential to transform Uzbekistan into a regional economic leader, strengthening its position in the global market.

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