

## THE IMPORTANCE OF MARKETING IN SUPPORTING EXPORT ACTIVITIES OF SMALL BUSINESSES AND PRIVATE ENTREPRENEURS IN UZBEKISTAN.

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### **Abstract**

*This article is about the main financial indicators of small business and private entrepreneurship in Uzbekistan in 2023, the export potential of business entities, the issue of export development, the main indicators of small business in January-March 2023, the implementation of strategic marketing activities Analytical information about the conditions, proposals and recommendations for the use of marketing strategy in the development of export of small business and private business entities is highlighted.*

### **Key words**

*transport communication, small business and private business entities, business environment, strategic marketing, bench marketing, tolling, internet marketing.*

Today, the issue of export development is of urgent importance. In this sense, increasing the volume of exports and expanding its geography are the main goals of the ongoing reforms. At the moment, enterprises producing goods abroad are being assisted in reducing production costs. After all, introducing the manufacturers to the changes in the foreign market situation, the results of competitor research, and the development of the transport communication system will ensure that our enterprises gain prestige in the world market.

In order for each enterprise to perform foreign economic activity, it is advisable to study the external conditions first of all. For this, the company should study the legal basis of the enterprise's activities in the foreign country it wants to enter. That is, they should thoroughly study the economic laws of that foreign country, the government's decisions, the country's foreign economic relations and the national economy management system, various normative documents, even the decisions of regional and local authorities in that country.

The external conditions of the enterprise depend on the country's economic policy. Therefore, the economic policy of the foreign country that wants to operate, and the processes of economic reforms in it are carefully monitored.

In our country, consistent reforms aimed at the development of small business and private business entities and further improvement of the business environment are being carried out. As a result of measures aimed at increasing the export potential of manufacturers, 750 new enterprises that did not export their products before were involved in export activities from the beginning of this year, and 150 types of new products were mastered.<sup>33</sup>

**Main indicators of small business (January-March)**

	<i>unit of measurement</i>	2022	2023	(+/-)
Number of operating small enterprises and microfirms	units	475 465	417 216	-58 249
Newly created	units	23 977	23 230	-747
<i>The share of small business in:</i>				
GDP	%	44,5	43,7	-0,8
industry	%	21,6	28,4	6,8
agriculture, forestry and fisheries	%	97,1	96,1	-1,0
investments	%	54,1	58,1	4,0
construction	%	76,5	76,6	0,1
retail trade	%	83,4	82,8	-0,6
services	%	51,2	46,8	-4,4
transportation of goods	%	38,9	43,5	4,6
cargo turnover	%	66,4	69,7	3,3
transportation of passengers	%	92,1	92,9	0,8
passenger turnover	%	94,2	95,2	1,0
export	%	15,6	25,3	9,7
import	%	49,0	48,4	-0,6

As a result of the measures taken aimed at further improving the business support system and improving the business climate, on the basis of resolutions and decrees adopted by the President of the Republic of Uzbekistan, as well as the attention paid to this area, in January-March 2019-2023, a total of 127 781 small enterprise and microfirm. It should be noted that the largest number of new entities was created in the field of trade – 49 048 (or 38.4%), services – 28 416 (or 22.2%), industry – 24 612 (or 19.3%), agriculture, forestry and fisheries – 16 605 (or 13.0%), construction – 9 100 (or 7.1%).<sup>34</sup>

<sup>33</sup>

[http://lib.jizpi.uz/pluginfile.php/13793/mod\\_resource/content/0/kichik\\_biznes\\_va\\_xususiy\\_tadbirkorlik\\_subyektlari\\_eksportini\\_qollab.pdf](http://lib.jizpi.uz/pluginfile.php/13793/mod_resource/content/0/kichik_biznes_va_xususiy_tadbirkorlik_subyektlari_eksportini_qollab.pdf)

<sup>34</sup> [file:///C:/Users/user/Downloads/9.Small%20business%20\(2\).pdf](file:///C:/Users/user/Downloads/9.Small%20business%20(2).pdf)

In the context of regions, the largest volume of assimilated investments in fixed assets of small businesses was recorded in the city of Tashkent – 5 806.8 billion soums, respectively, in Syrdarya region – 3 861.8 billion soums, Tashkent region – 3 607.3 billion soums, Samarkand region – 2 917.0 billion soums, Fergana region – 2 692.3 billion soums, Bukhara region – 2 285.4 billion soums, Namangan region – 2 199.4 billion soums and Andijan region – 2 021.6 billion soums.<sup>35</sup>



**Dynamics of the share of small businesses  
 in the development of investments  
 for 2018-2023, %**



Based on the above information, a number of shortcomings in the process of analyzing the activities of small business and private business entities in our country were noticed. For example, the value of investments attracted by existing business entities in some regions decreased slightly in 2022. Very little growth was observed in 2023. If we evaluate the export indicators of business activity, 20-25% of the existing small business firms in our country are engaged in export and

<sup>35</sup> file:///C:/Users/user/Downloads/9.Small%20business%20(2).pdf

import of their products in the foreign market. In this process, it can be seen that it is appropriate to apply world experiences in practice.

For example, it is necessary to implement some effective marketing methods for certain business entities. Planning of strategic marketing activities includes determining the need for goods, all available material resources, supply and demand, planning sales and timely and complete delivery of goods to consumers, providing service, full of material resources and including frugal use and so on. Planning the need for goods, in turn, calculates the required amount of certain materials for the type of work, justifying the need for them from a technical and economic point of view, drawing up plans for the need for goods, handing them over to the relevant enterprises and trade organizations, protecting these plans includes the like. Requirement plans are drawn up based on material consumption norms per product unit. The marketing department and group, together with planning organizations, determine and calculate the quantity of goods. In doing so, they work on the basis of periodic reports and inventory materials of available material resources.

**The marketing strategy for the development of exports of small businesses and private enterprises is formed on the basis of the following principles:**

The principle of nationality

The principle of the leading link

The principle of scientific and technical basis

One of the operations that can be used in another marketing strategy is tolling.

"Tolling" comes from the English word "toll" - tax. This concept therefore refers to the processing operation of raw materials that are imported into the country duty-free and given to processing provided by foreign companies.

According to the definition in our customs legislation, "processing in the customs territory" is a regime in which goods are imported into Uzbekistan without payment of import duties, taxes and economic policy measures (quota, licensing, etc.). are imported for processing under customs control, and then the processed products are exported or they are placed under a different regime.

In other words, when a manufacturer imports raw materials for processing, he is completely exempt from paying duties and taxes if the finished product is exported. Due to the fact that it is exported under the "Export" regime, customs fees

and economic policy measures are not applied to it. If it is released into free circulation on the territory of our country, import duties and taxes are paid depending on the value of the goods used for processing (raw materials) and the rates of payments applied to them.

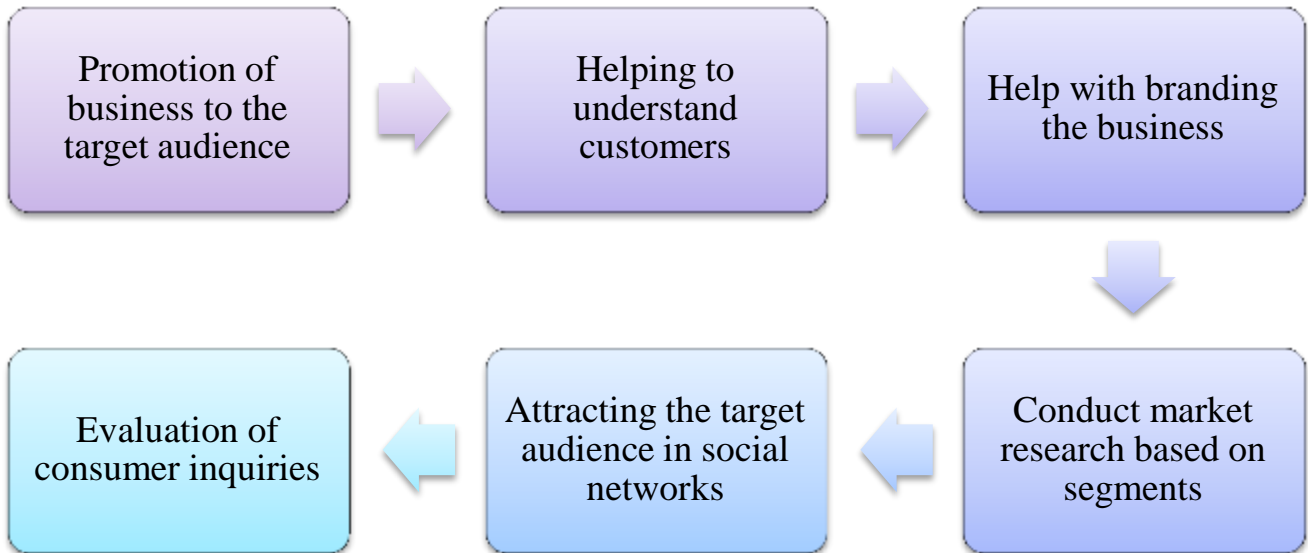
Processing of goods (from food products to high-tech goods), including goods produced under famous brands in other countries, is very common in international practice. Many companies in the world follow this path in order to reduce costs as much as possible and increase competitiveness. The industrial policy of Uzbekistan is aimed at supporting modern, including export-oriented, enterprises in our country. This policy is implemented through localization, import substitution programs, concessions on imports of technological equipment, components and spare parts, and a number of other measures. Therefore, the organizers of the event focused on improving the international processing system of goods as a lever for the development of Uzbekistan's exports.

"Supporting foreign trade and investment in Uzbekistan" processing regime in the customs territory not only gives advantages to companies, but also benefits the entire economy of the country. Processing at the macro-economic level allows to ensure the capacity of enterprises and reduce their current costs. In this, tax payments to the State budget are also ensured. Tolling expands the market of suppliers and buyers, increases competition. It was recognized by the WTO as one of the forms of international division of labor. Processing operations are common in many industries in different countries.

We would like to give a number of proposals and recommendations on the use of marketing strategies to improve export activities of small businesses and private enterprises in our country.

First of all, since our country is slowly entering the world community in the current globalization, I suggest that we use a number of marketing strategies to strengthen the export potential of small business and private entrepreneurship. One of them is internet marketing.

**Internet marketing has the following advantages:<sup>36</sup>**



Secondly, we suggest using the benchmarking method to analyze the export potential of small businesses and private enterprises in our country, and their activities in the international market.

Benchmarking (benchmarking, English benchmarking) is a comparative analysis based on benchmark indicators as a process of identifying, understanding and adapting existing examples of the effective functioning of an enterprise in order to improve one's own work. The analysis includes two processes: evaluation and comparison. Typically, the "better" product and marketing process used by direct competitors and firms in other similar areas is taken as a model for identifying ways for the firm to improve its own products and practices.<sup>37</sup>

We suggest using the following benchmarking analysis in the analysis of business activity.

Internal benchmark marketing	Competitive benchmarking
Evaluation of the efficiency of the internal departments of the enterprise	Evaluating the effectiveness of the company's existing competitors
Functional benchmark marketing	Common benchmark marketing

<sup>36</sup> <https://smart-estet.ru/articles/marketingovye-strategii>

<sup>37</sup> <https://ru.wikipedia.org/wiki/Бенчмаркинг>

<p>To compare the performance of certain functions in the company against companies in the same industry</p>	<p>To compare the effectiveness of certain functions in the company compared to companies in other industries</p>
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If small businesses and private entrepreneurs aim to correctly assess the position of their products in the international market, the analysis of benchmarking is of particular importance in this activity.

Benchmarking (as a research method) provides companies with a number of significant advantages:

- Rapid improvement of product quality due to competent analysis of competitors' advantages
- The ability to prevent the emergence of difficulties and loss of profits by studying someone else's bad experience
- Creation of an information, technical and financial springboard for business expansion

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