

# Foreign trade system analyzed, problems and urgent tasks defined



On February 5, President of the Republic of Uzbekistan Shavkat Mirziyoyev held a meeting to discuss priorities in reforming the system of foreign economic activity.

In his recent Address to the Oliy Majlis, the head of state noted the need to improve the external trade system, the oversight mechanisms and infrastructure in the sphere. Shavkat Mirziyoyev stressed in particular the importance of reforming – building on foreign experience – the work of customs, sanitary, quarantine, veterinary and other services that exercise inspection at customs posts.

Inconsistencies in the organization of work in this area, enduring for many years, have led to certain difficulties in the conduct of trade with the outside world. Rather telling in this respect is our country's position in the World Bank "Doing Business" report: Uzbekistan comes 152nd in the track "Trading across borders".

The meeting participants deliberated on ways to shore up the nation's status in this rating, to perfect the work of regulatory agencies proceeding from world practice.

In many countries, customs authorities receive information about the cargo before it arrives at the border, which speeds up the passage through control. In Uzbekistan, out of 416 thousand declarations last year, as few as 344 were drawn up before the freight arrived at the border. Advance notice of consignment was carried out in 98 percent of cases of carriage by motor road and was completely absent when transported by rail.

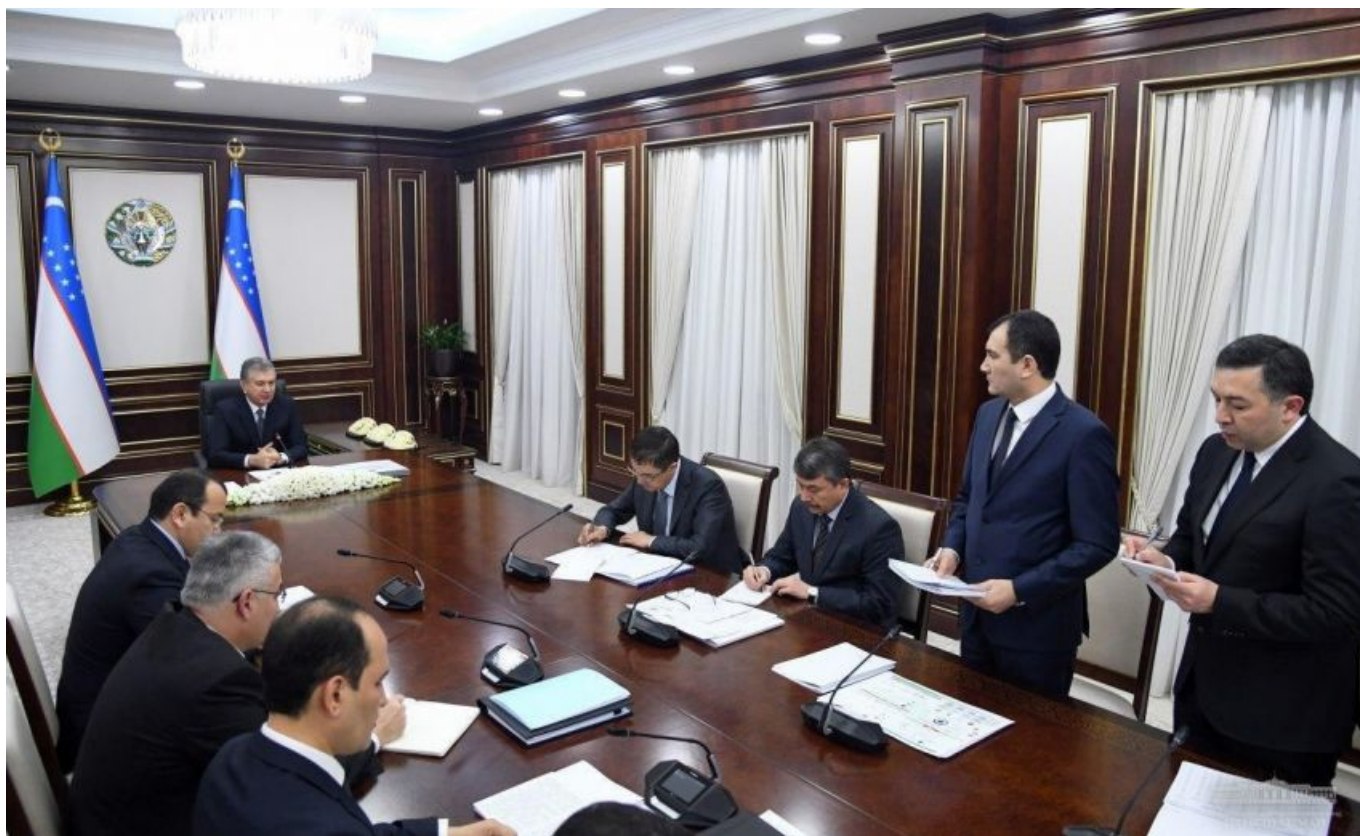
In this regard, the President ordered to establish a system in which inspection is conducted not at the border, but before the arrival of the cargo or after the output is put into free circulation within the country.

The trade supervision system has been criticized: currently, oversight of the imports and exports of 1,836 types of goods is carried out by three government agencies simultaneously, which leads to import-export documentation delay for weeks.

The bodies of customs, veterinary control, quarantine, sanitary inspection, standardization and ecology were urged to change working methods, to realize that their principal task is to support exports.

The head of our state underlined the importance of introducing a system whereby, in cases when it is impossible to quickly calculate the customs value of goods, the entrepreneur can pick them up by paying the estimated cost, and the difference between the anticipated amount and the actual amount due would be reimbursed or paid later.

The Ministry of Finance and the State Customs Committee have been tasked with developing a new Customs Code and improving the structure and administration of customs authorities with the engagement of international experts.



It is essential, the President insisted, to turn the State Plant Quarantine Inspectorate into an institution whose personnel tour the fields and explain to farmers the requirements of foreign countries on the use of chemicals and biological protection agents, and provide them with practical assistance.

Shavkat Mirziyoyev noted the need to root out corruption and trafficking in goods by minimizing the human factor through the introduction of digital technology.

The movement of imported products from the border to the final consumer should be controlled by customs and tax authorities through a single electronic system, the President said. For example, one can link customs declarations with electronic invoices and online cash registers.

Responsible officials were instructed to fully digitize the process of issuing permits and lab testing conclusions, to introduce an automated risk analysis system.

The meeting participants discussed in detail the issue of reducing the transit time of goods through border points.

The analysis shows that over the past three years, the number of people crossing the border with neighboring countries has doubled, and the number of vehicles almost tripled. The existing infrastructure can hardly withstand this mounting flow.

For example, some veterinary and quarantine control points lack the essential equipment. Border health and epidemiological surveillance services are also barely prepared for external risks.

The work on the distribution of freight traffic is not properly organized. The lack of a situational center for remote monitoring of the activities of customs posts has been leading to long queues at them. This implies redundant costs for both entrepreneurs and the national budget.

In this regard, the responsible executives were instructed to outfit the border posts with modern technologies and put into operation a situation center by October 1 this year. Shavkat Mirziyoyev pointed out the necessity of introducing a “one-stop” cargo inspection system at border crossing points.

The President insisted that the foreign trade control departments closely interact and exchange experience with foreign colleagues, organize test laboratories in our country and arrange for the shipment of goods along with permits that meet foreign requirements.

The importance of harmonizing the national legislation with international agreements in the field of customs, sanitation and epidemiology, transport, standardization, veterinary medicine and quarantine was emphasized to simplify the processes of Uzbekistan's foreign economic activity.

Special attention at the meeting was attached to human resources policy. It was indicated that the training process and quality at the Customs Institute scarcely meet modern requirements. Thus, as Shavkat Mirziyoyev suggested, it is crucial to improve the learning system at the Institute and also retrain the staff of the veterinary and quarantine services on international standards. The meeting participants also expounded on the issue of capacity building projects in the framework of an agreement with the World Customs Organization.

Responsible executives provided information on issues in the agenda of the meeting.

For example, some veterinary and quarantine control points lack the essential equipment. Border health and epidemiological surveillance services are also barely prepared for external risks.

The work on the distribution of freight traffic is not properly organized. The lack of a situational center for remote monitoring of the activities of customs posts has been leading to long queues at them. This implies redundant costs for both entrepreneurs and the national budget.

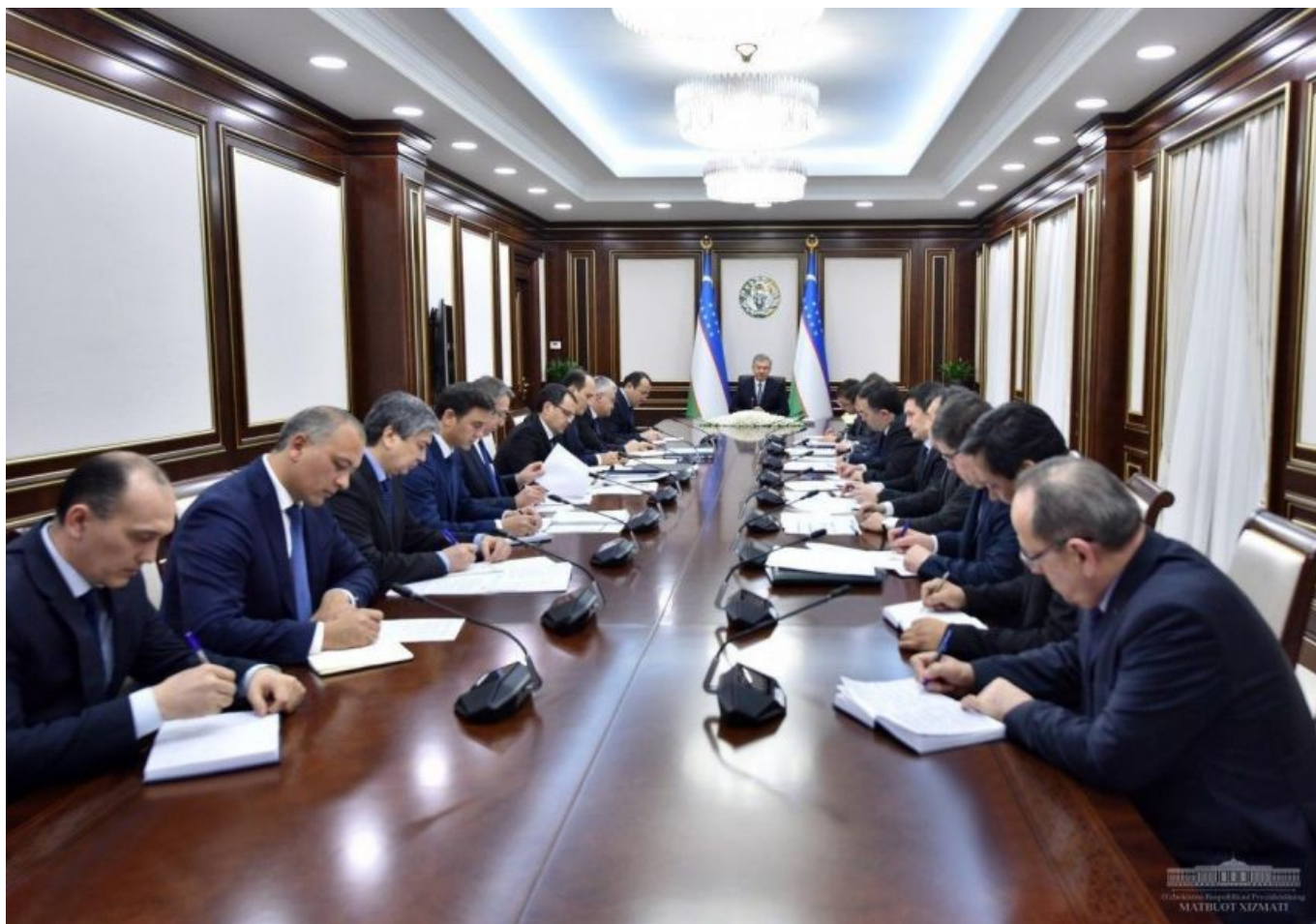
In this regard, the responsible executives were instructed to outfit the border posts with modern technologies and put into operation a situation center by October 1 this year. Shavkat Mirziyoyev pointed out the necessity of introducing a "one-stop" cargo inspection system at border crossing points.

The President insisted that the foreign trade control departments closely interact and exchange experience with foreign colleagues, organize test laboratories in our country and arrange for the shipment of goods along with permits that meet foreign requirements.

The importance of harmonizing the national legislation with international agreements in the field of customs, sanitation and epidemiology, transport, standardization, veterinary medicine and quarantine was emphasized to simplify the processes of Uzbekistan's foreign economic activity.

Special attention at the meeting was attached to human resources policy. It was indicated that the training process and quality at the Customs Institute scarcely meet modern requirements. Thus, as Shavkat Mirziyoyev suggested, it is crucial to improve the learning system at the Institute and also retrain the staff of the veterinary and quarantine services on international standards. The meeting participants also expounded on the issue of capacity building projects in the framework of an agreement with the World Customs Organization.

Responsible executives provided information on issues in the agenda of the meeting.



*Manba*