Volume 4, Issue 1, January – 2026 ISSN (E): 2938-379X

COMPREHENSIVE ANALYSIS OF FOREIGN TRADE ACTIVITIES

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Abstract
The article discusses the issues of comprehensive assessment of such foreign trade activities as re-export and re-import, which have been relatively less studied in scholarly research. The role and significance of re-export and re-import in the analysis of foreign trade activities are clarified. The author presents recommendations on the factorial analysis of the share and dynamic changes of re-export, re-import, and other customs regimes in foreign trade. Conclusions regarding the adoption of effective management decisions through the analysis of foreign trade activities based on customs regimes are also provided.

Keywords: Export, re-export, import, re-import, model, theory, classical, neoclassical, customs, analysis, trade, balance, indicator.

Introduction
By identifying the economic laws of international trade, the fundamental principles governing trade relations between countries are examined. The formulation and analysis of trade policy enable the development of strategies aligned with national economic interests.
According to monographic observations, issues of international trade have mainly been addressed from a theoretical perspective and through economic analysis methodologies. Therefore, in the syllabi of foreign economic activity courses at Top-300 ranked higher education institutions, international trade is predominantly explained based on classical, neoclassical, and new trade theories, with particular emphasis placed on economic analysis.
Classical theories of international trade were founded by A. Smith and D. Ricardo, who argued that countries benefit from producing and trading goods in which they possess comparative advantages.
According to the neoclassical Heckscher–Ohlin model, trade emerges as a result of differences in factor endowments among countries. In contrast, the new trade theory, developed by P. Krugman, analyzes trade based on economies of scale, innovation, and monopolistic competition rather than solely on resource endowments.
Economic analysis of international trade typically focuses on export and import volumes, trade balance indicators, and non-tariff barriers.

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Literature Review

M. Pardaev, A. Kholiqulov, and G. Jumaeva emphasize that "one of the main indicators of foreign trade is foreign trade turnover, which represents the total volume of goods exported from and imported into a country."1

A. Qakhkhorov and A. Zikriyoev define foreign economic activity as "the process of implementing foreign economic relations," 2 placing particular emphasis on multilateral external economic interactions.

Various approaches to the concept and analysis of foreign economic activity exist. In particular, A. Minaev, V. Gushin, and Yu. Dmitriev define foreign economic activity as a system for managing a country's foreign economic relations or concluded foreign trade agreements.3

A. Vakhobov, N. Ishonqulov, and A. Ibragimov analyze foreign economic activity by identifying its trade, joint entrepreneurship, and other forms, focusing on export and import operations, foreign trade turnover, and income–expense factors arising from these processes.4

Ye. V. Morozova and I. V. Lotoskaya, in their textbook "Accounting and Analysis of Foreign Economic Activity," emphasize the analysis of export-import operations of economic entities based on financial and managerial reporting.5

S. N. Rastvortseva, V. V. Fauzer, V. N. Zadorozhniy, and V. A. Zalevskiy, in "Foreign Economic Activity of Russian Enterprises in the Context of Globalization," propose analyzing foreign economic activity through four groups of indicators:6

1. Indicators reflecting regional foreign trade activity of economic entities;
2. Indicators of foreign trade efficiency at the enterprise level;
3. Indicators determining the enterprise's position in regional foreign trade;
4. Indicators reflecting the effectiveness of foreign investment at the regional level.

These include export-import coverage ratios, international competitiveness, per capita export and import volumes, export structure, the impact of enterprise exports on regional economic development, export specialization, and investment-related processes.

Analysis and Main Results

According to the Customs Code of the Republic of Uzbekistan (April 30, 2022, LRU No. 771) and related economic literature, the following customs regimes are applied in customs clearance procedures for the cross-border movement of goods: export; re-export; temporary export; outward processing; release for free circulation (import); re-import; temporary import;

1 Pardaev, M. Q., Xoliqulov, A. N., & Jumaeva, G. (2019). Analysis of investment projects (Textbook). Tashkent: Fan va texnologiya Publishing House, 234 p.

2 Qahhorov, A. J., & Zikriyoev, A. S. (2019). Marketing in foreign economic activity (Textbook). Tashkent: Iqtisodiyot Publishing House, 111 p.

3 Gushchin, V. V., & Dmitriev, Y. A. (2005). Russian entrepreneurial law. Moscow: EKSMO Publishing House, 438 p.
Minaev, A. A. (2006). Legal regulation of foreign trade transactions of legal entities (Abstract of the Candidate of Legal Sciences dissertation). Moscow, pp. 8–9.

4 Vahobov, A. V., Ishonqulov, N. F., & Ibragimov, A. T. (2013). Foreign economic activity (3rd revised and expanded edition). Tashkent: Iqtisod–Moliya Publishing House, 600 p.

5 Morozova, E. V., & Lotoskaya, I. V. (2012). Accounting and analysis of foreign economic activity. Syktyvkar: SLI Publishing House, 136 p.

6 Rastvortseva, S. N., Fauzer, V. V., Zadorozhniy, V. N., & Zalevskiy, V. A. (2011). Foreign economic activity of Russian enterprises under globalization. Saint Petersburg, 116 p.

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inward processing; temporary storage; customs warehouse; free warehouse; free customs zone; duty-free trade; customs transit; destruction; and abandonment in favor of the state.

Export (E)

Export refers to the removal of Uzbek goods from the customs territory without the obligation of re-importation. In economic analysis, net export is widely used for managerial decision-making:

Net Export = Export – Import

Re-export (R)

Re-export involves exporting goods previously imported or placed under a processing regime (R_0), including processed goods (R_1), with refunded customs duties and taxes.

Re-export is classified into:

- Direct re-export, where goods are first imported into the resident country and then exported;
- Indirect re-export, where goods are purchased and sold to a third country without entering the resident country.7

Thus, re-export is a beneficial foreign trade transaction that helps mitigate domestic market shortages:

Export = E + (R_1-R_0)

Temporary export – a customs regime under which goods that are in free circulation within the customs territory are exported outside the customs territory for temporary use, with conditional exemption from customs duties and taxes, and without the application of economic policy measures.

Temporary export is a special customs procedure under which the exported goods (products, works, services) are intended to be returned to the customs territory and are not considered as permanently exported for use abroad.

Processing outside the customs territory (A) – Goods of Uzbekistan are exported outside the customs territory for processing, with the purpose of subsequently re-importing them into the customs territory.

After processing, the products (goods or services) are returned to the customs territory, and customs duties and taxes are levied according to the difference between their new value (A1) and initial value (A0). Therefore, this customs procedure is considered part of the foreign trade turnover, calculated as:

Export = E + R + (A_1-A_0)

Release for free circulation (Import - I) – Goods imported into the customs territory remain in free circulation within the territory without the obligation to re-export them.

I = Cost of goods (T) + Additional expenses (Q)

7 Kozhan, V. I. (2015). Re-export as an opportunity to sell goods without importing them into the country. Russian Journal of Entrepreneurship, 16(2), 301–308.

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Where additional expenses include transport, loading and unloading, insurance, brokerage fees, and similar costs.

Re-import – Goods previously exported from the customs territory (IR0) are returned to the customs territory within a specified period without payment of customs duties and taxes and without application of economic policy measures (IR1). Therefore, re-import is not considered part of the foreign trade turnover because no new goods are brought from abroad; only previously exported goods are re-entered within the prescribed period. However, if the movement of goods (products or services) results in a change in their value, the calculation is as follows:

$$I = T + Q + (IR_1 - IR_0)$$

Temporary import – Goods are brought into the customs territory for a limited period and are conditionally exempted from customs duties or subject to periodic customs payments, without the application of economic policy measures, for temporary use.

Processing within the customs territory – Goods are imported into the customs territory for processing and intended to be exported again as processed products. Customs duties and taxes are conditionally exempted upon import.

Temporary storage – Any goods brought into the customs territory can be stored under temporary customs control from the time they are presented to the designated customs authority until they are released under the chosen customs procedure, without payment of customs duties and taxes and without application of economic policy measures.

Customs warehouse regime – Goods imported into the customs territory and intended for export can be stored in designated buildings (locations) under customs supervision, without payment of customs duties and taxes and without application of economic policy measures.

Free warehouse – Goods are placed in designated locations within the customs territory under the free warehouse regime without payment of customs duties and taxes and without application of economic policy measures.

Free customs zone – Goods are placed in designated areas within the customs territory without payment of customs duties and taxes and without application of economic policy measures, and can be used in this state.

Duty-free trade – Goods are kept under customs supervision at locations designated by the customs authorities, without payment of customs duties and taxes and without application of economic policy measures, and are sold in this state.

Customs transit – Under the customs transit regime:

• Goods are transported under customs supervision from the sending customs office to the receiving customs office, including through the territory of a foreign state;

• Uzbek goods are transported through the territory of a foreign state between the sending and receiving customs offices located at the customs border, without payment of customs duties and taxes and without application of economic policy measures.

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Destruction under the customs regime – Foreign goods are destroyed under customs supervision without payment of customs duties and taxes and without application of economic policy measures, or rendered unfit for use.

Abandonment in favor of the state – An authorized person abandons the goods, transferring them to state ownership free of charge, without payment of customs duties and taxes and without application of economic policy measures.

It should be noted that general rules apply in foreign trade activities. In particular, rules such as identification and preservation of the original condition must be observed; failure to comply with these rules may result in changes in the volume of foreign trade objects.

Conclusion and Recommendations

Article 376 of the Customs Code of the Republic of Uzbekistan (April 30, 2022, LRU–771) states: "Foreign trade customs statistics consist of a systematized collection of data reflecting the volume and value of the foreign trade turnover of the Republic of Uzbekistan. The main functions of foreign trade customs statistics are to provide state authorities with information on the state of the foreign trade turnover of the Republic of Uzbekistan, to monitor the receipt of customs duties into the State Budget of the Republic of Uzbekistan, to ensure currency control, and to implement other functions assigned to the customs authorities of the Republic of Uzbekistan."

Therefore, it is considered appropriate to form and analyze the indicators of a business entity's foreign trade activity using customs regimes where the phrase "customs duties not paid and economic policy measures not applied" is not mentioned.

Observations indicate that re-export analysis in business entities is limited to tracking financial flows, calculating profitability, and assessing logistics efficiency. In our opinion, these measures are insufficient for comprehensive analysis and managerial decision-making.

Foreign trade turnover is the sum of exports (export of goods) and imports (import of new goods) for a given period. Therefore, in analyzing the foreign trade activity of a business entity, it is appropriate to examine:

1. Export composition: the share of re-export or the weight of processing outside the customs territory;
2. Import composition: the share of re-import;
3. Net export volume: economic analysis should be organized in accordance with rules such as identification and preservation of the original condition.

Re-export increases total exports but does not increase net exports, while re-import increases imports but reduces net exports. The financial result depends on the volume and efficiency of re-export and re-import (see Table 1).

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Table 1 Analysis indicators of business entity's foreign trade activity by customs regimes.

Indicators	Determination formula	Description
Net profit from re-export	Re-export proceeds - Re-export value - Re-export costs	Shows the absolute financial result of re-export operations.
Net loss from reimport	Export proceeds - Return costs - Repair costs	Determines losses incurred due to reimport.
Re-export profitability	(Net profit from re-export / Re-export proceeds) x 100%	It expresses the efficiency of each re-export operation in percentage.
Share of reimport losses	(Reimport Loss / Total Export) x 100%	It shows the share of revenue lost due to reimports within total exports.
Reimport rate	(Reimport volume / Export volume) x 100%	Evaluates the return rate of exported products.
Share of value added from re-exports	Value added from re-export services / Re-export proceeds	Indicates the amount of the company's own contribution to the re-export process.

A number of targeted indicators were established by the Decree PF-50 of the President of the Republic of Uzbekistan dated March 19, 2025, "On Measures to Increase the Role of Small and Medium Enterprises in the Economy." Within the framework of the targeted indicators for implementing the strategy for the development of small and medium enterprises from 2025 to 2030, it is considered necessary to take all provisions into account when analyzing the foreign trade activities of business entities.

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