

# EXPORT POTENTIAL OF BUSINESS ENTITIES IN MEDICAL INSTITUTIONS AND STATE SUPPORT FOR EXPORT ENTERPRISES

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## Abstract

This article analyzes additional measures aimed at providing state support and increasing the export potential of business entities in medical institutions operating in our country, with the aim of further developing medical and health tourism in the Republic of Uzbekistan. Accordingly, the article analyzes the medical tourism service program, as well as the system for monitoring the quality of services provided by medical institutions, sanatoriums, and boarding houses, the creation of medical tourism clusters and the implementation of incentive mechanisms, the development of a medical and health tourism brand and its ongoing promotion, the creation of star-rated sanatoriums and the implementation of a certification system for them, and other issues planned for implementation within the framework of state programs.

**Keywords:** Uzbekistan, medicine, tourism, medical and health tourism, healthcare, foreign patients, service quality, export activities, financial assistance, spa resorts, mountain, therapeutic mud baths, therapeutic waters, sanitation, water (thermal water), spa resorts.

## Introduction

As is well known, exports are one of the most important areas of the Uzbekistan economy. To achieve this, it is necessary to improve the business environment and create favorable conditions for expanding the export potential of small businesses and private entrepreneurs.

Therefore, in recent years, important steps have been taken to further increase our country's export potential, improve the business environment, and support economic entities engaged in foreign economic activity.

More than 60,000 regulatory acts have been adopted to strengthen the legal framework for the sector. As a result, foreign trade processes have been simplified and a number of simplifications have been introduced in the activities of exporting enterprises. In particular, in accordance with the Decree of the Head of State No. PK-4069 of December 20, 2018 "On measures to facilitate and strengthen export promotion," the National Export Support System was created.

Exporters can receive compensation for up to 50 percent of the costs associated with transporting their products to the export market. A procedure has also been introduced for receiving compensation for insurance premiums in cases where exporters use insurance services as collateral.



Furthermore, to further support the activities of export enterprises in our country, financial assistance programs have been introduced to cover their external costs for export operations. This type of financial assistance is aimed at supporting export enterprises in increasing their competitiveness in foreign markets in terms of price and quality by reducing logistics costs, and the types of financial assistance are expanding annually.

The Decree of the President of the Republic of Uzbekistan "On measures to further expand financial support for export activities" dated October 21, 2020, is a logical continuation of the measures taken to stimulate exports in our country. This document provides a number of additional benefits for exporters. In particular, new benefits for guarantees provided to enterprises from the State Fund for Entrepreneurship Support have been approved. Prior to the adoption of this document, reimbursement of interest expenses on pre-export loans from commercial banks was provided only to manufacturing exporters. This decree also introduced significant benefits for exporters whose primary activity is trade intermediation.

To date, the Export Promotion Agency has provided pre-export loans totaling \$164 million to 272 enterprises. They have exported goods worth \$703 million, and this practice continues.

Another serious problem facing export enterprises is the lack of working capital. The new procedure has further expanded the opportunities created in this regard. Specifically, the volume of guarantees provided by commercial banks for working capital loans has been increased from 4 billion soums to 8 billion soums. In accordance with the Presidential Resolution of October 31, 2020, "On Measures to Further Expand Financial Support for Export Activities," a system of financial assistance was introduced to provide working capital to meet the funding needs of export enterprises and assist them in fulfilling their export obligations.

The main goal of this type of financial assistance is to ensure the timely and complete fulfillment of export obligations by export enterprises, as well as the production of high-quality and competitive products. It is also intended to attract new buyers in foreign markets with new types of goods and expand the geography of exports.

Based on the Decree of the Head of State of September 30, 2022, "On measures to further expand the export potential of economic entities," the "New Uzbekistan – Country of Competitive Products" program is being implemented. This program aimed to select 200 exporting enterprises and transform them into leading exporters, providing them with comprehensive support. The program was planned for implementation in three stages. In the first stage, 50 leading exporting enterprises were selected by the end of 2022. By the beginning of 2023, this number was increased to 100. Beginning July 1, 2023, this number will gradually increase to 200. To date, 36 of the 100 exporting enterprises covered by the program have received VAT refunds totaling 71 billion soums on an expedited basis within seven days.

In addition, 20 enterprises were allocated \$17.3 million in pre-export financing. At the same time, these export enterprises have the opportunity to receive financial assistance from the Export Promotion Agency of up to \$30,000 for obtaining international certificates and standards. Since the beginning of the year, 100 export enterprises have exported products worth \$120 million.

According to the Institute for Forecasting and Macroeconomic Research, between 2017 and 2022, our country's export geography expanded to 16 countries, and today our products are supplied to 117



countries. The number of different product types in the product range increased from 179 in 2017 to over 200 by 2022.

Cotton fiber exports have also been discontinued, replaced by high-tech cotton product exports. Specifically, cotton fabrics worth \$1,613.5 million, finished knitted and woven goods worth \$644.9 million, knitted fabrics worth \$242.8 million, fabrics worth \$131.6 million, silk and silk products worth \$78.1 million, and carpets worth \$42.1 million were exported.

Our domestic products under the "Made in Uzbekistan" brand occupy a prominent place in the international market.

A number of projects are also underway in the medical industry in this area. Resolution of the President of the Republic of Uzbekistan No. PK-2863 of April 1, 2017 "On measures for the further development of the private sector in the field of healthcare" provides for the development and submission of proposals for amendments and additions to the Rules for the entry and stay of foreign citizens in the Republic of Uzbekistan (approved by Resolution of the Cabinet of Ministers No. 408 of November 21, 1996), as well as simplification of the procedure for obtaining temporary permits for registration and extension of stay, as well as the procedure for issuing relevant medical documents to foreign citizens arriving for diagnosis and treatment in medical institutions of the republic.

The resolution also instructs the development and submission of proposals for the establishment of large medical and diagnostic facilities in Uzbekistan in collaboration with leading medical centers and clinics in South Korea, India, Russia, Germany, and other countries.

The resolution also addresses issues of ensuring continuous and systematic professional development for medical workers through the large-scale introduction of new educational, medical, and information technologies and methods in accordance with international best practices, including the development and implementation of a set of measures to improve the system of advanced training and retraining of medical workers in private medical organizations.

Another important and relevant document aimed at supporting and enhancing the export potential of medical institutions operating in our country is Presidential Resolution No. PK-335 of September 23, 2024, "On additional measures for the further development of medical and sanitary tourism in the Republic of Uzbekistan."

In accordance with this document, the "Medical Services and Hospitality" program will be implemented. A system for monitoring the quality of services provided by public and private medical institutions, sanatoriums, and boarding houses will also be implemented;

- Creation and implementation of incentive mechanisms for medical tourism clusters that jointly provide consulting, diagnostic, treatment, tour operator, transportation, and medical translation services;
- Development and ongoing promotion of the medical and health tourism brand of the Republic of Uzbekistan, known as "Avicenna";
- Organization of the activities of hotel-type sanatoriums of the (star) category and the implementation of a certification system;
- Organization of health resort zones in areas with mountains, therapeutic mud layers, and water bodies (thermal waters) included in the list of medicinal waters and having sanitary and health-improving significance;



- Until April 1, 2025, private medical and health institutions connected to the automated special electronic program for registering residents via the Internet (E-Mekhmon) will be exempt from paying a subscription fee for the first six months.

Resolution:

- A program of measures for the further development of health tourism;
- A list of districts and cities where the organization of health resort zones in accordance with modern requirements is planned;
- A program of measures for the organization of health resort zones in accordance with modern requirements in the Andijan, Namangan, Jizzakh, Surkhandarya, Kashkadarya, Fergana, and Tashkent regions for 2025-2026;
- A list of foreign countries whose expenses related to the organization of free medical diagnostic services by doctors at health resorts are reimbursed;
- Target indicators for the further development of health tourism for 2024-2027 have been approved. 50% of the accreditation costs for the first 30 private medical institutions accredited by the Joint Commission International will be covered by extra-budgetary funds of the Ministry of Health. This privilege will not be granted to individuals employed by private medical institutions that have already taken advantage of this privilege.

Reservoirs (thermal water) included in the list of medicinal waters and having sanitary and health-improving value will be used by medical institutions, sanatoriums, and boarding houses on an equal and universal basis.

By March 1, 2025, the Tourism Committee will:

- create an electronic platform for assessing the quality of services of medical institutions, sanatoriums, and tour operators providing medical tourism services;
- launch a unified register of medical and health institutions in the state and foreign languages.

From January 1, 2025 to January 1, 2028, the costs of participation of medical and health institutions included in the Unified Register, with their services and products, in international tourism exhibitions and fairs will be covered by the State Targeted Fund for the Development of Medicine under the Ministry of Health.

The Tourism Committee of the Republic of Uzbekistan is the authorized body for organizing medical and health tourism opportunities in the Republic of Uzbekistan.

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