

**THE ROLE OF EXPORTS IN ECONOMIC GROWTH**

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**Abstract:** This article explores the theoretical and empirical analysis of the role and impact of exports on economic growth. The contribution of exports to economic growth has been analyzed on the basis of classical and modern economic theories. The study highlights the role of exports in promoting economic growth and innovation, and its importance in enhancing technological growth and competitiveness. The analysis shows the positive impact of exports on the economies of states and at the same time shows the important role of exports in entering world markets, developing innovative processes and increasing efficiency.

**Keywords:** export, economic growth, innovation, technological development, competitiveness, international trade, economic theories, empirical research, endogenous growth, globalization, productivity.

**Аннотация:** Данная статья рассматривает роль и влияние экспорта на экономический рост с теоретической и эмпирической точки зрения. Влияние экспорта на экономический рост анализируется на основе классических и современных экономических теорий. Исследования подчеркивают роль экспорта в стимулировании экономического роста и инноваций, технологическом развитии и повышении конкурентоспособности. Анализ показывает позитивное влияние экспорта на экономику стран, а также важность экспорта для выхода на мировые рынки, развития инновационных процессов и повышения производительности.

**Ключевые слова:** Экспорт, экономический рост, инновации, технологическое развитие, конкурентоспособность, международная торговля, экономические теории, эмпирические исследования, эндогенный рост, глобализация, производственная эффективность.

**Introduction**

Research on the correlation between the economic development of states and their integration into the world market is one of the central problems of the international economy. Export activity, as one of the main sources of economic growth, occupies a very important place in the development of economic relations between states, increasing production capacity, ensuring employment of the population, ensuring macroeconomic stability. Exports are not only the source of the flow of funds, but also various factors that positively affect the economic growth of society. First of all, direct and indirect investments through export means are attracted, leading to the rapid development of the national economy. At the same time, the impact of exports on economic development also leads to an effective distribution of resources, new technologies and competitiveness. The dynamic change in the volume of exports of the country during the year, in turn, testifies to how it affects the production potential of the country and the development of its domestic market. To determine the impact of exports on economic growth, it is necessary to study its transformation not only in relation to the country's economy, but also in relation to the world economic situation. In addition, the contribution of exports to economic growth increases economic competition between states and gives them access to new markets. Thus, the study of the annual volume of exports and the change between countries helps to realize the driving factors of economic growth.

### **Literature review**

Literature on the role of exports in economic growth has found it to be a complex and multifaceted phenomenon. Various theoretical paradigms and empirical studies on the impact of exports on economic growth have been studied with their peculiarities. Analysis of existing literature links current wisdom, different approaches to economics, and empirical research on the role of exports in economic growth to reveal their relationship with each other. The economic growth function of exports is mainly based on two main economic theories: classical and modern economic theories. Classical economists such as David Ricardo and Adam Smith have focused on the importance of international trade in ensuring proper allocation of resources across countries. Ricardo showed through his tax theory the role of exports in increasing mutual interest and economic growth. Ricardo and Smith believed that exports were the best way to allocate resources, which in turn would lead to economic growth. Exports, according to this theory, have a more orderly effect on the elimination of both social and economic differences between countries, the organization of production and the use of resources. The most recent economic theories, in particular the theory of endogenous growth, explain the impact of exports on economic growth, taking into account globalization and innovation.

Based on Paul Romer's theory of endogenous growth, economic growth is achieved through the use of innovation and technology, and exports play an important role in this. Based on Romer, the development of competitive export products begins innovative processes and, therefore, economic growth. "In this regard, exports create not only financial flows, but also innovative opportunities and competitiveness for states."

In addition, a similar economics model developed by Krugman and Helpman also provides new discoveries in analyzing the role of exports in economic growth. "In this model, the main factors of export growth are the level of production, competitiveness and technology. Krugman and Helpman argue that international trade plays a major role in improving productivity, diversifying products, and interacting between similar economies".

Empirical studies of export and economic growth are very important in analyzing the interaction between export and economic growth. Various scientific studies have tried to analyze how the volume of exports and its annual changes affect the economic growth of countries. Federici "analyzed the interaction between economic growth and exports in his study with a particular focus on developing countries. He confirmed in his panel regression analysis that there is a link between export growth and economic growth, and showed that exports are linked to high productivity and technological innovation".

S.-J. Lee and Bhagwati's research analyzes the export-based growth strategies of the South Korean economy. Lee shows in his research that annual changes in exports produce greater economic growth and competitiveness, while the rapid development of exports provides macroeconomic stability. These studies provide new insights into the contribution of exports to growth in changing world economic conditions. Rodrick's empirical study examines the contribution of exports to economic growth in the context of international trade and integration. In his paper "globalization and economic growth", Rodrick argues that integration into World Markets is used to increase exports, and that it is an important incentive for economic growth. It considers annual growth in exports as an early step towards economic growth and determines that government policy, investment and international integration play an important role in the process. The contribution of exports to economic growth, undoubtedly scientific analysis, shows that it is very complex and is accompanied by many related factors. Theoretical economic analysis, both traditional and modern, explains the export contribution to growth in a variable way, but always assumes that exports contribute positively to the economic development of countries. Experimental data suggests a link between annual changes in export volume and economic growth,

and suggests that the positive effects of this link can be increased, specifically through technological innovation, competitiveness, and access to world markets. Therefore, the contribution of exports to economic growth is an important component in the development of economic relations between countries, increasing production efficiency and competitiveness.

#### **Research methodology**

In the process of carrying out this study, modern methods of statistical abstraction to scientific knowledge were used in a complex way. In particular, on the basis of a systematic approach, the relationship between the balance of foreign trade and economic growth was considered as complementary factors.

#### **Analysis and results**

Table export volume annual In Country cross section (2021-2024)

Classifier	2021	2022	2023	2024	Change (between 2021 and 2024)
<b>Russia</b>	2088237,3	3151098,4	3495675,6	3682944,9	76.37%
<b>Saudi Arabia</b>	4908,5	3393,8	6795,5	14787,6	201.27%
<b>Great Britain</b>	79598,3	114268,7	181986,5	142931	79.57%
<b>USA</b>	60794,4	124480,9	253118,1	317425,8	422.13%
<b>Tajikistan</b>	501902,4	522117,8	608300,4	552167,2	10.01%
<b>Turkmenistan</b>	191886,2	196986,5	171635	128228,2	-33.17%
<b>Iran</b>	177090	139820,2	180779	163565,8	-7.64%
<b>Qatar</b>	29032,3	505,5	1298,7	2154,7	-92.58%
<b>Kuwait</b>	866,4	2834,1	11243,7	6600,5	661.83%
<b>Singapore</b>	103953,9	68845,3	98234,6	48251,2	-53.58%
<b>Pakistan</b>	130072,2	185156,5	269268	299485,9	130.25%
<b>Netherlands</b>	69637,5	40574,3	40436,7	23968,4	-65.58%
<b>Sweden</b>	365,5	1792,6	5111,7	14018,2	3735.35%
<b>Cyprus</b>	3473,6	2874,1	55501	10871,6	212.98%

**Source:** the information in this table is taken from the official site of the General Directorate of Statistics of the Republic of Uzbekistan, <https://www.stat.uz>

Based on the table, changes in export volumes were compared between 2021 and 2024. The reasons for the increase or decrease in the volume of exports between countries are numerous and are based on World Economic Status, trade policy, Natural Resources and other external factors.

Exports from countries such as Russia, Saudi Arabia, the United Kingdom and the United States have witnessed significant growth. In particular, from 2021 to 2024, Russian exports increased significantly by 76.37%. This significant growth can be attributed in many ways to the growth in energy resources, especially in the oil and gas export sectors. On the other hand, Saudi Arabia's

exports increased by 201.27 percent, reflecting the country's achievements in improving its position in the world energy market and striving for new economic paths.

Exports from Great Britain and the United States are experiencing tremendous growth. The United Kingdom experienced a 79.57% increase in exports, reflecting its subsequent integration into the global trade system, despite the economic consequences associated with Brexit. However, United States exports grew by 422.13%, reflecting the country's success in mastering new markets in the high-tech, industrial, and service sectors.

In contrast, export shrinkage has been observed in other countries. For example, Turkmenistan and Iran have been recording reduced exports for years in a row. Exports in Turkmenistan have shrunk by 33.17 percent, which may be due to a weakening of external demand for natural gas exports or other major economic problems. Iranian exports have shrunk by 7.64 percent, due to trade sanctions and the negative impact of geopolitical circumstances on the country.

Even small countries such as Qatar and Singapore experienced a major drop in exports. Qatar exports fell by 92.58% and Singapore by 53.58%. These can be the consequences of instability in the world market, the end of resources and the reduction of trade routes. Exports from countries such as Kuwait, Pakistan, Sweden and Cyprus have increased astronomically. Kuwait's exports grew by 661.83 percent, an indicator of the country's robust expansion in the oil and gas sector.

Pakistan's exports grew by 130.25 percent, as evidenced by the growth of the country's industrial bases and export opportunities. Swedish exports grew by 3,735.35 percent, as evidenced by the country's achievements in the export of high-tech and industrial goods. Cyprus exports grew by 212.98 percent, indicating its economic stability and increasing regional integration.

### **Conclusions and recommendations**

The changes in the volume of exports presented in the table reflect the different levels of foreign trade activity throughout the countries and their impact on economic growth. From 2021 to 2024, there are several countries that have witnessed a significant change in the volume of exports. Countries such as Russia, Saudi Arabia, the United States, the United Kingdom and Pakistan have managed to significantly increase exports. These nations have increased their competitiveness in world markets through the use of their natural resources such as oil and gas. In contrast, the decline in export volume in Turkmenistan, Iran, Qatar and Singapore may be due to their economic problems, geopolitical situation and foreign trade policy.

The change in export volumes reflects not only the international economic relations of the countries, but also their national economy, industrial and technological development. Sweden and Cyprus have significantly increased the volume of exports, reflecting their advanced technologies and improved demand for industrial products.

### **Suggestions**

Promoting innovation and diversification: in order to increase economic growth and export opportunities, the economies of states must be diversified. This is especially necessary for states that depend on Natural Resources. Export growth is ensured at the expense of the organization of multidisciplinary networks, the introduction of innovations and the production of high-tech products.

Trade policy and renewal of International Cooperation: countries must renew the terms of World Trade and try to occupy new markets. With new trade agreements and cooperation, relations between countries will improve, which will lead to an increase in the volume of exports. Creating anti-sanction policies: there is a need for states such as Iran and Turkmenistan to create new policies to respond to the consequences of sanctions. Sanctions or trade restrictions can dissolve economic activity and therefore countries must diversify economic relations.

Regional cooperation and economic integration: regional economic integration and cooperation play a key role in the growth of export volume. Sustainable regional trade relations and closer



economic ties can increase the export potential of countries. This is especially important for medium and small economies. Eco-friendly and sustainable managed export policy: export promotion is consistent with environmental sustainability. Environmental sustainability in manufacturing processes and laws helps to boost exports in the long run, especially for resource-dependent states.

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