THE IMPACT OF WTO ACCESSION ON SMALL AND MEDIUM-SIZED ENTERPRISES (SMEs) IN UZBEKISTAN

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Abstract: This article examines the main factors influencing small and medium-sized enterprises (SMEs) in Uzbekistan as a result of the country's accession to the World Trade Organization (WTO). WTO membership promotes economic openness, intensifies competition, and expands access to international markets, while at the same time presenting new challenges for SMEs. The study analyzes both the positive and negative aspects of adaptation to WTO requirements and outlines mechanisms for enhancing the competitiveness of SMEs in a liberalized trade environment.

Keywords: World Trade Organization, small and medium enterprises, competitiveness, export potential, trade liberalization, economic integration.

Introduction

Small and medium-sized enterprises (SMEs) are the backbone of any economy and account for more than 55% of Uzbekistan's GDP. The SME sector plays a crucial role in ensuring employment, innovation, and overall economic stability. Therefore, special attention should be paid to the development of this sector during Uzbekistan's process of joining the World Trade Organization (WTO).

WTO accession will accelerate trade liberalization in Uzbekistan's economy, creating new opportunities as well as intensified global competition for SMEs. This paper provides a comprehensive analysis of the expected impacts of WTO membership on the SME sector in Uzbekistan.

Uzbekistan's accession to the WTO will open up the following opportunities for SMEs:

Area	Positive Impact
Export Opportunities	WTO membership will grant Uzbekistan access to the markets of over 160 countries. SMEs will benefit from reduced export quotas and lower customs barriers.
Investment Climate	Increased foreign direct investment inflows will create favorable conditions for joint ventures and partnerships involving SMEs.
Technological Modernization	Easier access to foreign technologies and know-how will promote innovation and modernization among SMEs.
Transparency in Business Environment	Legal transparency will increase and corruption risks will decrease as trade regulations are harmonized with WTO standards.
Financial Support	New credit lines, export insurance, and grant programs for SMEs will emerge as part of economic reforms.

According to the World Bank (2024), countries joining the WTO typically experience an average 30–40% increase in SME export activities due to improved market access and trade facilitation.

Despite the advantages, WTO accession may also bring several risks and challenges for SMEs:

Challenge	Description
Competitive Pressure	Increased competition from foreign firms may create short-term financial stress for domestic SMEs.
Compliance with Technical Standards	Meeting international quality and certification requirements may require additional financial and technical resources.

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Regulatory Complexity	Lack of awareness and experience in understanding WTO trade mechanisms may hinder SME participation in global trade.
Limited Access to Finance	Many SMEs lack sufficient capital to modernize production and compete effectively with foreign firms.

To successfully operate in the post-accession environment, SMEs in Uzbekistan should adopt the following strategies:

1. Develop export-oriented production and diversify export markets;
2. Implement international technical regulations and certification systems;
3. Expand competitiveness enhancement programs (innovation grants, tax incentives, and advisory support);
4. Establish WTO training and consultation centers for SMEs;
5. Promote e-commerce and digital export platforms to improve access to global markets.

Conclusion

WTO membership will create broad opportunities and a new stage of development for small and medium-sized enterprises in Uzbekistan. However, the success of this process depends on how effectively SMEs can adapt to WTO standards and the conditions of global competition.

Strong institutional support, capacity building, credit accessibility, and export infrastructure development will allow SMEs to fully benefit from WTO membership.

Thus, WTO accession should be viewed not as a threat but as a window of opportunity for the sustainable development and internationalization of

Uzbekistan’s SME sector.

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