

FOREIGN EXPERIENCE OF SERVICE EXPORT PROMOTION POLICY

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Abstract. Recently the shape of international trade has been changing with increase of services share in total volume. While merchandises require natural resources and material assets, services are creating the place for the countries with limited access to such sources. Because of this, it is important for the emerging economies to be involved in trade to improve its international positions world economy. In order to accelerate the process development of service export its crucial to study the experience of some countries who already got better results and has important role in world service market as UK, Ireland, US. The article provides systemized conclusion on different policies approached for service export stimulation in the countries mentioned above, and shares with some ideas for the countries of Central Asia for on improving the regional service trade promotion.

Keywords: export, trade, service, export promotion, tariffs, FTA.

1. Introduction.

During the last five years – after the COVID-19 the percentage of services in total international trade has recovered till the level of pre-COVID times, and the temp of growth is higher in comparison with 2014-2019 years according to the WTO data [1]. Especially, it is important for the developing countries, particularly for Central Asia, where transport opportunities are limited due to the its complicated geography, which creates obstacles in moving the products. In opposite, majority types of services are not depending on logistic as their delivery can be remote, offering huge possibilities for isolated countries as well. The advantage of modern world economy is mobility of all economic factors are higher than ever, so one country can manage use advantages of others, if it is not by nature. And that gives a hope to governments in accelerating development of economies by implementing the experiences of foreign successful cases. Uzbekistan, as the country with highest economic growth rate in Central Asia, planned to expand volume of its export up to 45 billion USD in 2030 which is twice big as it was in 2022 [2].

2. Literature Review.

2.1. Several scholars focused on the policy to stimulate the trade in service. Du and Shepotylo [3] investigate how the political decision of exiting from EU impacted the service sector in UK and its export. The calculation and results of modeling showed 5 percent decline in average but the fall with main partders as Germany reached above 8 percent. Decline in trade openness and export activities because of separating from common market caused the shrinkage, and according to their studies SME was affected higher than the huge companies. In parallel, Ireland gained increase in service export due to relocation of business and enhancing the relations with EU, which appeared in the model. Catherine Barnard in her work mentioned that leaving EU created the obstacles for the professionals limiting the mobility of labor which caused the shrinkage in the export of the country [4]. The same consequence analyzed by Matthew Hindley, who

concluded that service trade faced fall because of loosing the recognition of professional qualifications and mobility of people [5]. Stephen Woolcock [6], on the other hand, as John Adams [7] examined the UK's future opportunities and obstacles after leaving the Union and common market, suggesting several solutions to keep and recover the previous positions of the country in the world service market. David Collins explored similar topic, concerning the the loss of the EU's internal market for services for UK, and legal ramifications to overcome financial and commercial results [8]. Simon J. Evenett also tried to evaluate how the UK might build its international trade strategy outside the EU market [10].

Comparing the literature for the studies of UK and US as leaders of trade in service in the world, it can be underlined several common features.

First of all, both countries are paying priority to develop E-commerce, and digital trade in service. Also the issues of data crossing the border is becoming important part of policy [10 and 11]. Both countries prioritize digital trade agreements that ease restrictions on e-commerce and protect data privacy while encouraging open markets for digital services.

Secondly, non-tariff barriers and regulatory limitation as license, professional recognition, permissions and standardization are considered as main obstacles in trade expansion, especially, in services. The countries enlarging the geography and quantity of the bilateral and multilateral agreements to simplify the processes [4 and 11].

As a third commonality in policies of both countries can mentioned the tend to improve the countries position in the international market with free trade agreements and multilateralism. In order to avoid the obstacles and extra cost of time and finance both countries are actively entering the agreements considering the openness of the markets [6 and 11]

Labor mobility, especially for highly skilled professionals, is another key area where both countries have aligned policies, although the UK faces more limitations post-Brexit [12 and 13].

3. Results

UK as one of the biggest exporters of educational services, created a complex system to improve the attractiveness of local universities for the international students, which is pioneer experience for emerging economies to follow. After the BREXIT, government set up short time goals in International education strategy, joint program of two secretaries responsible for the education and international trade [14].

The strategy considers increasing of the export volume of education up to J35 billion per year by 2030 by attracting more than 600 thousand international students. It is covering the issues of enlarging the geography and age groups of international students, by offering different programs and degrees. At the same time mentioned the necessity to improve the sub-educational services to make the stay of the students more convenient and efficient.

Another advantage of the country in attracting the international students is job opportunities. Considering that feature, government is offering several types of Visas for the local universities' graduates. Graduate Route which was introduced in July 2021, allows eligible international students to stay in the UK for two years (or three years for PhD graduates) after graduation to work or look for job enrollment. In 2023, the Home Office granted around 114,000 students with that type of permission. A Home Office rapid review estimates that the Graduate Route influenced some students' decision to study in the UK—73% of surveyed holders said they knew about the route before applying, and many reported that it affected their decision to come [15].

Moreover, the government offers organizational and training support for the entities entering the international market via The UK Export Academy under the Department for International Trade, which provides several programs to navigate international markets. While not exclusively

focused on universities, export-academy-style training helps organisations plan and deliver services internationally [16].

UK Export Finance (UKEF) is the UK's export credit agency, which offers finance, guarantees and insurance for UK exporters—including service providers—to reduce financial risks. Mainly it focuses on goods and infrastructure projects, but educational service exports also can apply and stay granted for the activities or international campus projects [17].

Similar agency for the export support in the US named as Commercial Service's Global Education Team under the International Trade Administration provides specific support to the educational institutions who are focused on international market, and help them with the issues off market intelligence, trade missions, student recruitment strategies [18]. Unlikely, to the UK, States has no a general strategy to support and promote the education export but there is growing advocacy for a national strategy to coordinate it, in order to increase the student flows and to reduce barriers for the students and scholars from foreign countries [19].

In Uzbekistan, similarly to the US, the strategy considering the educational services export is not considered but some of the elements can be found in general strategy for developing the economy, partially, the matters are covered in the Uzbekistan 2030, Innovative development strategy as well.

4. Conclusion.

From the experience of the countries mentioned above and the actual position of Uzbekistan can be suggested to develop national strategy based on the Decree of the President of the Republic of Uzbekistan "On approval of the Concept for the development of the higher education system of the Republic of Uzbekistan until 2030" which focus on the internationalization of the educational services of the national educational entities.

Should be mentioned that, because of the reforms and changes in the higher educational systems in the country several universities ranked in Top-1000 in international ranking systems, and expected that the number will increase to ten during the couple of years. That will increase the prestige of local universities and it is a prove of the international standards are followed.

The attention should be paid for short term programs and summer schools, as for the students who are not well informed about the country, those programs give chance to test, experience and help in their future decisions.

The action of spreading national tradition via universities also should be kept as one direction of marketing, as it gave its results in 2024-2025 encouraging foreigners to learn about Uzbekistan.

Owning a common strategy in the national level will help the universities and companies supporting international students to focus on long-term projects, organize joint effort to attract new markets and create the educational hub in Central Asia.

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