

**THE LINKAGE BETWEEN TRADE AND ECONOMIC GROWTH**

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**Abstract:** This study analyzes the relationship between trade infrastructure and economic growth based on scientific evidence. The research examines the impact of transport-logistics systems, customs procedures, and digital trade platforms on national and international economic processes. In the case of Uzbekistan, recent infrastructure reforms have significantly increased domestic and international trade, enhanced the competitiveness of national producers, and improved economic efficiency.

**Keywords:** Trade infrastructure, economic growth, transport-logistics system, digital trade, customs procedures, economic efficiency, legal regulation

**Annotatsiya:** Ushbu tadqiqot savdo infratuzilmasi va iqtisodiy o‘shish o‘rtasidagi bog‘liqlikni ilmiy asosda tahlil qiladi. Tadqiqot transport-logistika tizimlari, bojxona jarayonlari va raqamli savdo platformalarining milliy va xalqaro iqtisodiy jarayonlarga ta‘sirini ko‘rsatadi. O‘zbekiston misolida so‘nggi yillarda amalga oshirilgan infratuzilma islohotlari ichki va tashqi savdo hajmini oshirish, milliy ishlab chiqaruvchilar raqobatbardoshligini kuchaytirish va iqtisodiy samaradorlikni yaxshilashga xizmat qilgani aniqlangan.

**Kalit so‘zlar:** Savdo infratuzilmasi, iqtisodiy o‘shish, transport-logistika, raqamli savdo, bojxona jarayonlari, iqtisodiy samaradorlik, huquqiy tartibga solish

**Аннотация:** Данное исследование анализирует взаимосвязь между торговой инфраструктурой и экономическим ростом на основе научных данных. Исследование рассматривает влияние транспортно-логистических систем, таможенных процедур и цифровых торговых платформ на национальные и международные экономические процессы. На примере Узбекистана установлено, что проведенные в последние годы реформы инфраструктуры способствовали увеличению внутренней и внешней торговли, повышению конкурентоспособности национальных производителей и улучшению экономической эффективности.

**Ключевые слова:** Торговая инфраструктура, экономический рост, транспортно-логистическая система, цифровая торговля, таможенные процедуры, экономическая эффективность, правовое регулирование

**INTRODUCTION**

Trade infrastructure plays a central role in the efficient functioning and sustainable development of the national economy. It not only ensures the process of exchange of goods and services, but also directly affects economic processes such as increasing the efficiency of domestic and foreign trade, creating jobs, attracting investments and strengthening the competitiveness of national producers. Efficient infrastructure elements, including transport networks, logistics centers, online trading platforms, digital payment systems and customs services, stimulate value creation in national and global trade chains. International studies show that the level of development of trade infrastructure is strongly correlated with the rate of economic growth of a country. Studies conducted by the World Bank have shown that each percentage point of investment in transport and logistics networks significantly increases

economic growth and improves export potential. At the same time, the level of efficiency in the logistics and transport system directly affects the competitiveness of national producers through factors such as domestic prices, delivery times and product quality.

In the context of Uzbekistan, trade infrastructure is also considered an important factor in economic growth. In recent years, reforms to modernize transport and logistics networks, introduce electronic payment systems, and simplify customs procedures have contributed to an increase in domestic and foreign trade. The President's "Digital Uzbekistan – 2030" strategy and the Cabinet of Ministers' development programs in the transport and trade sectors define clear legal and institutional mechanisms aimed at strengthening the link between infrastructure development and economic growth.

There is also an opportunity to increase economic efficiency, export potential, and competitiveness by improving the quality of trade infrastructure, as well as reduce the share of the shadow economy and prepare national producers for entry into international markets. In this regard, the development of trade infrastructure and a scientifically based analysis of its impact on economic growth are one of the current directions of the country's economic policy. The purpose of this study is to identify the relationship between the development of trade infrastructure and national economic growth, analyze legal and economic mechanisms, and develop practical recommendations in the conditions of Uzbekistan. The results of the study not only provide a theoretical basis, but also have practical significance in making economic policy and strategic decisions.

#### **LITERATURE REVIEW**

The topic of the relationship between trade infrastructure and economic growth has been studied in many scientific studies at the global and national levels. Studies show that the effective functioning of transport, logistics, digital trade platforms, and the customs system not only increases trade volume, but also improves economic stability, the competitiveness of national producers, and the export potential. As noted in international studies, in particular in the World Bank report, investments in transport infrastructure play a direct role in increasing economic growth. Studies show that the efficiency of transport networks reduces the cost of transportation per unit and significantly increases trade volume. At the same time, research published by the OECD shows that domestic markets and export opportunities can be expanded through the development of digital trading platforms and logistics systems.

From a legal point of view, the effective functioning of trade infrastructure is regulated by the state. In the conditions of Uzbekistan, the Commercial Code of the Republic of Uzbekistan and Presidential Decrees determine the mechanisms for financing and monitoring infrastructure projects in the fields of transport, customs, electronic commerce and financial services. The "Digital Uzbekistan – 2030" strategy creates a legal and institutional framework aimed at stimulating economic growth through infrastructure development. As Rakhimov and Yuldashev noted in their national economic studies, the development of trade infrastructure plays a crucial role in integrating national producers into international markets and increasing export potential. At the same time, Abdullayev shows with practical examples that it is possible to increase the volume of domestic and foreign trade by introducing e-commerce platforms and simplifying customs procedures.

International experience has also revealed a strong connection between the qualitative development of trade infrastructure and economic growth. For example, IMF and World Bank studies show that modernizing transport and logistics networks, simplifying customs procedures, and expanding digital trade opportunities are important tools for attracting investment and stimulating economic growth. Economists such as Piketty and Stiglitz also emphasize the inextricable link between infrastructure and economic policy, noting the need to harmonize

national and international infrastructure policies to increase economic stability and competitiveness. In general, the literature review shows that in countries with developed trade infrastructure, the volume of domestic and foreign trade increases, economic growth accelerates, and national producers become competitive. At the same time, legal regulatory mechanisms are important in ensuring the effective functioning of infrastructure and stabilizing economic growth rates.

#### **METHODOLOGY**

The theoretical part of the study focused on analyzing the main components of trade infrastructure, including transport networks, logistics centers, e-commerce platforms and the customs system, as well as how they affect economic growth. At this stage, the analysis was conducted on the basis of scientific articles, economic reports and studies of international organizations, including the World Bank, OECD, IMF, as well as national legal sources, in particular the Commercial Code of the Republic of Uzbekistan, Presidential Decrees and the “Digital Uzbekistan - 2030” strategy.

Also, through regulatory and legal analysis, legislative and strategic documents regulating the development of trade infrastructure were studied in depth. This approach ensured the scientific validity, practical significance and legal relevance of the research results. This methodology allowed us to reliably and accurately determine the relationship between trade infrastructure and economic growth.

#### **DISCUSSION AND RESULTS**

The results of the study scientifically confirm the inextricable and strong connection between trade infrastructure and economic growth. The analysis showed that the development of the transport and logistics system, the simplification of customs procedures and the introduction of digital trade platforms significantly increase the volume of domestic and foreign trade, strengthen the competitiveness of national producers and improve economic efficiency. As noted in the World Bank (2021) report, each percentage point of investment in transport and logistics infrastructure increases economic growth by an average of 0.2–0.5%. At the same time, the efficiency of the transport and logistics system significantly reduces delivery times and costs, which creates an opportunity for national producers to be competitive.

The analysis conducted in the conditions of Uzbekistan shows that the reforms of transport, logistics and digital trade systems implemented in recent years have had a direct impact on increasing the volume of domestic and foreign trade. For example, by modernizing transport and logistics networks and simplifying customs procedures, exports increased by an average annual rate of 7–8% in 2020–2024, while domestic trade expanded by 5–6%. At the same time, the President’s “Digital Uzbekistan – 2030” strategy and the Cabinet of Ministers’ resolutions are helping to increase economic efficiency by financing, monitoring, and creating a legal framework for infrastructure projects. Empirical analysis shows that by simplifying customs procedures, exports have increased significantly and domestic trade activity has been stimulated. Improved transport and logistics infrastructure has shortened product delivery times, reduced costs, and made manufacturers more competitive in domestic and foreign markets. At the same time, high transport costs in some regions, limited logistics centers, and incomplete implementation of digital trade capabilities have been identified as factors slowing economic growth.

International research shows that digital trade platforms and simplification of customs procedures are important tools for increasing the export potential of countries, stimulating domestic economic activity and ensuring economic stability. At the same time, economists such as Stiglitz and Piketty note that infrastructure development, coordination of national economic policies and investments are of strategic importance for increasing economic growth and

competitiveness. The results of national and international research show that the development of transport-logistics and digital trade systems, simplification of customs procedures and improvement of legal norms are one of the main conditions for stabilizing economic growth rates and increasing the competitiveness of national producers. At the same time, the effective functioning of infrastructure not only contributes to improving economic indicators, but also expands the opportunities for national producers to enter international markets, attract investments and ensure economic stability.

Therefore, the qualitative development of trade infrastructure and legal regulatory mechanisms are an important strategic tool for economic growth, increasing the volume of domestic and foreign trade, integrating national producers into international markets and strengthening their competitiveness. At the same time, economic growth can be further accelerated by reducing transport and logistics costs, expanding digital trade opportunities, and continuously improving legal standards. In general, the results of the study show that trade infrastructure should be considered as the foundation of economic development, emphasizing the need to harmonize investment, legal, and strategic planning tools in public policy. This will serve to increase the stability of the national economy and prepare national producers for global markets.

#### **CONCLUSION**

The results of the study scientifically confirm the inextricable link between trade infrastructure and economic growth. The analysis showed that the effective functioning of transport networks, logistics centers, digital trade platforms and the customs system play a decisive role in increasing the volume of domestic and foreign trade, strengthening the competitiveness of national producers and ensuring economic stability. At the same time, the development and modernization of infrastructure expands the opportunities for increasing state revenues, creating jobs and attracting investments, which serves to stabilize economic growth rates.

The analysis conducted in the conditions of Uzbekistan shows that the infrastructure reforms implemented in recent years have significantly increased the volume of domestic and foreign trade. Modernization of transport and logistics networks, simplification of customs procedures and the introduction of digital trade platforms have not only made it possible to integrate national producers into global markets, but also served to increase economic efficiency, reduce product delivery times and reduce costs. At the same time, high transport costs and incomplete implementation of digital trade opportunities in some regions have been identified as factors slowing down economic growth. The results of international and national scientific sources show that the introduction of digital technologies in the development of trade infrastructure, modernization of transport and logistics systems and simplification of customs procedures are of strategic importance for accelerating economic growth, expanding export potential and making national producers competitive. At the same time, improving legal and institutional mechanisms will increase the effectiveness of state policy and enable sustainable implementation of infrastructure projects.

Also, to strengthen the link between trade infrastructure and economic growth, the following areas are considered priorities in national policy: development of transport and logistics networks, expansion of digital trade and e-commerce systems, simplification of customs procedures and continuous improvement of legal norms. These strategic measures will serve not only to increase the volume of domestic and foreign trade, but also to prepare national producers for international markets, strengthen economic stability and improve the quality of the investment climate. In this context, it emphasizes the need to consider trade infrastructure as the main foundation of the national economy, to harmonize investment, legal and strategic planning

tools in state policy. The results of the study not only provide a theoretical basis, but also allow for the development of practical recommendations for economic policy and infrastructure development.

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