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**DEVELOPMENT ORIENTATION OF FOREIGN
TRADE REALTIONS ON
AGRICULTURAL PRODUCTS**

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ABSTRACT

of the dissertation submitted for the degree of
Doctor of Philosophy in Economics

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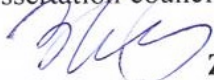
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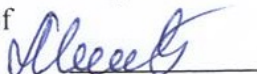
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THE COMMON CHARACTERISTICS OF RESEARCH

The relevance and the degree of workability of topic: The changes in the world economy in recent years and the complex nature of international trade relations have set important tasks for the state, such as strengthening the position of national producers in foreign markets, stimulating exports and to meet most part of domestic demand through domestic production. As various trends in both the national and world economies have led to a decline in purchasing power of demand in some cases, increased competition, and changes in economic development prospects and priorities, it has become necessary to pay more attention to improving foreign trade relations. In this regard, many countries not only set the growth of production and exports as the main goal, but also take appropriate measures to support the activities of local producers in these areas and to make them more successful in the condition of competition. In general, in addition to expanding foreign trade relations, the state is interested in economic relations with more favorable partners to ensure the effectiveness of these relations. The main goal is to increase the socio-economic development of the country in these conditions.

Development of foreign trade relations is also one of the priorities of the country's food security. If take into account agriculture is a producer of both food products and raw materials in this sense, the expansion of foreign trade relations on the products of this pivotal sector of the economy shows its importance. Recently, a number of important measures have been taken in this direction in the country. Thus, “Regions of the Republic of Azerbaijan for 2019-2023 State Program for Socio-Economic Development in the World”, “ Strategic Roadmap for Production and Processing of Agricultural Products in the Republic of Azerbaijan ”, The decree about “ Liberalization of Foreign Trade in the Republic of Azerbaijan ”, “Rules of regulation of import-export operations in the Republic of Azerbaijan”, "On additional measures to improve the rules of regulation of import-export operations in the Republic of Azerbaijan" created a basis for achieving positive results in this area. Under such

conditions, the implementation of measures to stimulate export-oriented production and strengthen access to foreign markets, to increase the competitiveness of products in a global competitive environment is of not only scientific but also practical importance. The point of view, the study of foreign trade relations in agricultural products shows its importance and necessity.

Problems related to foreign trade relations have been in the focus of attention of economists at different times, depending on the level of economic development. A. Nadirov, A. Shakaraliyev, A. Alasgarov, G. Ganjiyev, I. Aliyev, S. Salahov, N. Abbasov, F. Qasimov, E. Karimov, S. Hacıyev, F. Babayev and others.

Foreign scientists M.Porter, K.Bouman, B.Scotta, I.Ivanov, V.Obolonsky, V.Savina, V.Smirnov, I.Faminski, V.Cherenkov, V.Notdorfort and others conducted research on various aspects of the problem.

All research and studies aimed at identifying the role of foreign trade relations in determining the perspective directions of socio-economic development as a necessary direction of economic development, as serving the development of foreign trade relations. It should be highlighted that general tables of the problem have been put forward in security studies, and agricultural import-export issues have not been fully investigated individually. The study of foreign trade relations in agricultural products is a crucial problem, especially in the context of global development. The dissertation examines these and related issues.

The objectives and tasks of research. The purpose of the dissertation is to develop scientifically sound proposals in expanding and improving foreign trade relations in agricultural products.

The following tasks have been identified and solved to achieve these goals:

- identification of theoretical and methodological aspects of supporting to export in the context of foreign trade relations, taking into account the specifics of international exchange and the development of the world economy;

- identification of tools for the development of foreign trade relations to study world experience;

- identification of measures to strengthen the position of local producers in a competitive environment;
- assessment of the government's stimulating role in increasing the competitiveness of local products in domestic and foreign markets;
- assessment of the role of foreign trade relations in agricultural products in meeting the needs of the country;
- identification of measures to expand foreign trade relations and increase efficiency on agricultural products.

Research methods: Economic statistical, observation, analysis, synthesis methods were used in the dissertation work.

The main provisions of the defense are as below:

- methodology of formation and development of foreign economic relations;
- assessment of the role of agriculture in the development of foreign trade relations;
- determination of the mechanism of influence of internal and external factors on the balance of supply and demand;
- the impact of state support measures on the production of competitive products;
- mechanism for increasing the efficiency of export-oriented production;
- determination of the impact of financing and investments on the stimulation of export-oriented production;
- prospects for the improvement and development of foreign trade relations in agriculture.

The scientific novelty of the research is as follows:

- the main goals have been identified to strengthen the position of local producers in foreign markets;
- directions for stimulating competitive production have been identified;
- prospects of state support for exports in the context of international competition have been acknowledged;
- measures have been identified to protect local production from the harmful effects of imports;

- the main directions of financial rehabilitation in the development of foreign trade relations on agricultural products were identified;

- measures have been identified to upgrade and ensure the efficiency of foreign trade relations on agricultural products.

Theoretical and practical significance of the research: The research, proposals and recommendations can be used to develop a mechanism for development, assuring and regulating effectiveness of foreign trade relations, to identify measures to protect local products from harmful external influences by increasing their competitiveness. The results obtained can also be used by local producers to ensure production and export efficiency.

Approbation and application of the results of the dissertation: The content of the dissertation is reflected in 8 published research and theses. The results of the research were accepted for use in “Aveta” LLC (reference No. 028 dated 20.04.2018).

Name of the organization where the dissertation was conducted: The dissertation work was carried out at the Azerbaijan State Agricultural University.

Volume and structure of the dissertation. The dissertation consists of an introduction, 3 chapters, conclusion, 123 bibliography and 270755 characters. The introduction consists of 5 pages of 9591 characters, the first chapter of 40 pages of 86290 characters, the second chapter of 36 pages of 65468 characters, the third chapter of 40 pages of 84856 characters, the results of 5 pages of 9710 characters and the list of 123 used literature of 8 pages of 13042 characters. The total volume of the dissertation is 139 pages of computer writing. The total text of the dissertation (excluding tables, graphs and bibliography) is 124 pages of computer writing or 248736 characters.

The dissertation contains 1 graph, 4 figures and 10 tables.

SUMMARY OF THE RESEARCH WORK

In the introductory part of the dissertation, the relevance of the topic, the state of the study of the problem, the goals and objectives of the research, the object, subject, scientific novelty, practical significance and approbation are explained.

Chapter 1 of the dissertation, entitled "**Theoretical and methodological essentials of the formation of foreign economic relations**" explains the scientific views on the formation of foreign economic relations, the role of agriculture in the development of foreign trade relations. Foreign economic relations are considered to be one of the basic means of economic stability, characterizing a set of forms and methods of financial-currency and credit relations between countries, as well as various areas of cooperation in science, technology and trade. In modern age, developed and developing countries are trying to effectively use the vast opportunities of international economic relations, as well as the benefits of the international division of labor to comprehensively develop their foreign economic relations, thereby they try achieve to increase the economic potential of domestic businesses and entrepreneurs.

The main task and feature of foreign economic relations are the areas that make up the national economy of countries, including to connect production, trade, finance, investment, labor, technology and etc fields directly with world economics. More specifically, foreign economic relations reveal as a system of economic relations that appears during the movement of factors of production from one state to another national economic entities.

International trade, considered the oldest form of foreign trade, has played a crucial role in the development of the world economy. Global technological progress, the transition from extensive to intensive methods of production, development in the field of transport and logistics, all this has led to the rapid growth of international trade and the emergence of new sectors. There are different approaches to the concept of international trade in the economic literature. A group of economists believes that international trade is the exchange of goods and services between separate countries, which is associated with the internationalization of economic life and the intensification of the international division of labor in the context of the scientific and technological revolution.

Foreign trade policy is the main tool of the state in the implementation of both foreign economic policy and general economic policy. States formulate their foreign trade policies taking

into account the level of technological development of the country, the quality of goods and services produced, geographical location, resource potential and other factors in modern age. Particularly in this case, it is possible for countries to develop economically. Because no country in the world can achieve development by encountering domestic demand only through domestic production. Especially underdeveloped and developing countries. Such countries have to import most of the equipment and machinery they use in production, raw materials and supplies, vehicles, machinery and other means. In this aspect, we can say that there is a correlation between the economic development of the country and its participation in international trade. This dependence appears in the form of inverse or direct proportions, depending on the deficit or surplus in the balance of payments. Thus, we can say that there is a correlation between the correct establishment of the country's foreign trade policy and the dynamic development of its economy.

Our research concludes that despite the important role of free trade and international specialization in maximizing world production, in practice no country in the world, including those with the most democratic and liberal economies, pursues a net free trade policy. It is the fact that the level of restrictions may vary depending on the level of development of the countries, as a result of the influence of political, economic, environmental and other processes that occur at different times. The agricultural sector is of special importance in the development of the country's foreign economic relations. Research shows that a number of factors affect the development of the agricultural sector, including the expansion of foreign trade relations in agriculture. They can be classified as follows:

- strengthening price disparities. In the structure of a market economy, relying only on the principles of free trade, ignoring government regulation, leads to cross-sectoral imbalances, increasing price disparities between agricultural and processing products, which leads to a decline in the level of profitability of entity. It is necessary to emphasize that the unprofitable activities of economic entities operating in the agricultural sector ultimately lead to the influx of people living in rural areas to the cities;

- violation of the competitive environment. Violation of the economic laws of the market in the agricultural sector is ultimately characterized by harmful effects. The exclusion of the state from socio-economic processes in structures based solely on free entrepreneurship leads to the strengthening of monopolistic tendencies and their harmful consequences. In the agricultural sector, however, this process is more pronounced. Thus, the strengthening of monopolistic tendencies in the markets leads to a reduction in the incomes of the latter by creating price dictation for the products of many rural farms operating in the sector;

- low level in the usage of modern achievements of scientific and technical progress. The experience of developed countries shows that the maximum benefit from existing resources is directly related to the application of scientific and technological progress, discoveries, new ideas and inventions. It stays behind the conquest of new markets, the introduction of competitive products to the markets, the sustainable implementation of the achievements of scientific and technological progress;

- low demand satisfaction level for investment resources. The investment factor plays an important role in expanding and increasing the efficiency of agricultural production, creating new enterprises and farms, resulting in new jobs, as well as improving the living standards and incomes of the rural population, in short, the diversification of agriculture.

In the second chapter of the dissertation entitled “**Current state of agricultural production: level of supply, import and export**” the current state of agricultural production, the level of meeting the country's demand for agricultural products: the dynamics of imports and exports, the balance of supply and demand, internal and external factors impacting it are analysed.

The experience of studying the development trends of foreign trade relations in agricultural products shows that the development of import-export operations in the interests of the country requires a new approach to the issue. In particular, minimizing or eliminating the negative effects of globalization and various changes in the world economy is one of the main conditions for supporting exports and

successfully protecting domestic production. Although the global economy is also reflected in positive trends, and this effect is also reflected in economic development, the growth rate of foreign economic trade is not observed in very high level. One of the main effects of global processes on foreign trade is the decline in demand, accompanied by a decrease in exports. This situation stimulates the development of international exchange, measures and tools that will stimulate the activities of exporters in the context of increased competition in foreign markets and reduced demand. As the decline in demand for export products, in turn, serves to stimulate domestic production, there is a need to increase export-oriented production and increase competitiveness. In the face of increasing competition, certain export-related problems, including difficulties in strengthening market positions, highlight measures to support exports, which are an important area of foreign trade. Problems in domestic production for various reasons lead to a decline in supply, which raises the issue of meeting the remaining demand through imports. Thus, researches to determine the level of foreign trade relations requires to study the factors of both domestic production, exports and imports.

The management of a complex of economic, environmental, social and institutional factors involves the creation of a favourable environment for the sustainable development of the agricultural sector, the implementation of the above priorities and the implementation of justified tasks in terms of sustainable development.

It is known that, the level of agricultural development has a direct impact on meeting the country's demand for these products. When studying the level of meeting the country's demand for agricultural products, it is extremely important to focus on the level of foreign trade relations. Because in the preparation and implementation of export support measures, the condition of meeting domestic demand comes to the fore. Also, the emphasis on the realization of the part of demand that is not met at the expense of domestic production requires a comprehensive study of import-export operations. International experience shows that the main goal in this issue is to expand exports, as well as to give priority to meeting domestic demand through domestic production. Because the

increase in imports, on the one hand, leads to the inflow of foreign currency from the country, on the other hand, in some cases, results in the suppression of local products in the markets by imported products. The analysis of the level of meeting the population's demand for basic foodstuffs at the expense of local production shows that this indicator has been variable in the years of comparison. Thus, while the level of self-sufficiency increased in some types of products, a decrease was observed in others. In comparable 2015-2019, this indicator for cereals increased by 2.8 points and amounted to 67.3%. The best situation with cereals was observed in 2018 - 74.1%. The level of self-sufficiency in wheat products was recorded at 52.9% and 57.2%, respectively. The data show that the level of self-sufficiency in barley, corn, rhubarb, other grains, potatoes, all kinds of vegetables, melons, fruits and berries, all kinds of beef and poultry, milk and dairy products, as well as egg products is generally 80%. was above. In 2019, the level of self-sufficiency in cereals, wheat, legumes and poultry and meat products was recorded at 65-75%. It should be noted that the increase in the level of self-sufficiency can be considered as a key indicator of eliminating dependence on imports, and vice versa (Table 1).

Of course, the level of meeting the country's needs closely linked to foreign trade. Looking at the dynamics of foreign trade relations, it is clear that in the years of comparison, ie from 2015 to 2019, foreign trade turnover increased by 7,329.5 million dollars. Imports in the country amounted to 9,221.4 million dollars in 2015 and 13,667.2 million dollars in 2019. This is 4445.8 million dollars means an increase. Exports were 16,559.6 million dollars in 2015 and 19,471.3 million dollars in 2019. Foreign trade for the years of the analysis resulted in a positive balance. Compared to the previous year, foreign trade turnover in 2019 was higher - this figure was 128.8% in 2019, compared to 99.8% in 2015 (Table 2 and Chart). It should be noted that the development of foreign trade relations and its economic efficiency depends to a large extent on how to transport this or that cargo, how to use the most economical and fastest means of transportation. The transport factor is always in the centre of attention as an important condition in the identification of world

trade. Analysis of the data shows that the dynamics of imports in the country also differs in terms of product units

Table 1. The level of meeting the demand for basic food products at the expense of local production, in percentage

Indicators	2015	2016	2017	2018	2019
Total Grains	64,5	63,8	66,3	74,1	67,3
Wheat	54,8	52,9	58,1	64,8	57,2
Barley	95,1	101,7	94,4	103,1	100,2
Corn	54,1	71,1	70,7	82,7	80,0
Oats	93,1	85,7	90,1	89,2	90,9
Other types of cereal	6,3	32,0	20,4	82,3	88,2
Legumes	69,3	68,4	73,7	72,0	76,1
Potato	89,1	85,5	89,2	90,8	87,8
All kinds of vegetables	103,4	105,4	115,2	115,0	112,0
Melon products	100,0	100,2	100,2	99,7	100,8
Fruits and berries	113,7	116,4	122,4	123,2	123,1
All kinds of beef and poultry	94,7	87,9	84,7	82,7	82,5
Beef and meet products	91,8	93,5	86,3	85,1	86,1
Mutton (goat meet) and meet products	99,3	98,7	98,0	98,1	97,6
Poultry and meat products	98,6	79,1	79,7	75,9	74,6
Milk and dairy products	84,3	87,7	86,1	86,7	86,3
Eggs	99,7	98,8	100,5	101,5	101,8

Table 2. The dynamic of foreign trade relations

Years	Million USD			
	trade turnover	import	export	saldo
2015	25 809,0	9 221,4	16 559,6	7 338,2
2016	21 596,6	8 489,1	13 107,5	4 618,4
2017	24 263,8	8 783,3	15 480,5	6 697,2
2018	31 782,7	11 465,0	20 316,8	8 850,9
2019	33 138,5	13 667,2	19 471,3	5 804,1

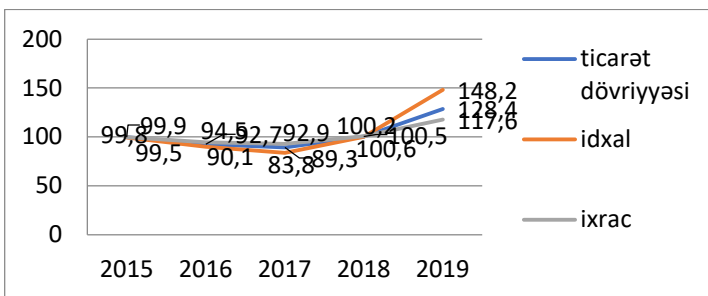


Chart. Dynamics of foreign trade turnover, in percentage compared to the previous year

Thus, the level of imports of potatoes in natural terms in 2015 was 51381.3 tons, in 2019 this figure was 193 016.7 tons. In terms of value, this indicator was 11204.9 and 51 816.0 thousand US dollars,

respectively. Compared to fresh vegetables, the level of imports in 2015 reached 25,489.9 tons in natural terms, in 2019 this figure reached 19,457.8 tons. The comparison shows that in 2019, compared to 2015, the import of beef in natural terms was 74.1%, poultry and its by-products 5.1 times, potatoes 54.7%, fresh fruit 90.6%, tea increased by 88.9%. In terms of value, there was an increase in products other than poultry eggs and corn. Imports of poultry eggs and corn decreased by 45.1% and 40.9%, respectively, in the comparable period (Table 3).

Table 3. Dynamics of imports of basic agricultural and food products

Names of goods	2015		2019		In 2019, compared to 2015, in %	
	Amount	Cost, Thousand US dollars	Amount	Cost, Thousand US dollars	Amount	Cost, Thousand US dollars
Beef, tons	5059,3	10899,7	8 810,5	28 092,0	174,1	2,6 times
Poultry and its by-products, tons	7372,7	6240,9	37713,4	43 818,1	5,1 times	7 times
Milk and cream, tones	8835,2	5761,7	9022,7	14 374,4	102,1	2,5 times
Bird eggs, thousand pieces	51381,3	8609,1	20576,0	4 731,8	40,1	54,9
Potatoes, ton	124763,8	11204,9	193016,7	51 816,0	154,7	4,6 times
Fresh vegetables, tones	25489,9	6149,3	19 457,8	10 478,8	76,3	170,4
Fresh fruit, tones	57881,1	33299,5	110327,1	112997,4	190,6	3,4 times
Tea, tons	7460,8	16319,9	14 095,9	55 049,0	188,9	3,4 times
Wheat, thousand tons	1353,1	296831,0	1585,0	340533,1	117,4	114,7
Corn, tons	181652,7	31202,6	71068,9	18 434,6	39,1	59,1
Rice, tons	26638,8	8031,5	48654,6	38 746,5	182,6	4,8 times
Tobacco, tons	3053,1	10333,1	6 299,2	46 171,4	2,1times	4,5 times

The dynamics of exports in the country is very different per unit of output. Thus, in natural terms, the level of potato exports in 2015 was 36712.0 tons, in 2019 - 61 785.1 tons. In value terms, this indicator was 20950.2 and 26 851.8 thousand US dollars, respectively. The comparison shows that in 2019, compared to 2015, tea exports in natural and value terms decreased by 64.9% and 51.2%, respectively. The increase was 68.3% and 28.2% in potatoes, 2.7 and 3 times in fresh vegetables, 94.4% and 64.2% in fresh fruits, respectively. An increase occurred (Table 4).

The experience of developed countries shows that increasing the production of agricultural products is one of the most important factors in meeting demand and increasing exports through the

restriction of imports, and in ensuring food security in general. Increasing agricultural production ultimately plays an important role in meeting the population's demand for food, as well as meeting the industry's need for agricultural raw materials. In this regard, the development of agriculture is of particular importance in terms of ensuring the economic security of each country.

Table 4. Dynamics of exports of basic agricultural and food products

Name of goods	2015		2019		Compared to 2015 As a percentage in 2019	
	Quantity	Amount, thousand USA dollars	Quantity	Amount, thousand USA dollars	Quantity	Amount, thousand USA dollars
Potatoes, tons	36712,0	20950,2	61 785,1	26 851,8	168,3	128,2
Fresh vegetables, tons	83312,5	70690,5	221195,1	214130,2	2,7 dafə	3 dafə
Fresh fruits, tons	172980,9	220087,2	336342,0	361368,3	194,4	164,2
Tea, tons	4287,5	19501,5	1 505,9	9 510,3	35,1	48,8
Canned fruits and vegetables, tons	2880,1	3945,7	6 927,8	9 190,3	2,4 dafə	2,3dafə
Fruit and vegetable juices, tons	6727,2	6911,0	9 870,2	11 183,6	146,7	161,8
Tobacco, tons	1944,4	7431,8	6 488,5	13 598,0	3,3 dafə	182,9

The above shows that the mechanisms for increasing and improving the efficiency of foreign trade relations require an approach at the micro and macro levels. Thus, as export support makes it necessary to study the situation in international markets, the process is studied at the macro level, and complex factors are studied at the micro level, as support measures are implemented at the enterprise level to meet demand through local production. At both levels, there is the risk of exchange rate fluctuations, sharp changes in market conditions, improvements in legislation to economic processes, and so on. Diversification of production and exports and increasing the competitiveness of products is one of the main goals.

The deepening of trade and economic relations in the sphere of international exchange requires the establishment of domestic production in terms of demand, as well as the demand of domestic and foreign markets. This process allows the society to meet the needs of agriculture for food products, raw materials for the processing industry, as well as the financial resources necessary for

the implementation of the process of reproduction and the products obtained by the producer. It is also considered important to expand access to foreign markets by increasing export-oriented production and increase competitiveness, and to encourage producers to get more currency. Therefore, there is a need to study the supply and demand in the production and sales activities of agricultural enterprises in terms of the above. When studying the demand of domestic and foreign markets, along with agricultural products, the demand for material and technical resources, as well as works and services should be taken into account at the stage of production and sale of products in this field. Because agricultural production directly depends on the level of provision of these resources, as well as the volume and price of work and services offered. Demand in the agricultural sector is characterized by dependence on factors such as the volume of goods, seasonality of production, sales, the level of income of buyers, the level of prices and elasticity. Taking into account these factors, enterprises should also pay attention to the mechanism of operation of the law of demand in their activities. According to this law, as the price of a commodity rises, the demand for it decreases, and vice versa.

In addition to prices, the level of demand in the agricultural market is influenced by other factors: the number of buyers, their consumer tastes, income levels, quality, volume of goods, etc. These are called non-price factors. These can be applied to both domestic and foreign markets. The number and taste of buyers, of course, play an important role in increasing or decreasing the demand for this or that product. Buyer's incomes and quality factor's impact on demand are relatively complex process. Thus, if the producer's income fully meets the needs, or exceeds the demand, they value a quality product rather than the price level. That is, the increase in prices does not affect the demand of this group of people. Consumers with low purchasing power, on the other hand, are more interested in the level of prices, with the quality factor in the background.

The above shows the complexity of the factors affecting the market of agricultural products and their characteristics. In this regard, it is important to keep the market segment in focus when

studying the factors that affect the balance of supply and demand. The market segment has a direct impact on the formation of demand and supply, as it forms a part of the market share formed by buyers in accordance with any characteristics - purchasing power, demand, living space, number of consumers, tastes and habits. Therefore, it is important to pay attention to every factor in the study of supply and demand.

In the 3rd chapter of the dissertation entitled “**Improvement and development prospects of foreign trade relations on agricultural products**”, the main directions of state support for the production of competitive products, the role of investment in stimulating export-oriented and competitive production in agriculture, international experience and its use in the development of foreign trade relations issues are reflected. Competitiveness is one of the main indicators reflecting the state of the economy, its various sectors, as well as the production of a particular product and the prospects for its economic development. The large-scale movement of innovation and capital, the globalization of markets and the intensification of competition increase the importance of competitiveness. The analysis of the factors affecting competitiveness is approached from different aspects in the economic literature. Competitiveness is highly correlated with resource efficiency. In countries with high living standards, achieving more efficient and effective use of resources and constantly improving it is becoming a key goal. Based on researches, it can be concluded that there are two main directions in increasing competitiveness: - increase in domestic demand for products of national producers; - expanding access to foreign markets and capturing these markets.

These issues are directly related to innovation policy. Therefore, the development of domestic innovation potential and the creation of mechanisms for its effective use, as well as the involvement of modern foreign technologies in production is one of the main conditions for increasing the competitiveness of agricultural products in our country with rich natural resources, human resources and scientific and technical potential. This has a direct impact on foreign trade relations.

The increase in foreign exchange earnings and revenues through the expansion of exports, which is one of the main areas of foreign trade in agricultural products, as well as improving the efficiency of export-oriented production is closely linked with the involvement of innovations in production. The purpose of innovation in the agricultural sector, in turn, is to achieve higher results by attracting less labour, material and financial resources into economic turnover. At the same time, one of the main goals is to ensure the integration of innovative factors of production and production relations that meet environmental requirements. Innovative activity is not considered effective if it does not meet environmental requirements, but in terms of development criteria, innovative activity is considered effective when it expands the production of a new product without increasing the use of traditional factors of production.

The increase of agricultural production in the conditions of market relations directly depends on the profitability of financial and economic activity of commodity producers. Every commodity producer who completes its financial and economic activities with a profit becomes more interested in the successful implementation of a large-scale reproduction process in the next year and in increasing and expanding production. From this point of view, financial rehabilitation plays an important role in increasing agricultural production and sustainable development of the sector as a whole. Internal and external environmental factors significantly affect the activities of agricultural producers. These factors cause the financial results in agriculture to end in loss or profit. It is in this context that measures should be taken to financially rehabilitate agricultural producers. Financial rehabilitation of agriculture reflects the necessary rehabilitation measures implemented by the state. The experience of developed countries shows that without financial rehabilitation in agriculture, it is impossible to ensure the sustainable operation of the industry as a whole, including agricultural producers as its important production units. Thus, financial rehabilitation is an important part of the state's agrarian policy, including state regulation of agriculture. The policy of financial rehabilitation prevents the insolvency of farms operating in agriculture, and this creates favourable conditions

for increasing the share of local production in the domestic food market and increasing the competitiveness of production.

As it is known, under market conditions, agriculture is less profitable than other sectors of the economy and depends on natural and climatic conditions. From this point of view, the level of economic entities operating in agriculture with the necessary losses is higher than in other sectors of the economy. This is due to the fact that the profitability of agrarian business in agriculture is significantly lower than in other sectors. This, in turn, hinders the growth of investment attractiveness in agriculture and related areas as an important and strategically important area of low profitability of agribusiness.

The change in the existing environment involving agricultural producers is in fact the result of two factors. The first is through the implementation of adjustments to the influence of objective factors, which is carried out by the state. The second is through the improvement of internal environmental factors in the development of agricultural production. This process is carried out by agricultural producers themselves. Thus, the measures taken to change the current situation benefit from the macro and micro economic aspects. Environmental changes that benefit from the macroeconomic aspect are implemented within the framework of macroeconomic policy and agrarian policy pursued by the state, as well as forms and methods of state regulation of the agrarian sector. The changes made by agricultural producers are characterized by the improvement of internal development factors.

Conclusion :

- In a globalizing world, concepts such as self-sufficiency and export stimulation require special attention. It is very important to define these and similar goals in agricultural policy. In this regard, foreign trade provides competition in domestic and foreign markets, seriously affecting the functioning of markets for consumer goods and agricultural products. In addition, this process also affects the link between producers and the food value chain and accelerates the re-export process;

- The establishment of large-scale agricultural enterprises in modern conditions is one of the important issues in terms of the efficiency of the country's economy. To this end, it is necessary to provide state support for the establishment and expansion of such enterprises under all possible conditions. State support should initially include important measures such as informing producers about scientific practices and innovations related to events and innovations in international agricultural markets, giving them guidance on innovations, and providing them with efficient and long-term financial resources;

- One of the key issues in foreign trade is the scale problem. The scale problem is important at two points. The first, agricultural production is related to the scale. Foreign trade companies are forced to supply products from many sources to meet demand, which increases costs. When a potential demand becomes a real demand, it is determined that it is difficult to supply sufficient quality goods and that additional supplies are more expensive. Second, agriculture is related to the scale of foreign trade companies. It is unrealistic to expect exporters' incomes to increase in the short term, as the scale of agricultural production has changed over a long period of time. Therefore, exporters are advised to focus more on the scale economies in the post-production links of the food value chain. Strengthening the organized behaviour of foreign trade companies and establishing cooperation networks in as many areas as possible can be a way out in the short and medium term. Cooperation networks should extend to all links of the value chain, from useful market data to supply. Producers and exporters need to act as partners rather than behaviours that see each other as competitors;

- The study of the country's activities in the field of international exchange and foreign economic relations shows that in the conditions of market economic relations, the role of the state in economic processes does not decrease on the contrary, the state in this respect plays the role of a guarantor of economic activity and economic interests of national producers.; For this purpose, the normative-legal base of import-export operations, free competition is determined, measures are taken to strengthen the position of

exporters in international markets, production of competitive and export-oriented products is stimulated, imbalances in import-export operations are prevented;

- When studying foreign economic relations on agricultural products, it becomes clear that along with the characteristics of the products of this field, the promotion of quality is of greater importance. At present, the predominance of environmentally friendly products in international markets is considered one of the primary indicators of competition, so the emphasis on quality improvement and protection measures in competitive production is one of the main goals of foreign trade operations;

- The study of the process of regulating foreign economic relations on agricultural products shows that the basic principles of market economic relations require continuous updating and improvement of measures to support exporters by the state. At the same time, measures aimed at increasing purchasing power, improving the level of demand, protection of the domestic market are of particular importance;

- Measures aimed at supporting exports and stimulating competitive production are becoming a key factor in promoting innovative economic development based on national technology by serving the interests of local businesses in foreign trade;

- As one of the main directions in supporting export-oriented production, the solution of financial problems of producers through various means, including subsidies, grants, soft loans, is of particular importance. The implementation of financial support is one of the main means of reducing risks in international trade relations;

- An assessment of the measures used in international practice to develop foreign trade relations in agricultural products shows that the organization of export support systems in developed countries is carried out in several directions. First of all, special attention is paid to the maximum freedom of foreign economic activity of economic entities, the formation of a national support system that serves to strengthen their position in foreign markets. One of the main goals of the state's economic policy is to stimulate the process of technological development and integration, taking into account the

requirements of international economic relations. Preference for free and open economic relations by minimizing government intervention, expanding exports by promoting market demand and competitive conditions are in the focus of attention as one of the main directions in the development of foreign trade relations;

- World experience shows that one of the measures identified for the development of foreign trade relations is to create a competitive environment by determining the demand in foreign markets and increase export potential by providing technological support to exporters. In such conditions, it is possible to prevent losses in a timely manner by predicting the volume of production, and technical and technological shortcomings are eliminated;

- Research shows that in order to ensure the effectiveness of the measures taken, countries around the world are constantly monitoring changes in international markets. This approach allows them to take the necessary steps and measures in a timely manner in accordance with the changing trends of economic processes;

- One of the most important measures to expand and improve foreign trade relations is to create a level playing field for import and export, taking into account the factors affecting import and export operations at the micro and macro levels. At the same time, the prospects for the creation of equal economic conditions for economic entities are determined, with special emphasis on the use of means aimed at preventing monopolistic tendencies;

- Supporting small and medium enterprises engaged in the production of competitive products is one of the key conceptual issues in economic policy in order to prevent the competitive advantage of imported products over domestic products. The creation of such conditions is important in eliminating the country's dependence on imports and ensuring food security as a whole;

- It is extremely important to develop the necessary infrastructure to compete with imported products in the domestic market and ensure the production of export-oriented products. From this point of view, the establishment of logistics centers, which play an important role in the efficiency of the production and sales stages

of products, and the provision of services in the interests of producers are considered important points in trade activities;

- Ensuring more efficient use of resources is one of the main conditions for competitive and export-oriented production. The measures taken in this direction have a significant impact on increasing the export potential and production of quality products.

The main provisions of the dissertation are reflected in the following scientific articles:

1. M.M.Hüseynov Xarici ticarət əlaqələrinin inkişafında kənd təsərrüfatının rolu, Azərbaycan Dövlət Aqrar Universitetinin elmi əsərləri №4, Gəncə 2017., 0,2 ç.v

2. M.M.Hüseynov Rəqabət qabiliyyətli aqrar istehsala dövlət dəstəyinin əsas istiqamətləri, Kənd Təsərrüfatının iqtisadiyyatı Elmi tədqiqat institutunun elmi əsərləri № 4, Bakı 2017., 0,3 ç.v.

3. M.M.Hüseynov Kənd Təsərrüfatında ixrac yönümlü istehsalın innovasiyalı inkişaf istiqamətləri, Lənkəran Dövlət Universiteti, “Müasir dünyada inteqrasiya və elmin aktual problemləri” mövzusunda elmi konfrans materialları, Lənkəran 2017., 0,2 ç.v.

4. M.M.Гусейнов Роль сельского хозяйства в развитии внешних торговых связей, Экономика и предпринимательство № 12, Москва 2017, 0,2 ç.v.

5. M.M.Hüseynov Miqyas iqtisadiyyatları və onun kənd təsərrüfatı məhsullarının istehsalı və ixracatında tətbiqi, Gəncə Dövlət Universiteti, “müasir təbiət və iqtisad elmlərinin aktual problemləri” mövzusunda elmi konfrans materialları, Gəncə 2018, 0,3 ç.v.

6. M.M.Hüseynov Aqrar sahədə innovasiyaların ixrac yönümlü istehsalın səmərəliliyinə təsiri, Azərbaycan Dövlət Aqrar Universitetinin elmi əsərləri № 2, Gəncə 2018, 0,3 ç.v

7. M.M.Hüseynov Kənd təsərrüfatının istehsalının stimullaşdırılmasında beynəlxalq təcrübə, “Azərıtifaq” Azərbaycan Kooperasiya Universiteti-Kooperasiya Elmi-Praktiki Jurnal № 2, Bakı 2018, 0,3ç.v.

8. M.M.Huseynov Ways to increase efficiency of export oriented agricultural products. / Чувашская Государственная Сельскохозяйственная Академия, Повышение экономической эффективности современного агропромышленного комплекса. г. Чебоксары, стр. 195-197.

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