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**INTERNATIONAL ECONOMIC RELATIONS AND MECHANISMS OF
REGULATING THEM**

Rasulov Otavullakhon Abdulakhadovich

Governor of Altinkul district of Andijan region, Uzbekistan

Annotation: The article covers the formation of the modern world economy, the interdependence between national economies and the essence of international economic relations. The main forms of international economic relations - trade in goods and services, capital movement, labor migration, scientific and technical cooperation, and currency and credit relations - are considered in detail. The stages of development of international trade, its structural structure, export-import processes, and modern forms of trade are also analyzed. The article reveals the role of international organizations and mechanisms regulating international economic relations, justifies the importance of international economic relations in the development of the world economy and their role in the economic development of countries.

Keywords: international economic relations, world economy, international trade, export, import, foreign trade turnover, world market, international division of labor, capital movement, investment, labor migration, currency and credit relations, international organizations, integration, barter, clearing operations, compensatory agreements

The modern world economy is formed on the basis of the interdependence and cooperation of various national economies. This dependence is strengthened through the international movement of goods, services and factors of production. As a result, extensive international economic relations arise between countries, which become an integral part of the global economic system.

The entire complex of various national economies (or their external economic parts) is strengthened by the movement of goods, services and factors of production. On this basis, international economic relations arise between countries. International economic relations (sometimes also called foreign economic relations, world economic relations) are a set of economic relations between different countries of the world.

International economic relations are manifested in the following forms:

- international trade in goods and services
- movement of capital and foreign investments
- labor migration
- interstate cooperation in production
- exchange in the field of science and technology
- currency and credit relations

International trade in goods and services depends primarily on the participation of national economies in the international division of labor. As a result of the development of



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the international division of labor, the world market takes shape. The world market can be viewed as the international movement of goods and services.

The regulation of international economic relations begins with national-organizational forms. The process of internationalization of economic life initially led to the international coordination of the activities of national states, and then to the formation of interstate and international organizations.

The world market goes through a number of stages in its development, each of which is characterized by a certain degree of involvement of the national economy in international economic relations. The internationalization of economic relations in the international sphere has led to the need to create a mechanism for regulating interstate economic relations. Nowadays, it is difficult to find an area of international economic relations where some regulatory structure does not operate. In particular, in the areas of finance, currency and credit, the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), in the field of world trade - the General Agreement on Tariffs and Trade - the World Trade Organization (GATT - WTO) can be cited.

In the legal sense, regulation involves the establishment of international procedures, that is, the development of agreements that define normative boundaries and rules or impose obligations on the parties to comply with them when resolving a particular area of international relations. International procedures that include generally accepted standards and rules can, in turn, influence national adaptation.

Although the first international organizations were created in the 1920s (the League of Nations - 1919, the Bank for International Settlements - 1929), structures that regulate multilaterally global economic relations at the international level began to take shape after the Second World War.

Another important area of international economic relations is the monetary and financial sphere. The harmonization of international financial relations is carried out within the framework of the IMF, the OECD, the Organization for Economic Cooperation and Development (OECD), the International Development Association (IDA), the International Finance Corporation (IFC), and others.

The strengthening of international harmonization of the monetary and financial sphere is largely due to the activities of the IMF. In accordance with its charter, it regulates exchange rates and balances of payments of member countries, monitors the external debts of multilateral payment systems and developing countries, and provides loans to member countries to solve their monetary and financial problems.

A characteristic feature of current world development is the rapid growth of foreign economic relations, primarily foreign trade. Foreign trade is an important form of international economic relations along with production, scientific and technical and other forms of international cooperation (human resource training, tourism, etc.). The totality of foreign trade of all countries constitutes international trade.



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International trade is the process of exchanging goods and services between national economies of different countries. Although international trade has existed since ancient times, it took the form of a world market only in the 19th century, when almost all developed countries began to participate in international trade relations. International trade is characterized by indicators such as foreign trade turnover, exports and imports, and trade balance.

Export is the sale of goods to foreign customers, in which goods produced in these countries are exported outside the country. The economic efficiency of exports is determined by the fact that this country exports products whose national production costs are lower than world costs. In this case, the amount of profit from exports depends on the ratio of national and world prices for this commodity, and the labor productivity of the countries participating in the international turnover of this commodity. The composition of exports of goods in international trade changes under the influence of the scientific and technological revolution and the deepening of the international division of labor. Currently, in the export structure of international trade, processed industrial products occupy a leading position, accounting for 3/4 of world trade. The share of food, raw materials and fuel is only 1/4.

Export of services differs from export of goods. It is associated with the provision of services to foreign consumers, the receipt of foreign currency, and is carried out within the national border (for example, the provision of postal and telegraph services to representatives of foreign companies, the provision of tourist services to foreign citizens, etc.).

Export of capital also has its own characteristics. Export of capital is carried out in the form of loans or targeted investments in shares of foreign enterprises, and at the time of capital issuance, it requires the outflow of funds from the exporting country, thereby reducing the amount of resources at its disposal. On the other hand, export of capital increases the debts of foreign countries to this country. It creates favorable conditions for the subsequent export of goods to the world market and is a factor in obtaining stable income in foreign currency in the form of interest or dividends.

Many countries, having a limited resource base and a narrow domestic market, are not in a position to produce all the goods necessary for their domestic consumption with sufficient efficiency. For such countries, imports are the main way to obtain the necessary goods.

Import, unlike export, means purchasing goods (services) from foreign customers and bringing them to the country. In this case, products are imported whose production costs within the country are higher than the costs when purchased abroad. When calculating the efficiency of foreign trade, the economic benefit obtained by this country as a result of the rapid satisfaction of its own needs for certain goods due to imports and the saving of resources that would have been spent when such goods were produced domestically is taken into account.



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The sum of exports and imports of goods constitutes foreign trade turnover or external trade turnover. Re-export occurs when a country purchases goods produced in another country not for its own consumption, but for resale to a third country. Re-export and re-import are inextricably linked. Re-import means purchasing re-exported goods from the consumer country.

International trade has a number of specific features:

1. The mobility of economic resources between countries is much lower than within the country. For example, workers can move freely within a country from region to region, from region to region. In addition to language and cultural barriers between countries, immigration laws impose severe restrictions on the migration of labor between countries. Differences in tax laws, other state regulatory measures, and a number of other institutional barriers restrict the migration of real capital across national borders.

2. Each country uses a different currency. This creates certain difficulties in conducting international trade between countries.

3. International trade is subject to political intervention and control, which differ significantly in nature and degree from those applied to domestic trade.

The structural structure of international trade depends on the location of the main factors of production between different countries and the structure of world production. If a century ago, raw materials, materials, food and light industry products were mainly exchanged in international trade, today the share of industrial goods, especially machinery and equipment, has increased significantly. The share of intellectual goods and services has also increased sharply, reaching 10% of the total trade turnover. The forms of organizing international trade are also improving. Along with traditional commodity exchanges, auctions, trade fairs, and trade exhibitions, the following forms of bilateral transactions are also widely used:

1) barter - direct exchange of goods for each other, without the participation of money. Although money is not involved in barter, the value of goods is estimated using the function of a measure of value of money to compare them;

2) purchase of imported goods for part of the value of goods supplied by exporters;

3) purchase of obsolete models when selling new models of equipment;

4) provision of parts and details of imported equipment by the country selling the import;

5) compensation transactions. According to the terms of these transactions, payments for a loan (financial, in the form of goods) provided by one of the parties supplying technological equipment are made through the delivery of finished products manufactured on this equipment;

6) payment for these processing and transportation services when processing raw materials obtained in one country using the production facilities of another country by supplying additional raw materials;

7) clearing operations, that is, non-cash settlements by taking into account mutual claims and obligations.



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Of the total volume of international transactions carried out on the principle of bilateral trade, barter transactions account for 4 percent, bilateral purchases - 55 percent, compensation transactions - 9 percent, and clearing operations - 8 percent.

In conclusion, international economic relations play an important role in the sustainable development of the world economy. Through them, countries effectively use their resources, expand production and achieve global integration. International trade is the main and most active form of these relations, which is of decisive importance in strengthening economic growth, technological progress and cooperation between peoples.

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