

## **ANALYSIS OF TRANSPORT LOGISTICS AND ITS ROLE IN GROSS DOMESTIC PRODUCT IN WTO MEMBER STATES**

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### **Annotation**

This article analyzes the transport logistics of member states of the World Trade Organization (WTO) and studies its role in Gross Domestic Product (GDP). It examines how joining the WTO impacts transport and logistics systems, the effectiveness of free trade conditions, the significance of integration into international supply chains, and factors influencing the development of transport infrastructure. The article provides an in-depth analysis of export development, modernization of transport systems, and their contribution to GDP through WTO membership. It also highlights how the growth of international trade, opening of new markets, and improvement of transport systems influence a country's economic growth. This paper helps deepen understanding of the relationship between transport logistics and economic development and serves as a useful guide for determining strategic development paths for WTO member countries.[2]

**Keywords:** World Trade Organization (WTO), transport logistics, Gross Domestic Product (GDP), export, international trade, transport infrastructure, free trade, supply chain, economic development, investments, integration, transit, economic growth..

### **Introduction**

The World Trade Organization (WTO) is a significant organization focused on developing international trade, reducing trade barriers, and ensuring global economic integration. WTO membership facilitates trade among member states, enhances economic interdependence, and demands improvements in national transport and logistics systems. This article analyzes the impact of WTO membership on the

transport logistics of member countries and examines the role of transport infrastructure in GDP [1].

### **1. Impact on Gross Domestic Product (GDP)**

WTO membership positively influences the economies of member states in several ways:

#### **1.1. Expansion of Trade and Economic Relations**

By joining the WTO, states integrate more closely with the global market. Free trade agreements and reduced tariffs simplify export-import processes and boost foreign trade. Consequently, GDP grows as increased export and import volumes stimulate economic growth..

#### **1.2. Investments and Economic Development**

WTO membership provides member states with opportunities to attract international investments. Trade and investment barriers are reduced, enabling the development of new industries and expansion of existing sectors. As a result, new jobs are created, and the pace of economic growth accelerates..

#### **1.3. Efficient Allocation of Resources and Technologies**

WTO membership intensifies competition, granting countries access to global markets. This competition leads to lower prices and improved product quality. In such conditions, nations are compelled to make their economies more efficient and innovative, positively impacting their GDP.

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### **2. Impact on Transport Logistics**

WTO membership also contributes to the effective development of transport and logistics systems. Key aspects of this process include:

#### **2.1. Reduction of Trade Barriers and Optimization of Transport**

WTO membership reduces trade barriers between countries, facilitating the free movement of goods and services. This ensures the efficient functioning of transport systems. For instance, reduced tariffs, simplified transport documentation, and expedited border crossing processes result in faster and more cost-effective transportation.

#### **2.2. Development of Transport Infrastructure**

Member states of the WTO, as part of their integration into the global economy, have access to investments in transport infrastructure. These investments improve ports, railway networks, highways, and airports, enhancing the quality of transport services and reducing transportation costs.

### **2.3. Competitiveness in the Transport Sector and Logistics Network**

WTO membership fosters competition in transport and logistics services among countries. This competition improves the quality of transport services, reduces costs, and helps create globally competitive transport systems

### **2.4. Integration of Transport Systems**

WTO membership aids in the integration of transport systems. This integration harmonizes transport services between various countries, such as multimodal transportation, speeding up transport processes and reducing costs..

### **2.5. Increased Freight Volumes**

The expansion of trade relations leads to an increase in freight volumes. This process compels transport and logistics sectors to adopt new technologies to enhance services and create new opportunities. Such developments significantly contribute to global economic growth.. [5]

## **Core Discussion.**

### **WTO and Transport Logistics Systems**

The World Trade Organization, established in 1995, now comprises over 160 member countries. Its primary goal is to liberalize international trade, reduce tariffs, and eliminate other trade barriers. These changes directly impact transport and logistics systems. 3]

#### **1.1 Conditions of Free Trade**

Free trade conditions among WTO member countries drive the development of transport systems. Reduced trade barriers, simplified customs procedures, and accelerated transit and delivery processes open up more opportunities for transit freight and logistics services between countries..[5]

#### **1.2. Integration into International Supply Chains**

WTO membership integrates countries into international supply chains, increasing the efficiency of transport and logistics systems. New collaborations, innovations, and investments among countries enhance transport infrastructure. Modernization of transit routes, introduction of new transport methods, and adherence to WTO rules ensure seamless global supply chain connections. For instance, the Trade Facilitation Agreement (TFA), effective since 2017, acts as a GPS for trade, guiding

cross-border transactions with clear and standardized procedures. Full implementation of the TFA could reduce trade costs by an average of 14.3% and boost global trade by up to \$1 trillion annually, [4]

### 1.3. Improvement of Transport Networks

WTO membership improves transport networks between countries. Nations harmonize their transport infrastructure and services, forming international transport corridors, new logistics centers, and multimodal transport systems. These developments enable faster and more cost-effective transportation of goods..[3]

## 2. Role of Transport Logistics in GDP

Gross Domestic Product (GDP) reflects a country’s economic potential and production volume. The role of transport logistics in GDP is directly linked to economic growth and the development of international trade. [5]

### 2.1. The Link Between Transport Logistics and GDP

Transport logistics is one of the most critical sectors of the economy. A well-organized transport system allows for the efficient utilization of a country’s production capacities. As WTO member states engage in free trade and increased export opportunities, transport and logistics systems become even more significant. Logistics costs form a substantial part of GDP. Improved transport systems enhance production and supply chains, enabling faster and more efficient delivery of goods, thus boosting GDP. Additionally, new logistics centers, transport routes, and technologies have a significant impact on economic growth. [3].

### 2.2. The Role of Logistics in Export Development

WTO member states must have efficient transport systems to develop exports. For emerging economies like Uzbekistan, which is preparing for WTO membership, developing transport systems is critical for increasing export volumes and accessing international markets.

1-table

	2020	2021	2022	2023	2024	2025
<b>World merchandise trade volume</b>	-5.3	9.0	2.2	-1.1	2.7	3.0
<b>Exports</b>						
North America	-9.2	6.4	3.9	3.7	2.1	2.9
South America	-5.0	6.7	3.0	2.3	4.6	-0.1
Europe	-8.5	6.9	1.8	-2.6	-1.4	1.8
CIS	-1.1	-0.8	-1.9	-4.5	4.5	1.7
Africa	-7.2	3.8	-2.5	4.3	2.5	2.2

Middle East	-6.4	-1.6	3.8	1.1	4.7	1.0
Asia	0.6	13.1	0.2	0.3	7.4	4.7
<b>Imports</b>						
North America	-5.2	11.9	5.7	-2.0	3.3	2.0
South America	-9.9	24.9	4.1	-4.5	5.6	1.7
Europe	-8.2	7.5	4.4	-5.0	-2.3	2.2
CIS	-5.2	9.4	-5.7	17.9	1.1	1.7
Africa	-13.9	5.8	6.5	0.1	1.0	1.1
Middle East	-8.7	12.9	10.5	8.5	9.0	-1.1
Asia	-1.0	10.3	-1.0	-0.7	4.3	5.1
<b>World GDP at market exchange rates</b>	-2.9	6.3	3.1	2.7	2.7	2.7
North America	-2.8	5.7	2.1	2.4	2.4	1.6
South America	-6.3	7.7	4.1	1.8	1.8	2.9
Europe	-5.8	6.6	3.5	0.7	1.1	1.6
CIS	-2.4	5.7	0.1	3.9	3.8	1.9
Africa	-2.4	4.7	3.8	3.1	3.3	3.9
Middle East	-3.5	4.4	6.1	1.4	1.9	3.7
Asia	-0.7	6.4	3.3	4.3	4.0	4.0

*Table 1: Merchandise trade volume and GDP growth, 2020-2025*

Europe continued to significantly weigh on global trade in 2024, stalling overall trade, including import and export indicators. The primary sectors driving Europe's negative export performance are chemicals and transportation vehicles. Organic chemicals, pioneers of other pharmaceuticals, are recovering following the trend of increased demand during the pandemic. The decline in the automotive industry raises more concerns related to the potential ripple effect across value chains.

The largest decline in European imports was in machinery, marked by a substantial reduction in imports from China. This decline is not merely a result of fragmentation, as similar reductions have been observed in geopolitically aligned economies such as the USA, South Korea, and Japan. Conversely, imports from India and Vietnam are rising, indicating their emerging role as "bridging" economies.

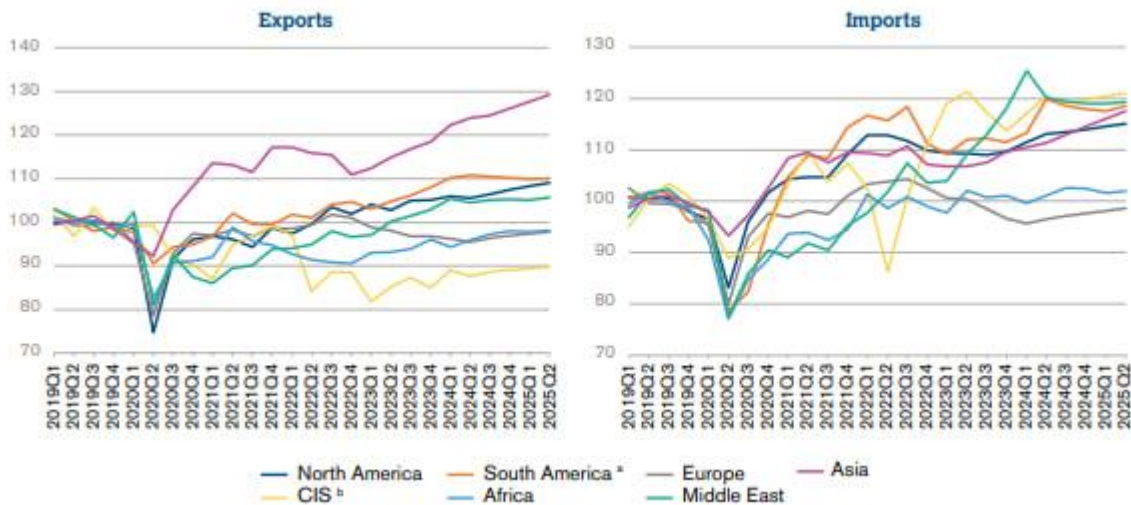
In contrast, Asian exports are experiencing growth driven by key manufacturing economies like China, Singapore, and South Korea. However, Japan remains stagnant,

with exports stabilizing in 2024 after a decline in 2023. On the import side, Asia presents a mixed picture. While China's imports grow, economies like Singapore, Malaysia, and others, including India and Vietnam, show moderate growth but demonstrate stronger upward trends. Asian exports are set to grow faster than other regions this year, increasing by 7.4%, followed by the Middle East (4.7%), South America (4.6%), the CIS region (4.5%), Africa (2.5%), North America (2.1%), and Europe (-1.4%). On the import side, the fastest-growing region will be the Middle East (9.0%), followed by South America (5.6%), Asia (4.3%), North America (3.3%), the CIS region (1.1%), Africa (1.0%), and Europe (-2.3%). The current forecast is based on an expected 2.7% growth in global GDP in 2024 (slightly higher than last year's 2.6% forecast in April). Economic growth will be fastest in Asia (4.0%), followed by the CIS region (3.8%), Africa (3.3%), North America (2.4%), the Middle East (1.9%), South America (1.8%), and Europe (1.1%).

Global GDP growth in 2025 is expected to remain unchanged at 2.7%, while global trade growth is projected to rise to 3.0%, partly due to the EU's positive contribution to global trade. Asia is forecast to lead in both export growth (4.7%) and import growth (5.1%) across other regions. All regions are expected to see an increase in trade flows in 2025 in terms of volume, except for a slight decline in South American exports (-0.1%) and a more significant drop in Middle Eastern imports (-1.1%). [4]

### **2.3. Investments and Economic Development**

Improvements in transport and logistics systems have a significant impact on GDP growth. Free trade and international integration help attract new investments. International investors aim to invest in countries with efficient transport systems, which, in turn, stimulate economic growth..



2-Table: Merchandise exports and imports by region, 2019Q1-2025Q2

According to various data from the World Trade Organization (WTO), exports of goods from Least Developed Countries (LDCs) are forecast to grow by 1.8% in 2024. This marks a slowdown compared to the 4.6% growth recorded in 2023. Export growth is expected to rebound in 2025, reaching 3.7%. Meanwhile, LDC imports are projected to grow by 5.9% in 2024 and 5.6% in 2025, following a 4.8% decline in 2023. Quarterly changes in the volume of goods exports and imports by region, as shown in Figure 2, indicate fluctuations up to the second quarter of 2025.

Exports from Asia have grown since the COVID-19 pandemic, but have reached a high plateau, partly explaining the region's weak export growth since then. If the forecast materializes, Asia's exports will rise by 29.4% by the second quarter of 2025 compared to their average level in 2019, followed by South America, North America, and the Middle East, whose exports are expected to grow by 10.1%, 9.1%, and 5.7%, respectively, during the same period. African exports are expected to decline by 1.8%, while European exports are forecast to drop by 2.1%. Meanwhile, exports from CIS countries are projected to decrease by 10.1% over the same period.

In terms of import growth, the CIS region is expected to experience the largest increase since 2019, with imports rising by 21.0% by mid-2025, followed by the Middle East (19.3%) and South America (18.5%). Imports from Asia are forecast to grow by 17.6%, while North America is expected to see a 15.1% increase. Africa's

imports are projected to grow by just 2.0% during the same period, while Europe will be the only region to experience a sharp decline in imports, dropping by -1.4%. [3]

### **Methodology and Empirical Analysis.**

Membership in the World Trade Organization (WTO) has a significant impact on the economic systems and transport logistics of member states. Membership facilitates the free movement of goods and services between member states, reduces tariffs and trade barriers, and enhances the process of integration into the global economy. These processes, in turn, affect Gross Domestic Product (GDP) and the efficiency of transport logistics. Below, the impact of WTO membership on GDP and transport logistics is analyzed

### **Conclusion**

Joining the World Trade Organization significantly enhances a country's transport logistics and its role in GDP. Free trade, opening new markets, modernization of transport networks, and increased investments drive economic growth. Additionally, improving the efficiency of transport systems contributes to export development, economic growth, and a country's global competitiveness.

For developing nations like Uzbekistan, WTO membership is vital for modernizing transport and logistics systems, boosting export potential, and stimulating economic growth. Successful implementation of these processes requires investment in transport infrastructure and the development of international partnerships

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