

# The Nature, Purpose And Principles Of Foreign Economic Policy

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**Abstract:** Foreign economic policy (FEP) is an administrative and economic activity of the state aimed at the development of foreign economic relations and protection of national interests in the world market and world economy.

**Keywords:** Economy, world trade, macro and micro economy, required reserve ratio, open market policy, purpose of foreign economy, law and enforcement in foreign economy.

## INTRODUCTION

The main goal of the country's foreign economic activity is to increase the economic efficiency of foreign economic relations, and this goal is achieved not only by increasing the commercial efficiency of export, import, currency and other foreign economic operations in the field of foreign exchange, but also by increasing the economic efficiency of foreign economic activity. . but also in the domestic financial-production sector by providing financial, tax, etc. - export-oriented production and assistance to exporters.

The foreign economic policy of the state is a program of purposeful comprehensive actions of the legislative and executive authorities aimed at achieving the strategic goals of the development of the national economy and increasing the efficiency of foreign economic relations. It is carried out in the field of internal finance and production through budget, currency, customs and tax instruments, and in the field of international cooperation through foreign trade, investment, currency and other foreign economic operations.

The foreign economic policy of any country is an important, and in some cases, determining part of its general foreign policy. Often, the state forms its foreign policy and foreign political relations mainly based on the requirements of foreign economic policy, and certain important political decisions and initiatives are already the result of foreign economic laws.

Foreign economic policy - state policy in the field of export and import, customs fees, tariffs, restrictions, foreign capital attraction and capital outflow, foreign loans, economic assistance to other countries, implementation of joint economic projects.

Foreign economic policy is one of the main macroeconomic tools used to accelerate economic growth within the country. WEP is implemented through a wide range of measures, the number of which is constantly increasing. This is explained by the fact that with the expansion of the WEC, new tools are required to optimize the country's participation in international specialization, to protect the national economy from the effects of negative events in the world economy (cyclical recessions and crises, extreme fluctuations of the economy). exchange rates, unfair competition, etc.), helps to strengthen the position of local producers in the world market.

The main components of the state's foreign economic policy are as follows:

- ❖ foreign trade policy (including export and import policy);
- ❖ foreign investment policy (policy in the field of attracting foreign investments and regulation of national investments abroad);
- ❖ monetary and financial policy;
- ❖ international scientific and technical cooperation.

At the same time, foreign economic policy is closely related to domestic economic and social strategy. The principles of foreign economic policy should reflect the specific characteristics of the economic situation in the country and be consistent with the basic rules of the state's socio-economic policy. There is also an opinion that foreign economic policy affects the content and pace of implementation of domestic economic policy, since foreign economic relations can very effectively support the implementation of domestic socio-economic programs. Thus, the results of carrying out WEP can really affect the composition and dynamics of investments, the pace and efficiency of social production, etc.

Undoubtedly, the main tasks of the legislative body are to develop and adopt the necessary and sufficient legal framework for the normal operation of all subjects of foreign economic activity (FEA).

The tasks of the executive authority are to control the practical work on the implementation of the CSI through the organizational structures of the ICE and the correct implementation of the legal norms on the conduct of the ICS by all its participants. At the same time, the formation and improvement of the organizational structures that are implemented in practice of foreign economic activity is an important and effective component of the state's foreign economic activity. The world experience of using foreign economic relations to overcome economic backwardness has formed two main models of WEP. The first focuses on exports, the second on import substitution.

The first model is at the end of the 19th century. then the USA, after the Second World War - the countries of Western Europe and Japan, then - the new industrial countries.

The second model has been followed by some Latin American countries in the last three decades. Many of its features were typical of the USSR VEP, which caused the local industry to be deeply dependent on the import of equipment and spare parts, some raw materials and components.

World experience shows that the development of its export potential and all-round assistance to national exporters is the basis of effective foreign economic activity and the guarantee of the country's economic security in the conditions of an open market economy. A current example of this is the Chinese economy.

In the foreign economic policy of the state, along with private and national economic interests, the interests of various socio-economic groups: financial, industrial, trade, professional, etc. should be implemented. That is why foreign economic policy is a complex system. formed under the influence of national economic and political factors, under the influence of processes taking place in all spheres of international economic relations, primarily in the scientific and technical sphere, which at present has sharply increased the interdependence of the economies of individual countries.

Non-state industrial groups and their associations, unions, committees, etc. also take part in the formation of EEP. In most countries, there are large and highly influential associations of national capital: associations of industrialists, industrial associations. entrepreneurs, banking associations, chambers of commerce and other organizations.

Today, interstate institutions actively participate in the system of regulating foreign economic relations, for example, since 1975, meetings are regularly convened by the leaders of seven (now eight - the "Big Eight") of the leading industrialized countries: the United States, Japan. , Germany, France, Great Britain, Canada, Italy and Russia. Other formal and semi-formal organizations are included

International Energy Agency (IEA), General Agreement on Tariffs and Trade (GATT) (since 1995 - World Trade Organization (WTO)), International Monetary Fund (IMF), World Bank, Organization for Economic Cooperation and Development (OECD) and others. At the moment, in the context of the global financial crisis, the G20, the G20 was established and is holding regular meetings. This is the format of international meetings of finance ministers and heads of central banks of 19 major national economies (Australia, Argentina, Brazil, Great Britain, Germany, India, Indonesia, Italy, Canada, China, Mexico, Russia, Saudi Arabia). Today, interstate institutions actively participate in the system of regulating foreign economic relations, for example, since 1975, meetings are regularly convened by the leaders of seven (now eight - the "Big Eight") of the leading industrialized countries: the United States, Japan. , Germany, France, Great Britain, Canada, Italy and Russia. Other formal and semi-formal organizations are included

In recent decades, transnational companies (TNCs) have taken a special place in the system of foreign economic policy. Their subsidiaries and affiliates are bound by agreements on market sharing,

sales prices and terms, as well as trademark and patent protection. Although TNCs do not establish trade-political barriers, the aforementioned agreements do not create significant barriers to imports. Such protectionism, which is one of the characteristics of modern economic activity, is called the restrictive practice of monopolies.

We must not forget that the "buyer's market" dominates the economy today. Most of the goods in circulation in world trade are more or less small, so the FEP of many countries is formed against the background of the ever-increasing need to decide how and to whom to sell the produced goods. Foreign trade policy (and protectionism as one of its directions) should not only protect the national economy, but also provide domestic producers with favorable conditions for their presence in foreign markets.

**Conclusion.** So, from a political economic point of view, foreign economic policy is a set of measures used by the state to develop foreign economic relations of economic entities. The objective basis of WEP is the need to harmonize the conflicting economic interests of residents and non-residents of the national economy, which inevitably leads to the optimization of the processes of meeting the needs of each specific consumer.

Thus, summarizing the above, it can be noted that the tasks of the modern state's foreign economic policy are defined as the process of forming favorable strategies in the field of attracting foreign capital, import-export, currency restrictions, capital export. abroad, customs payments, foreign loans, implementation of joint technical and economic projects and economic assistance to other countries

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