

# WAYS OF ENHANCING THE EFFICIENCY OF VEGETABLE EXPORT PROMOTION POLICY

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## SUMMARY

*This research studies ways of enhancing the efficiency of the state policy to promote the exports of vegetables from Azerbaijan. The research examines the current state in the production and exports of vegetables, the state policy on the development of this sector, and the measures being taken in this direction. Problems hampering the development of this sector have been identified and suggestions have been prepared to eliminate them. This document is based on monthly, quarterly and annual reports of the State Statistical and Customs Committees of the Republic of Azerbaijan, materials of the Ministries of Economy and Agriculture, legal acts, local and foreign literature, and relevant publications on the Internet.*

*Production, import and export indicators from this database were analyzed to determine the overall situation in the vegetable farming. Extensive attention has been paid to the government's recent work in this area and the results it has achieved. The document also reviews the country's existing resource opportunities and the available capacity to realize these opportunities in order to increase the exports of vegetables.*

*The measures proposed at the end of the document may play an important part in increasing the exports of vegetables. These measures include upgrading the export promotion mechanism, strengthening cross-country trading procedures, improving the electricity, water and gas supply of production processes, and facilitating access to insurance and financing.*

## 1. INTRODUCTION

For a long time, oil and gas products accounted for a large share of Azerbaijan's exports. In 2003 in particular, oil and gas products contributed almost 95 percent to the country's exports<sup>1</sup>. The sharp decline of the oil price in 2014 caused a dramatic reduction in Azerbaijan's oil revenues. In order to reduce dependence on oil revenues, the Government of Azerbaijan had to adopt a course towards economic and export diversification. The "Azerbaijan 2020: outlook for the future" Development Concept approved back in 2012 had also adopted an export-oriented economic model which stated that greater economic competitiveness would pave the way for an increase in non-oil exports. Along with the rapid development of the non-oil industry, the promotion and expansion of innovation will create groundwork for the emergence of a knowledge-based economy<sup>2</sup>.

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<sup>1</sup> <https://az.trend.az/business/energy/2255862.html>

<sup>2</sup> [https://president.az/files/future\\_az.pdf](https://president.az/files/future_az.pdf)

Studies show that international institutions, local nongovernmental organizations and experts are convinced that Azerbaijan's agriculture has a tremendous potential and a competitive advantage due to a large number of agricultural products. As part of an initiative supported by the United States Agency for International Development (USAID) in 2009, an analysis of the country's competitive advantage for a number of agricultural products was carried out on the basis of financial and economic profitability indicators. The "Analysis of Azerbaijan's Domestic Resource Value" report<sup>3</sup> prepared at the end of the project states that the tomatoes and cucumbers cultivated in greenhouses in Azerbaijan have a competitive advantage. It should also be mentioned that agricultural experts consider Azerbaijan's soil and climate conditions to be favorable for agricultural production. According to the State Statistical Committee (SSC), 1.4 million tons of vegetables were produced in 2017<sup>4</sup>. The country's resource opportunities are enough for this figure to double and to export this quantity of vegetables.

## CURRENT STATE OF VEGETABLE PRODUCTION

Azerbaijan was widely regarded as one of the key producers of fruits and vegetables even in the USSR times. In 1985, Azerbaijan achieved a peak production of vegetables – 132 kilograms per capita. However, due to the breakup of the Soviet Union the production of vegetables in Azerbaijan dramatically decreased – only 495,000 tons were harvested in 1997<sup>5</sup>, or 63 kilograms per capita. In addition to the production decline, exports to key fruit and vegetable markets such as Russia, Ukraine and Belarus significantly reduced. Consequently, Azerbaijani vegetable producers lost their traditional share in the fruit and vegetable markets of these countries. This market niche was quickly occupied by such agriculturally advanced countries as Holland, Turkey, China, Iran, Argentina, Mexico, Chile, New Zealand, Israel and others.

Despite this, it has been possible to increase vegetable production in the country in recent years. According to the SSC, vegetable crops have grown by 42 percent in 10 years starting from 2000, while production increased by 52 percent. In the following years, although the sown areas were significantly reduced (Figure 1), production registered an increase. In particular, whereas 1,189,000 tons of vegetables were produced in the country in 2010, it was possible to increase production to 1,405,000 tons in 2017. In 2017, over 140 kilograms of vegetables were produced per capita. This is above the annual per capita plan. Studies show that there has been a significant increase in the exports of vegetables in recent years. It should be noted that most of the exported vegetables are the cucumbers and tomatoes grown in greenhouse conditions. Recent years have also seen an increase in the production of greenhouse vegetables.

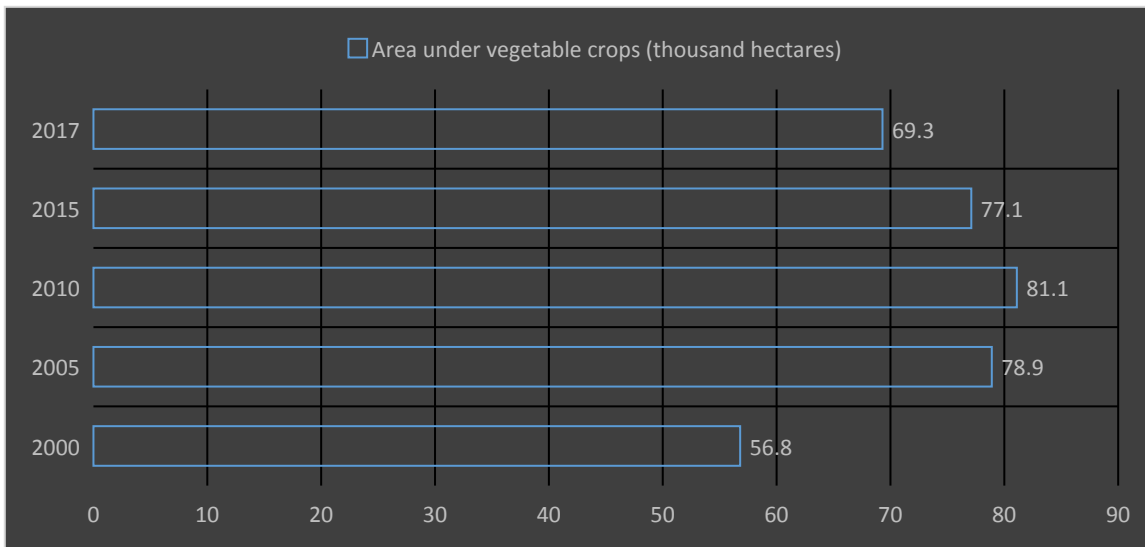
### Figure 1. Area under vegetable crops (thousand hectares)

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<sup>4</sup> <https://www.stat.gov.az/source/agriculture/>

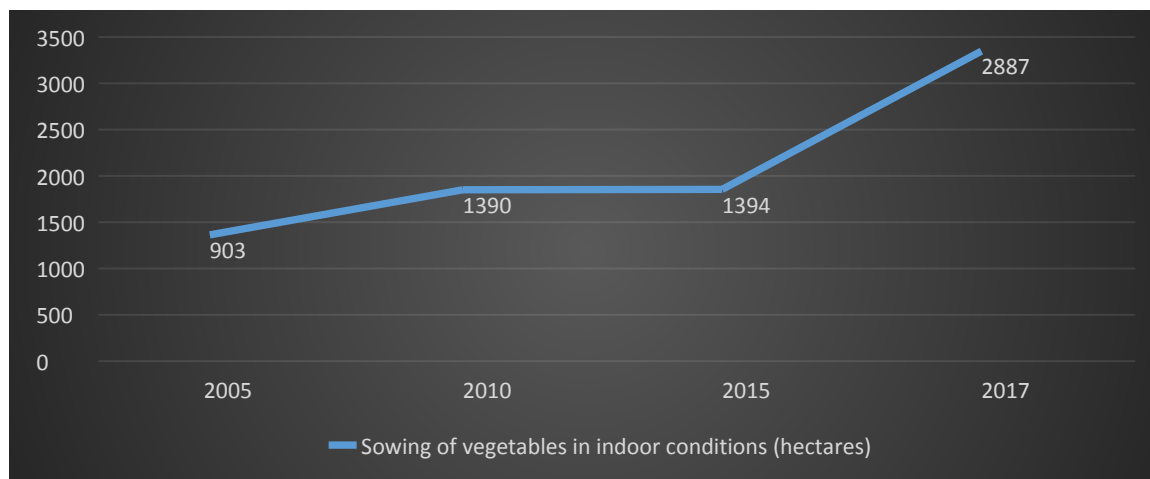
<sup>5</sup> <http://www.stat.gov.az/source/agriculture/>



## 2.1. Sowing vegetables in indoor conditions

The soil and climatic conditions in Azerbaijan are very favorable for the production of vegetables in both open and indoor conditions. Indoor areas for the cultivation of vegetables have significantly expanded in recent years. According to the State Statistical Committee, indoor vegetable plantations have increased more than three times from 903 hectares in 2005 to 2887 hectares in 2017.

Figure 2. Indoor areas sown with vegetables, hectares



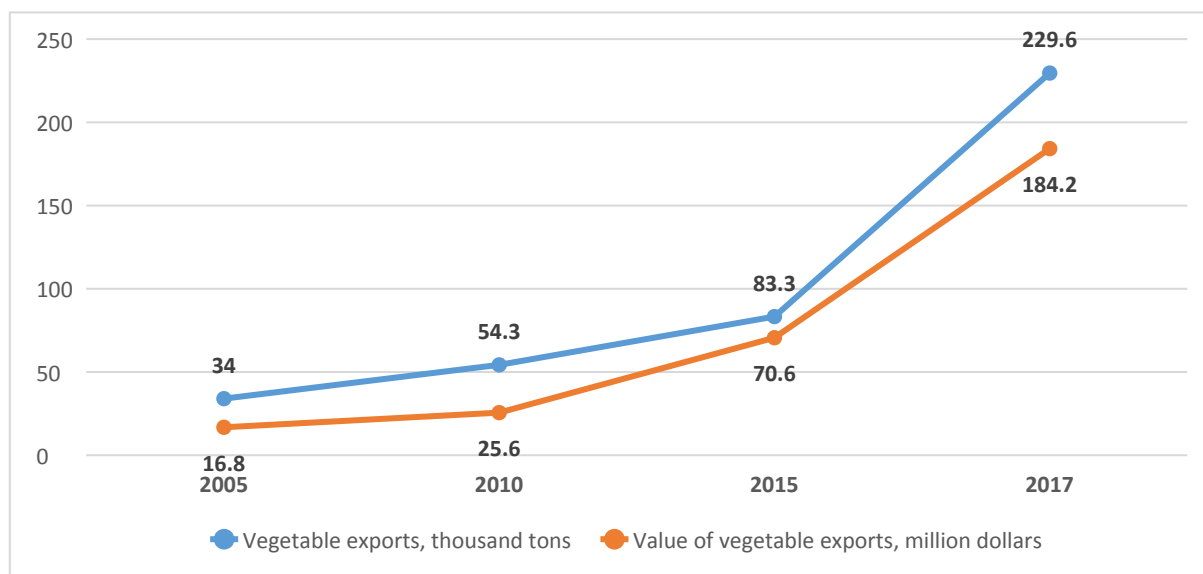
In particular, greenhouse farms currently operate on an area of 2,463 hectares and are under construction on a further 463 hectares. In 2017, over 300,000 tons of vegetables were produced from the existing greenhouse farms. Thanks to the efforts of farmers working in this area, both the production of vegetables and productivity per hectare have significantly increased (Table 1).

Table 1. Indoor vegetable production, tons

	2000	2005	2010	2015	2017
<b>Total for country</b>	<b>26,873</b>	<b>34,262</b>	<b>48,313</b>	<b>41,889</b>	<b>339,551</b>

Some of the vegetables produced in the country are exported. According to the SSC, a total of 1,405,619 tons of vegetables were produced in the country in 2017. Of this, 229,697 tons were exported, including 196,200 tons to Russia, 17,700 tons to Iraq, 11,600 tons to Turkmenistan, and 2,800 tons to Georgia. The list of countries Azerbaijan exports vegetables to also includes Ukraine and others. In 2017, the exports of vegetables fetched \$184,207,000 in currency to Azerbaijan (Diagram 3).

**Figure 3. Export dynamics**



The main buyer of vegetables produced in our country is Russia. Azerbaijan mainly exports greenhouse tomatoes to Russia. Our studies show that Russia has recently boosted imports of tomatoes and new potatoes. According to Russia's Federal State Statistical Service, imports of tomatoes increased by 15.2 percent and of potato by 3.4 percent in January-September 2018 compared to the same period of 2017. Although modern greenhouses are being established and significant work is under way in this direction in the Russian Federation, Azerbaijani tomatoes and new potatoes are still in demand in the neighboring country. Azerbaijani farmers also export new potatoes to Ukraine, Kazakhstan, Georgia and other countries. According to the SSC, 57,100 tons of new potatoes were exported to Russia, 179 tons to Ukraine, 159 tons to Kazakhstan and 136 tons to Georgia in 2017. The entrepreneurs exporting potatoes earned \$25.8 million in 2017.

## 2.2. Government policies

First of all, it should be noted that the "State Program on Reliable Provision of the Population with Food Products in 2008-2015" states that it is possible to achieve a production increase by intensifying economic activity in the field of vegetable and other agricultural production. The program also mentions that "since there is no efficient supply and sales base in the country, the process of procurement, storage and sale of fruits and vegetables is not properly organized. According to calculations, 10-15 percent of fruits and vegetables grown every year is lost."<sup>6</sup> The Program states

<sup>6</sup> <http://senaye.gov.az/content/html/2277/attachments/2008-2015-ci%20ill%C9%99rd%C9%99%20Az%C9%99rbaycan%20Respublikas%C4%B1nda%20%C9%99halini%C9%99rzaq%20m%C9%99hsullar%C4%B1%20il%C9%99%20etibar%C4%B1%20t%C9%99minat%C4%B1na%20dair%20D%C3%B6vl%C9%99t%20Proqram%C4%B1.pdf>

that the government has set the goal of increasing potato production to 1.12 million tons and the production of vegetables and melons to 1.72 million tons by 2015. Another document, the "State Program on Socioeconomic Development of the Regions of the Republic of Azerbaijan for 2014-2018", states that the government intends to continue its efforts to establish greenhouses, refrigerating and grain storage facilities (logistical centers) for the production, procurement, storage and sale of agricultural products in the regions."<sup>7</sup> The "Strategic Road Map for the Production and Processing of Agricultural Products in the Republic of Azerbaijan" states that there are insufficient storage and refrigerating chambers for storing fruits and vegetables: "The available overall capacity for refrigerating fruits and vegetables in the country can meet the needs by only 17 percent. It should also be taken into account that many of these warehouses do not provide storage services and are part of either processing facilities or trade networks."<sup>8</sup> The "Strategic Road Map" states that the Russian market is the main market for Azerbaijani vegetables. It is noteworthy that 196,200 out of 229,600 tons of vegetables exported in 2017 were exported to Russia. Azerbaijan mainly exports new potatoes, fresh tomatoes, fresh cucumbers and fruits to Russia. The "Strategic Road Map" envisages measures to support an increase in vegetable production, including those in greenhouses.

### **2.3. Promotion of non-oil exports**

The President of the Republic of Azerbaijan signed Decree No 811 on the promotion of non-oil exports on 1 March 2016<sup>9</sup>. The decree envisages additional measures to promote Azerbaijan's non-oil exports in Azerbaijan from 1 March 2016 to 31 December 2020. With this aim, depending on the share of local components produced and used in production and the value of non-oil products generated on the territory of the Republic of Azerbaijan, as well as the type of products being exported, the entities engaged in the export of non-oil products on the territory of the Republic of Azerbaijan will receive payment for the promotion of exports and the base amount of this payment is determined at 3 (three) percent of the customs value of the customs declaration for the goods being exported.

The Cabinet of Ministers of the Republic of Azerbaijan has approved the "Procedure for export promotion payments to non-oil exporters" and the "List of non-oil commodities covered by export promotion measures"<sup>10</sup>. This list also includes vegetables:

- Vegetables, fruits, walnuts and hazelnuts conserved using vinegar and acetic acid;
- Other vegetables prepared or conserved without using vinegar or acetic acid;
- Vegetables, fruits, walnuts and hazelnuts conserved using sugar;
- Vegetable and fruit juices, including pomegranate juice and a number of other goods and products.

Even bird eggs are included in the list. In fact, Azerbaijan does not fully meet the demand for bird eggs by means of domestic production. The shortage of bird eggs on

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<sup>7</sup> <http://www.e-qanun.az/framework/27284>

<sup>8</sup> [https://mida.gov.az/documents/strateji\\_yol\\_xeritesi\\_kend\\_teserrufati\\_mehsullarinin\\_istehsalina\\_ve\\_e\\_malina\\_dair.pdf](https://mida.gov.az/documents/strateji_yol_xeritesi_kend_teserrufati_mehsullarinin_istehsalina_ve_e_malina_dair.pdf)

<sup>9</sup> <https://president.az/articles/17948>

<sup>10</sup> <http://www.e-qanun.az/framework/33870>

the domestic market started manifesting itself in September this year as the price of an egg rose from 9 to 17 gapiks in the past few months. It would be good if the government added tomatoes to the "List of non-oil commodities covered by export promotion measures". It should be borne in mind that exported tomatoes are mainly grown in greenhouses and entrepreneurs spend more money to produce tomatoes in greenhouse conditions. The risks of this area are very high. It is also important to note that entrepreneurs are still building greenhouse complexes. Azerbaijan is already fully self-sufficient for greenhouse products, especially tomatoes and cucumbers. An increase in the production of these products implies a search for new markets. This, in turn, requires additional time and money. President Ilham Aliyev said at a meeting of the Cabinet of Ministers on the results of socioeconomic development in the first nine months of 2018 and plans for the future: "Vegetable production is our traditional export sector. But we still need to improve our work there. I should say that Azerbaijan ranks first in terms of the export of tomatoes to Russia. We must try to maintain this leadership. I would also like to note that numerous greenhouses are being created in Azerbaijan. According to recent data, new greenhouses are being set up on an area of about 400 hectares, and the vast majority of them are designed for the production of tomatoes. Therefore, we have to determine how many additional markets can digest our produce. At the same time, we need to ensure the processing of tomatoes so that we can sell our produce abroad at higher prices."<sup>11</sup>

#### **2.4. Vegetable producers have tax exemption**

In order to reduce the tax burden on the villagers and farmers involved in agricultural production, a presidential decree signed in 1999 introduced an exemption for all taxes except for the land tax. In 2001, the Law of the Republic of Azerbaijan "On granting temporary tax concessions to agricultural producers" was adopted. According to the said law, legal entities involved in agricultural production were provided with an exemption from income tax, VAT, simplified system tax and property tax for the facilities used in the activity as determined by the Tax Code, while natural persons were provided with an exemption from the VAT and property tax for the facilities used in this activity<sup>12</sup>.

The said law envisaged three-year tax benefits from 1 January 2002. Later, the expiration date established by that law was extended to 1 January 2014 and then by a further five years. Thus, if producers of agricultural products sell the produce grown on their own land, the proceeds from the sale of such produce are exempt from tax. Agricultural producers are exempt from the following taxes:

- Value added tax;
- Profit tax;
- Simplified tax;
- Property tax;
- Income of natural persons directly from agricultural production.

Finance Minister Samir Sharifov said recently that Azerbaijan was interested in increasing its non-oil exports. This year's changes to the state budget have actually

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<sup>11</sup>[https://azertag.az/xeber/Prezident Ilham Aliyevin sedriyi ile Nazirler Kabinetinin 2018 ci ilin doguz ayinin sosial iqtisadi inkisafinin yekunlarina ve qarsida duran vezifelere hesr olunan iclasi k echirilib YENILANIB VIDEO-1202262](https://azertag.az/xeber/Prezident-Ilham-Aliyevin-sedriyi-ile-Nazirler-Kabinetinin-2018-ci-ilin-doguz-ayinin-sosial-iqtisadi-inkisafinin-yekunlarina-ve-qarsida-duran-vezifelere-hesr-olunan-iclas-i-k-echirilib-YENILANIB-VIDEO-1202262)

<sup>12</sup> [http://www.e-qanun.az/alpidata/framework/data/2/f\\_2859.htm](http://www.e-qanun.az/alpidata/framework/data/2/f_2859.htm)

reduced the expected tax revenue from the non-oil sector. The minister noted that relevant agencies, primarily the Ministries of Economy and Agriculture, were taking specific measures in this regard. "At the same time, the state has engaged a special mechanism, the promotion mechanism to encourage exports"<sup>13</sup>.

## **2.5. State support for greenhouse vegetable producers**

A total of 200 million manats in low-interest loans have recently been granted by the National Fund for Entrepreneurship Support (NFES) to suburban settlements of Baku alone. Fifty-eight modern greenhouses worth 400 million manats will be established on an area of 312 hectares.

A modern greenhouse complex was built on 142 hectares of agricultural land of Absheron District in 2017. Tomatoes, cucumbers and other vegetables are grown in the said greenhouses.

A 2-hectare greenhouse complex of "Masera" LLC with an annual capacity of 700 tons has been built in Masalli District with a part of the construction cost funded by the NFES low-interest loan. A modern greenhouse complex of "Green Tech" Limited Liability Company of "Azersun Holding Group of Companies" covering an area of 80 hectares was built in Bina settlement of Baku as part of the State Program on the Socioeconomic Development of Baku and its suburbs for 2011-2013. The greenhouse complex is fitted with cutting-edge equipment and fully equipped with climate control systems, heat protection blinds, boiler room facilities, heating and irrigation systems.

A greenhouse complex with an annual capacity of 1,300 tons and covering an area of 3.2 hectares has been put into operation in Kurkandi village of Sabirabad District. A total of 2.6 million manats was invested in the project. In addition to an entrepreneur's personal funds, the NFES provided a low-interest loan to implement this project.

As part of the state program on the socioeconomic development of the regions, "AzAgro" LLC in 2009 constructed a greenhouse complex to cultivate vegetables on an area of 6 hectares. The project carried out in Saritapa village of Shamkir District is worth 5 million manats, of which 3 million manats was funded by a NFES loan.

A new greenhouse complex was set up in Nakhchivan as part of the State Program for the Development of Fruit and Vegetable Farming in the Nakhchivan Autonomous Republic in 2012-2015. A total of 1.7 million manats were invested in the enterprise, of which 1 million manats was provided under a NFES loan.

At the same time, the number of greenhouses meeting modern requirements in the country is still very small. Many farmers engaged in this area still work using primitive methods primarily because of financial constraints. Farmers in Shamkir, the country's top district for the number of greenhouses, are still unable to supply greenhouses with continuous water, electricity and gas.

## **2.6. Access to modern technologies**

The modern technology brought to the country in recent years has enabled farmers engaged in vegetable production in greenhouse conditions to increase output and productivity. Increased productivity also reduces production costs. There are extensive opportunities for those cultivating vegetables in greenhouse conditions to enhance the competitiveness of their produce. It is easy to adjust air temperature in

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<sup>13</sup> <https://virtualaz.org/kapital/130617>

indoor conditions, provide vegetables with water, lighting, and mineral substances. In greenhouses, it is also possible to take disease and pest control measures in a timely and effective manner.

The climate changes being experienced in the world and in Azerbaijan pose serious problems to agricultural production. In particular, the rainfall and hail during the sowing season in early spring have had a serious impact on farms and prevented the farmers from working. Since agricultural production takes place in outdoor conditions and in a technologically disorderly manner, it becomes seriously dependent on weather conditions. It is difficult to manage the process. This is exactly why the indoor cultivation of agricultural products, especially vegetables and fruits, allows farmers the opportunity to be in charge of the production process.

The vegetables produced by local farmers in greenhouses, especially cucumbers and tomatoes, have a competitive edge over similar products imported to Russia from other countries. The cucumbers, tomatoes and new potatoes produced by Azerbaijani farmers are highly valued by consumers in the Commonwealth of Independent States. In particular, Shamkir, Goychay and Zira tomatoes, Masalli and Shamkir cucumbers, Shamkir and Tovuz potatoes are already quite popular in countries such as Russia, Ukraine and Belarus. Demand for these products continues to grow every year.

Transportation of vegetables grown in greenhouses to Russian markets and their subsequent sale in these markets is carried out both by local traders and Russian citizens, as well as the Azerbaijanis living in the Russian Federation. The restrictions recently imposed by the Russian government on the importation of vegetables have significantly increased the demand for Azerbaijani products. In general, the growing demand for both cucumbers and tomatoes both domestically and on the Russian market will allow farmers the opportunity to increase production several times and get good returns. The small size of the land plots allocated to Azerbaijani peasants also makes them interested in making the best use of the sown area. Of course, it is important to organize work in a systematic way in order to succeed. First and foremost, those working with greenhouses, especially those producing vegetables and other foodstuffs, should register their businesses and pay tax.

Our studies show that unregistered farmers cannot produce high quality products because they don't have a continuous supply of energy, gas and water<sup>14</sup>.

## **2.7. World experience**

Promotion of agricultural exports is a widespread practice in the world. A number of measures are being taken in neighboring Russia and Kazakhstan to stimulate the exports of grain products. These measures include a reduction or exemption from the value-added tax (VAT) for grain products and coverage of a part of transportation costs by the state. For a long period of time and in an effort to encourage exports of fruits and vegetables, the Turkish government was paying exporters between \$300 and 700 for every 20 tons of exports.

The cultivation of vegetables in indoor conditions is widely spread in countries such as Holland, Spain, Israel, China and Turkey. Some progress has also been achieved by members of the Commonwealth of Independent States, such as Russia, Ukraine and Kazakhstan. Some countries have recently adopted stimulating and encouraging measures to increase vegetable production and enhance the competitiveness of

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<sup>14</sup> [http://edf.az/ts\\_general/azl/ksid/downloads/istixanalarin\\_inkisafinda\\_baryerler.pdf](http://edf.az/ts_general/azl/ksid/downloads/istixanalarin_inkisafinda_baryerler.pdf)



produce. For example, starting from 2008, a part of the interest rate on bank loans received for the production of vegetables in the Russian Federation is compensated by the government as a subsidy. Starting from 2015, 20 percent of the costs for the construction and modernization of greenhouses will be compensated by the state<sup>15</sup>. In Japan, 50 percent of greenhouse construction costs are covered by the state. Ukraine, which is faced with serious gas and energy supply problems, has cut gas prices for greenhouses to \$268 per 1,000 cubic meters (\$480 for other industrial facilities), while the cost of electricity used has been decreased by 10 percent. Entrepreneurs in the Netherlands, world leader for the number of greenhouses per capita, receive a 1.5-2 percent loan for 25 years. In general, most countries offer long-term and low-interest loans to farmers dealing with vegetable production in indoor conditions. The provision of preferential loans to entrepreneurs engaged in agricultural production in Russia, Kyrgyzstan and Kazakhstan has become a widespread phenomenon in recent years.

### 3. PROBLEMS WITH VEGETABLE EXPORTS

Media reports are occasionally circulated about Azerbaijani trucks being detained on the Azerbaijani-Russian customs checkpoint and even sent back. Many of these reports suggest that the trucks transporting perishable products are made to return to Azerbaijan. By mentioning just a few of such reports, we can imagine the seriousness of the problem. For example, the tomatoes exported from Azerbaijan to Russia on 8 June 2016 were sent back on the grounds that they were of Turkish origin<sup>16</sup>.

On 30 March 2017, about 30 trucks transporting fruits and vegetables from Azerbaijan to Russia were attacked on the territory of the Dagestan Autonomous Republic. The windshields of the trucks were smashed<sup>17</sup>.

On 21 October 2017, employees of the Federal Service for Veterinary and Phytosanitary Control of the Russian Federation (“RosSelkhozNadzor”) did not allow the importation of more than 33 tons of tomatoes from Azerbaijan on the grounds that the phytosanitary certificate contained incomplete information. The owner of the cargo was held to administrative liability in accordance with the requirements of the relevant legislation of the Russian Federation for violating the import and export rules for quarantine products<sup>18</sup>.

On 21 November 2017, the Dagestan Office of the Federal Service for Veterinary and Phytosanitary Control of Russia detected the California coccinea on the apples imported from Azerbaijan through the “South Customs Terminal” OJSC of the Yarag-Gazmalar customs checkpoint. “APA-Economics” news agency reported quoting “Interfax” that the import of apples to Russia was not banned because the California coccinea does not pose a serious threat. However, employees of the Service prevented the importation of 18 tons of tomatoes to Russia. The reason provided was the fraudulent documentation for products. The produce was returned<sup>19</sup>.

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<sup>15</sup> <https://www.agroinvestor.ru/rating/article/29209-top-11-teplits-rossii/>

<sup>16</sup> <https://news.day.az/azerinews/789545.html>

<sup>17</sup> <https://www.youtube.com/watch?v=0eQtkxvUCt0>

<sup>18</sup> <http://azpolitika.info/?p=363764>

<sup>19</sup> [http://musavat.com/news/rusiya-18-ton-pomidoru-azerbaycana-qaytarib\\_484754.html](http://musavat.com/news/rusiya-18-ton-pomidoru-azerbaycana-qaytarib_484754.html)

On 29 October 2018, about 150 trucks going from Azerbaijan to Russia were kept on the territory of Dagestan for four days<sup>20</sup>.

Therefore, many entrepreneurs dealing with vegetable exports to Russia are faced with serious difficulties on the border every year.

#### **4. FINDINGS**

- The "List of non-oil commodities covered by export promotion measures" does not include tomatoes which are mainly intended for exports;
- Problems associated with the protracted detention of trucks at the customs checkpoint between Azerbaijan and Russia, the frequent attacks on truck drivers in Russia and the return of produce under different pretexts have not yet been resolved;
- Most of the entrepreneurs dealing with the sowing and exportation of vegetables do not have access to financial and credit resources;
- Most of the greenhouse farms experience interruptions in water, gas and electricity supply, and drops in gas pressure. This causes problems with timely cultivation of produce.

#### **5. SUGGESTIONS**

- Tomatoes should be added to the "List of non-oil commodities covered by export promotion measures";
- Problems experienced by truck drivers on the Azerbaijani-Russian customs checkpoint should be resolved. In particular, governments should take collective measures to prevent unjustified delays in the transportation of perishable fruits and vegetables and to ensure their uninterrupted exportation;
- Discount electricity and gas tariffs should be introduced for greenhouse farms;
- Access of entrepreneurs engaged in exportation of vegetables to financing and credit resources should be facilitated. For this purpose, a part of the interest on loans should be subsidized;
- Standardized gas and electricity supply of greenhouses should be continuously maintained by signing agreements with greenhouse farms. A mechanism of penalties in favor of relevant farms should be applied;
- Businesses engaged in production and exportation of vegetables are in need of state support in having their goods insured. The allocation of state subsidies should be considered;

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<sup>20</sup> <https://oxu.az/society/281780>

- The mechanism for paying 3 percent of the value of exported goods to the exporter should be simplified. The existing procedures are too complicated and excessive and require simplification.