NON-TARIFF REGULATION AND CUSTOMS PERFORMANCE: THE IMPACT OF THE AUTHORIZED DEALER REQUIREMENT ON HOUSEHOLD APPLIANCE IMPORTS IN UZBEKISTAN

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Abstract

The thesis examines how the authorized dealer requirement introduced in Uzbekistan in February 2024 affected household appliance imports and what it implies for customs performance. In January–July 2024, appliance imports fell by 27.5% in value, but the effect differed across products: air conditioner imports fell by 51.2% and TV imports by 43.3% in units, while washing machine imports rose by 16.5%. In 2025, imports recovered and domestic refrigerator output grew 3.6 times. It is argued that in this segment the non-tariff measure had a stronger effect than tariffs, and that customs performance should be measured by the quality of control and information per unit of goods rather than by revenue.

Keywords

non-tariff measures, authorized dealer, customs control, household appliances, import substitution, Uzbekistan.

Introduction

Non-tariff measures[1] have become the main instrument of trade policy in many countries as tariffs have declined. H.L. Kee, A. Nicita and M. Olarreaga showed that

[1]Non-tariff measures (NTMs) — policy measures other than ordinary customs tariffs that can affect international trade in goods by changing quantities traded, prices or both [1].

non-tariff barriers substantially add to the restrictiveness of tariffs and in many countries are the dominant source of trade restrictiveness [2]. In Uzbekistan, import duties were reduced in 2019, and A.R. Muqimov estimated that an increase in the average import duty rate by 1 percentage point reduces customs payments by UZS 256.1 billion [3], i.e. tariff tightening is fiscally counterproductive. Against this background, regulation of the household appliance market shifted to non-tariff instruments.

Resolution PQ-15 of 10 January 2024 established that, from 1 February 2024, 13 product groups — including air conditioners, refrigerators, washing machines, vacuum cleaners, televisions and monitors — may be imported only if the manufacturer has an authorized representative or official dealers[2] ensuring quality, safety and service [4]. The same resolution halved profit and property tax rates for electrical engineering enterprises for 2024–2030. The aim of this thesis is to assess the effect of the requirement on imports and its implications for customs performance.

Tariff versus non-tariff instruments

The two types of instruments affect the customs service differently (Table 1). Tariffs make imports more expensive through price and generate revenue, whereas the dealer requirement narrows the circle of importers without generating revenue directly and shifts the focus of customs control from the value of goods to the legal status of the importer.

Table 1. *Tariff and non-tariff instruments in the household appliance segment*[3]

Feature	**Tariff instruments (duty, excise)**	**Authorized dealer requirement (PQ-15)**
Mechanism	Raises the price of imports	Restricts who may import

[2]Authorized dealer requirement — a condition under which goods may be imported only by, or with the participation of, the manufacturer's authorized representative or official dealer that guarantees quality, safety and after-sales service.
[3]Developed by the author based on [4; 1].

Fiscal effect	Direct revenue	No direct revenue; may reduce the tax base
Object of customs control	Customs value and classification	Importer status and link to the manufacturer
Main risk	Undervaluation, misclassification	Shift to informal channels and to individuals' imports
Effect on domestic producers	Price protection	Protection through narrowing of import competition

Results

According to the Customs Committee, appliance imports in January–July 2024 fell to USD 127.7 million from USD 176.3 million a year earlier, i.e. by 27.5% [5] (Figure 1a). The effect was uneven across products (Figure 1b): in units, air conditioner imports fell by 51.2% and TV imports by 43.3%, while washing machine imports rose by 16.5%.

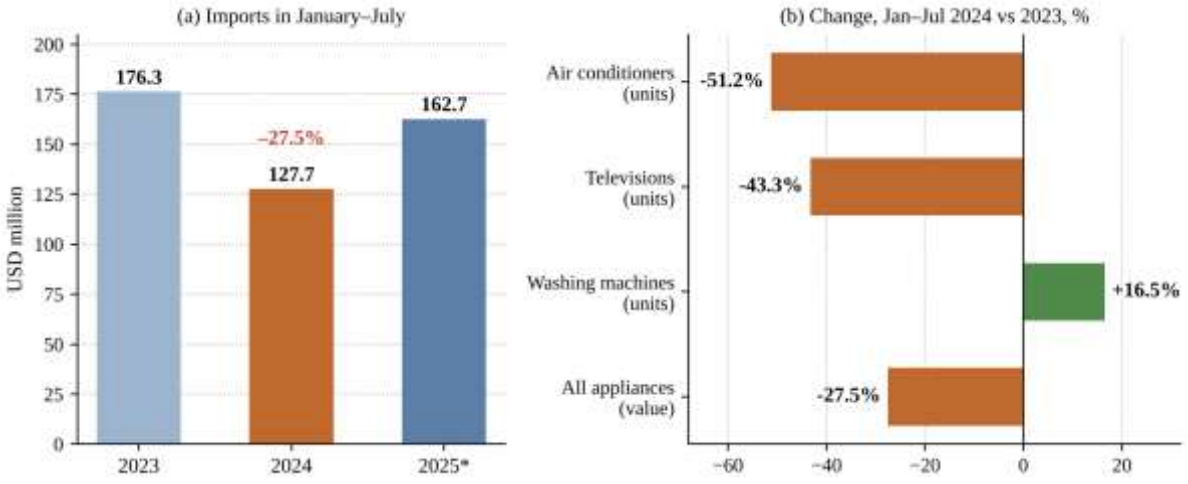


Figure 1. *Household appliance imports before and after the dealer requirement*[4]

The divergence suggests that the requirement pushed brands without an official dealer network out of the market, while in product groups with established dealer networks imports moved to the official channel. In 2025, imports recovered: in January–

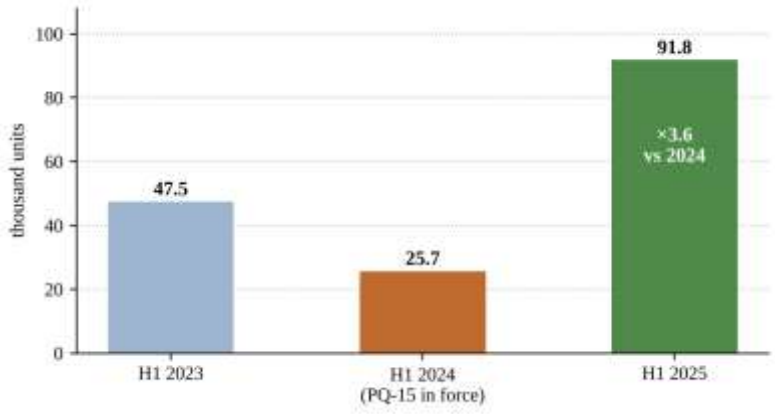
[4]Compiled by the author based on Customs Committee data [5] and National Statistics Committee data [6]. *2025 — refrigerators, washing machines and air conditioners only (lower bound).

July, refrigerators, washing machines and air conditioners alone amounted to USD 162.7 million and 893.7 thousand units (Table 2).

Table 2. *Imports of the main household appliances, January–July 2025*[5]

Product	**Thousand units**	**USD million**	**Average price, USD**	**China's share, %**
Refrigerators	317.1	65.6	206.9	64.9
Washing machines	306.6	37.1	121.0	83.2
Air conditioners	270.0	60.0	222.2	96.3
Total	**893.7**	**162.7**	**182.1**	**80.6**

Domestic production responded strongly. Output of household refrigerators at large enterprises in the first half of the year was 47.5 thousand units in 2023, 25.7 thousand in 2024 and 91.8 thousand in 2025, i.e. 3.6 times more than a year earlier [7] (Figure 2). Nevertheless, in 2025 monthly refrigerator imports (45.3 thousand units) still exceeded monthly output of large enterprises (15.3 thousand units) about threefold, and in January–July 2026 imports of electrical machinery and household electrical appliances grew by 38.1% to USD 1,587.7 million [8], which indicates a recovery of demand and of the workload on customs.



[5]Calculated by the author based on National Statistics Committee data [6] and related press releases; average price and China's share are author's calculations.

Figure 2. *Production of household refrigerators at large enterprises, first half of the year*[6]

Discussion

The results show that in the household appliance segment, the non-tariff measure had a stronger effect on trade flows than tariff instruments. For customs, this has three implications. First, the number of importers decreased and the volume of declarations per importer increased, which makes it possible to profile risks at the level of the importer and the product model. Second, with average prices concentrated in a narrow range of USD 121–222 and 80.6% of imports coming from one country, the segment is well suited for price profiling; at the same time, as B. Javorcik and G. Narciso showed, differentiated products are particularly exposed to undervaluation [9]. Third, the dealer requirement is currently verified on paper and is not linked to customs data, so it controls access to the market but not the completeness of payments.

The requirement was introduced with a short adaptation period and without a prior assessment of its impact on imports, prices and customs revenue. In the context of the planned completion of WTO accession in 2026 [10], such measures are likely to be reassessed against the principles of transparency and non-discrimination. A more sustainable solution is to transform the requirement into digital control instruments: an electronic dealer register integrated with the “Single Window”, QR marking and a model-level price database.

Conclusions

1. The authorized dealer requirement reduced appliance imports by 27.5% in value in January–July 2024, with strong product differentiation (air conditioners –51.2%, televisions –43.3%, washing machines +16.5% in units); in 2025, imports recovered and domestic refrigerator output grew 3.6 times.

[6]Compiled by the author based on [7].

2. In this segment, customs performance is determined not by revenue volume but by the quality of control and information per unit of goods; performance indicators should therefore include units, average prices, countries of origin and the share of imports cleared through official dealers.

3. It is recommended that the Customs Committee and the National Statistics Committee publish monthly and annual value and unit series for HS headings 8415, 8418, 8422, 8450, 8451, 8508, 8509, 8516 and 8528 from 2027, and that the Ministry of Investment, Industry and Trade annually assess the impact of the PQ-15 requirement on imports, prices and customs revenue.

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