

# Localization of Production Import Reduction and Industrial Policy

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**Abstract:** The article focuses on the need to fill the domestic market with necessary consumer goods and deepen the level of localization by expanding the production of import-substituting products from local raw materials based on industrial cooperation.

**Key points:** industrial cooperation, localization, import substitution, domestic market filling, employment provision.

## INTRODUCTION

Further deepening of production localization processes, expansion of inter-sectoral industrial cooperation, including between large enterprises of the republic and small business and private business entities, necessary consumer goods that replace imports on the basis of local raw material resources and the domestic market, in order to establish enterprises that provide filling with medicines, products of production and technical importance, components and materials:

## DISCUSSION AND RESULTS

1. The Ministry of Foreign Economic Relations, Investments and Trade of the Republic of Uzbekistan, the Ministry of Economy, the State Committee for Privatization, Exclusion of Monopoly and Development of Competition, the State Customs Committee, the Council of Ministers of the Republic of Karakalpakstan, the governorates of the regions and the city of Tashkent, and other interested parties The Localization Program for the production of finished products, components and materials in 2022-2023 developed together with state and economic management bodies (hereinafter - the Localization Program) was approved.

In recent years, a real market economy based on healthy competition is developing as a result of active investment policy, liberalization of foreign trade and currency operations in the republic.

Development of the industry, which is considered an important branch of the economy, at the level of international standards, increasing the competitiveness of products on the world market, and expanding the variety are one of the urgent problems.

Increasing the level of localization of the production of finished products, components and materials based on industrial cooperation is one of the important aspects of the stable and consistent development of the economy, reducing its dependence on external factors, and accelerating the implementation of new effective technologies in production processes. In our country, special priority is given to the production of products for export and domestic market, to create high added value.

It is also recognized by the head of state that deepening the level of localization and dramatically expanding the scope, using the existing raw materials and opportunities effectively, is the basis of this industrial policy. The import of more than one hundred types of goods such as glass jars, bottles, mine wagons, vacuum pumps, lifting cranes, various types of fire and acid-resistant materials, starch, yeast for bakery products has been banned.

Imports of several types of products that can be produced in the country have halved. These are more than 350 types of products, such as filters and radiators for cars, steel pipes, ceramic plates, medical ampoules, polygraphic paints, children's toys, sports equipment, and household electrical products for families. including..

As a result of a detailed study of the possibilities of industry enterprises by the Ministry of Economy, in 2022, 0.8 bln. The possibility of reducing imports by 23% was determined. However, despite the fact that measures are being taken to expand the production of localized products that replace imports, the volume of imports in our country is allowed to increase unreasonably. This leads to inefficient use of foreign currency funds, which can be directed to the implementation of important projects for the further expansion of production and creation of new jobs for the economy of our country.

The success of important socio-economic tasks such as improving the sectoral and territorial structure of the national economy, ensuring the rational employment of labor resources, increasing the competitiveness of national enterprises, and achieving economic security depends in many ways on increasing the level of localization of the production of finished products, components and materials on the basis of industrial cooperation. depends. Because as a result:

- to the stable and consistent development of the economy, to reduce its dependence on external factors;
- to accelerate the implementation of new effective technologies in production processes;
- positive development of foreign economic activity;
- expansion of export potential by conducting an industrial policy aimed at creating high added value;
- it is possible to achieve results such as reducing the content of imports.

Therefore, integration into the world economic system and stabilization of the national economy by diversifying the composition of exports and improving the composition of imports is one of the main directions of the economic policy of Uzbekistan.

As a result of consistent reforms carried out in our country, a number of measures are being implemented to increase the volume of production and expand the types of industrial products, to satisfy the needs of the population for consumer goods.

However, the absence of a unified system for the localization of industrial production in the republic is the reason for the underutilization of production capacities and the decrease in the level of creation of the added value chain through deep processing of local raw materials.

The current state of foreign trade of the country and its regions does not provide an opportunity to receive stable foreign exchange earnings from the export of goods and services. The priority of raw material goods in the structure of exports, the narrowness of the range of exported goods make the economy of the country and its regions dependent on economic changes in world markets.

In the Development Strategy for further development of Uzbekistan in 2022-2026, developed at the initiative of the President of the Republic of Uzbekistan Sh.M. Mirziyoev, "continuation of the policy of encouraging the localization of production and, first of all, the import of consumer goods and components special attention is paid to "substitution, expansion of inter-sectoral industrial cooperation". "Uzavtosanoat" JSC, "Uztoqimachilik sanoat" JSC, "Uzmetkombinat" JSC, "Uzeltexsanoat" JSC, "Uzcharmsanoat" JSC and enterprises of Bukhara, Namangan, Syrdarya, Fergana regions and Tashkent In the enterprises of the city, goods similar to those manufactured in

the republic are imported from abroad. Large-scale measures are being implemented in the country to increase the volume of production and expand the types of industrial products, to satisfy the population's demand for consumer goods. Therefore, the issue of reducing imports by increasing domestically produced products occupies an important place in the national economy.

Also, the introduction of an assistant position on these issues, the establishment of a regular working group on the issues of localization and expansion of cooperation relations in the industry, and the development of interdepartmental monitoring mechanisms for reducing imports create wide opportunities.

Today, a total of 42 projects have been developed for inclusion in the localization program for 2021-2023, the total cost of which is 741.5 billion soums. If these projects are fully operational, import-substituting products worth 678 million dollars a year can be produced. Also, the foreign trade turnover of our republic in January-August last year totaled 687.8 million dollars, and a positive balance of 171.8 million dollars was achieved. On the basis of the presidential decree, "Nukus Free Economic Zone" was established in the city of Nukus on an area of 165 hectares. In this area, foreign investors started the implementation of projects worth 31 million dollars. As a result of the launch of the project, the production of import-substituting products will increase in the coming years. The members of the working group established in the republic on the issues of localization and expansion of cooperative relations in the industry have visited cities and districts, closely familiarized themselves with the work being carried out in this regard and are providing their practical assistance.

Based on their suggestions, localizing production, optimizing imports, expanding cooperative relations, and ensuring the implementation of the export forecast for the current year were set. The work was devoted to the issues of rapid development of industry, increasing the level of localization and expanding its scope, the implementation of the relevant tasks was analyzed, and the work carried out on the localization of production in industries and large enterprises and the expansion of industrial cooperation was recognized as unsatisfactory. .

Although small industrial zones with available land, buildings and infrastructure have great potential in this regard, only 13% of the projects in the 156 operating small industrial zones are aimed at the production of localized products, and none in 80 cities and districts. The president criticized the fact that this type of territory was not established.

## **CONCLUSION**

There are cases of inefficient use of imported technological equipment in the republic, which is hindered by issues such as land allocation, construction permits, and connection to communication networks. As there are opportunities to achieve economic efficiency as a result of reducing imports through localization of production, for this:

- Creation of a single system for localization of production of industrial products in the republic;
- further acceleration of processes of localization of production in sectors and regions;
- mastering the production of components, spare parts and materials through the full and effective use of existing production capacities;
- it is appropriate to pay special attention to the expansion of cooperation relations in the industry and optimization of the volume of imports.

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