

THE ROLE OF LOCALIZATION OF PRODUCTION IN THE STABLE AND CONSISTENT DEVELOPMENT OF THE ECONOMY

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Abstract

This article highlights the possibilities of achieving economic efficiency as a result of integration into the world economic system by diversifying the composition of exports and reducing the volume of imports.

Keywords: production, import substitution, localization, components, industrial cooperation.

Introduction

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 largely 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:

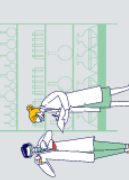
1. To the stable and consistent development of the economy, to reduce its dependence on external factors;
2. To accelerate the implementation of new effective technologies in production processes;
3. To develop foreign economic activity;
4. Expansion of export potential by conducting an industrial policy aimed at creating high added value;
5. 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 reducing the volume of imports is one of the main directions of the economic policy of Uzbekistan.

As a result of the 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 single 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.

"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 of industrial products and to expand their types, 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.

The decision of the President of the Republic of Uzbekistan dated August 24, 2019 "On further increasing the responsibility of state and economic management and local executive authorities for the introduction of a new system of localization of production and acceleration of operational relations in industrial sectors" was accepted. On the basis of this decision, work on localization of production, expansion of cooperative relations, and reduction of import volume was developed.

Import dependence of Uzbekistan's economy increased during 1991-2022. As a result, the country faced negative balance of payments (import volume exceeds export volume) and competitiveness of national goods in foreign and domestic markets. The need to support national producers, protectionism, and to introduce measures to replace foreign products arises at a time when the issue of the republic's accession to the WTO is pending.

In the concept of socio-economic complex development of the Republic of Uzbekistan until 2030, Further liberalization of trade policy and exports, revision of notarized trade barriers and their alignment with WTO agreements and norms, reduction of costs and expenses in foreign trade operations, It is not for nothing that it is intended to create conditions for the expansion of trade, as well as the development of export support infrastructure and institutions¹.

The economy of the republic is currently in dire need of supplies of imported equipment and products. The share of import consumption in many strategic branches of industry is estimated at more than 30-35% and poses a potential threat to national security and to ensuring the competitiveness of the economy of the entire republic.

According to the estimates of the Chamber of Commerce and Industry of Uzbekistan, the following industries are import substitutes:

- machine tool construction (according to various estimates, the share of the total machine and tool equipment import is more than 22%);
- heavy engineering (46.3%);

1. ¹ Ўзбекистон Республикаси Президентининг “Ўзбекистон Республикасини 2030 йилга қадар ижтимоий-иқтисодий комплекс ривожлантириш концепциясини тасдиқлаш тўғрисида” ID-10120-сонли Қарори.

- light industry (18.6%);
- electronic industry (1.7%);
- pharmaceutical, medical industry (7.3%);
- machinery for the food industry (4.1%)².

In addition, domestically produced products have a high import capacity, as they are produced using imported equipment and foreign components and materials. In addition, Uzbekistan is not among the leading world importers. In Uzbekistan, the ratio of imports to GDP, which reflects the criterion of import dependence of the domestic goods market and reproduction processes, is 13.2%³. This is less than the countries of the world's top ten importers (except the USA and Japan) and China, India and other countries⁴.

In 2010-2022, two groups of goods - consumer goods (39.1%) and intermediate goods (23.3%) took the lead in the structure of imports of the Republic of Uzbekistan. In recent years, the share of consumer goods has decreased and the share of investment goods has increased⁵.

- 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 unified 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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2. ² www.stat.uz//Ўзбекистон Республикасининг ижтимоий –иқтисодий ҳолати. Ташқи иқтисодий фаолият. 2020. – Б.249

3. ³ www.stat.uz маълумотлари асосида ҳисобланди.

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5. ⁵ www.stat.uz

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