

**BASED ON LOCALIZED PRODUCTION IN UZBEKISTAN  
DEVELOPING A COMPETITIVE POLICY**

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**Abstract:** *The article outlines the existing problems and approaches to the further development of the domestic industry, the expansion of intra-industry and inter-industry cooperation, an increase in the volume of products made from local raw materials, and its competitiveness in the domestic and foreign markets, corresponding to world standards, and exports. strategies and others mentioned.*

**Keywords:** *domestic and foreign market; competitiveness of products, local raw materials; marketing research; export of products; market research.*

## 1. INTRODUCTION

Economic reforms in Uzbekistan are also aimed at filling the domestic market with local goods and exporting goods to world markets. For this purpose, financing investments in regions and sectors of the economy, first of all, the development of the agro-industrial complex, which serves to increase food security, accelerate the development of priority sectors, in particular the fuel and energy complex, the construction of new industries in existing industries, modernization, reducing the republic's dependence on imports, strengthening the export potential of the republic, increasing the competitiveness of products, increasing the share of engineering and chemical products in exports,

After Uzbekistan gained independence, one of the main priorities of the first decade of economic development was an effective solution to the problems of transitional economic reforms in the republic based on the localization of production.

Accordingly, on September 5, 2000, the Cabinet of Ministers of the Republic of Uzbekistan adopted the "Program for the localization of the production of goods and materials based on local raw materials." The main goals and objectives of this program are the further development of the domestic industry, the expansion of intra-sectoral and inter-sectoral cooperation, an increase in the volume of products made from local raw materials, and ensuring their competitiveness in the domestic and foreign markets, and compliance with international standards.

reduce imports of manufactured goods, as well as create new jobs and save foreign exchange [1].

## 2. THE MAIN PART

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Effective implementation of the localization program in Uzbekistan will contribute to the production of export-oriented products, employment, improvement of regional infrastructure, further acceleration of industrial development, and lower prices. The increase in the number of enterprises producing import-substituting products in our country is directly related to the favorable business environment created in our country. As a result, a wide range of convenient, economical, high-quality and affordable products under the brand name "Made in Uzbekistan" is expanding in the markets of our country.

It is planned to provide a number of benefits and benefits to enterprises operating on the basis of the localization of large-scale production in the country [2]. Including:

- 50% guarantee of a loan attracted by the State Fund for the Development of Entrepreneurship for a project for the production of localized products, and a return of interest rates on loans from commercial banks up to 5%;
- three or more participants - if there are local producers, public procurement is carried out among local producers at the discretion of the customer;
- the possibility of applying a price preference of up to 20% for the products of local manufacturers in the course of state purchases of products of certain industries;
- The Export Promotion Agency under the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan provides reimbursement of interest costs on pre-export loans from commercial banks, guarantees for loans from commercial banks, subsidies to cover up to 50% of transport costs, international standardization and implementation of certification systems, financial assistance in the registration of domestic products in foreign countries and assistance in improving the conditions of export insurance.

However, it should be noted that certain conditions still exist that limit the ability of local producers to compete with their products.

Considering that the leading positions in the structure of exports and imports are taken by imports of raw materials, the company's products cannot compete at prices on the external market. Today the company is looking for ways to technologically modernize production and reduce production costs. The analysis shows that the difficulties of enterprises in the production of competitive and high-quality products are mainly associated with their imported raw materials. Raw materials are mainly imported from the CIS countries, technological lines and equipment are outdated, there are no spare parts, since most of them are not produced in our country. In addition, the insolvency of clients also affects the financial condition of these businesses.

In the current context of economic reforms in Uzbekistan, competition policy should be aimed at creating a more favorable environment for attracting investment. In this regard, competition policy should be focused on the effective solution of regional problems based on the localization of production, taking into account local specifics.

Achieving structural changes through the implementation of competition policy requires government support in organizing production at highly competitive industrial enterprises, which will allow the development of the domestic market. However, not enough has been done in this regard so far. In particular, most of the enterprises included in the government's "Program for the localization

of production of goods and materials based on local raw materials" did not start producing these products. The main reasons for this are the lack of financial resources, problems with the supply of raw materials, problems with technological re-equipment, and so on.

In our opinion, the following measures can play an important role in the production of import-substituting products based on local raw materials:

- setting limits on the provision of soft loans on a competitive basis to small and private enterprises producing export-oriented or import-substituting competitive products based on local raw materials;
- taking into account the import of soybeans, molasses and sunflower raw materials for oilseed producing enterprises, basically to expand the cultivation and production of these plants in the regions of the republic;
- Broadly disseminate in advertising networks and the media about the needs, problems and opportunities of enterprises that have launched production based on local raw materials, and ensure its constant focus.

Today, the problem of the quality of products manufactured in our country is acute. In this context, it is worth noting that even in the domestic market, local enterprises cannot compete. The domestic market is still "busy" with foreign goods. Of course, in this regard, the country is taking special "protective" measures. However, in our opinion, the ineffectiveness of solving problems in this area will persist without an adequate study of the competition market. In this case, the competitiveness of products in the production of our enterprises will remain low.

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