

The Industrial Cooperation and Localization - Priorities of the National Economy



On March 11, President Shavkat Mirziyoyev chaired a videoconferencing on further expansion of industrial cooperation and localization.

A Presidential Decree of January 24 this year approved a program for enhancing production and industrial cooperation for 2022. It is planned to establish the production of new types of products for almost 37 trillion Uzbek soums as a part of the 2,455 projects.

The progress of the program was critically analyzed at the beginning of the meeting. The serious shortcomings in the activities of the Pharmaceutical Industry Development Agency, JSC "Uzbekistan Railways" and JSC "Thermal Power Plants" were indicated.

The contracts, which were concluded through the Electronic Cooperation Portal, were not executed in certain regions. The share of enterprises of the Republic of Karakalpakstan, Namangan, Surkhandarya and Khorezm regions is less than 1% in electronic auctions. Due to the lack of cooperative ties, the import of certain types of goods for the production of which there are conditions within the country has increased.

"In the current changing conditions, the most effective way to ensure the sustainability of the economy is the use of internal capabilities, the production of some imported products in our country and further development of the industry. It should become a priority of our national economy", Shavkat Mirziyoyev said.

The important measures in this direction were identified at the meeting. It is necessary to establish the cooperation between the large enterprises and local producers by product types.

For example, after the fact that the Navoi Mining and Metallurgical Company has posted information on imported goods and technical requirements on the cooperation portal, the products worth 600 billion Uzbek soums, which were previously imported from abroad, began to be produced at 18 local enterprises.

The President instructed to introduce this experience at all industries and regions, to attract entrepreneurs to the development of the production of imported products.

To this end, the procedure for holding the industrial fairs will be changed. In addition

to finding buyers for finished products, the participants will be able to develop business plans for the organization of goods recommended for localization. Having been interested in projects, the entrepreneurs will be able to conclude supply contracts on the sidelines of the fair as well as arrange financing with banks.

To do this, a permanent industrial exhibition will be organized at Uzexpocentre and the showrooms of local manufacturers – in regional centers and industrial zones.

Along with this, the costs of marketing research as a part of the new projects and certification abroad will be partially compensated.

A detailed analysis of the changes taking place in the world market was carried out at the meeting.

A decision was made to grant several benefits and preferences to enterprises that import raw materials, process them in the customs territory and export the products received since April. In particular, their projects will not require a feasibility study, certificates for products and provision for customs duties. The period for issuing permits will be reduced to 3 times. The customs duties on imported equipment will not be levied.

To enter the new markets, it is necessary to widely implement international standards in the industry. For example, in 2019-2021, due to the receipt of international certificates, 2,000 textile enterprises increased their exports to 1,5 times.

In addition, the Cotton Campaign has canceled the boycott of the Uzbek cotton recently. It also opens up the new opportunities and new markets.

The Uzstandard Agency was tasked with increasing the number of enterprises with international certificates in other industries, as well as creating Training Centers for international standards at project offices in the regions.

The construction materials industry can also develop at the expense of internal reserves. In this regard, 100 billion Uzbek soums have been allocated for the expansion of geological exploration of raw materials. It is set to implement 420 projects for \$1,8 billion this year. The responsible officials were instructed to launch these projects on time and increase the exports of construction materials.

The issue of full mobilization of existing capacities and import substitution in the pharmaceutical industry was also considered.

As is well-known, if industrial enterprises are disconnected from science and innovation, it will be difficult for them to adapt to the new competitive environment.

Therefore, the Ministry of Innovative Development was tasked with promoting the modernization of enterprises and improving the quality of their products in the regions.

The heads of industries, large enterprises and khokims (governors and mayors) attended the meeting.

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