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Ways to Expand the Export Geography of the Jizzakh Free Economic Zone

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Abstract: Today, special attention is paid to the establishment of free economic zones in Uzbekistan. One of the largest free economic zones in Uzbekistan is the Jizzakh Special Industrial Zone. Expansion of the export geography of this free economic zone is a topical issue. This article analyzes the export geography of the free economic zone.

Key words: free economic zone, export geography, export regulation, international marketing, international trade, customs legislation.

Introduction

Particular attention is paid to the creation and development of free economic zones, which make an important contribution to the acceleration of the national economy of Uzbekistan. In particular, on January 12, 2017, the President of the Republic of Uzbekistan Shavkat Mirziyoyev signed a decree on the establishment of 4 free economic zones. In Urgut district of Samarkand region, Gijduvan district of Bukhara region, Kokand city of Fergana region and Khazarasp district of Khorezm region, on September 13, 2019 "Chirakchi" free economic zone, on November 11, 2019 "Nukus" free economic zone, 2021 On February 22, Karakalpak-Agro free economic zones were established.

Free economic zones in the country in accordance with the legislation of the Republic of Uzbekistan; special scientific and technological zone; tourist-recreational zone; can be established as free trade zones and special industrial zones.

One of the most important free economic zones in the country is the Jizzakh Free Economic Zone. The organizational and legal status of this FEZ is the "Special Industrial Zone". Jizzakh special industrial zone 08.03.2013 It is based on the normative document UP-4516 on the territory of Jizzakh city and Syrdarya districts. The total area of the Jizzakh Special Industrial Zone is 524 hectares, of which 416 hectares are in the city of Jizzakh and 108 hectares in the Syrdarya region. The Jizzakh Special Industrial

Zone is established on the basis of the Jizzakh A industrial zone and together with the Peng Sheng complex in the Syrdarya region. FEZ "Jizzakh" 2013 of the President of the Republic of Uzbekistan On the establishment of the Jizzakh Special Industrial Zone on March 18 Established in accordance with Decree No. PF-4516.

The main issue is to expand the export geography of the Jizzakh Free Economic Zone. Therefore, this article examines the export potential of the Jizzakh region.

Analysis and results

As of February 1, 2022, the value of the territory of the SEZ "Jizzakh"

234.2 mln. A total of 24 projects worth US \$ 89.6 million have been implemented, including foreign direct investment. USD, the company's own funds amounted to 91.9 mln. USD, bank loans - 52.6 mln. U.S. dollars. These projects have created 3,866 jobs.

Ongoing projects

Value in the territory of FEZ "Jizzakh" in 2021-2022

276.0 mln. There are 15 projects under implementation in the amount of 129.3 million US dollars. USD of foreign direct investment, the company's own funds amounted to 55.7 mln. USD and bank loans amounted to 83.8 mln. USD. These projects are expected to create 3,223 new jobs.

Prospective projects

In addition, the value of the territory of the free economic zone "Jizzakh"

99.5 mln. Work is underway to implement 3 projects worth \$ 1 billion. These projects are expected to create 590 jobs.

In the special industrial zone "Jizzakh" to date, 57.3 mln. 13 projects worth \$ 1 billion have been implemented. These projects include:

- 1) Production of UZTE smartphones;
- 2) Manufacture of leather and footwear;
- 3) Production of ceramic tiles;
- 4) Manufacture of brake pads;
- 5) Production of components for production equipment;
- 6) Production of polypropylene pipes, fittings, valves;
- 7) Production of JUITA sewing machines;
- 8) Production of solar collectors;
- 9) Production of LED lights;
- 10) ROYSON production of air conditioners, refrigerators and washing machines;
- 11) production of plumbing goods.

In the Jizzakh special industrial zone today 122.8 mln. 13 projects worth \$ 1 billion are being implemented. The most important projects are video and IP telephones, telecommunications equipment, industrial modems, polypropylene yarn and carpet products, electrical conductors, thermal insulation materials (fiberglass), ceramic tiles - 3 projects, production of sewing materials and accessories.

One of the priorities of the Jizzakh Special Industrial Zone is the production of high value-added industrial products. High value-added industrial products include:

- electrical engineering industry;
- mechanical engineering;

- production of plastic products;
- production of modern building materials;
- leather industry;
- production of pharmaceuticals and medical devices;
- food industry.

The main focus in the creation of free economic zones is on the internal potential of the region, ie raw material resources, logistics capabilities, labor resources. Jizzakh region is one of the richest regions of the Republic of Uzbekistan in natural resources, raw materials and rocks. It is also the most convenient area in terms of logistics. It is the most central region of the country by road and rail, and has great potential for connection with the central trading points of neighboring Kazakhstan and Tajikistan.

Data on available mineral resources in Jizzakh region are given in Table 1

Table 1. Information on available mineral resources in Jizzakh region

№	Mineral resources	Unit of measurement of available stock	The size of the available stock
1.	Marble onyx	thousand tons	1,1
2.	Raw materials for cement	million tons	185,5
3.	Zinc and lead	million tons	185,6
4.	Grant stones	million cubic meters	7,3
5.	Marble limestone	million cubic meters	3,3
6.	Limestone	million tons	289,1
7.	Volastonite	million tons	5,1
8.	Barite	million tons	12,3
9.	Kaolin (white clay)	mln. kub.m.	6,7
10.	Gypsum	million tons	2,6
11.	Fire resistant materials	thousand tons	27,8
12.	Sand and silicate	million cubic meters	14,5

In order to process the mineral resources mentioned in the table above, to increase the production of industrial goods, a special industrial zone "Jizzakh" was established. Currently, the projects being implemented in the Jizzakh Special Industrial Zone envisage increasing the production of industrial goods based on the processing of the above mineral resources and attracting foreign investment in this area.

Since 2013, more than 20 projects have been implemented in the Jizzakh Special Industrial Zone, most of which supply semi-finished products, components and spare parts to other industrial enterprises of the country.

Today, a number of projects are being implemented to fully use the potential of the Jizzakh Special Industrial Zone. Most of the planned projects are based on foreign investment (Table 2).

Table 2. Projects being implemented in the Jizzakh Special Industrial Zone

№	Name of enterprises	Directions of ongoing projects
1.	"Uz turk attorlik" LLC	Production of natural leather products
2.	Uz-turk charm LLC	Manufacture of finished leather products
3.	MM Goodwill LLC	Manufacture of finished leather products
4.	Iruskon LLC	Production of a wide range of confectionery products
5.	Jizzakh Dizayn Invest LLC	Vegetable oil production
6.	Shengze XK	Processing of secondary raw materials and production of metal

		products
7.	Italian Living LLC	Shoe production
8.	"Jizzakh Automobile Plant" LLC	Organization of production of Volkswagen passenger cars
9.	"Auto Motors Asia" LLC	Organization of production of crossovers, light trucks and minibuses
10.	"Platinum Lux Brand" LLC	Organization of silicon dioxide powder production
11.	JV "Master System East" LLC	Establishment of a complex for the production of electrodes, bulldozers, mastic and iron barrels
12.	"Zamin Mega Aksesuar" LLC	Organization of production of a wide range of ceramic products
13.	JV "Asia Caustic" LLC	Caustic soda production

The above-mentioned projects are being implemented by the enterprises of the Jizzakh Special Industrial Zone. Among the ongoing projects are the production of natural and finished leather products, footwear, a wide range of household appliances.

The main goal of these projects is to increase the export potential of the region. The export potential of the region is directly related to the country's foreign trade relations.

The Republic of Uzbekistan has trade relations with 160 countries. The largest share of foreign trade turnover (TSA) is in the People's Republic of China (16.6%), the Russian Federation (14.2%), Kazakhstan (7.5%), Turkey (5.9%) and the Republic of Korea (4.8%). %, Germany (2.9%) and the Kyrgyz Republic (1.7%).

Jizzakh region currently trades with more than 60 countries. A significant share of foreign trade turnover is accounted for by China (32.9%), Turkey (13.9%), Russia (13.6%), Korea (13.5%) and Kazakhstan (7%). will come .

The analysis of foreign trade of Jizzakh region for 2019-2021 shows that in 2020, imports in the region's foreign trade increased sharply. In 2020, imports will reach 629.5 million. dollars. Exports are 124.1 mln. dollars. The balance is 505.4 mln. dollars (Figure 1).

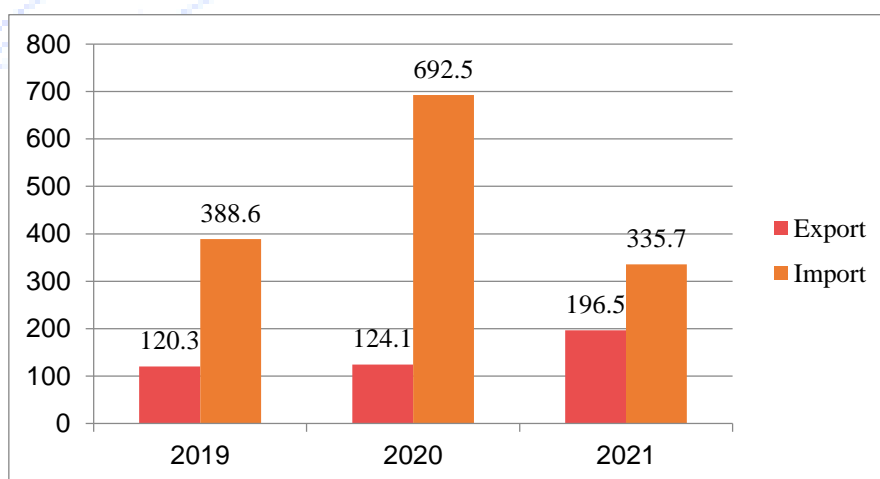


Figure 1. Foreign trade of Jizzakh region in 2019-2021 (million dollars)¹

In 2019-2021, the volume of exports in the region's foreign trade has a growth trend, and in 2021 the balance of imports decreased significantly. The balance will reach -505.4 million in 2020. \$ 209.2 million in 2021. dollars.

¹ <https://jizzaxstat.uz/en/> Official site of the Main Department of State Statistics of Jizzakh region

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As mentioned above, a significant share of the region's foreign trade turnover falls on China, Turkey and the Republic of South Korea, while the CIS is the main one. Russia, Kazakhstan, Tajikistan, Turkmenistan, Azerbaijan and the Kyrgyz Republic play a key role in the foreign trade turnover of Jizzakh region. The structure of Jizzakh region's foreign trade with CIS countries in 2019-2021 is shown in Figure 2.

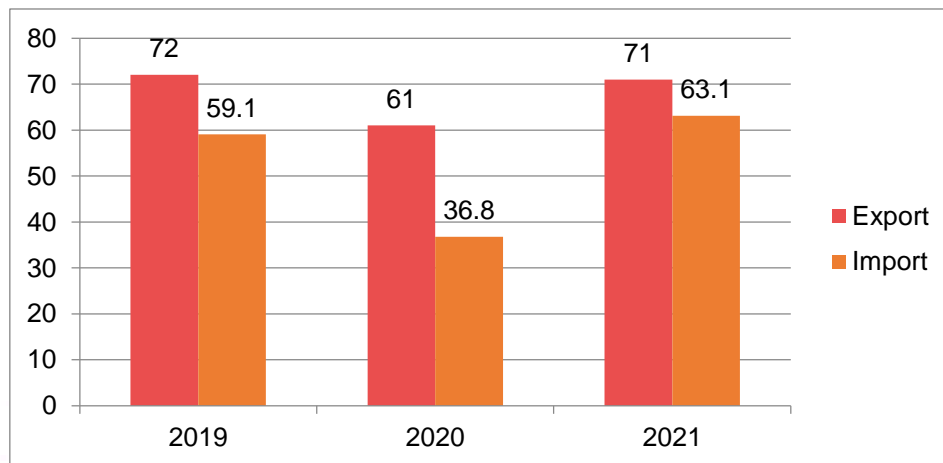


Figure 2. Foreign trade of Jizzakh region with CIS countries in 2019-2021 (million dollars)

The analysis of foreign trade of Jizzakh region with the CIS countries in 2019-2021 shows that the volume of exports is dominant. Compared to 2020, the volume of imports has increased sharply. In 2021, more import operations were carried out than in 2020, amounting to \$ 26.3 million. In 2021, the balance of foreign trade of Jizzakh region with the CIS countries will reach 7.9 million. dollars.

Another important indicator in the development of export activity is the export of goods in the structure of exports. The bulk of exports in Jizzakh region are ceramic tiles, products from the processing of quartz sand and silicate, chemical products and products made from them, machinery and equipment, ferrous and non-ferrous metals and food products.

Figure 3 shows the share of exports of major goods exported in Jizzakh region.

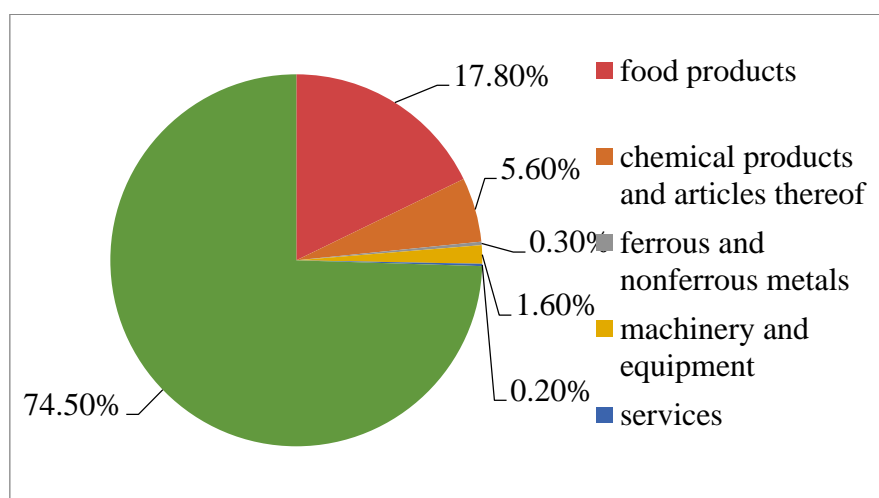


Figure 3. Goods that play a key role in the export structure of Jizzakh region

The main part of exports in Jizzakh region is food (17.8%), chemicals and chemical products (5.6%), machinery and equipment (1.6%), ferrous and non-ferrous metals (0, 3%), services (0.2%) and other goods (74.5%).

In parallel with the export structure of the region (export geography, composition of goods), the export activity of the Jizzakh Special Industrial Zone is developing. In other words, the export activity of the Jizzakh Special Industrial Zone is not inversely related to the regional indicators. In particular, China, Russia, Turkey, Kazakhstan and Tajikistan play a key role in the export geography of the Jizzakh Special Industrial Zone.

Figure 4 shows the countries that play a key role in the export geography of the Jizzakh Special Industrial Zone. The main export geography of the Jizzakh Special Industrial Zone is China (26.7%), Russia (9.6%), India (7.2%), Turkey (6.6%), Kazakhstan (4.1%) and others. states rank 45.8%.

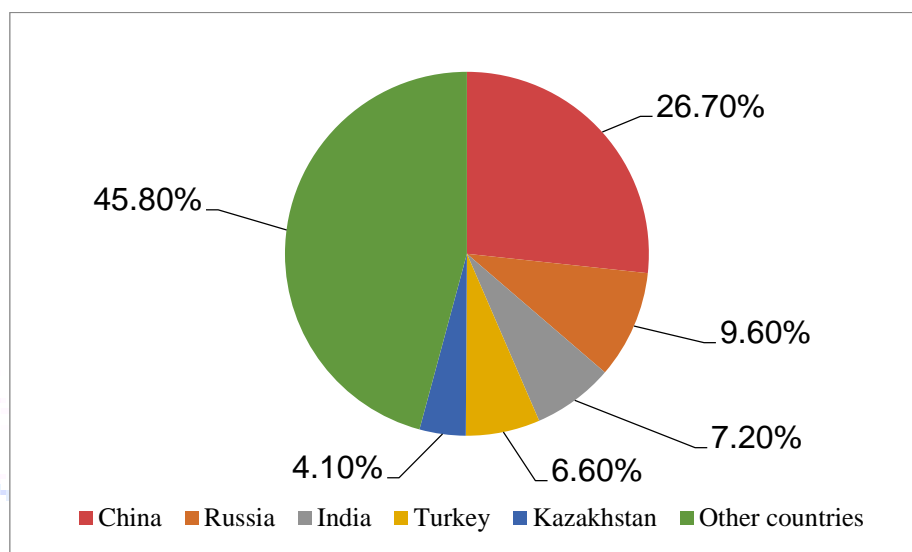


Figure 4. Export geography of Jizzakh special industrial zone²

As a result of the products produced in the Jizzakh Special Industrial Zone, ie the projects implemented, the export potential of the region is growing. The Jizzakh Special Industrial Zone mainly exports various types of household electrical products, heat-insulating materials, glass, glass products, garments and carpets.

The goods produced in the Jizzakh Special Industrial Zone are mainly produced on the basis of mineral resources analyzed in Table 2.4. Most of the projects implemented and planned to be implemented in the Jizzakh Special Industrial Zone envisage the processing of these mineral resources. In addition, the Jizzakh Special Industrial Zone is becoming a key locomotive for the development of the country's engineering sector. The largest automakers in the country are purchasing spare parts, components and components manufactured in the Jizzakh Special Industrial Zone.

² It was created as a result of the author's research in the Jizzakh special industrial zone.

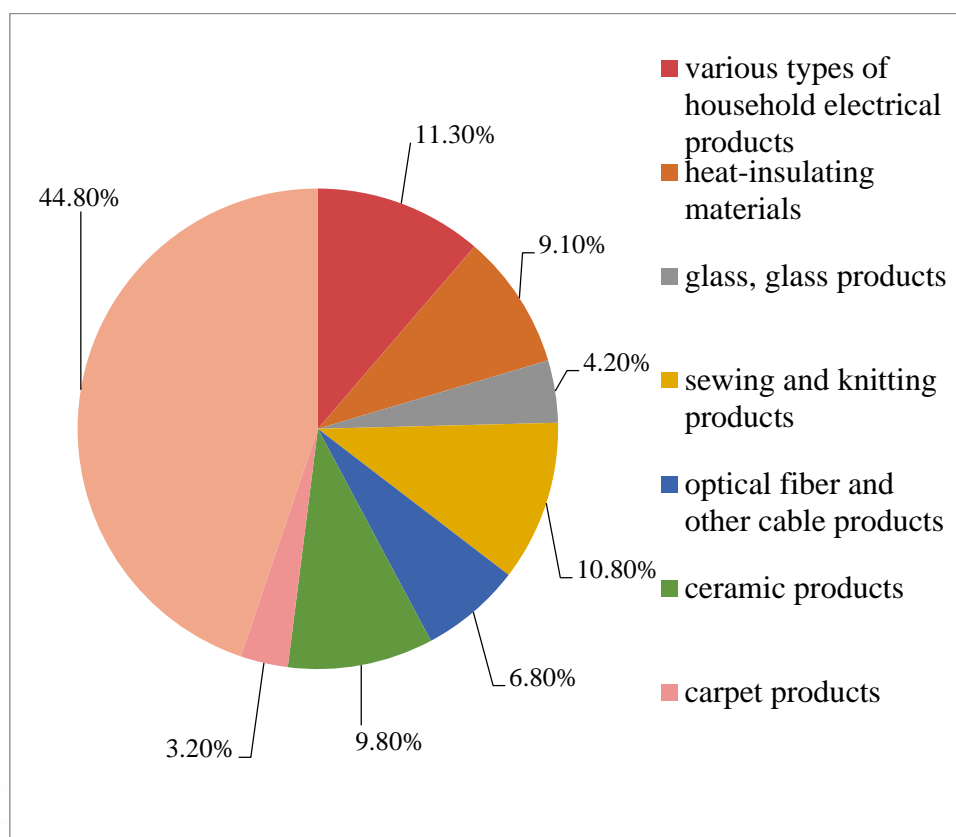


Figure 5. The composition of the main export products of the Jizzakh Special Industrial Zone³

The main components of exports in the Jizzakh Special Industrial Zone are: Various types of household electrical appliances (11.3%), sewing and knitwear (10.8%), ceramics (9.8%), heat-insulating materials (9.1%), fiber optic and other cable products (6.8%), glass, glass products (4.2%), carpets (3.2%) are the main exports of the Jizzakh Special Industrial Zone.

Over the past 2015-2020, the enterprises of the Jizzakh Free Economic Zone have invested a total of 2,230.4 billion soums. 49.9 million soums worth of goods were produced. dollars worth of products were exported. The volume of production and exports in the Jizzakh Special Industrial Zone has sharply increased in 2021. Compared to 2020, production has almost doubled, and exports have doubled (Table 2.6).

The sharp increase in production and exports was due to foreign investment projects and the development of new production lines.

Table 3. Production and export volumes in the Jizzakh Special Industrial Zone in 2015-2021

№	Years	Production volume (billion soums)	Export of products (thousand dollars)
1.	2015	76,6	150,4
2.	2016	178,5	1,4
3.	2017	205,9	4,08
4.	2018	501,3	12,9
5.	2019	604,2	14,7
6.	2020	663,6	14,7
7.	2021	2 195,8	29,6

³ It was created as a result of the author's research in the Jizzakh special industrial zone.

In 2015, 76.6 bln. soums worth of products were produced,

Products worth \$ 150.4 thousand were exported.

In 2016, 178.5 billion. soums worth of products were produced,

1.4 mln. dollars worth of products were exported.

In 2017, 205.9 billion. soums worth of products were produced,

4.08 mln. dollars worth of products were exported.

In 2018, 501.3 billion. soums worth of products were produced,

12.9 mln. dollars worth of products were exported.

In 2019, 604.2 billion. 16.5 million soums worth of goods were produced. dollars worth of products were exported.

In 2020, 663.6 billion. 14.7 million soums worth of goods were produced. dollars worth of products were exported.

In 2021, 2,195.8 billion. 29.6 million soums worth of products were produced. dollars worth of products were exported.

In January 2022, 307.4 billion. 2.8 million soums worth of goods were produced. dollars worth of products were exported.

Conclusion

In expanding the export geography of the Jizzakh Special Industrial Zone and developing export activities, it is expedient to do the following.

1. SWOT analysis of free economic zones The analysis of each factor serves as an important factor in preventing potential risks and achieving sustainable development.
2. The model, which provides for the development of free economic zones based on the coordination of management systems at the macro, micro and regional levels, expands the powers of directorates based on the SWOT and solution matrix.
3. Establish close cooperation between industrial enterprises and private entrepreneurs in the Jizzakh Special Industrial Zone, using a wide range of cluster approaches.
4. In the Jizzakh Special Industrial Zone it is expedient to develop targeted programs based on innovative technologies for the priority development of mechanical engineering, electrical engineering, energy, pharmaceuticals, agricultural processing and chemical industries.
5. It is expedient to include in the program of perspective development of the special industrial zone "Jizzakh" a plan of information and advertising activities to attract investors.

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