AMERICAN JOURNAL OF ECONOMICS AND BUSINESS MANAGEMENT



ISSN: 2576-5973 Vol. 5, No. 1, 2022

# Improving the System of Support of Small Industrial Zones Directions

Shadmanov Erkin Sherkulovich

Professor of the Military-Technical Institute of the National Guard of the Republic of Uzbekistan, Doctor of Economics

> Karimjanov Muhammadrasul Tolqinjon ogli Master of Tashkent Financial Institute

**Abstract:** The article examines the conditions and factors for the establishment of small industrial zones. Factors influencing the process of improving the functioning of small industrial zones are systematized. The opportunities for effective use of the economic potential of small industrial zones have been assessed. In this regard, the existing problems facing small industrial zones have been identified. Scientific proposals and practical recommendations on the possibilities of improving the activities of small industrial zones by creating and increasing the efficiency of infrastructure, which plays an important role in the organizational and economic system of small industrial zones.

**Keywords:** small industrial zones, competition, special economic zones, engineering and communication infrastructure, business environment, management of small industrial zones, promising investment projects.

# INTRODUCTION

Today in the world economy, special priority is given to the process of organizing the activities of industrial zones, ensuring their investment activity by increasing their efficiency. According to international economic organizations, "there are more than 3,500 industrial zones in the world, most of which are located in 140 countries. About 70 million people work in these industrial zones. "[7] At present and in the future it is necessary to increase the export potential of industrial zones, apply new innovative technologies in industrial zones, improve the organization of advanced management processes, as well as coordinate the activities of industrial zones with regional industrial productive forces.

As industrial zones in the world become a factor in the sustainable development of regional economies, great attention is paid to scientific research aimed at their optimal location and effective management. In this regard, special attention is paid to research on the organization of effective management in industrial zones, targeted investment in the effective use of regional industrial potential, increasing export potential, improving the methodology for assessing the impact on future economic development of regions.

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In the process of building a new Uzbekistan, special attention is paid to ensuring the socio-economic development of the regions, including the development of industries and the production of high value-added products based on local mineral resources. In particular, the President of the Republic of Uzbekistan Sh.M.Mirziyoev said that it is expedient to pay special attention to these issues: If we can carefully formulate our projects, we can achieve a positive result in this regard. In this regard, the placement of business entities in free economic zones and small industrial zones, the provision of privileges and preferences to them should be regulated organizationally and legally[1]. Therefore, increasing the efficiency of industrial zones, stimulating the production of competitive products, the widespread introduction of research aimed at creating new jobs will serve to justify the relevance of this research.

# LITERATURE REVIEW

The process of building and developing industrial zones in foreign countries has been studied by a number of economists. In particular, in the research conducted by T.O.Tsitman, A.V.Bogatyreva, industrial zonesIt is recommended to save the state budget expenditures in this area by organizing on the basis of vacant facilities [2]. O.V.Kuznetsova's research notes the expediency of organizing the activities of economic zones, taking into account the economic and geographical location of the region, infrastructure financing, tax incentives, sectoral structure of the regional economy [3]. In scientific research conducted by N.N.Mikheeva, R.I.Ananeva, not only the specific features of the zones in the organization of industrial zones, but also the existing general economic character in this regard: shortcomings in federal procedures (including project selection), federal and try to justify factors such as the optimal delimitation of powers between regional authorities [4]. In the researches of B.B.Salimov the organizational bases, mechanisms of creation of small industrial zones, D.Sh.Bababekova, in scientific research conducted by A.R.Ulashev the issues of establishing small industrial zones and increasing the efficiency of their activities have been studied. It is scientifically based that the development of small industrial zones is inextricably linked with the growth of the competitiveness of the national economy.

# **RESEARCH METHODOLOGY**

As a research methodology, methods such as observation, statistical analysis, comparison were used, studying the views of scientists on the establishment and development of small industrial zones.

# ANALYSIS AND DISCUSSION OF THE RESULTS

Special economic and small industrial zones are increasing the efficiency of using the economic potential of the country and becoming a modern, convenient and effective way to develop entrepreneurship. In recent years, such economic areas, which are actively organized in all regions of the country, have become a major "driver" in providing employment through the localization of imported products, increasing local export potential and creating new jobs. The Resolution of the President of the Republic of Uzbekistan dated April 30, 2021 "On measures to further develop the engineering and communication infrastructure of special economic and small industrial zones" was another important step in the development of the industry.

At present, 453 projects worth \$ 2.6 billion have been implemented in industrial zones of the country, about 36,000 jobs have been created, 1,497 projects worth 5 trillion soums have been launched in small industrial zones and more than 36,000 people have been employed. employment is provided. This indicates that our country has accumulated the necessary experience in establishing this system. The number of entrepreneurs who want to start their own business in such areas is growing.

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However, it is no secret that industrial zones in remote areas do not have sufficient engineering and communication infrastructure, which, like many small and medium-sized businesses, is a problem for foreign investors. In addition, 895 investment projects worth \$ 5.3 billion are currently located on 3.9 thousand hectares of economic zones with a total area of 8.8 thousand hectares, while the remaining 4.9 thousand hectares can be located. These are land plots and 65% of them do not have engineering and communication infrastructure. 822 hectares of small industrial zones with an area of 2.4 thousand hectares, as well as 60 operating small industrial zones are not fully provided with the necessary infrastructure. This is one of the biggest obstacles and problems that hinder the full functioning of these zones.

The funds allocated for the improvement of the infrastructure of industrial zones will facilitate the placement of newly developed projects. This is a great opportunity not only for local businessmen, but also for foreign investors, foreign partners. In 2021, it is planned to launch 332 projects worth \$ 1.1 billion in economic zones and 1,845 projects worth 9.5 trillion soums in small industrial zones.

Solving the infrastructure problem will allow these projects to be launched faster. The projects are mainly implemented in the fields of electrical engineering, leather and footwear, construction materials, oil and gas, pharmaceuticals, tourism, greenhouses, consumer goods, which are the growth points of our economy. As a result, 20,298 new jobs will be created. This will allow exporting \$ 400 million worth of goods by the end of this year, producing \$ 350 million worth of import-substituting goods and allocating more than 2 trillion soums to the state budget.

The resolution also provides for the allocation of 150 billion soums as a reserve for the construction of external electricity and gas networks of new industrial zones in 2021. Some tax benefits for domestic and foreign citizens wishing to start working in these zones, depending on the amount of investment, also make it more convenient for entrepreneurs. However, in order to become a participant in an economic or small industrial zone, an entrepreneur must first meet the requirements of investment, production, export volumes and job creation, in accordance with the agreement with the directorate of the economic zone.

Particular attention is paid to the establishment of specialization in industrial zones. This is one of the main issues, and the production process belonging to different business entities within the economic zones should not affect each other. Experts say that special economic zones are currently specializing in 13 different areas. At the same time, it is expected that the projects of entrepreneurs will prevent each other from interfering with each other, and will encourage enterprises close to each other in the field to work together in cooperatives, to introduce new standards based on common research.

In fact, the purpose of creating economic and small industrial zones is to bring together entrepreneurs and increase the production of import-substituting export-oriented products that are not inferior in quality to foreign ones by creating an area of mutual experience for them. The full provision of the infrastructure of these economic zones will serve to more actively pursue these goals.

In accordance with the Resolution of the President of the Republic of Uzbekistan dated June 21, 2019 "On measures to further improve the coordination and management of small industrial zones", the directorates of all small industrial zones in cities and districts were abolished. merged at the disposal of.

Conclusions and proposals for the construction and modernization of external engineering communications and infrastructure in accordance with the developed projects for the placement of business entities in small industrial zones were developed. In this process, special attention will be paid to the condition and capacity of existing engineering and communication networks in small industrial zones. It is planned to gradually carry out tasks such as laying a network of mines and installing a water

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tower, repairing internal and external roads. Also, in order to create new small industrial zones in districts and cities lagging behind in socio-economic development, the potential of these areas, competitive priorities, natural and labor resources, business environment were studied. In order to develop production and industry in the regions, entrepreneurs have proposed to create 24 additional small industrial zones for the placement of promising investment projects.

In the context of the pandemic, it is important for the economic development of the country to produce high-tech industrial products, to create favorable conditions for the development of foreign trade and the export of domestic products to foreign markets.

The activities of small industrial zones play a special role in fulfilling these economic tasks. It is well known that small industrial zones are created in the production areas and buildings of loss-making, economically insolvent and low-profit organizations and not used as state property, with a certain level of production infrastructure in these areas, ie water., gas, electricity supply and the availability of highways. This in turn leads to a drastic reduction in the initial costs that entrepreneurs incur to set up their business and accelerate the start of the business. In this regard, small industrial zones and the benefits provided to them are of particular importance. Areas allocated for small industrial zones in the Republic of Uzbekistan are leased to businesses for a long time at a minimum rate without additional coefficients, placement of business entities is carried out on a competitive basis. This approach will create conditions for attracting entrepreneurs to small industrial zones to produce competitive and export-oriented products, ie to launch production based on modern equipment and technologies. This increases the competitiveness of small industrial zones. That is why these issues are always in the focus of the Government of the Republic of Uzbekistan. Ensuring full and uninterrupted operation of entrepreneurs in special economic and small industrial zones in 2021, creating the necessary engineering and communication infrastructure for them, supporting the activities of foreign and domestic investors Special economic and small industry in 2021-2022 Particular attention was paid to the provision of external engineering and communication networks to large industrial projects with the participation of foreign and domestic investments, as well as projects that promote the socio-economic development of the regions.

No	Object name	Power, unit of measureme nt	Project cost (million soums)	Limit for 2021	Source of funding	
	Total in the country:		332 136.2	325 376.2		
1.	Pulling the drinking water network	135.0 km	70 680.5	70 680.5	Republican budget	
2.	Construction of drainage facilities	31 women				
3.	Drainage network	22.7 km	27 867.9	27.867.0	27 867.9	
4.	Construction of water treatment	2 women		27 807.9		

 Table 1. Address list of measures to be taken in 2021 to provide small industrial zones with external engineering and communication networks [8]

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	plant				
5.	Construction and reconstruction of roads	44.1 km	52 585.5	52 585.5	
6.	Pull the power line	191.4 km			Budget loan to JSC
7.	Construction of substations and transformers	33 women	135 573.5	128 813.5	"Regional Electric Networks"
8.	Pulling the gas line	137.5 km	45 428.8	45 428.8	Budget loan to JSC "Hududgaztaminot"

The table below deals with these issues Address list of measures to be taken in 2021 to provide small industrial zones with external engineering and communication networks found its expression.

As can be seen from the table data, in 2021 providing small industrial zones with external engineering and communication networks The limit is 325,376.2 million soums, the project cost is 332,136.2 million soums.

The part of the project cost covered by the republican budget is intended for the construction of drinking water supply networks, construction of drainage facilities, construction of sewage networks, construction of water treatment facilities, construction and reconstruction of roads. The project cost of the construction of power lines, substations and transformers is 135,573.5 million soums. It is planned to finance a budget loan to JSC "Regional Electric Networks", a project loan of 45,428.8 million soums for the construction of a gas network through a budget loan to JSC "Hududgaztaminot".

The table shows that in the coming 2021, 73.9% of the total funds for the construction and reconstruction of electricity networks in small industrial zones, or 128.2 billion. In 2022, 65.7% of the total funds, or 230.5 billion soums, will be allocated for these purposes. In turn, 26.1% of the total funds will be allocated for the development of the gas network in 2021, and in 2022 this share is expected to reach 34.3%. Youth small industrial zones in the regions in the implementation of the assigned tasks and the achievement of the set goalstheir organization and financing are also unique. As noted at the Youth Forum, a special fund has been established under the Ministry of Investment and Foreign Trade to finance youth projects, which has been allocated \$ 100 million. The fund finances youth projects on favorable terms and at low interest rates.

Table 2. Directions for the use of funds in small industrial zones in the Republic of Uzbekistanin 2021-2022 (in million soums) [8]

No	Directions for the use of funds	Limit for 2021*	Targets for 2022
	Small industrial zones	174 242.3	351 000,0
	including:		
1.	Construction and reconstruction of electricity network	128 813.5	230 500.0
2.	Construction and reconstruction of the gas network	45 428.8	120 500.0

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Necessary measures will be taken to build production facilities in small industrial zones, to provide young people with preferential leases and leases, to provide microcredits to young people who have received a special certificate through training in professional and entrepreneurial skills at a rate of 4% below the Central Bank rate. these loans are to be issued for a period of 7 years with a grace period of 3 years. It is noted that in 2021, \$ 45 million will be allocated, as well as 100 billion soums in loans to each region under the Family Entrepreneurship Development Program for youth entrepreneurship projects.

# **CONCLUSIONS AND SUGGESTIONS**

Small industrial zones are a place where businesses can be accommodated.designed, including engineering-communication and infrastructure facilities, a specific land area or production area. Small industrial zones create great opportunities for the development of the areas in which they are located. In particular, the industry will accelerate production, increase the investment attractiveness of the regions for entrepreneurship, open wide opportunities for attracting new investment and new technologies, stimulate entrepreneurship and their development, free from dead areas that are a deadly burden for society. through the development of the economic sector leads to their effective use, the creation of jobs for the population, as well as the production of new products.

In creating a favorable business environment for attracting foreign and domestic investment in the construction of high-tech modern industries for the production of high value-added competitive, quality products, deep processing of mineral resources and agricultural resources.

The following are important in the comprehensive and effective use of resource potential and the effective organization of the activities of CSR in ensuring employment and increasing incomes.

1. Ensuring the timely implementation of projects for the construction of engineering and communication and transport infrastructure in the organization of small industrial zones.

2. Based on the level of socio-economic development of the regions, stratification of rent payments to small businesses operating in small industrial zones, financing from the national budget on the basis of programs of socio-economic development of small industrial zones in economically inactive areas.

3. Revise the procedure for granting benefits to small businesses operating in small industrial zones on taxes and mandatory payments by type of activity.

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