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**SECTION 13. Geography. History. Oceanology.  
Meteorology.**

## THE HISTORY OF THE DEVELOPMENT OF INDUSTRY IN UZBEKISTAN (IN THE EXAMPLE OF FERGHANA VALLEY)

**Abstract:** This article is devoted development of industry in Independent days in Ferghana valley and increasing the number of industrial factories in the area has been investigated by the statistic materials and historical literatures as well.

**Key words:** Development, industry, industrial factories, production, Ferghana valley.

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### Introduction.

Every field saw development in Uzbekistan from the moment she gained her independence, and one of the most important branches of economy, the industry was not also exception. Crucial steps to modify to achieving composite changes, and increase the power of production from the terms of technique and technology were taken. The main goal of these modifications is to overcome the issue of unemployment though implications of decrees, projects, laws and orders, whose main objective is to intensifying development of our Republic, so as to expand the scale of local production. I.e. the third sub-section among the five firm sections of Actions strategy to develop Uzbekistan has been exactly devoted to the economy that the issue whose purpose is the development of economy through betterment of investment atmosphere actively summoning foreign investment to economic fields and regions of our country was specifically stressed. Similarly, through the passing the law of the Republic of Uzbekistan “On excluding from possession of government and privatization” many of industry factories of the country has been excluded from the possession of the government and turned into private, community, cooperative state-stock properties. This, in turn, has significantly contributed to the social-economic development of our Republic. Likewise, the Law of the Republic of Uzbekistan “On free economic zones”, the Law of the Republic of Uzbekistan “On Concessions” and the Decree of the

President of the Republic of Uzbekistan “On extra factors and bonuses to the enterprises with foreign investment has been playing the fundamental role on implication of the policy of investment and establishing joint-ventures in several industrial fields in the partnership of foreign investment. For instance, “Asaka automobile factory”, “British American tobacco”, “Zarafshan-Newmont”, “Kabul textiles”, “Coca-Cola”, “Samkoch-auto” joint venture and many others [2, 493] can be considered as clear examples. For instance, if the number of industry production workers in the aforementioned industry enterprises constituted to 707.0 thousand in 1997, this figure made up 718.5 thousand personnel by the year 2000, and the industrial production in numbers had just made up 104.1 per cent in 1997 before this trend hit 105.9 percent in 2000 [3,214]. Although the volume of industry production decreased by 0.2 per cent in 1995 than in 1990, from 2000 this (in comparison to 1990) the increase was 1.2 times, in 2005 1.8 times, in 2010 3.0 times and in 2016 4.6 times [4].

Nowadays Uzbekistan is one of the industrialized Republics of the Central Asian region. About 24% of its GDP is formed in industry. However, even with its “unprecedented” pace of development, things are not as straightforward as the official Tashkent presents. The Republic of Uzbekistan has the most diversified economy in the region. In the share of the final product produced by Central Asian countries, the share of Uzbekistan,

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according to its State Statistics Committee, is 80% of mineral fertilizers, 94% of chemical fibers, 54% of natural gas, 59% of cement, 65% of raw cotton. Based on these data (it is difficult to trust official statistics in the current situation, but let's leave it beyond the scope of the article), industrial output grew and continues to grow at unprecedented rates (growth in 2015 –8%), which the republic received by getting rid of the “colonial economy”. The industrial base inherited from the USSR played a significant role in the development of the industrial potential of the republic, the official Tashkent does not like to recall. But the industrial basis of Uzbekistan was laid back in the years of the Great Patriotic War, when many enterprises were evacuated to the republic (as well as to Kazakhstan), many of which, together with employees, remained there after its completion. If we look in the past, in Soviet Uzbekistan there were about 250 large and medium-sized machine-building factories, planes, tractors, electronics, household appliances were produced. Powerful thermal power plants still form the basis of the country's energy. One of the structural components in the industrial complex of Uzbekistan without exaggeration can be called light industry, which accounts for a quarter of industrial production and where one third of all industrial workers in the country is concentrated. Of course, the development of light industry can be called one of the main achievements of the republic. However, the basis of this success was the Soviet-built enterprises (in particular, the current joint venture Uzbekistan, which today produces tape, hackle and ring spinning machines operating in the Andizhan, Fergana, Bukhara, and Samarkand regions), and a number of industry preferences and benefits. So, until 2018, textile workers extended the exemption in the form of exemption from property tax, which makes it possible to save money to invest in the further development of enterprises. Today, the republic exports textile products to almost 50 countries, and shipments increased from \$ 8 million in 1994 to more than \$ 1 billion [2].

The intense development of subsections of industry in our country can be defined due to the attention towards macroeconomics, the rising competition towards raw materials, especially, ready products in the world market over the years. As a result of projects adapted to provide stable and intense development of economy, the economics of Uzbekistan has almost increased by six times since independence. The proportion of industry has made up 34 per cent to compare 14 percent at first. The average annual increase of gross domestic product has not been noted fewer than 8 per cent for the past 11 years [5]. The proportion of microbusiness and private prudence subjects has also been growing year by year. For instance, if the portion of this field

constituted to 12.9 per cent in 2000, this number reached to 45.4 per cent by the year 2016.

In accordance with the Decree of the President of Uzbekistan numbered PF-4609 “On measures and means of further refinement of investment climate and business atmosphere in the Republic of Uzbekistan” on April 7, 2014 the amount of industry products produced by micro business subjects specialized in industrial production built up 50654.5 billion UZS.

According to human rights organizations, between one and five million people are forced to mobilize cotton for harvesting: doctors, teachers, office workers, and students. Even prostitutes, drug addicts, inhabitants of correctional colonies-settlements go to the battle for the harvest in the framework of attraction to the “socially useful work for the purpose of educational influence” on the cotton fields. Revenues from the sale of cotton only abroad account for about 10th of the country's total export earnings. But the country's authorities are actively developing its processing: by 2020, it is planned to implement about 80 projects in the textile industry, which will more than double the capacity of the industry. To this end, a program has been developed for the development of light industry for 2015–2020. Reforming the industry is not lossless. A striking example was the Tashkent aviation software them. Chkalov, which produced IL-76 transport aircraft and Il-114 passenger aircraft, wings for the An-70. In 2010, the Uzbek authorities initiated the bankruptcy of the enterprise and in October 2012, the republic's aircraft manufacturing industry ceased to exist. Currently, the capacity of the plant (renamed to JSC “Tashkent Mechanical Plant”) is reoriented for the assembly and production of mechanical equipment and various component parts. It is expected that by 2020, the former aircraft manufacturing giant will start production of 18 types of household products - from household tools (chisels, drills), baby carriages and spare parts for bicycles to electric motors and water boilers. Such a new industry as the auto industry, which, like Japan and South Korea, was supposed to provide Uzbekistan with a breakthrough into the category of industrialized countries is in a difficult situation. In recent time, Uzavtosanoat Joint-Stock Company (Uzavtoprom AK), which consolidated almost all of the Uzbek automotive industry, has over 70 enterprises, including the main car assembly plants: SamAvto Samarkand Automobile Plant LLC, JV MAN Auto-Uzbekistan LLC and the national auto giant GM Uzbekistan. Here the picture today is by no means rainbow.

Producing cars have been increased year by year. Recall that the Korean company Daewoo, the now well-known automobile plant in the Fergana Valley, planned to be located in Kazakhstan. However, the government of Uzbekistan offered

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more favorable conditions and the UzDaewooAuto plant was built in the city of Asaka, where 20 years ago –19 July 1996 - its grand opening took place and the assembly of Daewoo Damas, Daewoo Nexia, Daewoo Tico cars began. Then the lineup continued production of Daewoo Matiz, Daewoo Lacetti, Daewoo Gentra.

As part of the localization program in the country, dozens of enterprises for the production of component parts were organized and today up to 60% of all parts are produced domestically (half as many in Kazakhstan). But Daewoo corporation went bankrupt and on the basis of the Uzbek-Korean joint venture in March 2008, the American company General Motors created GM Uzbekistan enterprise with a design capacity of 250 thousand cars per year [4].

To repeat the South Korean miracle in the industry, a number of special conditions were created. So, import of foreign cars was imposed on high (from 50 to 100%) import duties. Moreover, the difference in prices for GM Uzbekistan's cars for the domestic and export markets sometimes reaches 100%. In particular, if in Russia and Kazakhstan the cost of the Ravon Gentra (renamed Daewoo Gentra with new headlights, bumper, grille, multimedia display on the front panel) is about 6.5 thousand dollars, in Uzbekistan it is from 9.7 to 12.5 thousand dollars. This creates ideal opportunities for various speculations in the market. For example, makes it extremely profitable to re-export cars [6].

The adoption of the Decree of the President of the Republic of Uzbekistan numbered PF-4848 "On measures and means of further betterment of business atmosphere in terms of quality and protection of private property from all sides, providing intense development of business activity" on October 5, 2016 was a stimulant for increase in the number of industrial factories, creating comfortable economic situations for subjects of household, fulfillment of high technologic projects and production of products endurable to the competition, the support and production and expansion of ready products, the production of goods for consumption, and the development of regionally important enterprises. The portion of microbusiness

in preparation of industrial products constituted to 2.9 per cent in Ferghana region about twenty or twenty-five years ago. Currently, this figure has been reached to 15 per cent [6]. The amount of total industrial production of the Republic in proportion of regions for Ferghana valley in 2012 for Andizhan region 12.5 per cent, Namangan region 2.7 per cent, Ferghana region 7.5 per cent, this numbers changed to 10.0 per cent for Andizhan, 2.9 per cent for Namangan, and 7.3 per cent for Ferghana in the year of 2015 [7]. The data provided clearly shows that industrial production has significantly escalated in the regions of Ferghana and Namangan. This figure made up 9.2 per cent for Andizhan region, 2.7 per cent for Namangan region, and 6.7 percent for Ferghana region by 2017 [8].

Similarly, according to the resolution of the President of the Republic of Uzbekistan numbered PR-1236 "On measures and means for further localization of production of rectifying goods and materials, and ready products based on the cooperation of industry" the production size in January-December months of 2017 constituted to 18414.0 billion UZS for Andizhan region, 141.7 billion UZS for Namangan region, and 94.4 billion UZS for Ferghana region [9].

### Conclusion.

To sum up, the modernization of industry, the supply of full performance of marketing mechanism, step by step increase of industrialization of economy, modification of stable economic growth, establishment of free economic zones, the development of microbusiness and private prudence has created wide range of options to increase economic power of our country and achievement of major projects in Ferghana valley [10]. The field has spread out the name of Uzbekistan to the whole world, and served to summoning huge foreign investment to our land.

One of our main tasks is to multiply the number of free economic zones in our country so as to further intensify industrial production size whose aftermath ends up with goods suitable for export that can be substitute for import.

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