



THE ROLE AND PRIORITY TASKS OF INDUSTRIAL ZONES IN THE ECONOMIC INDICATORS OF KASHQADARYA REGION

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ABSTRACT	KEY WORDS
This article discusses the role of industrial zones in the economic indicators of the Kashqadarya region and the priority tasks being implemented. It highlights how the region's location, rich natural resources both underground and above ground, contribute to industrial development. The article also examines the progress in industrial growth and provides recommended economic and scientific strategies necessary for further advancements.	Unified Directorate of Small Industrial Zones," special small industrial zones, "Entrepreneurship Infrastructure Development Fund," auction sales.

Introduction

During the visit of our esteemed President to the Kashqadarya region on October 24–25, 2023, the task was set to increase the volume of industrial product output in the region to 40 trillion soums in the coming year.

Additionally, it was instructed to organize the activities of small industrial zones in all districts (cities) following the example of the Qavali small industrial zone.

The "Unified Directorate of Small Industrial Zones," which coordinates the activities of small industrial zones, is actively working with representatives in each district.

To ensure the effective organization of industrial zone activities in the region, it is necessary to analyze existing problems and define future tasks.

Current Status:

The region has a total of 59 industrial zones covering 306 hectares, including 2 special economic zones (SEZs), 42 small industrial zones, and 15 youth industrial zones.

According to approved master plans, the industrial zones in the region are divided into 1,123 lots, of which 740 have been allocated for entrepreneurial projects. One of the critical tasks ahead is identifying investors and placing projects on the remaining vacant lots.

The esteemed President has emphasized this issue in previous meetings. Currently, 33.2 hectares of small and youth industrial zones have 327 vacant lots. Of these, 58 lots on 3.9 hectares have been directly allocated to entrepreneurs by district governors without granting official participant status, resulting in unauthorized construction. Consequently, these lots cannot be auctioned at this time.

At present, all lots have been put up for auction. A total of 269 lots covering 29.3 hectares are available on electronic platforms. Efforts must be made to attract entrepreneurs to these lots.

If vacant lots are successfully allocated to proactive investors, over 250 new projects worth \$50 million could be launched, creating more than 10,000 new jobs.

Current Projects and Future Goals

As of December 1, 2023, 278 projects worth \$25.8 million have been established within industrial zones, with efforts underway to operationalize them. These projects are expected to generate 2,749 new jobs.

According to the approved plan, by the end of 2023, 52 projects worth \$5 million are set to be launched, creating 330 additional jobs.

Implemented Projects and Challenges.

Industrial zones have already implemented 154 projects worth 347 billion soums, resulting in 1,892 new jobs.

However, 14 projects worth 19.4 billion soums have ceased production due to various reasons, leading to the loss of 120 jobs.

Priorities for Industrial Zones

Under the Cabinet of Ministers' Regulation No. 134 (March 9, 2020), industrial zones are designated for the implementation of investment projects aimed at:

Producing import-substituting and export-oriented finished products.

Utilizing modern energy-saving technologies and renewable energy sources.

Despite this directive, many entrepreneurs operating in industrial zones are engaged in relatively simple projects, such as producing concrete blocks, paving stones, corrugated sheets, bread, popcorn, traditional sweets, or salt packaging.

Given the substantial investments made to establish infrastructure in these zones, it raises questions about the appropriateness of allocating land to such basic and low-value projects. The use of these industrial zones should prioritize innovative and high-value projects that align with the region's economic development goals.

Infrastructure Development in Industrial Zones

In accordance with Resolution PQ-465, the «Entrepreneurship Infrastructure Development Fund» of the region allocated 22.4 billion soums for equipping industrial zones with external engineering and communication networks.

Utilization of Funds:

To date, 12.3 billion soums have been used to:

Lay 13.8 km of drinking and wastewater pipelines,

Extend natural gas pipelines by 4.5 km, and

Construct 1.5 km of access and internal roads.

Additional Allocations:

As per the decision of the Regional Council of People's Deputies dated October 28, 2023, 2.7 billion soums were allocated to «Kashqadarya Regional Electric Networks» to supply electricity to five facilities.

Challenges in Small Industrial Zone Land Allocation

Issues with Land Allocation:

According to Cabinet Resolution No. 134 (March 9, 2020), land plots in small industrial zones should be leased to entrepreneurs. However, under Resolution No. 685 (November 30, 2022), these plots were sold directly through online auctions with cadastral documentation.

This dual system resulted in:

Entrepreneurs being charged both lease payments and land taxes.

An increase in complaints from entrepreneurs, with 40 cases of contract cancellations and land returns to the reserve.

High Auction Prices: The high prices for leasing land in small industrial zones have deterred entrepreneurs.

Example: In the «Mang'it» neighborhood of Qamashi District, an 8-sotix plot for entrepreneurial purposes was initially priced at 10.8 million soums, while a 5-sotix plot within a small industrial zone was valued at 43.6 million soums.

This discrepancy has led to:

Entrepreneurs favoring privately owned land outside industrial zones due to lower costs.

Negative impacts on the sale of vacant plots in small industrial zones.

Conclusion and Recommendations

The establishment of specialized small industrial zones in Kashqadarya Region is a significant step toward fostering industrial development. However, challenges such as high auction prices, dual taxation, and underutilized land require urgent attention.

Recommendations:

Adjust Pricing Policies:

Introduce fair pricing strategies to make small industrial zone land more competitive and attractive to entrepreneurs.

Simplify Land Allocation Procedures:

Resolve dual taxation issues and streamline the process for land allocation to entrepreneurs.

Promote High-Value Projects:

Encourage innovative and high-value projects that align with the intended purpose of industrial zones.

Strengthen Monitoring and Support:

Assign dedicated teams to monitor the implementation of projects and provide ongoing support to entrepreneurs.

By addressing these challenges, the industrial zones in Kashqadarya can better contribute to regional economic growth and job creation.

Conclusion

The industrial zones in Kashqadarya Region hold significant potential for driving economic growth and creating employment. However, several challenges remain, including the allocation of vacant lots, ensuring compliance with investment priorities, and addressing underutilization of existing infrastructure. Moving forward, a strategic approach is required to attract high-value projects and maximize the economic benefits of these industrial zones.

Establishment of Specialized Small Industrial Zones. Textile Industry Zone in Koson District: Based on Presidential Decree PF-2 dated January 10, 2023, a «Small Industrial Zone Specialized in Textile» was established on a 6.5-hectare plot in the «Do'stlik» neighborhood of Koson District.

Construction Materials Industry Zones in Kitob and Dehqonobod Districts: Under Presidential Decree PF-6244 dated June 9, 2021, small industrial zones specializing in construction materials were established in Kitob and Dehqonobod districts. The responsibility for effectively managing these zones was assigned to “O‘zsanoatqurilishbank.”

Furniture Industry Zones in Qarshi City and District: In line with Presidential Resolution PQ-5155 dated June 6, 2021, small industrial zones for furniture manufacturing were established in Qarshi city and district. The allocated land plots were divided into lots and sold to 15 entrepreneurs through auctions.

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