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Development of Industry in Jizzakh Region and its Problems (1991-2023)

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Summary:

The article provides information on such issues as the organization of industrial enterprises in the Jizzakh region, their activities, industries, territorial division into industrial centers and their specialization.

It was also analyzed that industrial production in the Jizzakh region is at a low level compared to other regions of the republic.

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After choosing the path of independence, Uzbekistan began to look for a solution to the great problems that have accumulated since the Soviet era in the social and economic spheres. The foundations of market relations were formed in the economy, and the conditions for private property and privatization were created. Radical changes in economic life also covered Jizzakh region.

In particular, in the Jizzakh region, trade outlets, service and small national industrial enterprises, and the housing fund were taken out of state control. State-owned apartments were sold to representatives of the social sector and other classes of the population. In 1992-1994, trade stores, service facilities, small enterprises were sold to employees working in this enterprise*. In 1994-2005, the process of privatization of state property intensified in the region, and this situation led to positive changes in social and economic life. Changes in the economic sphere, firstly, increased the funds coming to the

* Х. Хайдаров, К. Усмонов. Жиззах тарихи (Жиззах шаҳри ҳақида тарихий лавҳа ва хотиралар). Тошкент: "O'qituvchi", 2009. 213-бет.

state budget, and secondly, created the basis for the expansion of small and medium-sized enterprises. This, in turn, served as a basis for the transformation of larger enterprises into joint-stock enterprises. Thirdly, during 1995-2005, more than 40,000 jobs were created in 15,000 small businesses and private enterprises.

Jizzakh region has all economic and social factors for industrial development. In the first ten to fifteen years of independence, mechanical engineering, electromechanics, ore mining, battery production, cotton cleaning, knitting, spinning, chemistry (plastic and polyethylene), construction materials, hosiery, furniture and food, industrial sectors were considered the leading industries. The province is territorially divided into five industrial centers:

1. Jizzakh regional industrial center (Jizzakh city and Jizzakh district). 2. Dostlik regional industrial center (Dostlik, Arnasoy and Mirzachol, Pakhtakor, Zafarabad districts). 3. Gallaorol regional industrial center (Gallaorol and Bakhmal districts). 4. Dashtabad regional industrial center (Zarbdar, Zomin and Yangiabad districts). 5. Uzkuloch regional industrial center (Forish district) [†].

National and joint industrial enterprises such as "UzEKSAYD", "Jizzakhplastmassa", "LPC plastics", "Kumush tola", "Pakhta-interneishl", "EvroAsiaCarpet" occupy a special place in the economy of Jizzakh region. With the launch of these enterprises, more than 12,000 people were engaged in production, and the volume of production increased[‡].

Jizzakh "UzEksayd" joint venture was established in 1998 on the basis of "Jizzakh Accumulator" joint-stock company in cooperation between Uzbekistan and the United States with a charter fund of 147 million US dollars. It was launched in Jizzakh at the end of 2001. The annual project capacity is specialized for the production of 1 million units of various types of batteries. The product is produced on the basis of the technologies of advanced companies of the USA. Half of the batteries produced were intended for export abroad[§]. However, "UzEksayd" was declared bankrupt by the decision of the economic court of Jizzakh region on April 21, 2009. On December 18, 2009, Jizzakh Battery Factory was registered and established under the joint venture "UzEksayd". "Jizzakh Battery Plant" JSC, which produces all types of lead-acid batteries for the automotive industry and agricultural machinery in our country, is not only one of the largest enterprises in our country, but also in the Central Asia.

The factory specializes in the production and processing of accumulator batteries, the authorized capital of which was 74.2 billion soums^{**}. The main shareholder of "Jizzakh Accumulator Plant" JSC was "Uzavtosanoat" JSC with 79.69 percent of shares. State joint-stock commercial bank "Asaka" owns 12.19% of shares, "Central Combine" 5.75%, JSC "General Motors Uzbekistan" - 1.90%^{††}. The company employs up to 600 people and has the capacity to produce 1 million batteries per year. The enterprise exports its products to Russia, Tajikistan, Kyrgyzstan and Afghanistan^{‡‡}. The enterprise produces more than 30 types of batteries for automobiles and agricultural machinery. There is a stable demand for the company's products in the domestic and foreign markets. The volume of production

[†] Қ. Ҳакимов, М. Ғўдалов. Жиззах вилояти географияси. Жиззах. 2004. 30-31-бетлар.

[‡] Х. Ҳайдаров, Қ. Усмонов. Жиззах тарихи. 224-бет.

[§] Жиззах ЎзЭксайд қўшма корхонаси // <https://qomus.info/encyclopedia/cat-j/jizzax-ozeksayd-qoshma-korxonasi-uz/>
^{**} https://podrobno.uz/cat/economic/Akkymylyaciyaadlyaavtoproma/?PAGEN_1=877

^{††} <https://lex.uz/docs/2282597>

^{‡‡} <https://www.spot.uz/ru/2023/07/03/jaz-compensation/>

and sale of enterprise products is increasing by 10-12% every year. In 2018, the government of Uzbekistan put the shares of "Jizzakh Battery Plant" JSC up for sale. The total value of the company's shares was estimated at 94 billion soums (11.2 million dollars)^{§§}.

On the basis of long-term prospective development programs of industry priorities, fundamental changes have taken place in the company since 2017 in the introduction of modern approaches to production management and organization^{***}. In particular, in 2017-2018, large funds were allocated for the modernization of the enterprise and the attraction of new technologies, and in 2017 new technologies were brought from Turkey, Russia, Estonia, Germany and Italy. The introduction of new technologies will lead to an increase in production. In 2017, 140 billion soums worth of products were sold and 0.4 billion soums profit was obtained. In 2018, the sales volume was 195.7 billion soums, and the profit was 3.8 billion soums. In 2019, it was planned to increase the sales volume to 198.8 billion soums and make a profit of 6.6 billion soums. In 2020, it was planned to increase the sales volume to 346 billion soums, and the income to 18 billion soums.

The company's products, in addition to fully meeting the needs of large enterprises such as "Uz Auto Motors", "SamAvto", "MAN" for batteries, were exported to Russia, Tajikistan, Kyrgyzstan and Afghanistan. In 2017, the export volume was 600 thousand US dollars, in 2018 it was 1 million 200 thousand US dollars. In 2019, it was planned to increase this indicator to 1 million 500 thousand US dollars. Also, the consistent implementation of the localization program in the enterprise is one of the main factors in the growth of economic efficiency. The localization rate reached 58 percent in 2017, 82 percent in 2018, and 90 percent in 2019. This was achieved mainly due to the abandonment of lead imports. As of September 2019, more than 650 employees of 12 nationalities worked in the enterprise, more than 30 percent of them are young people^{†††}.

"Jizzakh plastic" joint-stock company. "Jizzakh plastic" JSC plant is a large enterprise in the production of consumer goods, polyethylene pipes and polyethylene films on the scale of the Republic of Uzbekistan. In the 60s and 70s of the 20th century, the main attention was paid to the development of the Jizzakh desert and the increase of irrigated land areas, in order to develop cotton cultivation in the Jizzakh oasis, the construction of a polyethylene pipe production plant was founded due to the need for pipes widely used in the development of irrigated and cotton-growing areas and the development of saline lands^{†††}.

Joint-stock company "Jizzakh plastics" is a large enterprise in the chemical industry of the Republic of

^{§§}<https://nuz.uz/obschestvo/1245787-dzhizhaskomu-akkumulyatornomu-zavodu-ponadobilsya-generalnyj-direktor.html>

^{***} Президентнинг 2016 йил 22 декабдаги "Саноат тармоқлари корхоналарининг жисмоний ишдан чиққан ва маънавий эскирган машина-ускуналарини жадал янгилаш, шунингдек, ишлаб чиқариш харажатларини камайтиришга оид қўшимча чора-тадбирлар тўғрисида"ги қарори асосида.

^{†††} <https://jizzax.uz/2748-zhizzah-akkumulyator-zavodi-anday-ilib-samaradorlikka-erishmoda.html>

^{†††} "Jizzakh Plastic Polyethylene Pipe Factory" was designed in the 1960s, and on December 15, 1972, the first polyethylene film unit was put into operation. In March 1973, "Jizzakh Plastic Polyethylene Pipe Factory" was launched. In 1973, the first products were produced - molding products for machine-building enterprises and polyethylene films for agriculture. In 1973-1975, casting machines were installed, and the production of consumer goods: various types of kashpo (decorated flower vase), plates, bread containers, buckets, wheels and other products was started. At the same time, in 1976, pressure-resistant polyethylene pipes of various diameters began to be produced.

Uzbekistan. Pipes and films are produced mainly based on the processing of plastic raw materials. In 1996, “Uzkimyosanoat” JSC was transformed into “Jizzakh plastic” joint stock company^{§§§}.

More than 4 thousand new jobs were created in the region in 2013 on the basis of 66 projects implemented in light industry. In the summer of 2014, 273 light industrial enterprises operated in the region. Establishment of production enterprises in remote villages helped in providing employment to women and youth. For example, hundreds of young people were employed in the enterprises “Yangiabad Chevarlari” in Yangiabad district, “Iqbolkhan-Marjona” in Mirzachol district, and “FOR-TECH” in Forish district. As a result of the establishment of 31 light industrial enterprises in the region by the summer of 2014, about 550 new jobs were created. All this was considered as a result of the work carried out in the field of modernization of production enterprises, development of small business and private entrepreneurship^{****}.

The expansion of industrial networks plays an important role in the socio-economic development of the country. The development of industry, in turn, serves to provide employment to the population and improve their social condition. As mentioned above, the construction and start of work of industrial enterprises in Jizzakh region led to some positive changes in the economy and social life, but it was still lagging behind in comparison with other regions. For example, in 2013-2017, when analyzing the growth dynamics of industrial output, production in Syrdarya, Jizzakh and Surkhandarya regions was at a low level. Also, in these years, when the share of regions in the total industrial production volume of the Republic was studied, the share of Jizzakh was among the last indicators. As of 2017, Tashkent city had the largest share of industrial production (19.6%) and Jizzakh region had the lowest share (1.6%)^{††††}.

When assessing the state of industrial production, it is divided into regions with high, medium and low development. The backwardness of production in Jizzakh region as a region with low indicators, in turn, would affect the socio-economic way of life of the region's residents.

As an economic sector, not only the industrial sector, but also agricultural production is important. These two features can be observed in Jizzakh region in the following years. However, the share of industrial sectors is important in ensuring economic stability. In Jizzakh region in 2017-2023, a lot of work was done to expand industrial sectors and create new ones. These economic reforms were carried out within the framework of the tasks defined in the Head of State's Action Strategy and Development Strategy and are being continued.

As a result of the implementation of structural changes in regional industrial enterprises and the acceleration of the processes of technical and technological renewal of production capacities, the production of industrial products was ensured in January-December 2017, and the growth rate was 102.7 percent compared to the corresponding period of 2016^{††††}.

Also, in the structure of production of industrial products, the processing industry is more important. In

^{§§§} <https://www.jizplast.uz/uz/page/show/ao-zhizzakh-plastmassa>

^{****} <https://uza.uz/ru/posts/kachestvennaya-otekhestvennaya-produktsiya>

^{††††} Қаранг: Б. Салимов. Саноат маҳсулоти ишлаб чиқаришнинг ҳудудлар бўйича қиёсий таҳлили ва уни ривожлантиришнинг устувор йўналишлари // “Иқтисодиёт ва инновацион технологиялар”. 2018. № 3. 1-9-бетлар.

^{††††} Жиззах вилоятининг статистик ахборотномаси. 2017. 1-бет.

processing, he organized such areas as mining and open pit operations, electricity, gas, steam supply and air conditioning, water supply, sewage system, waste collection and disposal. In 2017, compared to 2016, the above industries showed a growth rate of 60% to more than 100%.

In addition, the implementation of measures aimed at supporting and stimulating the development of private entrepreneurship ensured an increase in the production of industrial products by small businesses. The share of small business in the total industry was 61.3.

In the structure of production of industrial products, the contribution of the processing industry is mainly. In the processing industry - 1) food products, 2) beverages and tobacco products, 3) textile products, clothing and leather products, 4) production, repair and installation of machines and equipment, motor vehicles, trailers and semi-trailers and other ready-made metal products, 5) wood and leather products, straw and textile products, paper and paper products, furniture production, 6) publishing and reproduction of written materials, 7) coke and oil refining products, 8) chemical products, rubber and plastic products, 9) production of other non-metallic mineral products, 10) metallurgical industry: finished metal products except machines and equipment, 11) production of electrical equipment: production of computers, electronic and optical products.

To sum up, despite the positive changes in the field of establishment of industrial enterprises, increase in production and employment of the population, the level of unemployment remains high. In the republic as a whole in 2021, this indicator was 9.6 percent, among women it was 13.3 percent, and among men it was 6.9 percent. The increase in the unemployment rate was primarily influenced by the situation related to the coronavirus pandemic. In order to further improve the social and economic situation of the population, the main tasks are to establish new production networks in the industry, to provide the existing enterprises with new technologies for the production of competitive products, and to effectively use the tourism opportunities available in the region.