



## THE ROLE OF FOREIGN INVESTMENT IN THE DEVELOPMENT OF ECONOMY OF THE REGION OF ANDIJAN

**Haydarov G'ayratbek Mirzapo'latovich**

Associate Professor of Andijan State University

<https://doi.org/10.5281/zenodo.6206005>

### ARTICLE INFO

Received: 05<sup>th</sup> February 2022

Accepted: 10<sup>th</sup> February 2022

Online: 15<sup>th</sup> February 2022

### KEY WORDS

*economic reforms, active investment, project, joint ventures, product, produce, export.*

### ABSTRACT

*In this article has been illuminated process and history of economical development of Andijan region in the period of Independence by the historical and internet sources and literatures as well.*

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021 pays special attention to the issues of integrated socio-economic development of regions, districts and cities, the effective use of their existing potential.

Evaluating the role of investment in economic development, President Mirziyoyev said: "Our main task should be to ensure the continuation of the comprehensive reforms launched in our country in today's difficult conditions, the bold steps we are taking to build a new Uzbekistan ...

"Economic growth will be achieved, first of all, through the creation of competitive industrial chains and increased investment in such projects."<sup>1</sup>

<sup>1</sup>Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis // New Uzbekistan, December 30, 2020, No. 255. –P 3-4.

The volume of foreign direct investment in Uzbekistan in 2020 increased significantly compared to the previous year and amounted to 6.6 billion dollars. As a result, exports amounted to 15.1 billion dollars<sup>2</sup> worth of construction materials were produced. Major investment projects in the fields of information and communication, electricity, chemistry and light industry have been implemented. Also, significant growth in exports of goods and services in the textile, agricultural, mining and metallurgical, transport sectors have been influenced.

The creation of a favorable investment climate for the attraction of foreign direct investment in Andijan region, the implementation of investment

<sup>2</sup>From the annual report of the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan for 2020



projects has been launched. Friendly and mutually beneficial cooperation with foreign countries and influential international organizations has been established with the existing potential and opportunities for involvement.

The main goal of the first international investment forum OPEN ANDIJAN-2019 is to create a business platform in Andijan, entrepreneurship and small business development, construction of production facilities in accordance with international standards, digitization of economic sectors, introduction of advanced innovative technologies, creation of a favorable investment climate and increase export potential, improvement of regional infrastructure, to radically change the appearance of cities and villages. About 350 foreign investors from more than 30 foreign countries (India, South Korea, Japan, Germany, England, China, Russia, Belarus, etc.) and local investors from all regions of the country took an active part in the forum.

Most importantly, to participate in the Forum, meetings were held with about 60 members of the delegation led by the Prime Minister of Gujarat<sup>3</sup>, Vijay Rupani, a major and strategic partner of Andijan, and visiting foreign investors. As a result, agreements were signed with about 20 foreign countries on the implementation of 22 projects in the region at the expense of foreign direct investment in the amount of 406 million US dollars. Also, 12 export contracts worth \$ 60 million were signed. At the same time, it should be noted that

<sup>3</sup> Mirziyoev.Sh.M. The work of a nation with a great intention will also be great, its life will be bright and its future will be prosperous. - Tashkent: Uzbekistan, 2019. Volume 3. –P.270.

the foundation stone was laid for the establishment of a free economic zone “Andijan Farm<sup>4</sup>” on 52.7 hectares of land in Andijan district. In the region for 2020-2021, 9 new pharmaceutical projects worth \$ 92 million, fully meeting modern world standards, equipped with modern and innovative technologies, have been placed. As a result of these projects, about 1,000 new jobs have been created, 1.5 trillion soums worth of products have been produced and \$ 21 million worth of exports have been made.

In 2019-2020, 908 new project programs were developed due to the development of investments worth 25 trillion soums, 458 new projects were launched due to the development of investments worth 2.2 trillion soums and more than 25,700 guaranteed jobs were created<sup>5</sup>. Import-substituting products from the implemented projects include enterprises such as “Uz-Dong Co”, “Yang Co”, “Uz-Sem Yung Co”, “Uz-Dong Won Co”, “Uz-Tong Han Co”, “Uz-Karam Co<sup>6</sup>” specializing in automotive and manufacturing.

In addition, 64.4 hectares of land were allocated in the region for the establishment of 9 new small industrial zones in districts such as Bulakbashi, Khojaabad, Altynkul, Izbaskan, Ulugnor, Boston (Boz), Pakhtaabad, Jalakuduk and Khanabad.

Thanks to the reforms carried out by the President in recent years to ensure

<sup>4</sup> Resolution of the Cabinet of Ministers of the Republic of Uzbekistan. Tashkent, June 11, 2019, No. 480

<sup>5</sup> Annual reports of the Statistics Department of Andijan region for 2019.

<sup>6</sup> Shamsutdinov R., Mo'minov X. O'zbekiston tarixi. Toshkent: Akademnashr, 2019 – P. 502.



food security in the region, attention has been paid to the livestock sector, and more than 100 projects on the development of cattle breeding, poultry and livestock have been implemented. 1.7 trillion soums of investments have been disbursed for them and about 1,700 new jobs have been created. In particular, the following work has been done in this regard:

- 51 projects in the field of cattle breeding have been implemented, about 700 new jobs have been created due to the development of investments in the amount of 412 billion soums;

- 28 projects in the field of poultry have been implemented, about 600 new jobs created due to investments of 138 billion soums;

- In 24 projects in the field of fisheries, new fish ponds have been built on 83 hectares, a total of 153 billion soums have been invested and more than 400 new jobs have been created

- Fisheries launched in Andijan, Pakhtaabad, Balikchi, Altynkul, Jalakuduk, Qurghontepa and Ulugnor districts;

- Beekeeping has been launched on the hills and slopes of Asaka, Marhamat, Jalakduk, Khojaabad, Bulakbashi, Andijan and Kurgantepa districts;

- Farms have been established in Pakhtaabad, Qurghontepa, Jalakuduk, Izbaskan and Andijan districts, where rice water resources are high.

In addition, in 2018, 2.1 million tons of fruits and vegetables were grown for consumption, 600,000 tons for export and 181,000 tons for export in terms of processing raw materials and increasing export potential. The processing capacity of fruits and vegetables in the region amounted to 294 thousand tons

(processing 14% of the total production). At the beginning of the year, the number of processing enterprises was 31, with a total capacity of 316,000 tons, and an enterprise was established with the capacity to process 12.7% of industrially grown fruits and vegetables. In practice, MASK LLC has implemented a project to process 2,500 tons of products (grain) in Andijan district.

By the end of this year, 2 more new enterprises have been launched, bringing the total number of processing enterprises to 35 with a capacity of 318,000 tons. Due to the implementation of these projects, the capacity of industrial processing of fruits and vegetables grown in the region increased from 12.7% to 13.8%.

In 2020, 7 fruit and vegetable processing enterprises with a capacity of 30,000 tons were launched, bringing the number to 42 and the level of processing to 15.4%. In addition, at the beginning of the year, the region has 412 refrigerators with a total capacity of 151 thousand tons, 13 new refrigerators with a capacity of 4 thousand tons were created. Today, their number has reached 425 and their capacity has reached 155,000 tons.

About 50 enterprises with investments in 2020 have been established in the region. Presidential Decree<sup>7</sup> No. PQ-4406 "On additional measures for deep processing of agricultural products and further development of the food industry" of July 29, 2019 provides for the establishment of 3 agro-logistics centers with an annual capacity of 27,000 tons with a total value of 100 billion soums. Construction work on these projects has been carried out, and in March 2020, the

---

<sup>7</sup> <https://lex.uz/docs/4454761>



Andijan Technopark joint venture LLC in Andijan district launched an annual agro-logistics center with a capacity of 20,000 tons.

In 2020 one of the major projects in terms of investment was China's "Xinjiang Jiufang Borun Transport Equipment Co.Ltd." which has implemented a project to build a modern logistics center. "Shanghe Agricultural International Holding" has implemented projects to create an agro-industrial complex for cherry growing and primary processing.

In Pakhtaabad district, the enterprise "Oltin mato teks" started its activities, which employs about 400 people, mainly for the production of yarn. Its project cost is 135.5 billion soums and the annual production capacity is 5,100 tons. The plant is equipped with modern equipment from Switzerland, Germany and Turkey.

The total cost of the project of the garment factory, established by "BEST IMPEKS TEXTILE" and "SOHIB OMAD BARAKASI" LLC in Andijan, is estimated at 390 thousand US dollars. The equipment is planned to be delivered to the enterprise from China and Thailand, and the project is expected to create 350 new jobs in the first quarter of 2021.

"KHAJNTEX GROUP" cotton textile cluster in Kurgantepa district has launched a number of new projects in the second stage. "KHAJNTEX GROUP" includes cotton growing, ginning, yarn production, weaving and cottonseed oil production. The total cost of the project is about \$ 150 million, and the company has a production capacity of 10 million pieces of knitwear per year.

In the second phase of the project, a fabric dyeing and sewing factory and a

plant for the production of vegetable oil will be launched. This will create 2,225 new jobs.

The "Afghan Bazaar Silk Carpets Andijan" joint venture in Marhamat district has invested \$ 5 million which has resulted in possibility of making 850 carpets in a calendar year, which have created 200 new jobs.

"MAGNA SPORT" LLC, established by "TETRATEX" LLC in Balikchi district, specializes in the production of sports products, which has created more than 50 new jobs and provided jobs for unemployed youth in the district. The Scorton textile enterprise, located in the district, specializing in the production of yarn, was opened, the enterprise was provided with special modern equipment from abroad, and 450 unemployed people were provided with certain jobs. The enterprise was built for \$ 20 million at the expense of foreign direct investment.

A new large-scale project implemented by the cluster of "EVRO EKFIN" LLC in Boston district produces dairy products based on German technology. The \$ 37.5 million project is expected to create 2,000 new jobs in the district. The enterprise is scheduled to be launched in 2021, and construction work is currently underway.

"VPN", which employs about 1,000 people, has been opened in Khojaabad district, and the textile factory is the second such large-scale enterprise to be launched during the year. In order to ensure the implementation of the decree of the President of the Republic of Uzbekistan "On measures to implement the investment and tourism project "LIFE KHANOBOD" in Khanabad, Andijan region" "Makrofarm Al



Sancar" commissioned a complex of recreation and medical services. 100 modern jobs have been created in the modern-looking 150-seat cottage-type complex built for family treatments and recreation on the banks of river.

In this district, a large enterprise for the production of ready-made knitwear has been launched by the company "Mustahkam Tekstil". The \$3 million plant will produce 7.2 million units a year. The projected export potential is \$ 15 million a year. The company employs thousands of local young men and women.

The enterprise "Mustahkam Fayzli Textil" has been launched in the district. The project cost of the enterprise is 1.5 billion soums. The company has created 1,000 new jobs and produced 3.5 million

pieces of ready knitwear a year. The company has export contracts with CIS countries and exports about 95% of its finished products. The equipment was brought to the enterprise from Turkey and the equipment was made ready by Turkish specialists.

In conclusion, achieving sustainable economic growth, increasing incomes, improving living conditions, increasing the volume of investment in various sectors and industries of the national economy and the socio-economic development of the country and Andijan region is a priority of the country's socio-economic development strategy and the basis for creating an attractive environment for attracting investment in the national economy.

## References

1. Address of the President of the Republic of Uzbekistan Shavkat Mirziyoyev to the Oliy Majlis // New Uzbekistan, December 30, 2020, No. 255. –P 3-4.
2. From the annual report of the Ministry of Investment and Foreign Trade of the Republic of Uzbekistan for 2020
3. Mirziyoev.Sh.M. The work of a nation with a great intention will also be great, its life will be bright and its future will be prosperous. - Tashkent: Uzbekistan, 2019. Volume 3. –P.270.
4. Resolution of the Cabinet of Ministers of the Republic of Uzbekistan. Tashkent, June 11, 2019, No. 480
5. Annual reports of the Statistics Department of Andijan region for 2019.
6. Shamsutdinov R., Mo'minov X. O'zbekiston tarixi. Toshkent: Akademnashr, 2019 – P. 502.
7. <https://lex.uz/docs/4454761>
8. National Database of Legislation 26.11.2020, 07/20/4902/1564.