



DEVELOPMENT TRENDS OF THE AUTOMOBILE INDUSTRY IN UZBEKISTAN

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ANNOTATION

The peculiarities of the automobile industry play a special role in the process of integration into today's world economy. The development of the automobile industry will allow the country to achieve economic stability, in this regard, we can see that automobile production is becoming increasingly popular in developing countries. The article examines the basics of the processes related to the role of activity in the ongoing structural reforms in the automobile industry in Uzbekistan. It also reveals the current trends in the development of the automobile industry.

KEYWORDS AND PHRASES: *automobile industry, investment activity, investment policy, export, strategy, production, competitiveness.*

INTRODUCTION

Today, the automobile industry is one of the key sectors of the national and world economy. The automobile industry is a very broad industry that is one of the main and regular consumers of products from many other industries. The development of the global automobile industry has shown significant growth in the various sectors of the economy and a steady increase in employment. The processes of motorization are one of the most dynamic and stable phenomena in the world economy over the past century.

In our time, the automobile industry has taken into account all the experience and production errors of the last century and has accumulated the most advanced technologies of mass production and marketing.

One of the central features of the development of globalization of the global automobile industry has seen a sharp decline in the number of manufacturers as part of the consolidation of production and transnationalization.

The main trends of globalization of the modern automobile industry:

- Significant increase in the optimal production of automobile products;
- investment by large automakers in the development of production facilities located in developing countries;
- growth of sales of vehicles running on alternative fuel;
- standardization and unification of the line of all models;

- The emergence of "flexible production" in the automobile industry.

It is also important to take into account the role of the automobile industry in the system of technological structures of the development of the world economy. Moreover, in the last hundred years, up to the 1980s, the automobile was a key core of the technological order. Today's economies are dramatically changing, triggered by development in emerging markets, the accelerated rise of new technologies, sustainability policies, and changing consumer preferences around ownership. Digitization and new business models have revolutionized other industries, and automobile will be no exception. For the automobile sector, these forces are giving rise to four disruptive technology-driven trends: diverse mobility, autonomous driving, electrification, and connectivity[1].

LITERATURE REVIEW

The practical application of the principles of automobile production in the world in modern conditions, during the pandemic that has occurred in recent years, can be observed in various comments by various scientists.

It is now widely accepted that the emergence of the SARS-CoV-2 virus has triggered an unprecedented global crisis. The severity, geographic scope, and pace of emergence of this health crisis has in turn instigated a series of repercussions that will probably take years to become fully apparent. Thus, the health crisis has in turn triggered economic crises, and then emergent socio-political crises, with



widespread public debate over how the world will be changed as a result[2].

At the same time, U. Chashikhin presented scientifically based conclusions on how to bring companies' revenues to the global level, along with useful knowledge on how to save enterprises and organizations, firms and companies from crises based on global competition or various factors, job preservation[3].

At the end of his research, E.N. Nazarchuk paid special attention to applied research and studied the issue of evaluating the effectiveness of import substitution projects in industrial enterprises. In particular, describing the results of such an important scientific task as the analysis of import-substituting products from the point of view of producers and determining the position of these entities, the development of a methodological approach to assessing the effectiveness of import-substituting industrial enterprises. It is noteworthy that the advantages and risks of its implementation have been considered on the basis of scientific findings expressed by local and foreign economists[4].

As Sitov A.N. notes, a key feature of the development of the global automobile industry in modern conditions is the expansion of international sales networks of leading automobile TNCs (Transportation Network Companies) to unsaturated markets[5].

According to the well-known American manager, Lee Iacocca, who for a long time held senior positions in the automobile giants Ford and Chrysler, at present all the largest industrial employers in the United States are concentrated in the automobile, electronics, steel and textile industries, which, due to the need to maintain unemployment at the proper level, need support. These industries are creating new markets for both the service and high-tech industries. These industries are the key to national economic security, the basis for the development of the middle class in society[6].

Khusainov Sh. and Dzhurakulova Y. believe that a favorable investment climate plays a special role in the development of the automobile industry. If the favorable investment climate of the country contributes to the high activity of both local entrepreneurs and the inflow of foreign investment into the economy. Various sets of targeted measures taken to improve the investment climate of the state are designed to increase the country's attractiveness among foreign investors [7].

Khoshimov E. and Ekhsionov consider the transformation of the automobile industry in relation to digital technologies. Transformation of the transport sector as a digital system in the country in a new form, the transition to the Industrial 4.0 revolution, the introduction of "smart" contracts, the introduction of corporate information exchange and, of course, the use of artificial intelligence in decision making are priorities [8].

According to Wells, the sales and marketing strategy involves using a distributed network of independent franchised dealerships to reach the market. Profitability and competitiveness are achieved by expanding the market through lowering of real price and through cost reduction achieved through scale. Revenues are predicated upon the continued sale of new automobiles, and profits growth on continued expansion of the market[9].

RESEARCH METHODOLOGY

As a result of our research, the formation and modern trends in the development of the automobile industry of efficiency have been studied, as well as the issues of growth in automobile exports have been analyzed. In the research process, methods such as abstract thinking, systems approach, and comprehensive assessment were widely used.

ANALYSIS AND RESULTS

The development of the automobile industry is a process closely related to scientific and technological progress: the development of industry is based on the knowledge and achievements of applied and fundamental sciences. The automobile industry develops advanced innovations in technology and is also an active consumer of them. Creating the latest models requires a variety of innovative research, technological and technical innovations. At the same time, the production of technologically advanced products is automobilieried out in accordance with the legislation and market requirements. This allows for research and development.

At a time when the pace of the world's central markets is stabilizing, emerging economies such as China, Korea, India and Mexico are moving forward. At the same time, a number of manufacturers, such as Canada, Spain and Belgium, are expanding their production volumes.



Table 1
World automobile sales (by region), (in millions)[10]

№	State, region	2016	2017	2018	2019	2020
1.	China	27,94	28,94	28,04	25,75	25,27
2.	United States	17,97	17,65	17,82	17,57	14,95
3.	Western Europe	13,53	19,29	19,55	19,71	15,33
4.	Japan	4,96	5,22	5,26	5,19	4,59
5.	India	3,67	4,02	4,4	3,82	2,93
6.	Uzbekistan					
7.	Around the world	90,98	92,62	92,49	88,9	76,49

The volatility of the world market, the complexity and instability of the external and internal environment encourage national automobile companies to develop new promising product lines, expand the domestic market, enter foreign markets. Automobile companies, which are constantly connected with the external environment, are achieving good financial results in the domestic market due to the rapid application of modern international marketing practices.

This sector, which accounts for about ten percent of world GDP, is capable of profoundly transforming the economy. Consequently, the widespread use of the most advanced and sophisticated technologies in the automobile industry serves to ensure the competitiveness of the economy by stimulating the emergence of processing industries that provide products with tremendous added value.

At present, our country, which is one of the 52 automobile-producing countries, is in the top 30 in terms of production capacity, which testifies to the growing international prestige of the national automobile industry.

The Government of the Republic of Uzbekistan has identified the main tasks for the formation and development of the automobile industry in the country[11]:

- development of strategies and programs for sustainable development of the automobile industry in the medium and long term, the implementation of a unified scientific, technical and investment policy in the industry;

- organization of marketing research, assistance in the development of new types of competitive products (works, services), their entry into world markets;

- assistance in modernization and re-equipment of enterprises of the industry, attraction of foreign investments for these purposes, establishment of enterprises for the production of modern types of

road transport, components and parts for them together with leading foreign companies;

- provision of information services to enterprises and organizations of the automobile industry;

- organization of training and retraining of qualified personnel and specialists for the industry, management personnel who have mastered modern management methods and are able to work effectively in market conditions.

Over the past 30 years, the automobile industry of Uzbekistan has become one of the most reliable pillars of independent development and economic prosperity of the Republic of Uzbekistan. In this area, factories for the assembly of automobiles under the brand Chevrolet, buses and trucks under the brand ISUZU, as well as heavy trucks MAN were established.

One of the most important achievements of the first years of independence was the launch of the first Uzbek automobile joint venture (since 2019 - UzAuto Motors) in Asaka.

UzAuto Motors is the flagship of the parent company and the automobile industry, characterized by high-tech equipment, the entire cycle of automobile production and its main operations are large and medium stamping, welding, painting and assembly of finished automobiles. It is a very modern and high-tech automobile production, in which a set of industries is combined into a single technological process with a high degree of automation of basic production processes.

Today, UzAuto Motors JSC is located in Asaka, Andijan region, Pitnak, Khorezm region and Tashkent, with a total area of 112 hectares and a production area of 225,000 square meters. is a large industrial production association.

Table 2

General and manufacturing areas and production capacity of UzAuto Motors JSC[12]

No	Address	Total area	Production area	Developers output power
1.	Asaka city of Andijan region	72 ha	192 thousand sq.m.	300 thousand automobiles
2.	Pitnak city of Khorezm region	35 ha	20 thousand sq.m.	60 thousand automobiles
3.	Tashkent city	5 ha	13 thousand sq.m.	10 thousand automobiles
4.	Total:	112 ha	225 thousand sq.m.	370 thousand automobiles

Currently, UzAuto Motors JSC under the Chevrolet and Ravon brands - Spark (R2), Nexia (R3), Cobalt (R4), Lacetti (Gentra), Damas, Labo, Malibu, Tracker, Equinox, Trailblazer, Automobile models like Traverse and Tahoe are being delivered to buyers.

UzAuto Motors JSC cooperates with more than 200 suppliers and subcontractors. GM Powertrain Uzbekistan, UzSeMyung, UzKoram, UzKoje, Avtokomponent, Uz Dong Yang, Uz Hanwoo, Uz Dong Won Ko, Uz Dong Ju Paint, Uz Tong Hong Ko», «Uz Chasis», «Uz Sangwoo», «UzAuto Austem», «Uz Minda», «Jizzakh Battery Plant», «Uzeraealternator», «Uzerae Climate Control», «Uzeraeacable», «UzHanwoo Engineering», Kwangin Autosystems, Avtooyna are among them.

As of April 1, 2020, UzAuto Motors JSC, with more than 10,000 jobs, is playing an important role in providing employment to the able-bodied population of the country.

Samarkand Automobile Plant (Samavto) is an enterprise producing commercial equipment - buses, trucks and special vehicles, the plant's production complex is located in Samarkand. The plant was inaugurated on March 16, 1999. The founders of Samavto are: Uzavtosanoat JSC (Uzbekistan) -58%, Asaka Bank (Uzbekistan) - 26%, Itochu Corporation (Japan) - 8%, ISUZU Motors Ltd. (Japan) - 8%. Cooperation with Japanese companies began in 2007. The total area of the plant is 155,625 sq.m., including the production area - 37,305 sq.m. Number of employees - 1042 people (as of 2020).

Dealerships are located abroad: in Afghanistan, Georgia, Kazakhstan, Kyrgyzstan, Russia, Turkmenistan, Turkey and Ukraine, and domestic dealerships are located in all regions of the country.

There is a continuous process of work aimed at increasing the level of localization of products manufactured at Samavto. For example, at present, the localization rate of the city bus model SAZ HC45 is 38.6% by CT1 method, 22.3% by GPL method, - 27.8% by ISUZU NQR71PL chassis-based wagon CT1 method, -13.6% by GPL method.

827 buses and 402 trucks were exported, the rest were sold on the domestic market. In 2021, it is planned to produce about 4,000 automobiles, expand the plant area and increase the range of models.

Samavto plans to launch the production of electric buses in 2021-2022. A test electric bus of the Chinese company BYD (length 12 m, passenger capacity - 76 people) - was handed over to "Toshshahartranshizmat" for testing in urban conditions. The electric bus, manufactured by the Chinese company BYD, travels 300 km on a single full charge, which corresponds to the average daily mileage of a city bus.

By 2030, in accordance with the concept of environmental protection, at least 50% of public transport in Uzbekistan is planned to switch to alternative fuels to reduce emissions of harmful substances into the atmosphere.

JV MAN Auto-Uzbekistan - Uzbek-German joint venture was established by the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated August 7, 2009 No 224. Uzavtosanoat, a joint-stock company founded by Uzbekistan, and the world-famous German company MAN Truck & Bus Group have launched the production and maintenance of MAN trucks in Uzbekistan.

On February 16, 2011 in accordance with the Decree of the President of the Republic of Uzbekistan "On measures to further develop the production of heavy trucks" in Uzbekistan laid the foundation for the construction of a complex for the production and maintenance of MAN trucks. In December 2011, the MAN dealership and service center was established in Jambay district of Samarkand region.

On July 30, 2012, the opening ceremony of a new assembly plant near the MAN dealership and service center, which produces MAN tractors, chassis and special equipment, took place.

The total area of the enterprise is 44.9 hectares. The company produces trucks (dump trucks, vans, special equipment) with a gross weight of 15 to 50 tons. The design capacity of the plant is



3,000 trucks per year. The plant localized the production of cabs for heavy-duty MAN vehicles.

The JV MAN Auto-Uzbekistan joint venture employs about 500 people. The company cooperates with the Polytechnic University of Turin, Samarkand Automobile and Jambay Vocational College of Transport.

On December 24, 2019, Uzavtosanoat JSC, Sinotruk International Investment Limited and MAN Truck & Bus SE signed an agreement on the establishment of JV UZ Truck and Bus Motors LLC on the basis of the existing JV MAN Auto-Uzbekistan. As a result, Sinotruk became one of the founders of JV MAN Auto-Uzbekistan JV and made \$ 12.1 million in direct investments in the company's charter capital. The choice of a partner such as Sinotruk is due to the popularity of this equipment in the Uzbek and Central Asian markets, the popularity,

quality and wide range of products, as well as a 25% plus 1 stake in Sinotruk since 2009 by German MAN Truck & Bus SE (JV MAN Auto- One of the founders of Uzbekistan LLC).

Investments will be directed to increase production capacity from 3,000 commercial vehicles to 6,000 units per year, launch new models and localize components. This project will create more than 100 jobs, increase the export potential of the enterprise, as well as increase the level of localization of commercial equipment to 50%. This decision was taken in order to increase competition between different brands in the country, as well as to master the production of dump trucks with a automobilizing capacity of 5 to 70 tons.

Information on the main products of large industrial enterprises of JSC "Uzavtosanoat" in 2016-2020 is given in Table 2.

Table 3

**By large industrial enterprises of Uzavtosanoat JSC
The main products produced in 2016-2020[12]**

№	Product type	Unit of measurement	2016	2017	2018	2019	2020
1.	Automobiles	pcs	88 200	140 247	220 667	271 113	280 080
2.	ISUZU bus	pcs	908	1 007	904	1 464	472
3.	ISUZU truck	pcs	2 512	2 593	2 466	2 727	1142
4.	Pickup (D-Max)	pcs	-	-	-	32	176
5.	MAN, SINOTRUCK truck	pcs	1 005	1 150	1 170	1 203	470
6.	MAN bus	pcs	-	50	45	70	-
7.	Rechargeable batteries	Thousand pcs	584,7	680,2	732,4	801,9	863,9
8.	Power units	Thousand pcs	44,1	91,6	158,8	200,6	222,4

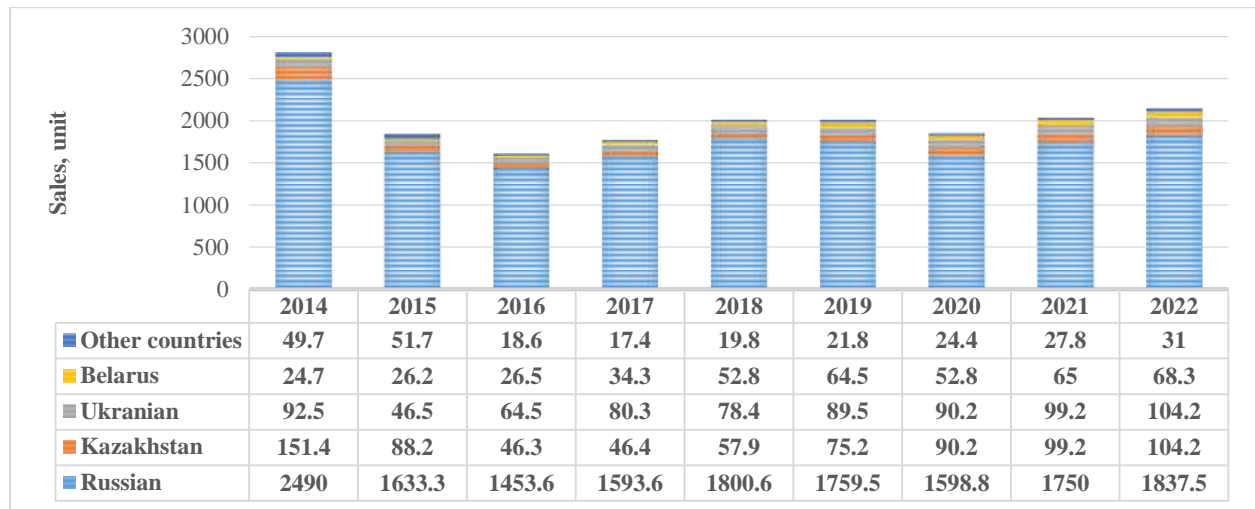
Uzbekistan's automobile exports increased by 30.4% in 2020, according to the State Statistics Committee. Last year, imports of automobiles were 2.3 times higher than exports.

Exceeding the volume of automobile imports is a reflection of the policy of industrialization, as well as reforms to support the creation, modernization and growth of the productive forces, in addition to support by foreign organizations, the State Statistics Committee.

In January-December 2020, enterprises produced 208.7 mln. U.S. dollar vehicles were exported. The volume of imports amounted to 475.1 mln. USD, an increase of 7.9% (excluding the movement of vehicles, the movement of passengers for the organization of transport, the movement of vehicles for the transportation of 10 or more people). In 2020, the decline in sales of new passenger automobiles in Russia (compared to 2019) amounted to 9.1%. The market size was about 1.6 million automobiles. As expected, by the end of 2020, the Kazakh automobile market will show positive dynamics (+ 20% is expected). According to the results of 2020, the Belarusian automobile market

decreased by 18.2% (compared to 2018) and Ukraine by 3% compared to 2019. According to forecasts, the recovery of the market of the Russian Federation, Ukraine, Belarus to the level of 2019 will take place in 2021 and will have a positive dynamics at the level of 3% -5% per annum in the future. The main economic factors influencing the sale of automobiles in export markets are oil, the price of national currencies, the purchasing power of citizens, the number of economically active population, automobile prices. In addition, in the spring of 2020 - a factor of the coronavirus pandemic was added.

According to the AEB in 2020, 1.598 mln. passenger automobiles were sold, which is 9.1 percent less than last year. However, it should be noted that after a strong decline in the automobile market in April, May, June 2020. due to the epidemiological situation from July to November 2020. there was a steady monthly increase in sales of new passenger automobiles. However, instead of the traditional growth in December, it will decline to 2.1% in 2020. Market-level sales are expected to take place in 2021.



Picture 1. Volume and forecast of Uzavtosanoat JSC automobile exports[12]

According to applications from foreign market distributors, as well as based on production capacity, the forecast for automobile exports for 2021 is 32,919 units. totaling \$ 320.1 million. dollars (statistical value), in particular, in Kazakhstan - 26,753 units. including SAP to Russia - 3,631 units, Ukraine - 720 units, Belarus - 494 units, Tajikistan - 231 units, Azerbaijan - 670 units, Afghanistan - 301 units, Kyrgyzstan - 115 units. models and will continue to ship these models in 2021. In 2021, the main share of exports will go to Kazakhstan (26,753 units worth \$ 265.8 million), as well as through Kazakhstan to Russia (3,631 units worth \$ 2,531

million). At the production price of SKD export automobiles for sale in Kazakhstan, SUP, Damas and Labo models will be made at full price with the addition of an additional margin. Due to the lack of a certificate of conformity for Spark automobiles, 400 units were sold for 2.8 million. It is planned to export automobiles through Keles Rus (Russia) in the amount of \$ 1 billion. Provided prepayment. In connection with the transition from Ravon to Chevrolet in 2020, 27 dealers in the Russian Federation and 21 in Kazakhstan, and in 2021, 30 dealers have complied.

**Table 4
The share of Chevrolet models in major export markets [12]**

Model name	Russia						Kazakhstan					
	2019		2020		2021 Forecast		2019		2020		2021 Forecast	
	sales	Share	Sales	Share	Sales	Share	Sales	Share	Sales	Share	Sales	Share
Spark	553	0,03%	156	0,01%	192	0,01%	4	0,01%	84	0,10%	168	0,17%
Nexia-3	133	0,01%	1 030	0,06%	1 962	0,11%	2 989	4,48%	8 010	9,69%	11 176	11,27%
Cobalt	854	0,05%	1 614	0,10%	1 477	0,08%	658	0,99%	4 631	5,60%	12 056	12,15%
Malibu-2									274	0,33%		
Tracker									289	0,35%	770	0,78%
Trailblazer									86	0,10%	230	0,23%
Traverse									7	0,01%	85	0,09%
Tahoe									27	0,03%	22	0,02%
Equinox									0		1 008	1,02%
Damas									489	0,59%	1 238	1,25%
Labo									154	0,19%		
Total sales	1 540	0,09%	2 800	0,18%	3 631	0,21%	3 651	5,47%	14 051	16,99%	26 753	26,97%
Annual sales	1 759 532	100%	1 598 825	100%	1 750 000	100%	66 729	100%	82 683	100%	99 200	100%



According to the forecast of the Ministry of Finance of the Republic of Uzbekistan, in 2021, 1.5% of revenues of the State Budget of Uzbekistan will be formed due to taxes paid by UzAuto Motors. For the first time, the automobilemaker has become one of the largest Top 20 taxpayers in Uzbekistan, which is possible due to the sharp increase in deductions over the past 3 years.

In short, the enterprises that are part of Uzavtosanoat JSC will pay 9 trillion soums to the treasury in 2018-2020. sent more than UZS, which is more than the total of the last decade. In addition, the main results of the company in 2020 are:

- Over the past 3 years, the volume of automobile production has doubled - from 140 thousand to 280 thousand units;
- As a result of digitization of the sales system, transparency in automobile sales has been achieved;
- Production of German Volkswagen automobiles is launched in Jizzakh region;
- Exports increased 1.5 times (three times in 2019);
- Investments in the industry in 2020 will reach \$100 million. (in 2019 - \$ 70 million);
- 5 trillion to the budget and extra-budgetary funds. soums of taxes (2.6 trillion soums) were paid;
- After the audit in October 2020, the company received the international quality level BIQ IV;
- There are defects in 15 cases per 1000 automobiles (the world average is 28).

Specialists of Uzavtosanoat JSC have developed a strategy for the development of the local automobile industry until 2030. This includes measures to improve the competitive environment in the domestic market and to develop local automobile production. In particular, it is planned to increase the annual production of automobiles and trucks in the country to 632,000, which is more than twice as much as now. Measures are planned to modernize the main production facilities, introduce innovative technologies and expand the range of services.

Today, more than 85 enterprises and organizations of the Uzavtosanoat Joint Stock Company, which are united and directly employ more than 26,000 people, operate in the industry, and cooperation has been established with more than 200 foreign companies. 100% of shares of Uzavtosanoat JSC are owned by the State Assets Management Agency of the Republic of Uzbekistan and controlled by the Government of the Republic of Uzbekistan.

As of January 1, 2021, the State Statistics Committee of the Republic of Uzbekistan registered 2,767,126 automobiles belonging to individuals in Uzbekistan. There are 8 automobiles for every 100 people.

According to UzAuto Motors, the Transformation Office for the Reform of Uzavtosanoat JSC and its subsidiaries, established in 2021 jointly with Boston Consulting Group (BCG), has started operating.

The Transformation Office was established with the participation of highly qualified foreign and domestic experts with many years of management experience in leading international automobile concerns such as Boston Consulting Group (BCG), as well as Daimler, Fiat and Porsche. The participation of such specialists in the transformation process allows to create a competitive and efficient business model in the conditions of market relations. In addition, in the process of transformation, it is planned to abandon the old model of industrial management and modernize production and business processes that directly affect the quality and volume of products.

The development of new areas of production and an increase in the level of localization to 70% will be the result of effective management. This, in turn, allows you to reduce the retail price of the product. From the very beginning, this program envisages the start of production of models such as Chevrolet Tracker and Onix.

The growth of production indicators, as well as the share of the automobile industry, which has grown significantly in recent years, will give a positive dynamics to all revenues to the state budget. Despite the pandemic, in 2021 UzAuto Motors, one of the 80 enterprises in the industry, entered the top ten largest taxpayers in the country.

The transformation process outlined in the Uzavtosanoat Development Strategy, developed jointly with the Boston Consulting Group (BCG), will be implemented in the following 7 areas:

1. Sales and marketing;
2. Cooperation and privatization with new manufacturers;
3. Work with customers and suppliers;
4. Improving production processes;
5. Coordination of working capital;
6. Improving financial performance;
7. Digitization and introduction of information technologies.

The following steps have been identified as part of the transformation strategy and program:

- Transformation of Uzavtosanoat and its subsidiaries in 2021-2022, as well as preparation for the optimization and privatization of current operational activities (corporate governance, production, finance, sales and after-sales service);

- Launch of joint production of new popular automobile models with partners in 2022-2025, as well as halving the time spent on production, increasing the level of localization to 70%, preparing for the production of electric automobiles and



gradually transferring shares of Uzavtosanoat to the private sector sell.

UzAuto Motors JSC issued 300 million shares worth 5 million soums on the London Stock Exchange on April 27 this year. The US dollar-denominated RegS / 144A format international bonds were issued and became a full-fledged member of the international capital market.

The international capital market plays an important role in ensuring sustainable economic growth in the country and attracting large-scale foreign investment. The successful placement of international bonds of the Republic of Uzbekistan in 2019 has opened up new prospects for local enterprises, including UzAuto Motors, to enter international markets.

Based on the recommendations of financial consultants - underwriters based on the proposals of investors, the initial interest rate of UzAuto Motors was set at around 5.375%.

International bonds were distributed among more than 130 investors from the UK (37%), the US (14%), Germany (8%) and a number of other European (35%) and Asian (6%) countries.

At the same time, the majority of these investors were asset managers and savings funds (67%), which were also actively distributed among banks (23%) and insurance and pension funds (10%).

The successful placement of the first international bonds issued by Uzbek corporate issuers by UzAuto Motors testifies to the positive assessment by investors of the ongoing reforms in the Republic of Uzbekistan, including the reform of state-owned enterprises.

CONCLUSIONS AND SUGGESTIONS

One of the main objectives of the localization program is to launch the production of competitive modern export-oriented and import-substituting products in the Republic of Uzbekistan, to stimulate the production of local products that meet the requirements of domestic and foreign markets based on local raw materials and mineral resources. In particular, comprehensive measures are being taken to further intensify investment policy aimed at modernizing and organizing high-tech industries that provide deep processing of local raw materials and production of finished products with high added value.

In our opinion, the experience of the People's Republic of China is the most useful for the national automobile industry. The positive results achieved by the Chinese automobile industry are an indication of how effectively the norms have been applied in customs administration and industrial protectionism.

At present, Uzbekistan is rapidly developing the country's industry, in this regard, pursues a policy

of reducing exports of raw materials and diversifying the production of high value-added products. However, the development of high value-added industrial production is facing stiff competition in the global market, which makes it difficult to achieve this goal.

Products with high added value require the involvement of resources to increase production, including products not produced in Uzbekistan. However, the necessary resources are available in the countries of the Eurasian Economic Council (EEC). In this regard, increasing the level of cooperation with neighboring countries can create new opportunities for industrial development of Uzbekistan.

Regardless of the level and status of participation in the Integration Council, the participation of Uzbekistan in the work automobilieried out by the EEC countries to increase the level of industrial and industrial cooperation would be very useful. In particular, this implies:

- Study of possible options for Uzbekistan's participation in the Eurasian industrial cooperation network, subcontracts and technology transfer;

- Consideration of opportunities for Uzbekistan to participate in Eurasian technological platforms in areas of interest;

- Join the work of EEC countries for joint access to third country markets.

The key condition for increasing the production of automobile components is the development of exports. In this case, competitiveness in terms of cost of production factors is one of the key factors in increasing the export of automobile components.

It is proposed to implement a number of measures and mechanisms to achieve the set goals. The main ones are:

In order to increase the competitiveness of the product and improve its consumer properties, the following is proposed:

- change the design of automobiles, the development of specific components for mass production;

- Renewal of automobile models through the production of new types of affordable automobiles;

- introduction of design and development of technological equipment, conducting experiments, analysis of the production process;

- bringing local technical standards of automobile products closer to international standards and requirements;

- mastering the production of rolled steel, automobile tires, aluminum parts from secondary aluminum and other materials at local enterprises to deepen the level of localization;

- Along with the increase in exports to the CIS and neighboring countries, the development of



markets in Eastern Europe, South Asia, the Middle East and Africa;

- Gradual sale of the share of the state company Uzavtosanoat in production enterprises to private investors, mainly foreign investors.

- Creation of the necessary infrastructure for the organization of production of electric vehicles and their widespread promotion among consumers in the country.

- Introduction of a "single window" system in the sale of automobiles and automobile components to further develop trade in the domestic market. This system allows the customer to easily register an automobile loan, automobile insurance, registration, obtaining a license plate for the automobile, the use of "trade-in" and other services.

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