
The Role of Special Economic Zones In the Economy

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Abstract: The article provides information on specially allocated areas in order to attract foreign and domestic investments, high technologies and management experience for rapid socio-economic development in the special economic zone.

Key words: Free economic zone, cooperative relations, domestic investment, foreign investment, efficiency, user experience.

Introduction. A free economic zone is a specially designated area with clear administrative boundaries and a special legal regime created in order to attract local and foreign capital, advanced technologies and management experience for rapid socio-economic development of the territory.

To create favorable conditions for attracting foreign and local investments to the organization of modern productions for the deep processing of mineral raw materials and agricultural resources, which ensure the production of competitive products with high added value, which are in high demand in foreign markets, as well as in Samarkand, Bukhara, Fergana and "Urgut", "Gijduvon", "Ko'kan" and "Hazorasp" free economic zones of the President of the Republic of Uzbekistan on January 12, 2017 in order to comprehensively and effectively use the production and resource potential of Khorezm regions, create new jobs and increase the income of the population on this basis. Decree No. PF-4931 was adopted [1].

Main part

According to the 3rd paragraph of this decree, the following are the main tasks and directions of activity of "Urgut" SEZ, "Gijduvon" SEZ, "Ko'kan" SEZ and "Hazorasp" SEZ:

- attraction of direct investments of foreign and local investors for the organization of modern productions for the production of products with high added value, which are in great demand in foreign markets and replace imports;
- Ensuring comprehensive and effective use of production and resource potentials of Samarkand, Bukhara, Fergana and Khorezm regions;
- deep processing, storage and packaging of fruit and vegetables and agricultural products, textiles, carpet weaving, footwear and leather goods, environmentally safe chemistry,

pharmaceuticals, food, electrical engineering, machinery and automobile industry, production of building materials and organization of new modern productions in other directions;

- deepening the processes of localization of production of high-tech products based on the establishment of strong cooperation relations based on local raw materials and materials and the development of industrial cooperation between enterprises of free economic zones and in the republic as a whole;

- to establish research and production centers in accordance with international standards for standardization, certification and marking of produced products and take measures to ensure that their decisions are recognized at the international level.

On February 17, 2020, the Law of the Republic of Uzbekistan No. O'RQ-604 "On Special Economic Zones" was adopted in order to regulate relations in the field of organization of operation and development of special economic zones [3].

Article 3 of this law defines the special economic zone:

A special economic zone is an area with certain boundaries and a special legal regime, specially allocated in order to attract foreign and local investments, high technologies and management experience for the rapid socio-economic development of the area ҳ3ъ.

Based on the relevant decisions of the President of the Republic of Uzbekistan, 23 free economic zones have been established in the republic.

As of May 1 of this year, the value of free economic zones is 7.5 billion. dollars, of which 3.2 bln. There are 1,103 projects involving foreign direct investment, including:

- the value is 2.6 billion dollars, of which 824 million. 458 projects with the participation of foreign direct investments were commissioned and 36,116 jobs were created;

- the value is 2.8 billion. dollars, of which 446 projects involving 1.2 billion dollars of foreign direct investment are being approved and implemented by the administrative councils;

- the value is 2.0 bln. dollars, of which 1.2 billion 199 promising investment projects involving foreign direct investments are being considered by directorates and administrative boards.

Also, the value of free economic zones until May 1 this year is 181.7 mln. dollars, of which 58.1 mln. 18 investment projects with direct foreign investments of USD 100 million have been commissioned.

4.7 billion by the participants of free economic zones as of May 2021. products worth 92.0 million soums were produced. dollar product is export-oriented.

According to the decision of the President of the Republic of Uzbekistan No. PQ-3175 dated August 7, 2017, 100 million will be allocated from the Recovery and Development Fund by May 2021. dollar funds were allocated for project financing, and by the end of the 1st quarter of this year, these funds were allocated for financing the projects of business entities in free economic zones.

This year, 291.5 billion will be allocated to 24 investment projects in free economic zones at the expense of commercial bank loans. Soum loan funds were allocated.

The role of special economic zones in the economy of Samarkand region By the end of 2018, 16 projects were launched by SEZ "Urgut" and they invested \$59.3 million, of which foreign direct investment amounted to \$4.5 million. 690 jobs were created within these projects.

In 2018, 294 billion soums worth of products were produced by the enterprises, of which 8.6 million dollars worth of products were exported.

By the end of 2019, the number of enterprises started up increased by 25, and the number of projects started up to 41. During the year, they produced products worth 784 billion soums and exported products worth 30.2 million dollars.

By the end of 2020, the number of launched enterprises increased by 14, and the number of launched projects reached 55.

As of January 2021, there are a total of 6,971 industrial enterprises in Samarkand region, and during 2020, 18,072.8 bln. industrial products worth soums were produced. However, 55 industrial enterprises (0.79% of total industrial enterprises) located in the "Urgut" Free Economic Zone spent 1,165 bln. 28.6 mln. dollar (13% of regional industrial products export) industrial products were exported. However, during this period, the export of industrial products of the region was 219 mln. amounted to a dollar.

In 2020, 256 projects with a total value of 2,546 trillion soums and 5,417 jobs were created within the framework of the regional investment program in the industrial sector. Only "Urgut" SEZ spent 439 billion soums during this period. Soums, 14 projects were launched, accounting for 17.2% of the total project value, and 489 (9% of the total created jobs) new jobs were created.

Currently, the value of Urgut free economic zone is 822.2 mln. of dollars, of which 150 mln. There are 135 projects involving foreign direct investment, including:

- the value is 312.9 mln. dollars, of which 56.8 mln. 55 projects with the participation of foreign direct investments were commissioned and 4,328 jobs were created.

- the value is 97.9 mln. dollars, of which 33 projects with the participation of foreign direct investments of 23.2 million dollars are being approved by the administrative councils and are being implemented.

- the value is 412.2 mln. dollars, of which 70.0 mln. 47 prospective investment projects involving direct foreign investments are being considered by directorates and administrative boards.

In the first quarter of 2021, the value of Samarkand region is 163 billion. 16 projects worth 33.7 billion soums were launched and 172 new jobs were created, while "Urgut" FEZ launched 2 projects worth 33.7 billion soums and 60 new jobs were created.

As of April 1, 2021, exports of \$89.5 million were made in Samarkand region, while "Urgut" FEZ exporters exported products worth \$10.8 million.

Conclusion

In short, our republic is gaining a lot of experience in the classification of free economic zones. It is necessary to fundamentally reform the operation of free zones in our country using practices and world experience in this regard.

In order to increase the number of foreign tourists, it is necessary to convey information about the tourist opportunities of Uzbekistan to consumers in all corners of the world using marketing activities. Like all sectors, the business sector is in dire need of professional personnel. Highly qualified personnel have a great role in business development.

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