

INDUSTRIAL DEVELOPMENT PROCESSES IN THE NAMANGAN REGION (1991–2021).

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Annotation

This article discusses the industry of the Namangan region during the period from 1991 to 2021. Attempts were made to reveal the main indicators, achievements, and problems of the region's industrial sector, structural changes within the industry, and its historical aspects. In addition, the article comprehensively analyzes the processes of industrial development in the Namangan region and, of course, undertakes a detailed study thereof. Everything is taken into account within the studied process. From 1991 until 2021, various processes related to industrial development remained largely unexamined.

Keywords: industry, Namangan region, national economy, consumer goods, gross output, volume, italics, modernization, 1991–2021, achievements and problems, historical aspects, main indicators.

It is a well-known fact that industry is one of the core sectors of the national economy, representing a complex of entities that produce raw materials, supplies, fuel, energy, and other products, or provide services to the population. Industry is also the leading sector that exerts a decisive influence on the level of development of a society's productive forces. It encompasses production entities engaged in producing labor tools and other goods for itself and other sectors, extracting raw materials and fuel, generating energy, preparing timber, and processing products grown or produced in industry and agriculture.

On the territory of Uzbekistan, the roots of industrial development were formed by long-established handicrafts. Small and large-scale craftsmanship flourished in cities such as Samarkand, Bukhara, Urgench, Tashkent, Kokand, Margilan, Namangan, and Andijan. The emergence of true industry in Uzbekistan dates back to the second half of the 19th century. As a result of the conquest of Central Asia by Tsarist Russia, Russian industrialists and Russian capital penetrated the region, leading to the establishment of industrial sectors performing primary processing of raw materials (cotton ginning, wine, vodka, canning, and cottonseed oil plants), linking Uzbekistan's industry closely with Russian industry and economy.

After the Republic of Uzbekistan gained its independence in 1991, radical positive shifts were implemented in industry alongside other sectors. In

particular, industrial enterprises in many sectors were denationalized, privatized, and transformed into state-owned joint-stock, corporate, collective, private, and other organizational-legal property forms. Consequently, concepts such as entrepreneurship and small business entered the industrial sector. During the years of independence, Uzbekistan's economy grew nearly sixfold, with industry's share rising from 14% to 34%. Completely new industrial sectors based on high technologies—particularly oil, chemical, automotive, agricultural and railway engineering, the textile industry, and modern construction materials—have been developing consistently [1].

Alongside these achievements, Uzbekistan's industry entered independence facing a number of shortcomings and problems, much like other sectors. These socioeconomic problems included shortages of raw materials and outdated, obsolete production facilities and equipment. The primary factor behind this was the flawed "perestroika" policy pursued by the Soviet state, which caused a heavy reliance of the republics on one another for raw material supplies.

It is well known that traditional crafts such as pottery, jewelry-making, cotton processing, spinning, and weaving have flourished in the Namangan region since ancient times. The first factories and plants began operating in the region starting in the 1870s. By 1913, the region was home to 39 small-scale factory and plant enterprises, 28 of which were engaged in cotton ginning and 3 in oil production. By 1940, Namangan possessed 100 industrial enterprises, including 25 power stations, 20 metalworking facilities, 8 cotton ginning plants, and 2 oil and fat entities [2].

In the early years of independence, specifically in 1991, the volume of industrial output in the region amounted to 14,087.4 million soums, while the production of consumer goods stood at 10,977 million soums [3]. During this period, many industrial enterprises and organizations operated at a loss. By 1996, industrial enterprises in the Namangan region produced 11,542.1 million soums worth of industrial goods, an increase of 530.6 million soums, or 4.7%, compared to the previous year. As of 1993, light industry products accounted for 71.3% of the region's industrial output, while the food industry comprised 11.6% [4]. These were the leading subsectors of the regional industrial landscape.

In 1996, joint-stock companies such as "Uzbekistan Roll Roofing," "Namanganselmash," "Okhangar," "Namanganmash," "Mkgmash," and "Namangantrikotaj" made significant contributions to increasing the volume of industrial production. Certain industrial enterprises installed new technologies and mastered the production of new types of goods. During this period, 7,414.6



million soums worth of consumer goods were produced—an increase of 701.6 million soums, or 10.5%, compared to the previous year. Of the total industrial output in the region, 94.8% originated from the non-state sector, including 84.72% from joint-stock companies and 3.7% from the private sector. Joint ventures accounted for 2.97%. Concurrently, several shortcomings persisted in the industrial sector.

Specifically, out of 148 industrial enterprises, 17 reduced their production volumes by 405 million soums compared to 1995 [5]. By 2001, the region achieved a 20% growth in industrial production volume compared to the previous year. In that year, regional industrial enterprises produced 82.5 billion soums in industrial goods and 54.8 billion soums in consumer goods. Per capita industrial output amounted to 41.8 thousand soums, and consumer goods output reached 27.8 thousand soums [6].

Throughout the first five years of independence (1991–1996), the region's industrial and consumer goods production sectors faced numerous challenges. The primary factor underlying these problems was dependency on external raw materials. As is well known, the economic policy of the former Soviet Union relied on the supply of raw materials from other republics; the collapse of the Union dealt a severe blow to this system. Specifically, by 1992, several entities within the regional consumer goods sector—such as the Silk Production Association (reducing output by 278.3 million soums), the Wine Factory (121.6 million soums), the Kosonsoy Silk Sewing Factory (12.0 million soums), and the Uchkurgan Oil Extraction Plant (48.8 million soums)—cut their production volumes [7].

Other affected entities included the Timber Processing Plant, the Jydakapa Reinforced Concrete Plant, the Namangan Agricultural Machinery Plant, and the Pop Non-Woven Materials Plant. Despite these setbacks, the regional industrial sector achieved growth in the production of livestock machinery, garments, leather footwear, fabrics, and furniture. In 1992, 32 of the enterprises and organizations operating in the region concluded their activities with financial losses.

By the end of the 1990s—more precisely, as of the end of 1999—non-state enterprises accounted for 96.4% of the total industrial output produced in the region. By this period, 10 of the total enterprises operating in the region had reduced their production volumes [8]. Concurrently, with the aim of enhancing the socio-economic potential of the Namangan region, a resolution of the Government of the Republic of Uzbekistan was adopted on July 29, 1998, titled



"On the Program of Measures to Deepen Market Reforms and Accelerate the Socio-Economic Development of the Namangan Region in 1998–2000." The objective was to increase employment and improve the material well-being of the region's population by implementing market reforms, accelerating socio-economic development, and enhancing efficiency through the utilization of the economic and natural potential of the Namangan region.

By 2006, industrial products worth 309.5 billion soums were produced in the Namangan region. This indicator showed a decrease of 21 billion soums compared to the previous year, 2005.

In 2006, the breakdown of total industrial output produced was as follows:

- Electric power industry: 8.2%
- Fuel industry: 0.4%
- Processing of ferrous and non-ferrous metals: 0.01%
- Chemical and petrochemical industry: 0.9%
- Machine building and metalworking: 3.1%
- Production of construction materials: 4.3%
- Light industry: 51.9%
- Food industry: 21.8%
- Flour-milling and mixed-fodder preparation industry: 8.3%
- Other types of industrial production: 1.1%

Of the total industrial goods produced in the Namangan region, 8.8% were manufactured by state-owned industrial enterprises, and 91.2% by non-state-owned entities [9].

As can be seen, the Namangan region specializes in the production of light industry goods, with a large share of industrial sectors falling into this category. During this period, consumer goods consisted of 74% food products and 26% non-food products. By 2011, the region's gross domestic product (GDP) volume reached 2,996.2 billion soums. The implementation of comprehensive, systematic, and interconnected measures regarding the commissioning of new production capacities, the modernization of existing ones, the increase of production volumes, and the expansion of manufactured product types ensured the stable and continuous development of the country's industry. By this year, industrial output in the regional industrial sector amounted to 1,057.3 billion soums, while the volume of consumer goods production stood at 651.7 billion soums. In 2009, with the goal of enhancing the industrial potential of the Namangan region, a decree of the head of state was signed: "On Additional



Measures to Further Develop the Industrial Potential of the Namangan Region, Beautify the City of Namangan, and Qualitatively Improve Its Infrastructure" [13].

As a result, assistance was provided to unprofitable enterprises operating in the region, new advanced industrial technologies were installed, and new jobs were created. Furthermore, on August 14 of that same year, a resolution of the Cabinet of Ministers titled "On the Program for Industrial Development and Production Modernization in the Namangan Region for 2009–2012" was announced and implemented, providing a major impetus to the development of the sector [14].

Based on this resolution, solutions were found for socio-economic problems in the region, such as the deep industrial processing of agricultural and mineral raw materials to produce finished goods, the further development of high-tech production, and the increase of employment and public incomes.

By 2011, the volume of industrial output produced in the Republic of Uzbekistan reached 41,655.9 billion soums, representing a growth rate of 106.3% compared to the previous year.

During 2011, industrial products worth 1,057,321.2 million soums were produced in the Namangan region, of which 627,858.2 million soums worth of products accounted for the large enterprises operating in the region [11].

In 2011, the region's share in the republic's total industry stood at 2.7% [12].

By 2016, radical changes had been implemented in the industrial sector alongside all branches of the economy. Specifically, during this period, industrial products worth 111,267.2 million soums were produced in the Republic, and as a result of measures aimed at improving the entrepreneurial environment in the industrial sector and supporting the development of private entrepreneurship, the share of entrepreneurship was brought to 45%. In the industrial sector of the Namangan region, the production of goods worth 3,411.3 billion soums was achieved [15].

By this year, Namangan region's share in the total industrial production volume across the Republic reached 3.1% [17]. Namangan region's share in the industrial sector increased year by year. Furthermore, a program was implemented to develop cooperative ties among producers in the country, as well as to localize the production of finished goods, components, and materials. As a result, in 2016, the production of localized goods worth 6,145.8 billion soums was achieved. By this period, goods worth 11,332.7 billion soums were produced in the mining industry, 89,282.0 billion soums in the manufacturing industry, 9,896.6 billion soums in electricity, gas, steam supply, and air conditioning, 755.9



billion soums in water supply, and 47,359.2 billion soums in the consumer goods production sector [16].

In 2021, a total of 451.6 trillion soums worth of industrial products were produced in the republic's industrial sector, with a growth rate of 108.7%. By region, the highest share of industrial product output belonged to the city of Tashkent, accounting for 19.1%. Tashkent region, Navoi region, and Andijan region also held high shares, while the Namangan region produced industrial goods worth 14,584.8 billion soums. Of this, industrial products amounting to 7,174.3 billion soums were produced by small business entities operating in the region [18].

By 2021, 91.2 thousand industrial enterprises were operating in the Republic, with 19,309 new industrial enterprises established in 2021 alone. In the Namangan region, 1,731 new industrial enterprises were launched, bringing the total number of active industrial enterprises to 7,150 [19].

By the period of New Uzbekistan, a number of legal documents were adopted with the aim of raising the socio-economic status of the Namangan region. Among these legal grounds are documents serving as the basis for industrial development, notably the Presidential Decree adopted on July 3, 2018, "On the Establishment of Small Industrial Zones in the Namangan Region," the Cabinet of Ministers' resolution dated December 29, "On Measures to Establish the Namangan Free Economic Zone," as well as the head of state's decrees dated July 14, 2020, "On the 'Every Family an Entrepreneur' Program and Additional Measures to Finance the Development of Small Industrial Zones in the Namangan Region."

Specifically, through the legal instrument "On the 'Every Family an Entrepreneur' Program and Additional Measures to Finance the Development of Small Industrial Zones in the Namangan Region," it was intended to ensure employment for families whose social and living conditions had deteriorated under the conditions of the coronavirus pandemic, thereby providing them with a permanent source of income and supporting small industrial zones existing in the region through financial resources. As a result, financial assistance in the amount of \$98 million was allocated for the "Every Family an Entrepreneur" program, and \$50 million for the further development of small industrial zones.

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