

*President of the Republic of Uzbekistan Shavkat Mirziyoyev held a meeting on May 2 to discuss issues of deep processing the raw materials and expanding the production of export-oriented goods.*

Manufacturing industry is one of the drivers of economic development. In recent years, special attention is paid in Uzbekistan to the industrial complex, high-tech factories, technology parks, manufacturing enterprises have been commissioned. In 2018, the growth of value added in production of manufactured goods exceeded 10 percent for the first time.

However, much remains to be undertaken in industrial diversification. For example, 69 percent of industrial production is related to raw materials or primary processing. Non-ferrous metals, energy resources and fresh fruits in the exports constitute 52 percent. All this testifies to the fact that crude production still prevails over finished goods in the economy.

Among the issues addressed at the meeting were those concerning the growth in the number of enterprises creating high added value and exporting ready-made products, and the efficient use of existing potential and raw materials.

The President pointed to the lack of production of goods similar to those imported, the low level of processing crudes. In particular, only 25 percent of the mined copper is processed. 80 percent of zinc, 99 percent of molybdenum, 88 percent of silk, and 60 percent of raw leather are exported in unprocessed form.

To cite another example, the capacity of enterprises of Uzyogmoysanoat (Uzbekistan's fat and oil industry) association is loaded to 48 percent, while 133 thousand tons of vegetable oil are imported into the country. The huge opportunities in production of a wide range of food products based on the processing of meat and milk are not fully mobilized.

In this regard, the Ministry of Economy and Industry, the Ministry of Agriculture, the State Committee on Geology were entrusted at the meeting with drawing up a list of goods, the industrial production of which will be established in 2019-2021 based on the existing raw material base and structure of imports.

The Head of the state noted the need for expanding the production of industrial everyday goods and develop cooperation. Shavkat Mirziyoyev stressed that systemic work on the calculation of needs based on a comparison of manufactured and imported industrial products has not been established. The President urged to work out additional projects for the production of consumer goods in small industrial zones.

An important factor in development of industries is government support. In accordance with the resolution of the President of the Republic of Uzbekistan “On measures for further development of industrial cooperation and expansion of marketable goods’ production” of May 1, a mechanism is being introduced to support domestic industrial producers through government procurement.

Another important issue is the delivery of industrial goods. In Uzbekistan, the share of transportation costs in the production expenditure remains high. In the world, this figure does not exceed 8-9 percent. Product certification is also important for export.

In this regard, instructions were given to reduce the cost of transportation services, to bring technical characteristics and product quality in line with the requirements of foreign markets. Main attention was paid to improving the skills of specialists involved in the manufacturing industry and in the field of certification.

Priorities were identified for issues discussed at the meeting.

*(Source: UzA)*