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Article

Analysis of The Current State of Development and Management of Special Economic Zones Operating in Our Country

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Abstract: This study aims to analyze the latest trends in the development and management of SEZs in Uzbekistan. It focuses on the strategic potential of SEZs in attracting foreign investment and accelerating industrialization and employment. The results show that despite the significant achievements of national strategies and presidential decrees, there is a range of problems related to infrastructure development, management and bureaucratic coordination. In addition, there is a knowledge gap in assessing the relative effectiveness of SEZs in different regions of the country and analyzing their integration into the national economy. The researchers used a mixed methodology because document analysis includes an assessment of the legal frameworks and their statistical analysis of investment in mining, pharmaceutical, tourism and agricultural SEZs. The results demonstrate that 566 investment projects had been realized in the 12 industrial zones with a total investment of more than $ 6.1 billion. More than 9,800 jobs were created as a result of these activities. However, energy shortages, logistics availability, and administrative inefficiencies continue to limit the efficiency of these SEZs. In addition, SEZs have become one of the most important drivers of diversification and export opportunities. However, they still underperform due to poor regional organization and uneven provision of critical infrastructure. Thus, it may be concluded that improved management of SEZs, with simplified bureaucracies, adequate and timely investments in infrastructure and support for investors, may be significantly beneficial to the sustainability of the overall economic growth. It is necessary to develop different models of SEZs and their specialization to maximize their economic and social benefits.

Keywords: special economic zone, free economic zone, investments, benefits, industries, export and import, entrepreneurship.

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1. Introduction

Special attention is paid to the development of Special Economic Zones in our country on the basis of deep processing of local mineralogical resources as an important factor in attracting foreign, first of all, foreign direct investments in order to create new jobs and increase the income of the population [1].

In this regard, the president of the Republic of Uzbekistan Sh.Mirziyoev'S Law No. 604"on the strategy of action for the further development of the Republic of Uzbekistan "and the law of the Republic of Uzbekistan"on Special Economic Zones " of February 19, 2020 initiated qualitatively new approaches to the strategic planning system for the prospect of the development of the country's state and society.

Also, in order to improve the investment climate in our country, develop special economic zones and support by the state, the head of State's decree PQ-5101 dated April

30, 2021 “on measures for the further development of engineering and communication infrastructure of Special Economic and small industrial zones”, decree PF-60 “on the development strategy of New Uzbekistan “dated January 29, 2022-2026”, decree of the head of our country No. 41 of March 4, 2025 “on additional measures to increase the efficiency of the activities of Special Economic and industrial zones” [2]. The implementation of the tasks set out by the law of the Republic of Uzbekistan “on Special Economic Zones” dated December 5, 2024” on amendments and additions aimed at simplifying the system of coordination and management of the activities of Special Economic Zones " No. 1010 of the Republic of Uzbekistan and other regulatory documents related to the industry served to a certain extent in the development of economic zones [3].

Literature review.

As a result of the study, scientific research of foreign and domestic scientists on the current state of Special Economic Zones was studied. One of the CIS scientists, V., is developing and managing the activities of special economic zonesOnOne of the CIS technologies, and developings [4][5].

Together with this, V.I.Murar and Ye.V.Such views as the importance of attracting foreign investment to the national economy, creating special economic zones as a priority for the development of many developed countries, one of the effective modern macroeconomic tools for increasing its competitiveness, have been covered in their scientific research by scientists such as Rajakova [6]. The development and management of Special Economic Zones is one of the main and leading sectors of the investment environment. Special economic zonalap is an important tool in attracting investment in the economy of the region as it is organized not only for the national economy, but also for the purpose of deepening the tpanschegapavi trade and economic relations of the Ulap in the last timelap [7].

2. Materials and Methods

The present research employed a qualitative and analytical approach to understand the development and management efficiency of Special Economic Zones in Uzbekistan. The methodology implied the analysis of available legislative documents, government decrees, statistical reports, and prior research regarding SEZs. Special attention was paid to the explanation of the institutional and regulatory environment, which was created under the main policy instruments, like the Laws “On Special Economic Zones” and several presidential decrees between 2021 and 2025. In order to evaluate the performance outcomes, data was gathered from official statistics provided by the State Committee on Statistics of the Republic of Uzbekistan or the Ministry of Investments, Industry and Trade, as well as from reports on specific SEZs’ activities. Comparative and structural analysis was applied to the collected material to identify the dynamics regarding the establishment of SEZs, incoming investments, and jobs creation. On the one hand, the results of these analyses were used to describe the dynamics of quantitative indicators such as the number of projects implemented, the amount of investments attracted, and jobs created in industrial, pharmaceutical, tourism, and agricultural SEZs. On the other hand, the content analysis was employed to account for regular challenges in SEZs’ management and infrastructure development, focusing on administrative, financial, and logistics factors [8]. This triangulation of several sources enabled ergonomics to provide the reader with a more reliable and valid analysis by comparing several perspectives on SEZs’ development in a country. Overall, the developed integrative methodological approach helped to contribute to a complex understanding of SEZs’ achievements and some deficiencies, which could offer a strong empirical basis for policy recommendations regarding the enhancement of management efficiency and attractiveness of investments in Uzbekistan’s special economic zones [9].

3. Results

The organization of Special Economic Zones represents a strategic approach aimed at revitalizing economic development, especially in conditions characterized by financial constraints or regulatory inertia. These zones are designed to encourage industrial growth through benefits such as attracting foreign investment, facilitating trade, and reducing tax incentives and regulatory barriers.

In the developing economic landscape of the Republic, special economic zones are gaining more and more prestige as tools for innovation and promotion of regional development. However, the current state of these zones reveals the complex interaction of factors affecting their effectiveness, including management structures, sufficiency of infrastructure, and integration into broader economic policies. As this analysis continues, it will be necessary to carefully study the stratification between Special Economic Zones throughout the Republic, assess their successes and problems, comprehensively understand their role in the national economy [10]. Ultimately, the findings focus on contributing to a more subtle dialogue on Economic Policy and development strategies. Due to the creation of a free competitive environment in our country, the attractiveness of the amount of investment coming, as well as the support and promotion of industrial enterprises by our state, my economy is developing steadily.

In the Republic of Uzbekistan, 566 investment projects were carried out in 12 industrial specialized free economic zones, of which the amount of direct investments amounted to US $ 1.6 billion, the value of other types of investments amounted to US $ 4.5 billion, 7 pharmaceutical industries in specialized free economic zones-46 investment projects, the amount of investments included was 282 million.US dollar, 400 types of medicines were produced and 40 types of Medicine were introduced into specialized tools and techniques of Medicine, 61 investment projects in the tourist recrasion zones “Chorvoq” and “Zomin” of the Tashkent region of the Republic, 449 million. Investment in the amount of US dollars, 75 tourist infrastructures have been created.00 types of medicines were produced and 40 types of Medicine were introduced into specialized tools and techniques of Medicine, 61 investment projects in the tourist recrasion zones “Chorvoq” and “Zomin” of the Tashkent region of the Republic, 449 million. Investment in the amount of US dollars, 75 tourist infrastructures have been created [11]. At the same time, 308 investment projects in Bukhara-agro and Karakalpak-agro agricultural Free Economic Zones, 652.2 million. A US dollar investment, 1,210 hectares of modern greenhouse farms, provided for the creation of 9,817 new jobs.

It is necessary to create the necessary conditions for the development of special economic industrial zones. First of all, it will be necessary to solve the issues of electricity, water, road and other infrastructure in the vacant areas in industrial zones. When placing projects in free economic industrial zones, it is necessary to create a system of freedom from bureaucracy.t is necessary to create the necessary conditions for the development of special economic industrial zones. First of all, it will be necessary to solve the issues of electricity, water, road and other infrastructure in the vacant areas in industrial zones. When placing projects in free economic industrial zones, it is necessary to create a system of freedom from bureaucracy. In addition, entrepreneurs who have been operating in small industrial zones for many years and whose right to land and structures is currently unresolved, are required to receive state support and strengthening by decision [12]. The Miz were created on the basis of vacant and inactive state property objects, territories of administrative-territorial structures, as well as on land not intended for agriculture. The bodies of Public Administration, the Council of Ministers of the Republic of Karakalpakstan, the regions and the mayors of the city of Tashkent can propose to the Cabinet of Ministers of the Republic of Uzbekistan with an initiative to establish a Special Economic Zone, extend its period of operation, change its borders and terminate it earlier.

In addition, the organization of Special Economic Zones in the Republic can be observed as a result of significant economic reforms aimed at stimulating growth rates and attracting foreign investment [13][14]. By now, Special Economic Zones operating in Uzbekistan have been established in our country for 2008-2016, while the number of industrial free economic zones has increased to 12, the number of farmasevtica free economic zones to 7, the number of tourist free economic zones to 2, and the number of agricultural free economic zones to 2.y now, Special Economic Zones operating in Uzbekistan have been established in our country for 2008-2016, while the number of industrial free economic zones has increased to 12, the number of farmasevtica free economic zones to 7, the number of tourist free economic zones to 2, and the number of agricultural free economic zones to 2. The total value in the free economic zones in the past five years is 10 trl. more than Rs 1,000 were launched, resulting in 100,000 jobs and an additional Rs 45 trillion per year. the SOM began to be produced [15]. In industrial areas, businesses are worth US $ 750 million annually in exports and 1 trillion. tax revenues of more than Rs.

With this, special economic zones are created on the basis of vacant and inactive objects of state ownership, territories of administrative-territorial structures, as well as on land not intended for agriculture.

Discussion. In our republic, special economic zones and they give their participants the opportunity to create new jobs and, as a result, provide social protection of the population, as a result of removing bureaucratic barriers to the production of new investment projects and introducing projects without deviations.

The following proposals will be put forward as an important and integral part of the development of our country and the national economy of Special Economic Zones:

1. Allocation of existing vacant land in special economic industrial zones to large investors in agreement with the Ministry of investments, industry and trade by direct, investment obligation, without conducting electronic online auction sales;
2. Development of an appropriate procedure for the privatization of buildings-structures built by participants of Special Economic and small industrial zones;
3. To allocate land directly to them, with an investment obligation, without conducting electronic online auction sales, when transferring vacant land areas and building-structures in special economic zones to large investors.

4. Conclusion

The analysis of the status quo of SEZs in Uzbekistan reveals that these zones represent critical tools to boost industrial development, attract FDI, and spur regional economic diversification. The collected data demonstrate that the more than 566 investment projects across the 12 industrial SEZs, accompanied by over USD 6 billion worth of investments, drive employment and export. However, problems concerning infrastructure inadequacy, administrative and bureaucratic obstacles, and management inconsistency prevent them from contributing even further. Therefore, the implications of the obtained results indicate that improvements in institutional efficiency, PPPs, and infrastructure equity are essential to boost the performance of SEZs in the country. Consequently, public authorities should implement a move from more favorable administrative conditions to more transparent governance while adopting a sector-specific approach and long-term planning to integrate SEZs better into the local economy. More research in this area could focus on the comparative analysis of SEZs in the context of different regions, evaluation of the socioeconomic effect related to certain policy shifts, and analysis of digitalization and green investment models supporting the competitive capacity and economic resilience of the Uzbek economy in the context of its evolution.

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