

## WAYS TO DEVELOP ECONOMIC INTEGRATION AND INCREASE ITS EFFICIENCY IN UZBEKISTAN

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**Abstract.** *The article discusses the issues of economic integration development in Uzbekistan and the factors that affect it. The role of the state in expanding the integration processes, ways to enhance the effectiveness and integration of enterprises involving this process*

**Keywords:** *integration, vertical integration, horizontal integration, factor, integration, foreign economic relations, merger of enterprises, effectiveness.*

**Introduction.** The further development of Uzbekistan's economy is largely dependent on the development of integration processes.

Because work output is directly connected with a number of internal and external factors and circumstances. It is known that even if enterprises develop individual production in modern times, this process cannot continue for a long time in market conditions. It is known that production consists of many elements and associations. For example, to manufacture and assemble a Toyota car in Japan, details and components are obtained from thirteen other countries. In turn, it is necessary to develop integration between enterprises for the future development of the economy of the country and the enterprise.

Economic interaction has been widely discussed in the scientific literature and there are many concepts about it. Nevertheless, we felt it necessary to give our approach and understanding to this problem. So, integration is in a broad sense, it represents political, organizational, economic, social, ecological and others by establishing mutual relations between countries, regions, companies and enterprises. Integration is divided into many types based on its meaning and essence. Economic integration is one of the main types of integration. Economic integration ensures technological modernization and competitiveness of the national economy based on structural changes in each country by establishing interstate economic relations.

Especially in the present period, under the influence of an exogenous factor in the development of the world economy and foreign economic relations, it ensures the future development and stability of the national economy and makes it possible to increase its efficiency. In 2017-2021, the Action Strategy on the five priority directions of the development of the Republic of Uzbekistan and the State Program on the implementation of the Action Strategy in the "Year of Communication with the People and Human Interests" were approved[1]. According to him, special attention is paid to the development of integration processes and foreign economic relations in the country.

The concept of development of foreign political and foreign economic relations, developed on the basis of the action strategy program, serves as a practical document for the organization and development of the economy of Uzbekistan, especially vertical integration.

The main aspect of this concept is that it proposes a new model of integration, which is called "trade" or "conjuncture" in the economic literature. The main goal of the new concept is to take a central place in the foreign economic policy, to raise Uzbek exports to a new level, that is, to develop progressive forms of international production and scientific and technical cooperation, investment cooperation and joint implementation of innovative projects.

Currently, based on the generally accepted rule in economic literature, ensuring the freedom of integration processes leads to economic growth and an increase in the nation's standard of living.

The experience of many developing countries shows that as a result of the successful liberalization of integration processes in various conditions, they have achieved reduction of economic conflict and raised the picture of economic development.

It should be noted that the liberalization of integration processes in the years of independence in Uzbekistan changed the structural structures of export and import. For example, in 2017, the volume of finished products in the export structure is 72 percent. Foreign trade turnover is 26907.6 mln. amounted to US dollars. It is necessary to create legal, economic and organizational conditions in order to ensure the effectiveness of state regulation of integration processes.

**Research methodology.** Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process.

**Analysis and results.** The state should determine the strategic goals of this process. Especially in the state program of the country's export development, special attention should be paid to the issues of organizing the structure of Uzbek exports, expanding the types of exported products and improving their quality, developing the commodity and geographical structure of exports, using advanced forms of international trade and economic cooperation, organizing the work of others and improving personnel training. is appropriate.

Thus, in the integration process, export-import operations should be supplemented with issues of cooperation in production, strengthening of investment cooperation. At the same time, it is necessary to use foreign capital, new technology, leased equipment, etc. at all stages of production.

In order to further develop integration processes, Uzbekistan should solve the following tasks in accordance with international practice:

first, the entry of Uzbekistan into the World Trade Organization; secondly, integration agreements with foreign countries in implementation, the structure and dynamics of trade flows are resolved in inter-jurisdictional commissions;

thirdly, to examine the issues of secondary taxation and investment protection.

It should be noted separately that the acceleration of integration with neighboring foreign countries will create an opportunity to boost the economy of Uzbekistan in the future. Currently, as a result of Uzbekistan establishing trade and political relations with Russia, Belarus, Ukraine, Azerbaijan, Central Asian countries, many joint ventures are working. In this regard, a number of issues that need to be resolved between Uzbekistan and the CIS countries are among the most necessary in bilateral relations, including:

fulfillment of mutual interstate obligations; elimination of indebtedness for the sale of goods;

Ensuring the free movement of goods produced in Uzbekistan in the territory of partner countries.

In the development of integration processes, the expansion of capital flows, that is, capital inflow and outflow, is of particular importance. This process took a positive turn with quick shots after the dissolution of the former alliance. For example, by the beginning of the 90s of the 20th century, the growth rate of direct investment increased by 4-5 times and accelerated compared to the value of world GDP. A good investment environment was created in Uzbekistan during the years of independence. As a result, in the last 25 years, 200 US billion. More than 70 billion dollars were invested in the economy. The US dollar represents foreign investment.

It is worth mentioning that the investment legislation of the Republic of Uzbekistan is positive compared to that of the CIS countries. Because it takes into account all investment aspects of international investment law, and in the field of attracting foreign investments in the Republic of Uzbekistan, it consists of the following:

Law "On Foreign Investments"; Law "On Investment Activities";

Legal regulation is carried out on the basis of the laws "On measures to protect the rights and guarantees of foreign investments".

The availability of favorable conditions for making and spending investments in the economy of the Republic of Uzbekistan is influenced by the following:

1. Political and economic stability.
2. Creation of a legal framework.
3. Correct organization of tax and customs preferences for business.
4. Liberalization of business rules.
5. Creation of free economic zones.

The benefits provided for foreign investments in the current period are included, depending on the size of the investment, for a period of 3 to 20 years, including: 300 a thousand USA from the dollar 3 million USA to the dollar in volume investments for 3 years;

Investments in the amount of 3 million US dollars to 5 million US dollars for a period of 5 years;

Investments from 5 million US dollars to 10 million US dollars for a period of 7 years;

Investments of USD 10 million or more are granted for a period of 10 years, with income tax rates 50 percent lower than the current rates for the next 5 years.

In the implementation of the integration process, the organization of production based on high technology, the meeting of products to world standards, and the development of production and social infrastructure are important tasks. One of the main directions of strengthening the integration is the creation of free industrial economic and small special industrialized industrial zones. Expansion of production and logistics in Uzbekistan developed rapidly in 1.5-2 years. Currently, about 15 economic and more than 60 industrial zones are operating in Uzbekistan. One of their main goals is to improve the efficiency of free zones and logistics centers using foreign investments.

### **Conclusion**

Thus, the successful development of production increases the productivity of production, the increase of products with high added value, the implementation of profitable activities in large markets, and the overall efficiency of the integration process.

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