

DEVELOPMENT OF THE AUTOMOTIVE INDUSTRY IN THE NEW UZBEKISTAN

Akbarov Iqboljon Ahmadjonovich

Oltiariq tumani 1-son politexnikumi o'qituvchisi

Abstract: This article explores the evolution and current progress of the automotive industry in the context of the socio-economic reforms of the New Uzbekistan. The study examines state support mechanisms, joint ventures with foreign partners, modernization efforts, and the introduction of electric vehicles (EVs) into the domestic market. It also highlights the significance of innovation, localization, and export-oriented strategies that contribute to sustainable industrial development in Uzbekistan.

Keywords: Uzbekistan, automotive industry, economic reform, modernization, electric vehicles, localization, industry 4.0, innovation.

Introduction The New Uzbekistan, shaped by ambitious reforms under President Shavkat Mirziyoyev, has seen dynamic transformations across various economic sectors, including the automotive industry. Once reliant on Soviet-era infrastructure and monopolized structures, Uzbekistan's car production sector is now pivoting toward innovation, competition, and international cooperation. This article examines the strategies and milestones driving the modernization of the automotive sector in the New Uzbekistan.

1. Historical Context and Initial Development. Uzbekistan's automotive industry began its development in the 1990s, with the establishment of the UzDaewoo joint venture in Asaka. Over time, this evolved into UzAuto Motors, which became the core of the national automotive industry. However, for decades, the industry faced criticism over monopolistic practices, high tariffs, and limited model diversity.

2. Reforms and Liberalization under New Uzbekistan

a. Market Liberalization

Since 2017, Uzbekistan has introduced reforms to liberalize the automotive market, including:

- Removal of excessive customs duties
- Deregulation of car imports
- Tax incentives for car producers and component manufacturers

b. Improving the Investment Climate

Foreign direct investments have increased through strategic partnerships with South Korea, China, Germany, and Russia.

3. Industrial Modernization and Localization

a. Modernization of UzAuto Motors. Technological upgrades, robotics, and automation have been introduced at existing plants. ISO-certified systems and digital monitoring have improved product quality.

b. Localization Strategy

A key development is the push toward increased local content — domestic production of car parts. This supports job creation and strengthens national industry.

4. Diversification and Innovation

a. Electric Vehicle (EV) Initiatives

In line with green economy goals, Uzbekistan launched EV assembly projects:

- Joint venture with China's BYD
- Development of EV infrastructure (charging stations, batteries)
- Tax exemptions for EV import and production

b. Digital Integration

Industry 4.0 technologies, such as data analytics, AI-based quality control, and smart logistics, are being integrated into automotive production lines.

5. Export Strategy and Global Integration

UzAuto Motors and other producers have begun exporting to:

- Russia and CIS countries
- Kazakhstan, Azerbaijan
- African and Middle Eastern markets

Standardization, competitive pricing, and diplomatic outreach support these efforts.

6. Challenges and Outlook Despite progress, challenges remain:

- Need for broader competition to reduce prices
- Infrastructure gaps for EV expansion
- Skills development for a modern workforce

However, government support, digital transformation, and the emergence of private-sector players indicate a positive long-term outlook.

Conclusion. The automotive industry in the New Uzbekistan reflects the nation's broader shift toward openness, innovation, and global integration. Through liberalization, strategic partnerships, and investment in technology, Uzbekistan is laying the foundation for a competitive, sustainable, and forward-looking automotive sector that can meet both domestic and international demands.

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