THE ROLE OF FOREIGN INVESTMENTS IN THE DEVELOPMENT OF CITIES IN QASHQADARYO REGION DURING THE EARLY YEARS OF INDEPENDENCE

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Annotation: *This article analyzes major projects implemented in Qashqadaryo Region with the participation of foreign investments during the early years of Uzbekistan's independence. In particular, it examines the construction of a textile complex in Qarshi city in collaboration with Turkey's Yazeks Corporation, as well as the establishment and development stages of the Uzbek-Chinese joint venture "Navro'z" in Nishon district, specializing in livestock leather processing in cooperation with China's Yejchuan Company, based on archival documents. Additionally, the article provides information on the establishment and economic impact of the Uzbek-American "Shahri International" oil plant and the Uzbek-British joint venture "Shahrisabzkonserva" in Shahrisabz. These examples are of significant importance for studying the investment policy of independent Uzbekistan.*

Keywords: *Qashqadaryo, foreign investment, joint venture, textile industry, leather processing, Shahrisabz, "Navro'z" JV, Yazeks.*

Аннотация: *В данной статье проанализированы крупные проекты, реализованные с участием иностранных инвестиций в Кашкадарьинской области в первые годы независимости Узбекистана. В частности, освещены строительство текстильного комбината в городе Карши совместно с турецкой корпорацией "Yazeks", а также этапы*

начала и развития деятельности узбекско-китайского совместного предприятия "Навруз" в Нишанском районе, специализирующегося на переработке скотиной кожи, совместно с китайской компанией Yejchuan, на основе архивных документов. Кроме того, приведена информация о создании в Шахрисабзе узбекско-американского масложирового завода "Shahri International" и узбекско-британского совместного предприятия "Shahrisabzkonserva", а также об их экономической эффективности, имеющей важное значение для изучения инвестиционной политики независимого Узбекистана.

Ключевые слова: *Кашкадарьинская область, иностранные инвестиции, совместное предприятие, текстильная промышленность, кожа и мех, Шахрисабз, СП "Навруз", Yazeks.*

Introduction.

The early years of independence in the Republic of Uzbekistan marked a period of fundamental economic reforms and transition to a market-based economy. One of the key strategic directions during this period was attracting foreign investments and modernizing the national economy by establishing new production capacities with their participation. The effectiveness of this process is particularly evident in local regions, especially in provinces with significant natural resources and high economic potential.

Discussion.

A number of projects were implemented in Qashqadaryo Region in collaboration with foreign investors. In 1992, according to the agreement between Turkey’s Yazeks Corporation and the Qashqadaryo Regional Cotton Processing and Cotton Product Sales Territorial-State Joint-Stock Association, the construction of a textile complex in Qarshi city began. As of July 1993, construction and installation works worth 362 million soums had been completed. To supply the textile complex with water, two water collection facilities with a capacity of 500 cubic meters each, along with external water

and sewage networks, were completed by October 20, 1993. The complex was provided with electricity through a VL-35KV line and a 35/6KV transformer substation, which were commissioned by October 10 [1].

On September 1, 1992, the Uzbek-Chinese joint venture “Navro‘z” was established between the Mehnat enterprise in Nishon district, Qashqadaryo Region, and China’s Yejchuan Company specializing in border trade. The agreement was approved by the Chinese government on October 7, 1992, and by the Ministry of Finance of Uzbekistan on January 17, 1993. The charter fund of the joint venture amounted to 400,000 USD, with 50% owned by Uzbekistan and the remaining 50% by China. On the first floor of the enterprise, 100 employees worked, including 30 managers and engineer-technical staff (15 of whom were Chinese), while the remaining 70 were Uzbek workers.

In the first phase, the joint venture aimed to process 90,000 cattle hides, 450,000 sheep hides annually, and produce semi-finished goods from 300 cattle hides and 1,500 sheep hides per day. The projected annual output value was 2.5 million USD, with a net profit of 700,000 USD.

The second phase envisaged increasing production capacity, processing 3,000 cattle hides and 100,000 black sheep hides to produce finished goods, manufacturing clothing from sheep hides for local consumption, and producing export-oriented leather jackets. The annual production volume was planned to reach 10 million USD, with a net profit of 3 million USD, and employment was to increase to 300 people.

In the third phase, the joint venture planned to produce fully finished leather products, including footwear. Annual output was projected at 15 million USD, with net income of 4 million USD, and employment rising to 500. If the first phase was successful, the Chinese investor agreed to finance the second and third phases [2].

By the summer of 1993, equipment worth 220,000 USD for the leather processing workshop of the Uzbek-Chinese Navro‘z JV was delivered and

installed. Despite the delivery of 30 tons of necessary chemicals, due to unsatisfactory construction progress, the unfinished “Kislorod-Azot” station building, located on the balance of Construction Directorate No. 4 in Nishon district, was transferred to the joint venture for the leather processing workshop by decision of the Qashqadaryo Regional Governor on November 17, 1993 [3].

By November 1993, 53 enterprises operating solely with foreign investment were registered in Uzbekistan. While there were 30 joint ventures in 1990, by December 1, 1993, their number had increased to 310 [4].

To ensure the population was supplied with quality oil products, several practical measures were undertaken in Qashqadaryo Region. In 1996, the Uzbek-American joint venture “Shahri International” was established in Shahrisabz city, with construction financed by the Central Asia – U.S. Enterprise Support Fund. The inauguration ceremony took place on May 28, 1997, and the plant began producing 4 tons of oil per day [5].

The Shahrisabz canning plant installed state-of-the-art technological lines, allowing it to export products to countries such as Germany and the Netherlands. By modernizing its juice bottling section, the Uzbek-British joint venture “Shahrisabzkonserva” was established. Its founders included Shahrisabzkonserva Open Joint-Stock Company, the UK’s Central Asia Investment Company, and the Uzmevasabzavot association. Nearly 4 million USD was allocated to develop the joint venture [6].

Conclusion.

Analyses based on conducted research and archival sources indicate that the 1990s represented a critical turning point for Uzbekistan, and particularly for Qashqadaryo Region, in attracting foreign investments. Despite the challenges of the early years of independence and the economic transition period, a number of major projects were successfully launched in the region with the participation of investors from Turkey, China, the United States, and the United Kingdom.

The experience gained during these initial years provided a solid foundation for future investment policies and strategies, demonstrating the region's potential to attract and efficiently utilize foreign capital for economic development and industrial modernization.

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