



Features of Financing Localization in the Railway Transport of Developed Countries and Our Country

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Abstract: Uzbek and foreign scientists studied the features of financing localization in railway transport. Data on the features of localization financing in railway transport in our country are analyzed and conclusions, proposals and practical recommendations are developed.

Key words: Railway transport, features of localization financing, localization program, import substitution policy, local raw materials, support for local producers.

Introduction.

In the implementation of import substitution policy in the country, it is important to rely on advanced foreign experiences. As a result of studying foreign experience, we can see three models of import substitution policy. That is:

1. **Internal orientation model** (Latin America is an example: Brazil, Mexico, Chile, Argentina, Paraguay, Uruguay).
2. **External orientation model** (USA, European countries and East Asian countries: South Korea, Taiwan, Thailand, Philippines, China).
3. **Mixed import substitution model** (India and Egypt are examples).

The model of domestic orientation aims to capture the domestic market of a developing country with import substitution production. From the point of view of the national economy, this strategy consists in the development of technical cooperation in the technological spheres and the promotion of the development of industries to the level of the world market. A country builds its national economy by expanding and diversifying its output. An example of this model is the countries of Latin America, that is, Brazil, Mexico, Chile, Argentina, Paraguay, Uruguay. In the 1950s and 1960s, these countries began to modernize their industry in order to protect themselves from the expansion of North American markets.

The conceptual basis of this model was the economic theory developed by a group of Latin American scientists led by Argentinean economist **Raul Prebisch** . **The essence of this theory** is the implementation of import-substituting production and the protection of the domestic market from the foreign market . Economic growth has been achieved as a result of the application of this concept in the countries of the region. At the same time, it led to the provision of employment and an increase in the standard of living.

The model of foreign orientation, that is, a strategy that replaces foreign-oriented imports, the characteristic feature of which is to achieve a structural change of the economy by localizing the production of components and spare parts that are imported as part of exports.

In the 1930s, the doctrine formulated by the Japanese economist Kaname Akamatsu directed countries to step-by-step technological development. Later, Japanese scientists Eli Heckscher and Bertilla Olin added the factor of foreign direct investment to this theory. Technological and financial assistance to multinational companies has demonstrated the ability to accelerate economic development in developing countries. According to the theory, the equal distribution of production factors is reflected in the trade structure. Because each country exports only manufactured goods and services. Taking into account the above, the effective implementation of the foreign import substitution policy consists in determining the reserves of the national economy for the formation of factors that support sufficiently developed promising industries. Such a support mechanism will not only localize the production of similar products in the national market, but also lead to the export of surplus products in these areas.

An example of the implementation of **a mixed import substitution model is the Indian economy.** In the face of serious competition with English products, the state implemented a number of measures to develop import-substituting sectors in heavy industry, found in the mobilization of resources to create the main industry in heavy industry, improve economic infrastructure and, as a result, create conditions for strengthening private entrepreneurship. By the mid-1960s, the share of imports for consumer goods was 8% for intermediate applications, and 21% for machine-building products. According to the Reserve Bank of India, “to protect the economy both in production and trade and against foreign competition”. As a result of the targeted policy to expand the base of the national industry in India, significant results have been achieved in the development of the pharmaceutical industry, the pharmaceutical miracle. Currently, 20,000 organizations operating in the country produce a wide range of products.

The characteristics of the mixed strategy of import substitution are specific to the Egyptian economy. Over the past 25 years, the implementation of the import substitution policy has made it possible to achieve that 90% of the drugs consumed in the country are the products of local manufacturers. The chairman of the Egyptian Chamber of Pharmaceutical Industry, M. Hassan, said that the country deserves to take a leading position in the production of pharmaceutical products, because they fully meet international standards and have high quality due to strict control. In this regard, in order to fully realize the industrial potential of the state, priority is given to increasing the volume of national production while maintaining positions in the domestic market.

Literature analysis and methodology.

This scientific article was developed and executed in accordance with the directions of specific features of financing localization in railway transport in our country. It serves as the theoretical-methodological basis for the development of financing of the localization of railway transport in our country, its regulation by the state and improvement of economic mechanisms.

The theoretical development of state regulation of the economy and financing of localization in railway transport was thoroughly analyzed in the scientific works of foreign scientists H. Chenery, M. Bruno, A. Straug, N. Carter and others.

Localization of production in our country is consistently studied on the basis of theoretical and practical research. Among these problems, Uzbek scientists I. Kh. Boboev, M. R. Boltabaev, Sh. I. Mustafakulov, G. N. Matchina, T. I. Iskandarov, N. Q. Boboho'jaev, O. A. Sultonho'jaev, R. Sayfulina, S.M. Mansurov, T.T. Topvoldiev, R.R. Rakhmanov, D.A. Mirkhanova and other economists were researched.

Generalized economic analytical methodology, statistical-analytical systematic analysis, systematic comparative analysis, economic mathematical modeling, grouping and expert assessment, economic forecasting methods were used.

Discussion and Results.

Studying foreign experience allows us to identify three types of import substitution strategies.

1. Comparison with relatively weak industrial enterprises whose products are not competitive, even with imported partners in the domestic market. This type of policy is the limitation of imported products and the establishment of much higher prices for imported goods compared to domestic goods (USSR, People's Republic of China, Latin American countries). The first type of policy is considered by many experts to be the first "easy" stage of import substitution.
2. The policy of "self-management" to create new production and industrial sectors. The formation of high import duties was combined with tax incentives for local producers and public investment for the development of industrial infrastructure (East Asian countries).
3. Promotion of developed industry, with sufficient potential to expand production export, export support by the state (Singapore, People's Republic of China, Hong Kong, South Korea).

Despite the fact that the economic history of the world has already been significant, the experience of the implementation of import substitution policy, its documentation remains unchanged. All tools of import substitution policy are divided into three large groups: active industrial policy; protective equipment; financial and monetary policy, supplemented by a program of international participation.

1. Active industrial policy is carried out along with the expansion of state corporations and enterprises in the form of mixed ownership in heavy industry: steel, petrochemical, oil extraction, telecommunications, and aircraft construction. In the conditions of insufficient development, such corporations have a number of advantages: use of public funds to finance investments and research, attract the best specialists; the possibility of obtaining foreign loans for the financing of large projects and technology transfer; less sensitivity to long-term return on investment. The first group includes tools for financing and subsidizing the main industry: setting low interest rates on loans and deposits, public procurement, attracting foreign direct investment in the form of joint ventures, production capacity and branches of multinational corporations, protectionism, taking into account import restrictions. forced to look for new ways to maintain the market in the country implementing its policy. It is believed that foreign direct investment plays a positive role not only in terms of attracting additional financing for the development of industrial infrastructure, but also in terms of technology transfer. The first group also established large public investment development banks, which not only provided loans at rates well below market rates, but also advised borrowers on economic and technological development.
2. Protective measures are aimed at protecting non-competitive domestic products from foreign analogues, so less developed industries can develop in more favorable conditions. In international trade, the most common import and export import restrictions and quantitative restrictions such as import licensing, import duty regulation, exchange rate revaluation, trade embargo, creation of technical barriers were used. One of the directions for the development of tariff methods of regulation is the coordination of customs policies between countries by creating free trade zones or customs unions. When creating a free trade zone, participating countries eliminate customs fees in mutual trade, but maintain each level of customs protection against third countries. . The customs union does not mean the duty-free trade of the members of the union, but also the establishment of a single customs tariff.
3. The third group of instruments is aimed not only at export promotion. The system of regulation of foreign economic activity includes state subsidies for export, regulation of the national currency, support of the main industry through tax incentives and preferential loans, consumption of electricity, subsidization of transport costs. At work, the regulation of nominal wages is an instrument of import substitution policy, which is related to the regulation of domestic demand, but has a negative impact on the value of domestically produced goods, the volume of GDP and the volume of exports. In fact, the nominal wage and the nominal exchange rate are tools that move in opposite directions.

Thus, the main characteristic of the theory of import substitution is the industrialization of the economy through the localization of the composition of the imported products entering the country. The implementation of this theory involves the creation of artificial incentives (tax and customs benefits) for the development of certain branches of local industry in order to increase

competitiveness in the domestic market and serves to increase the share of industry in the country's gross domestic product.

In order to effectively use domestic raw materials, develop our national economy, and support local entrepreneurs, the policy of import substitution has been implemented in our country. As an element of this policy, we can see the reforms carried out in the formation of localization of production.

In accordance with the adopted program on deepening the liberalization and reforms in the political, economic and spiritual spheres of society in our country, as well as ensuring the country's security, the Cabinet of Ministers of the Republic of Uzbekistan "On the program for the localization of the production of goods and materials based on local raw materials until 2005" No. 342 of September 5, 2000 the decision has been made.

We can see that in the development of localization programs in our country, special attention is paid to the following directions:

Localization of production of goods and materials based on local raw materials until 2005;

In 2004-2005, optimizing the import of goods due to deepening the localization of production of finished products, components and materials;

In 2006-2008, extensive use of local raw materials and production resources, thus increasing the production of modern competitive products, economical and rational use of foreign exchange funds;

In 2008-2010, increasing the production of modern products that replace imports and are competitive;

In 2009, to further promote the production of competitive modern products intended for export and import substitution;

In 2010, to increase the production of competitive local products for export, to develop inter-industry and intra-industry cooperation;

In 2011-2013, to further deepen and expand the scope of localization of production, to encourage the increase in production of modern competitive export-oriented and import-substituting products;

In 2014-2016, deepening the scope of localization of production of modern competitive finished products and components based on local raw materials;

In 2017-2019, on the basis of local raw materials, the establishment of enterprises that replace imports and provide the domestic market with necessary consumer goods, medicines, products of production and technical importance, components and materials;

By 2019, regional economic zones are being established based on local raw materials in order to support the production of export-oriented and import-substituting consumer goods for the domestic market.

Conclusion.

It is known that the process of localization is to ensure the rapid and stable development of the economy, reduce its dependence on external factors, accelerate the application of new and effective technologies to production processes, wide use of local raw materials and production resources, economical and rational use of foreign exchange funds, as well as create new jobs. allows to create.

At the same time, the implementation of the localization program is characterized by the following positive aspects:

effective use of existing production capacities;

increase the export of products with a high level of added value of various industries and, accordingly, reduce the weight of traditional exports;

development of effective internal and intersectoral production cooperation relations;

high level use of the cooperation potential of our country's enterprises in the rial sector of the

economy;

improving the structure of the economy due to the expansion of processing of local raw materials, modernization of existing enterprises and establishment of new ones.

In our opinion, such tariffs allow for the development of new approaches to the formation of conditions for the effective implementation of import substitution policies that take into account quantitative and qualitative changes. In conclusion, it should be noted that the understanding of the nature of import substitution is growing and necessary to achieve sustainable growth of the country's economic development.

Import substitution in the modern economy is a way to improve economic security and strengthen the country's position in the world community.

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