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## State policy to support manufacturing enterprises in foreign countries within the framework of targeted programs

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ABSTRACT

The content and directions of state support for industrial enterprises in developed countries within the framework of targeted programs are scientifically studied in the article.

**Keywords:**

national economy, industry, industrial policy, investments, government support, tax incentives, innovations, subsidies, competitiveness, export promotion

The industrial sector is one of the most dynamically developing sectors of the world economy. For the development of industry in each country, different means and methods of state support, various and complexly structured mechanisms are used.

The industrial policy of the country is formed through the systematic application of the necessary mechanisms and strategic goals and directions in the development of the industry, which serves to adapt the national economy to world conditions and strengthen its competitiveness.

In various countries, financial and non-material incentives are being implemented to ease the post-COVID period and ensure the efficient use of capacities at industrial enterprises.

At the same time, among other things, the activity of enterprises is encouraged through benefits and preferences for localization in the country, export to foreign countries, and as a result, the industrial sector, which is the main locomotive of the economy, develops, budget revenues increase, and permanent jobs remain. State support is carried out taking into account the technological features of industries. In this

regard, in the classification of industries, 3 main industry groups are distinguished - mining, processing and electric power industries.

**Table 1**  
**Used to support business types of measures and instruments**

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<table border="1"> <tr> <th><b>financial measures</b></th> </tr> <tr> <td>                     interest rate subsidies                      project financing                      support research and development                      subsidizing pilot batches of technological equipment                      support for regional programs, technology parks and clusters                      leasing benefits                      application of export credit                      partial coverage of infrastructure, production and export costs                      financing of development institutions                 </td> </tr> </table>	<b>financial measures</b>	interest rate subsidies project financing support research and development subsidizing pilot batches of technological equipment support for regional programs, technology parks and clusters leasing benefits application of export credit partial coverage of infrastructure, production and export costs financing of development institutions	<table border="1"> <tr> <th><b>Non-financial measures</b></th> </tr> <tr> <td>                     separate investment contracts                      advertising at exhibitions, fairs, conferences, foreign markets                      protecting the interests of national industrial enterprises abroad                      regulation of public procurement of industrial products                      support of project consortiums                      development of engineering centers                      standardization and technical regulation                 </td> </tr> </table>	<b>Non-financial measures</b>	separate investment contracts advertising at exhibitions, fairs, conferences, foreign markets protecting the interests of national industrial enterprises abroad regulation of public procurement of industrial products support of project consortiums development of engineering centers standardization and technical regulation
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According to World Bank statistics, during 2020, 21 trillion. 10 (China, USA, Japan, Germany, India, Russia, Italy, South Korea, Mexico, France) industrialized countries produced 72% of industrial output.

Let us analyze the experience of these countries in supporting national manufacturing enterprises through industrial policy.

US industrial policy has a number of advantages. The American model of industrial policy is characterized by the fact that it is not formalized directly in the form of government documents. The goals of the country's industrial development are elements of macroeconomic policy and are based on creating favorable conditions for increasing the competitiveness of the industry, strengthening its position in the domestic and foreign markets, and strengthening the proportionality of industrial development. Due to the fact that no specific state body is assigned to the control or implementation of this model of industrial policy, it is carried out on the basis of a general system of state regulation of economic processes.

The main elements of US industrial policy are military-industrial, scientific and technical,

energy, investment, budgetary (including federal investment programs in research and development), small business policy, government procurement, as well as large-scale investment programs of individual ministries.

The main objectives of US industrial policy:

- the structure of the industry adapted to the conditions of international competition and the creation of specialized industrial companies;
- creating the most favorable conditions for American industry in the world market, reducing trade barriers to exports and investment;
- changing the competitiveness of the main industries, increasing their competitiveness in the economy.

In recent years, US industrial policy has focused on innovation and investment policy, public-private partnerships, tax policies to encourage industrial and innovation processes, and direct or indirect influence on industrial development.

The United States has more specialized measures, including a wide range of financial support measures. It is noteworthy that in order to increase or maintain the working

capital of companies, the payment of various types of taxes by the state is canceled for a certain period or mandatory payments are postponed.

For example, in the context of the coronavirus pandemic, the US Department of the Treasury and the Internal Revenue Service announced a 3-month (04/15/2020 to 07/15/2020) deferment of tax returns without interest and penalties. for all businesses paying taxes. It was also possible to defer the payment of excise tax and payments to enterprises of alcohol, tobacco products, firearms and ammunition for 90 days, to industrial enterprises for 60 days, and payments for communal infrastructure.

In October 2022, the US National Science and Technology Council adopted the "National Strategy for Economic Production". This strategy aims to advance the economy, create jobs, increase environmental sustainability, address climate change, strengthen supply chains, enhance national security, and improve public health by articulating a vision of the United States as a leader in advanced manufacturing.

This strategy defines 3 main goals, in particular, the creation and implementation of modern production technologies, an increase in the skilled labor force required for production, and an increase in the sustainability of industrial supply chains. To achieve these goals, 11 strategic objectives and 37 programs are planned for four years. As for the goals, they are as follows:

- 1) ensure green and sustainable production to support decarbonization (reduction of carbon dioxide emissions);
- 2) accelerating manufacturing innovation in microelectronics and semiconductors;
- 3) introduction of advanced manufacturing to support the bioeconomy;
- 4) development of innovative materials and processing technologies;
- 5) in the future, smart manufacturing, the development of Smart factories;
- 6) expansion and diversification of the advanced production staff;
- 7) development, expansion and promotion of advanced industrial education;

- 8) strengthening relations between employers and educational organizations;
- 9) increasing connectivity in supply chains;
- 10) implementing measures to reduce supply chain vulnerabilities;
- 11) strengthening and developing advanced production ecosystems.

Within the framework of China's industrial policy, long-term programs have been adopted to bring the manufacturing industry into the world leaders not only in terms of size, but also in technology.

On the basis of the adopted programs, it is planned that by 2040 China will not only become the leading country in terms of economic development, but will also receive leadership in terms of the development of the scientific and technological sphere, and will achieve the creation of a Chinese knowledge economy by 2050.

The medium and long-term plans of the Chinese government for the development of science and technology provide for the transformation of the Chinese economy into an innovative economy. In particular, an important place is given to the use of innovations in the field of industry, agriculture and information and communication technologies in order to reduce the burden on energy, resources and the environment and meet the needs of the population.

At present, the following can be noted as the main factors of successful industrial policy and innovation in China:

1. Thanks to the industrial policy of the state, China has quickly moved from the assembly method to the production of high-tech industrial products, and today it is a global engine of innovation economy. Thus, in modern conditions, the only way to achieve competitiveness is the implementation of state policy that creates all the necessary conditions and laws for doing business, actively acting as a global entrepreneur.
2. A distinctive feature of China's national innovation system is the decisive role of the state in shaping the institutional infrastructure and stimulating the innovation process. By expanding the scope of market mechanisms and encouraging innovation at the micro level,

the government has made changes in macroeconomic regulation necessary to achieve strategic objectives. At the state initiative, high-tech zones, technology parks, innovation clusters and innovation project support funds are being organized.

With the use of a wide arsenal of instruments of direct and indirect regulation (subsidies, targeted tax and credit incentives, preferential rates for renting buildings, customs incentives, equity financing of large innovative projects in the form of public-private partnerships, etc.) is being formed. The specialization of scientific and technical organizations stimulates their innovative activity.

3. Adopted "Made in China 2025" program to improve the competitiveness of the industry through the widespread use of modern technology in China. In doing so, manufacturing and processing in China is a top priority, and it is planned to replace the words "Made in China" with "Made in China" or from speed to quality and product to brand.

In this program, there are two threads (external and internal) that are connected to each other. The external flow is a new stage of the technological revolution (Industry 4.0, digitalization, etc.), while the internal flow is aimed at the reconstruction of Chinese industry and changing production methods. 4 categories of key indicators are defined: innovation potential, improvement of product quality, integration of information and industrialization, green development.

At the first stage of Japan's industrial policy, forms and methods of state regulation of the economy were introduced, similar to the measures used by other developed countries. Government intervention in the economy took several forms:

- 1) state property and entrepreneurship;
- 2) redistribution of national income through the budget;
- 3) macroeconomic policy;
- 4) administrative and legal regulation of the development of individual industries.

However, in Japan, the practice of using informal methods of state regulation prevails, which may include a certain regulatory tool - administrative leadership ("madoguchi shido"),

as well as the interaction of public and private business through a network of organizations (keidanren).

The economic system of post-war Japan differed from other developed countries in the relative weakness of free market elements. This was due to the large role of the other two main structures - the state and groupings in the business sector.

In the post-war period, the strategic direction of economic growth policy was to stimulate the accumulation of capital. This direction was mainly based on such means as huge public investments in the expansion and improvement of economic infrastructure, subsidies, soft loans, various tax and depreciation incentives to encourage domestic and foreign sources of private business investment, scientific and technological development and export. . In particular, tax incentives for small savings of the population have become important in this process.

The main goal of Japan's economic policy has remained unchanged for many years: private business and the state cooperate to increase the country's international competitiveness.

Responsibility for choosing the direction of economic development was assigned to senior officials of the Ministry of International Trade and Industry and the Ministry of Economy, Trade and Industry.

The nature of competition and cooperation in the Japanese economy is determined by the important role of the complex system of interdependence between the Japanese government and business institutions. In addition to the Ministry of Economy, Trade and Industry, this system includes the Ministry of Finance, the Ministry of Posts and Telecommunications, the Bank of Japan, the Economic Planning Agency, industrial associations, large corporations Keiretsu and Keidanren, and national trade unions.

The Ministry of Economy, Trade and Industry and the Ministry of Foreign Trade and Industry provided practical assistance to enterprises in developing an optimal development strategy, negotiating with foreign partners and, in turn, in the entry of Japanese companies into foreign markets.

In general, the development of Japanese industry took place with the active interaction of 3 main forces: the state (representing the leading ministries), representatives of big capital and trade unions (representing the interests of working communities).

Japan's industrial policy has created favorable conditions for the development of a number of industries that have become the basis of the country's industrial growth, and has served to create a favorable investment climate in Japan.

In the context of the global crisis, Japan developed a "New Strategy for Economic Growth", in which, in addition to the already defined anti-crisis measures, the main long-term directions were determined.

- 1) high environmental standards (energy-saving technologies, reduction of the greenhouse effect, active use of non-traditional types of energy);
- 2) higher health standards and longer life expectancy;
- 3) development of a new strategy for the development of information and communication technologies;
- 4) mobilization of the country's internal resources (creation of well-known brands, development of tourism, etc.).

According to the Japan Science and Technology Development Plan and the Innovation Development Strategy adopted at the beginning of 2016, reindustrialization based on the active development of science and the introduction of advanced technologies is considered as the main stimulating factor for economic growth.

The economic strength of the country is based primarily on a strong manufacturing industry, as well as on the ability of Japanese specialists to quickly and efficiently adapt and modernize existing technologies. In Japan, the tertiary sector of the national economy, the service sector, is also well developed.

Japanese industry is characterized by a significant proportion of industries producing complex technical equipment, finished processing and assembly. They are represented by a wide range of branches of mechanical engineering, such as mechanical engineering, heavy electrical engineering, railway transport

engineering, production of technological equipment with numerical control.

Other industries are also highly developed: the chemical industry, telecommunications equipment, optical instruments, aviation and astronautics, etc. Japan pays great attention to solving problems in the field of materials science: improving the quality of steel or creating new alloys. It meets certain predetermined characteristics, such as high strength, thermal conductivity, thermal insulation, light weight of products, etc.

Japan has been a leader in the development of nanotechnology for many years. The government has identified areas such as nanoelectronics, nanobiotechnology and nanomaterials as priority areas for scientific and innovative research and development. Applications of nanotechnology include medicine, communication, new materials with improved physical and chemical properties, etc. Japan, known as one of the world leaders in the field of mechanical engineering, in particular, robotics, has made it one of the strategic directions for the development of the country's industry in the future. In particular, in 2015, the Japanese government approved a five-year Robotics project. One of the priority areas in the development strategy is "robonomics" - the production and use of intelligent robotics is expanding significantly in industry, energy, transport, agriculture and households.

Germany's strength in international competition and its high level of individual and social well-being are largely due to its traditional industrial strength. After the Second World War and again after the reunification of Germany, it was the industrial centers of Germany that made it possible to create new, promising values. Today Germany remains one of the leading industrial countries in the world. But in the context of the financial and economic crisis of 2008-2009, new responses to changing conditions had to be found. Accelerated technological development, intense international competition, and the active pursuit of state-controlled industrial strategies have in many cases changed the global economic landscape. The breadth of these changes, especially in relation to digitization,

has further increased this need. Thus, Germany and Europe needed to define new strategies for creating industrial value.

The development as a successful industrial center on a global scale required the active and successful development of Germany. In February 2019, the German Ministry of Economics published the National Industrial Strategy 2030.

The main directions of the strategy are:

- targeted development support in the main industries - metallurgy, chemical industry, engineering, automotive, pharmaceuticals, green science and technology, national defense, aerospace, artificial intelligence and 3D printing;
- Strengthening the industrialization of the economy and increasing the share of industry in the gross domestic product from 23.4% to 25%;
- ensuring the competitiveness of German industry in Europe and the world by supporting the consolidation of the industry and the creation of industrial "champions" in Europe.

As a means of achieving the goals of the strategy, it is planned to use:

- reforming the EU antimonopoly legislation (a total of 19 EU governments will contribute to the emergence of European industrial giants capable of withstanding "tough competition" from the US and China);
- providing energy resources at lower prices to giant enterprises and ensuring a more competitive tax system;
- in order to protect enterprises from unwanted takeovers, the creation of a public investment fund that allows the government to buy shares for a certain period of time, or "national and European champions" - targeted formation of important large private companies, comprehensive support for successful resistance in the world market;
- Strengthening control over foreign investment.

In recent years, in Uzbekistan, in order to reform the national economy, liberalize foreign trade, tax and financial policies, support entrepreneurship and guarantee the inviolability of private property, establish deep

processing of agricultural products and ensure the rapid development of the regions, legislative reforms are being carried out and through this attention is paid to the production of competitive, exportable and high-margin products on the world market. He made revolutionary decisions to support private business, which is the engine of the modern economy. More than two hundred licenses and permits in this area have been cancelled. The total number of taxes has been reduced from 13 to 9, the rates of some taxes have been reduced by 2 times. From 2023, the value added tax rate will be reduced from 15% to 12%.

During the start of the pandemic, despite the difficult situation in foreign markets, the positive dynamics of economic growth continues. In 2021, the growth rate of the national economy exceeded 7 percent.

As a result of the reforms carried out to create an investment environment, the volume of foreign investment entering the economy of Uzbekistan has increased 10 times over the past 5 years and amounted to almost 40 billion dollars.

In particular, in accordance with the Law of the Republic of Uzbekistan No. 598 "On Investments and Investment Activities", which guarantees the rights of investment activities, state bodies and their officials are not entitled to interfere in the activities of investment activities carried out in accordance with the law. Non-discrimination of investors on the basis of citizenship, place of residence, place of economic activity, as well as the country of origin of investors or investments is guaranteed.

Investors are guaranteed free transfer of funds in foreign currency to the Republic of Uzbekistan without any restrictions, payment of taxes and fees, including currency conversion for repatriation. These transfers include:

- initial and additional amounts to support or increase foreign investment;
- income from investments;
- in accordance with this Law, funds received to compensate for losses;

- commissions paid for the fulfillment of the terms of the contract;
- proceeds from the sale of all or part of foreign investments;
- payments arising from the resolution of disputes, including any decision of a court or arbitration;
- wages and other payments to employees;
- funds received from other sources in accordance with the law.

Income tax, property tax, development of social infrastructure and landscaping for enterprises attracting foreign direct investment in the electrical, light, silk industry, building materials industry, food industry, chemical industry and pharmaceutical industry in the Republic of Uzbekistan tax, environmental tax, unified tax for microfirms and small enterprises, as well as mandatory payments to the republican road fund.

These tax benefits are provided when attracting foreign direct investment in the following volumes:

- 3 million out of 300 thousand dollars. to dollars - for a period of 3 years;
- 3 million rubles 10 million dollars. to dollars - for a period of 5 years;
- 10 million rubles more than US dollars - for a period of 7 years.

President of the Republic of Uzbekistan dated March 15, 2013

In pursuance of Decree No. PF-4515, property imported into the Republic of Uzbekistan for personal production needs by enterprises with the participation of foreign investments in the authorized capital of at least thirty-three percent of foreign investments is exempt from paying customs duties for two years. from the date of state registration of these enterprises.

In order to further deepen structural transformations in the building materials industry of Uzbekistan, modernize enterprises, update technical and technological innovations, Decree of the President of the Republic of Uzbekistan dated May 23, 2019 No. 4335, dated October 1, 2021

Decisions No. PQ-5239, No. PQ-139 of February 21, 2022 were adopted and wide benefits and opportunities were provided. Including:

- Reimbursement of expenses of the Export Development Agency of the Ministry of Investment and Foreign Trade for certification of exported products of local manufacturers of building materials;
  - reduce the tax base of economic entities for a period of 5 years in equal shares by the amount of costs for the construction of engineering, communication and transport infrastructure facilities necessary for the development of mineral deposits, but not more than the amount calculated in accordance with the standards determined by the Ministry of Energy and the Ministry of Transport;
  - the use in construction work of building materials that have passed the relevant tests and received a certificate of conformity in the prescribed manner;
  - to provide free of charge to economic entities, upon their request, information characterizing the type or type of technogenic minerals, their quantitative and qualitative indicators, as well as the mining and technical conditions for their storage;
  - reduction of the profit tax rate for cement (clinker) producers from 20 to 15 percent;
  - halving the tax rate for subsoil use on limestone intended for cement production;
  - export of cement, cement clinker and building glass produced in the republic to all legal entities without restrictions on the basis of direct contracts.
- The Export Promotion Agency provided subsidies to local exporting enterprises to compensate up to 50% of the cost of transporting building materials to all countries, including border countries by road, rail and air. Small business implementing projects for the production of building materials in order to develop the electrical, textile, leather and footwear, food, pharmaceutical, jewelry, paper industries, the production of building materials, furniture, household goods and other local industries in the territories of the republic. The State Fund for the Support of Entrepreneurial Activities to its subjects:
- guarantees up to 50% of the amount of bank loans issued as part of the implementation of investment projects, but not more than 2.5 billion soums;

- up to three years to cover a part of commercial banks in the national currency allocated to enterprises for the production of building materials, with a total value of 5 billion soums, the interest rate for which does not exceed 1.5 times the main rate of the Central Bank, which exceeds the main rate, but does not exceed 30% of the basic rate, compensation has been provided.

Also, in order to further improve the investment environment, expand the attraction of foreign direct investment in priority sectors of the economy and other important areas, organize high-quality investment processes, taking into account the best world experience, by decision of the President of the Republic of Uzbekistan No. PQ-4519 dated November 14, 2019 Council of Foreign Investors.

On November 16, 2022, the first general meeting of the Council of Foreign Investors was held under the leadership of the President of the Republic of Uzbekistan. More than 40 heads of the world's leading companies and financial institutions took part in the conference.

A number of agreements have been signed in Uzbekistan to develop a strategy for the decarbonization of the national economy until 2050, develop the digitalization sector, implement Green projects, develop natural resources, and introduce new projects in the energy sector.

Also during the conference there was a discussion of new proposals for establishing constructive and long-term cooperation in such industrial sectors as energy, exploration, chemical and petrochemical, metallurgical.

In the next 10 years, it is planned to double the gross domestic product of Uzbekistan through the implementation of industrial policy in Uzbekistan.

It was decided to increase the volume of investments to \$120 billion within five years, including attracting at least \$70 billion of foreign investment, primarily for the modernization and transformation of industries, to direct the accelerated development of production, utilities and transport. infrastructure, and for the implementation of specific projects and programs.

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