

Ways to increase demand for local products, import substitutes

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Abstract: This article analyzes the composition of the demanded imported products, the pros and cons of localizing imported goods and recommendations for improving the production of import-substituting products and their promotion in the market.

Keywords: import, export, goods, entrepreneur, localization, import-substituting goods

National production of consumer goods that meet requirements of modernity, and exporting them abroad is one of the important tasks for each country. At the same time, increasing demand for domestic products and production of import-substituting products, development domestic market and entering the world market is one of the highest goals domestic entrepreneurs.

An increase in exports and a decrease in imports creates the basis to achieve higher economic goals. Only on condition real development of the domestic market demand for foreign products will decrease, the velocity of money will increase, costs will decrease, and we will open the way to enter the world market [1].

In order to increase the export potential and modernize the existing production potential of industrial and agricultural enterprises by the President of the Republic of Uzbekistan Sh.M.Mirziyoyev signed a number of Decrees and Government Resolutions.

Thus, the Decree “On measures to further expand the financial Support for Export Activities” [2] and Decree No. PF-6091 dated 07/13/2021 "On the further expansion of financial support for export activities” are one of them. By carefully studying these decrees and solutions, we can get information about the opportunities provided by exporting enterprises, and how to use them correctly [3].

Table 1

Structural composition of imports of consumer goods in Republic of Uzbekistan in recent years (million dollars).

№	Name products	2011	2016	2021
	Total	10,086.3	11,542.0	25,461.0
1	Food and animal fats	631.0	1,144.6	2,509.6

2	Beverages and tobacco	41.0	45.2	89.9
3	Non-food raw materials	308.0	263.7	1,154.5
4	Fuel, lubricants oils and similar materials	796.8	589.0	1,540.9
5	Animals and vegetable fats, oils and waxes	201.3	224.6	411.5
6	Chemicals and similar products not included to other categories	1,096.9	1,717.2	3,648.1
7	Industrial goods (by type of material)	1,644.5	1,775.2	4,720.2
8	Machinery and transport equipment	4,439.2	4,518.8	8,252.7
9	Various pre-made products	366.1	454.5	1,385.1
10	Other goods	-	0.0	11.6
11	Services	561.5	809.2	1,736.8

If we analyze the structural composition of imports to our country for the last 10 years, during the study period, imports of food products and animal fats increased to \$1,878.6 million in 2021, or 4 times compared with 2011, and chemical products and similar products are not included in other categories increased to \$2,551 million or 3.3 times. If we analyze the goods imported by the country by comparative method, we will see that over the past 10 years, their imports have increased by within 2-4 times compared to 2011. In other words, you can conclude that imported products in the country increase by 1-2 times every 5 years [4].

Based on these indicators, it is possible to predict the volume of future imports. goods and predict the future development of the national economy. However, according to the domestic policy of modernization of production and import substitution, it is necessary, first of all, to prevent, quantitative growth of these indicators in the foreseeable future. For, each an increase in the value of these indicators, in turn, indicates an economy in which the threat to economic security is exacerbated despite dependence on the outside world.

The indicator of foreign trade turnover of Uzbekistan for January 2021 amounted to 694.7 million dollars, while imports amounted to 1639.2 million dollars.

According to the table, Uzbekistan imports clothing, food, chemical products and other manufactured goods from different countries. One of imported goods, which does not have a large volume, are finished sewing products.

As of September 2021 Uzbekistan imported finished garments from 64 countries for a total of 16.1 million dollars. This, of course, is not a small indicator. It follows

that domestic clothing enterprises should take immediate action to achieve its goal: first, to study in detail the quality of imported garments, and secondly, to take measures to improve localization, and thirdly, by applying the policy of import substitution, designate a step-by-step strategy for its production and delivery to the consumer.

According to the State Statistics Committee, in 2021, from the importing countries there were imported ready-made clothes in the amount of 6.5 million dollars from China, 4.9 million dollars - from Turkey, in the amount of 839.1 thousand dollars from Russia, from India – for in the amount of 714.0 thousand dollars, from Germany - in the amount of 647.9 thousand dollars.

In this regard, we conducted a sociological survey on the topic:

“Sewing products of which country attract the consumer with their design, quality and price” and 600 people took part in this survey, the results of the survey which are presented in the following table 2:

Table 2

The results of a sociological survey on the topic “Which garments countries attract consumers with design, quality and price”

№	State	Number of consumers, out of the total survey participants	As a percentage of total
1	Turkey	378	63%
2	Uzbekistan	105	18%
3	China	93	15%
4	Russia	24	4%
	Total	600	100%

According to the data presented in Table 2, garments from Turkey received high result, gaining 378 (63%) votes, which differs by 45% from the demand for this clothing of national production. These figures show that the demand for ready-made clothes from Turkey in our country is very high Turkish clothes are competitive in quality. This suggests that national industry can compete with developed countries in terms of quality and design of clothes. At the same time, the more healthy competition, the higher will be the quality and affordability of prices. Government Uzbekistan is carrying out large-scale and targeted work in this direction. An example is the Decree of the President of the Republic Uzbekistan No. PF-6019 “On additional measures for the further development competitive environment and reduction of state participation in the economy” from July 6, 2020 [5]. If we turn to reality and through the prism economic definition of today's reality, it is possible conclude that the positive aspects of the localization of imported goods can be called: increase in employment of the population at the main place of work; improvement of the social and economic situation of the population; speed up money circulation in the real sector of the economy; contribute improving the economic security of the country.

And finally, another positive thing is that it will allow and encourage economic entities to develop innovations and focus on the brand [6]. Nowadays, consumers are interested in buying well-known branded goods. Every business must create your brand and promote it, if the brand develops successfully, then consumers will pay for the brand.

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