

## **DEVELOPMENT OF THE CHEMICAL INDUSTRY IN THE REPUBLIC OF UZBEKISTAN IN THE PERIOD FROM 2017 TO 2021.**

**Sobirjonova Kholidabonu**

Student of Management Development Institute of Singapore in Tashkent

### **ABSTRACT**

*The article discusses the development of the chemical industry in Uzbekistan, identifies the main problems and factors hindering the development of the country's chemical industry. The level of technical development of chemical enterprises and the industry as a whole is analyzed.*

**Keywords.** *Industrial production, technological process, chemical industry, chemical industry.*

### **АННОТАЦИЯ**

*В статье рассматривается развитие химической промышленности Узбекистана, определяются основные проблемы и факторы, сдерживающие развитие химической промышленности страны. Анализируется уровень технического развития химических предприятий и промышленности в целом.*

**Ключевые слова.** *Промышленное производство, технологический процесс, химическая промышленность, химическая промышленность.*

The chemical industry is one of the basic industries of Uzbekistan, which was formed based on the needs of intensification of agricultural production, by creating mineral fertilizer production.

Today, the chemical industry of Uzbekistan is one of the basic segments of the country's economy, laying the foundation for its long-term and sustainable development. It is the chemical industry that is a major supplier of raw materials, various materials and works to almost all branches of industry and seriously influences the volumes, directions and efficiency of their development. [5]

Currently, such enterprises as "Maksam-Chirchik", "Fargonaazot" and "Navoiazot" produce nitrogen fertilizers: ammonium nitrate, urea and ammonium sulfate. The enterprises "Ammophos", "Samarkandkimyo" and "Kukonsky superphosphate plant" produce phosphorus-containing fertilizers, ammonium phosphate, superphosphate, simple ammoniated superphosphate, ammonium sulfophosphate and nitrocalcium phosphate. The Kyzylkum Phosphorus Plant supplies raw materials for these industries. LLC "SPElektrokhimzavod" produces various types of chemical plant protection products. Most of the chemical industry enterprises are part of the State Joint-Stock Company Uzkiyosanoat (Chemical Holding Company), which unites 12 large industrial enterprises and 13 regional

distribution organizations. Regional distribution organizations are engaged in the sale of chemical products in such areas as the agro-industrial complex, design and research institutions, and transport and forwarding companies.

In 2017, in accordance with the action strategy for five priority areas of development of Uzbekistan, significant changes were made in the chemical industry. In particular, in accordance with the Resolution of the President of the Republic of Uzbekistan "On measures to improve the management structure of Uzkimyosanoat JSC" dated April 12, 2017, the composition of the board of the joint-stock company was completely renewed, the structures of departments and the management apparatus of the chemical industry were reorganized. [4]

The program for the formation of the chemical industry for 2017-2021 was approved by the Resolution of the President of the Republic of Uzbekistan dated August 23, 2017. This document provides for the implementation of 43 investment projects, the total cost of which is 3.1 billion dollars, an increase in industrial production by 2.4 times, and their export - 2.7 times, an increase in the share of localized products to 42.5 percent and the development of production of 43 new types of products, the formation of more than 3.2 thousand jobs. To control the export-import activities of the sphere, ensure the transparency of foreign trade processes, and most importantly, increase export volumes by expanding the geography of sales of chemical products on the foreign market for the subsequent increase in their competitiveness. [1, 2] The large-scale reforms being carried out have a positive effect on the chemical industry. However, the systemic problems in the chemical industry that have accumulated over previous years are still waiting to be resolved. Consequently, industrial enterprises producing mineral fertilizers are in a difficult financial situation.

Also, the reason for the emergence of shortcomings in the system of mutual settlements in the field of agriculture is a superficial approach to financing, as the President of the Republic of Uzbekistan said.

Costs associated with mineral fertilizers for agricultural needs are not covered. As a result, chemical enterprises are limited in their ability to pay for the consumption of natural gas, electricity, phosphate raw materials, sulfuric acid and other types of goods and services, and, consequently, their credit debt increases.

In this regard, starting in 2018, the supply of mineral fertilizers to consumers is planned to be carried out through exchange trading through the mediation of the "Single Agent" organized by JSC "Uzkimyosanoat".[3]

At the same time, there are shortcomings in reducing the cost of mineral fertilizers and increasing the profitability of enterprises in the industry. In particular,

67 percent of the cost of nitrogen fertilizers is energy costs. The Ferganaazot enterprises, the Dekhkanabad Potash Fertilizer Plant, the Kokand Superphosphate Plant, the Ammofos-Maxam and Maxam-Chirchik companies are ending 2017 with low profitability, and the Navoiazot enterprise with losses. In such conditions, enterprises are completely limited in the formation of their own working capital and are forced to solve problems by attracting loans at 16-18 percent per annum. In this regard, Uzkimyosanoat JSC has been instructed to develop, together with the relevant ministries and departments, a program of specific measures to reduce the cost of production of chemical products and increase their competitiveness in 2018-2019.

Wear and tear of the main process equipment is a problem that requires significant attention. Since as a result, due to the lack of equipment, which remains without routine and major repairs, the technological process is disrupted. Based on this, there is a need to develop an industry plan for major repairs, as noted by the head of the Republic of Uzbekistan.

During the consideration of issues related to providing agriculture with phosphorus fertilizers, it was noted that the existing need for 639.6 thousand tons was met by only 25 percent. In this regard, it was envisaged that in 2019, due to the modernization of existing capacities, production would increase to 177 thousand tons, and in 2021 - to 550 thousand tons due to the construction of a new complex for the production of phosphorus fertilizers. [2]

Not a single modern industry can do without products from the petrochemical and chemical segment. It is important to note here that domestic chemical products are exported to more than 30 countries. Today, this industry of Uzbekistan ranks 8th in the world in the production of nitrogen, phosphorus and potassium. Undoubtedly, the release of the above-mentioned new types of products will increase the export potential of the republic.

## **REFERENCES**

1. Abdinazarova X.O. Geographic approach to the development of the network of chemical industry of Uzbekistan // Russia. Electronic scientific and practical periodical publication. "Economy and Society". - 2020. No. 9 (76). - P. 3-7. <http://www.iupr.ru>.
2. State Statistics Committee of the Republic of Uzbekistan. Annual statistical digest - 2010-2018. Tashkent. 2019. - 124 P.
3. State Statistics Committee of the Republic of Uzbekistan. Annual statistical digest. Tashkent. 2020. – 92 P.
4. Resolution of the President of the Republic of Uzbekistan “On measures to improve the management structure of JSC Uzkimyosanoat” dated April 12, 2017 //

JSC

Uzkimyosanoat

(uzkimyosanoat.uz)

(<https://uzkimyosanoat.uz/ru/documents/presidents/pp3236>)

5. Sokolsky V.M. Industrial sector as an object of economic and geographical research (on the example of the chemical industry) // Bulletin of the Russian Academy of Sciences. Ser.geographical. - 2011. - No. 2. - P. 25-39.