

## Foreign Experience of Industrial Cooperation

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**Resume:** The article considers models of foreign experience of industrial cooperation, using the example of America, Japan, China and Spain. It should be noted that the world practice of industrial cooperation has a certain position, which effectively affect the economies of their countries. In the course of the study, the problems encountered in Uzbekistan in this activity were analyzed. The following are recommendations for improving industrial cooperation in the country.

**Key words:** cooperation, industry, model, subcontractor, cluster.

Industrial cooperation is considered by many countries as a tool to achieve high production efficiency through the division of labor, specialization, rational use of existing production and technological capacities and optimization of the use of all types of resources. This model of production organization has become widespread, especially over the past 20 years, and has become one of the significant factors in the high rates of economic development in both developed industrial countries (Japan, USA, EU) and developing countries (India, China, Vietnam, Turkey, etc.).

According to expert estimates, the share of industrial cooperation in the manufacturing industry of developed industrial countries ranges from 25-35%, and in the production of electronic equipment, road construction equipment, aircraft and a number of other types of products reaches 50-70%. According to Nikkei estimates, out of approximately 10 thousand parts that make up a modern car, 9.8 thousand are produced on the basis of industrial cooperation, including cross-country.

Experts identify the following main benefits that the economy receives from the development of industrial cooperation[1].

1. A significant reduction in the preparation time for the production of new goods and a decrease in their capital intensity. According to the United Nations Economic Commission for Europe (UNECE), interstate agreements on industrial cooperation on average reduce the preparation time for the production of new products by approximately 14-20 months compared to organizing it exclusively on their own, and also reduce the cost of developing a new product by 50-70% production.

2. Improving the quality of manufactured industrial products. Industrial cooperation makes it possible to achieve over 90% of the quality level of a foreign partner's products, while the development of foreign technology on its own makes it possible to provide only 70-80% of this indicator.

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As Bloomberg notes, in the context of a chronic shortage of funds in developing countries, their participation in industrial cooperation is one of the most effective measures for the technical re-equipment of industry, expanding the export orientation of production, achieving international standards for product quality and increasing employment.

In developed countries, industrial cooperation and, in particular, subcontracting are natural tools for increasing the efficiency of industrial production and ensuring overall economic growth. Subcontracting was one of the components that ensured high rates of economic development in such countries as Japan, the USA, Germany, France, Italy, Spain, and Turkey.

So in Japan, in the early 80s. the share of small firms working under subcontract schemes was 65%, and in the electronics industry (the main branch of the Japanese economy), this figure reached 86%.

Today, more than 350 thousand enterprises are involved in the process of industrial cooperation in the countries of the European Community, which provides jobs for more than 4 million people. The total volume of products manufactured under subcontracts in 1999 exceeded 35 billion euros, which is about 15% of the total volume of products manufactured in the EU countries.

Among specialists, the experience of China, one of the leading countries in the development of industrial cooperation, is of great interest. A feature of the industrial policy of Beijing is its so-called. bilateral in nature, when a country simultaneously attracts foreign industrial companies to the country and transfers production facilities abroad [3].

Currently, China is the world's largest producer of more than 220 categories of industrial products, including steel, cement and automobiles, in particular, the country produces 38% of the world's machine tools, 41% of ships and 60% of power generation equipment. At the same time, the number of Chinese-owned companies abroad has increased to over 20,000.

China highlights the following key principles in the development of industrial cooperation with foreign countries.

First, a balanced approach to the interests and principles of their partners. Chinese companies are required to strictly comply with the law when doing business and fulfill their social obligations, incl. when investing abroad.

Second, win-win cooperation, which involves promoting industrial cooperation in a pragmatic and efficient manner, based on equality and mutual benefit.

Third, openness and inclusiveness, according to which China intends to act in strict accordance with market principles, follow accepted international practices, and support companies in independent decision-making and sole responsibility for their own profits and losses[2].

Most of the EAEU countries are traditional foreign trade partners of Uzbekistan. At the end of 2020, they accounted for more than 30% of the country's trade turnover: among Uzbekistan's foreign trade partners, Russia ranks second with a trade turnover of \$5.6 billion, Kazakhstan is third (\$3.01 billion), Kyrgyzstan is seventh (\$903 million), Belarus is the twentieth (280.1 million dollars) [5].

At the same time, in Uzbekistan, the EAEU countries account for 32% of the total number of enterprises with the participation of foreign capital - the number of operating enterprises with the

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participation of the capital of the business circles of the Russian Federation amounted to 1,934 units, Kazakhstan - 902 units, Kyrgyzstan - 161 units, Belarus - 80 units, Armenia - 36 units.

It is also necessary to take into account the fact that the developed and actively developing sectors of the Uzbek economy are included in the list of priority industrial sectors of the EAEU. In particular, these are the automotive industry, light, chemical and petrochemical industries, the production of machinery and equipment for agriculture and forestry, plastic and rubber products, household appliances, etc. [6].

An analysis of our research shows that the following measures are proposed for the development of industrial cooperation:

1. Improving the legal framework governing industrial cooperation. A modern legal framework that meets international requirements is an important factor in the development of industrial cooperation and, when developing it, calls for paying attention to: first, a clear regulation of relations between the cooperating parties; secondly, the creation of state structures involved in the direct development of industrial cooperation, including within the country; thirdly, to provide for various measures to stimulate and support the subjects of industrial cooperation.

2. Improving the business environment, including in particular:

a) accelerating the privatization of state assets in order to stimulate the inflow of foreign capital and technology into industry;

b) optimization of tax and customs tariff regulation in the industrial sector;

c) reducing administrative barriers and ensuring the required quality of law enforcement practice, etc.

3. Stimulation of national companies to organize industrial production in foreign countries.

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