

## FREE ECONOMIC ZONES IN UZBEKISTAN: REGIONAL DEVELOPMENT AND EXPORT OPPORTUNITIES

**Kuziev Ravshan Ramazanovich**

Banking and Finance Academy of the Republic of Uzbekistan

Associate Professor of the Department of Finance, PhD

Today, free economic zones are playing an important role in developing the economy, attracting investments and creating new jobs. They serve as an effective platform for modernizing industrial sectors, producing competitive products and expanding export potential. Therefore, free economic zones are considered an important tool for the sustainable development of the country's economy. Their activities serve to strengthen regional economic activity and accelerate integration with the international market.

From this point of view, the free economic zones "Jizzakh" and "Angren" stand out for their activities. The projects implemented in the territory of the "Jizzakh" FEZ play an important role in expanding industrial infrastructure and creating new jobs. The "Angren" FEZ is notable for its large investment projects, production capacities and export-oriented activities. These zones widely attract foreign investments to the country's economy, ensuring sustainable socio-economic development in the regions.

As of October of this year, a total of 137 projects worth \$1,357.1 million were approved for placement in the Angren free economic zone. Including 78 projects based on 73 enterprises, with foreign direct investment of \$503.3 million, were launched. As a result, 9,335 jobs were created.

Currently, a total of 60 projects worth a total of \$583.7 million (including \$335.3 million in foreign direct investment) are being implemented, and 6,630 new jobs are expected to be created.

As of October 1, there were 70 projects in free economic zones with a total of \$608.4 million in foreign direct investment, of which 43 projects with a total of \$345.6 million in foreign direct investment were implemented. As a result, 674 jobs were created. According to the approved network schedule, as of October 1 of this year, 6 projects (4 in the Angren FEZ, 2 in the Parkent-farm FEZ) with a total value of \$49 million (of which \$29.9 million in foreign direct investment) were launched according to plan, resulting in the creation of 273 new jobs. Regarding the "Angren" free economic zone: According to the "Angren" FEZ master plan, the "Angren" FEZ territory, taking into account the areas allocated in "Akhangaron" (1,090 ha), Angren-1 (1,210 ha), Angren-2 (1,640 ha), "Akcha" (170 ha) and Bekabad city (15

ha), has a total area of 4,125 ha, of which 865 ha of free land has been allocated for the placement of investment projects.<sup>1</sup>

In the territory of the Angren FEZ:

- 57 projects worth a total of \$590.8 million in the Angren city area;
- 41 projects worth a total of \$269 million in the city of Ahangaran;
- 19 projects worth a total of \$387.6 million in the territory of the Ahangaran district;
- 3 projects worth a total of \$11.4 million have been placed in the territory of the city of Bekabad.

Approved projects:

- a total of 77 projects based on vacant land (370.4 hectares);
- 43 projects were placed on the basis of unused and vacant buildings and structures (281.6 hectares).

"As of 2024, there are vacant land resources with a total area of more than 495 hectares in the territory of the Angren Free Economic Zone (FEZ). As a result of measures taken in accordance with the Resolution of the President of the Republic of Uzbekistan No. PQ-5101 dated April 30, 2021, an additional 150 hectares of land were fully equipped with modern production and engineering infrastructure in 2021-2022.

By the end of 2024, a total of 74 projects were successfully launched in the Angren FEZ. They operated on the basis of 69 manufacturing enterprises and absorbed investments worth a total of 957.2 million US dollars. Of this amount, 378.6 million US dollars accounted for foreign direct investment. As a result, more than 10,200 new jobs were created.

During the year, 6 new projects worth \$73.4 million were launched, aimed at the production of autoclave gas blocks, modern washing machines, decorative PVC and PET films, fluoroplastic products, cable insulation and synthetic profiles. The total amount of funds attracted from investors within the framework of these projects amounted to \$76.1 million, of which \$27.4 million was foreign investment.

Analysis based on the pie chart of the export structure in the Angren free economic zone for 2024 shows that a diversified cross-sector export model is being formed in this region. In particular, the textile industry occupies a leading position in export volumes with a share of 28.5%, which indicates the activeness of the processes of production of high value-added products and integration into foreign markets in this sector. This trend confirms the effectiveness of state policy and technological modernization aimed at the development of textile clusters.

---

<sup>1</sup> [Free economic zone "Angren" \(uzsm.uz\)](https://uzsm.uz)

The share of exports in the electrical engineering (16.2%) and chemical industry (14.1%) sectors indicates that the Angren FEZ is specializing in high-tech industries. Export indicators in these two sectors indicate an increase in the competitiveness of the industry and the formation of the potential to offer import-substituting products in an export-oriented format.

At the same time, sectors such as construction materials (12.3%) and the food industry (10.6%) also have a certain share in export volumes, which indicates that the FEZ provides foreign economic activity through high-demand, fast-moving sectors. Other sectors (14.8%) occupy an important place in the export structure, confirming the complex nature of industrial activity in the region and its orientation towards different market segments.

In general, the balance between sectors and the high level of diversification evident in the export structure of the Angren FEZ reflect the practical results of the strategy of sustainable development of the regional economy, efficient use of resources, and integration into international markets.

Also, in January-December, 96.6% of the planned output volume (8.1 trillion soums) was fulfilled, strengthening the leading positions among regional industrial zones in terms of quality indicators of overall production. In terms of export potential, 107% of the set plan of 90 million dollars was implemented.

"These results will strengthen the Angren FEZ as a free economic zone with a leading production and export infrastructure not only within the country, but also in Central Asia."<sup>2</sup>.

The Jizzakh Free Industrial Zone (FIZ), established in accordance with the Decree of the President of the Republic of Uzbekistan No. PF-4516 dated March 18, 2013, has been formed as one of the important platforms for accelerating regional economic development, attracting foreign investment flows and expanding industrial infrastructure. A total area of 363.7 hectares of land has been allocated for the zone in the city of Jizzakh, Jizzakh region.

By the end of 2021, 16 investment projects worth 105.7 million US dollars were implemented within the Jizzakh FEZ. The sources of financing for these projects are distributed as follows:

- \$36.1 million – own funds of business entities,
- \$54.4 million – foreign direct investment,
- \$15.2 million came from loans from commercial banks.

These projects created 1,007 new jobs, positively impacting regional employment indicators.

---

<sup>2</sup> [Free economic zone Angren \(fez.uz\)](http://fez.uz)

As of 2024, 12 new investment projects worth 319.3 million US dollars have been approved for operation in the Jizzakh FEZ. Their financial structure is as follows:

- 118.5 million dollars - foreign direct investment,
- \$52.3 million – own funds of entities,
- \$148.5 million is being financed through bank loans.

Within the framework of these planned projects, it is planned to create 1,667 new jobs, which will increase socio-economic activity in the region and make it possible to effectively use labor resources.

The "Jizzakh" FEZ model offers favorable fiscal and regulatory conditions for foreign investors, providing the domestic market with localized high-value-added products, and plays an important role in building export-oriented industrial potential. Free economic zones are an important tool for attracting investments and creating new jobs in the country's economic development. The Angren and Jizzakh free zones are leading in terms of modern production capacities, a diversified export model and attracting foreign investment. The projects implemented in these zones are strengthening regional economic stability and accelerating the process of integration into international markets. In general, FEZs are becoming a decisive factor in Uzbekistan's transformation into a competitive economic space.