



EXPERIENCE IN SUPPORTING SMALL INDUSTRIAL ZONES IN DEVELOPED COUNTRIES

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Abstract. The article studied the unique experiences of territorial development of industries through the establishment and support of small industrial zones. Based on the development experiments of alternative forms of small industrial zones in the USA, European countries, China and Russia, an attempt was made to determine the directions of sustainable development of small industrial zones in Uzbekistan.

Key words: industry, economic zones, small industrial zones, technoparks, clusters, business incubators, industrial parks, public-private partnership.

INTRODUCTION

Currently, the importance of the industrial zone, industrial park, industrial zones in improving the efficiency of industrial production, developing production on the basis of advanced technology and innovation and establishing the production of scientific, competitive products, according to the experience of advanced foreign countries, is increasing from year to year. Such industrial production structures are widely distributed as industrial Park in the United States and EU states, industrial parks, zones and industrial zones in the Russian Federation, industrial districts, clusters in Italy, industrial districts and zones in the people's Republic of China.

In the context of increasing competition in the occupation of sales markets, the main way to ensure the production of competitive products remains industrial park, zone and industrial zones. One of the common aspects of this, as you know from foreign experience, is being carried out in connection with production, scientific research institution, experienced constructive developments in them. The issue of providing qualified personnel is also properly established through the establishment of strict contacts with staffing agencies and higher education institutions. In the effective development of small business and private entrepreneurship, much attention is also paid to innovation business, namely technoparks and business incubators. On the general side, their organization and development is supported by state and local authorities.

With its peculiarities in the organization of the above-mentioned structures, it is an absolute departure from the small industrial zones being built in our country. But the experience of state support for the construction of these structures in developed foreign countries, the experience of public and private sector partnerships in the development and development of territorial industrial production in our republic and small industrial zones would not be unprofitable if they were used in accordance with the conditions.

METHODOLOGY

When studying the state of development of individual economic zones in developed countries, which are an alternative to it in the direction of territorial development of small

industrial zones or industries, we use a number of study techniques. The use of a comparative method of analysis first to assess the state and composition of existing systems helps to identify a number of features and specific aspects. At the same time, in the research process, it was established that it is advisable to use the method of systematic analysis in the study of the structure of special industrial zones existing and operating in developed countries.

RESULTS AND ANALYSIS

Industrial parks are divided into two types according to the international classification [1]:

Greenfield is an area of land on which nothing has been built;

Braunfield is an area of land on which engineering and transport communications, infrastructure facilities, production buildings are built.

Greenfields are also divided into three types: state greenfield, private greenfield, and mixed greenfield. According to the greenfield project, the park will be set up on a new, previously undeveloped land. Their preference side of them – building, structures will be built according to customer's requirement. The brownfields, on the other hand, are divided into state brownfield and private Brownfield types. The mechanisms for funding Greenfield and brownfields are shown in table 1 below.

Table 1
Industrial park financing mechanisms¹

Types of Industrial park	Land, property owner	Infrastructure
State Greenfield	Land area state or municipal property	Infrastructure funded by the state budget
Private Greenfield	The land area is privately owned or leased by the developer from the land, land owner	The infrastructure is funded by private funds, but government subsidies can be used
Mixed Greenfield	Land area, property of the stock company. Shares were shared by the public and private sectors. Facilities are built on the basis of partnership at the expense of public-private sector funds	Infrastructure facilities are funded by a public-private sector partnership. Part of the facilities are funded by the private sector
State Brownfield	Land area, infrastructure facilities, buildings, structures are the property of the state	Development of Industrial park, restoration of facilities, modernization of infrastructure facilities will be carried out at the expense of the state budget
Private Brownfield	The area of land and all the	Infrastructure is funded by

¹ Developed by author.



	objects in it are considered property	private funds, government subsidies can be used
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State support for Industrial parks is actively supported, not only at the federal level, but also at the regional level. The formation of the infrastructure of the Park area, the construction of energy facilities, the construction of an engineering network, water supply and wastewater networks are funded by the municipal bodies (Table 3).

The establishment of Industrial parks ensures the economic development of the regions, leads to the solution of social issues in the region. The establishment of Industrial parks can be studied as the best way to attract investment in the region and develop industrial production. Public authorities in the region will try to attract large companies that bring a large investiture project to the region through industrial Park. The construction of an Industrial Park itself requires a huge investment, in addition, it is necessary to form the infrastructure of the Park area. The establishment of Industrial parks ensures the economic development of Regions, leads to the solution of social issues in the region.

Table 2

State support of Industrial parks at the federal and regional levels [1]

No	Support form	Federal level	Regional level
1.	Supporting the expense from the state budget		
	Subsidizing the loan interest rate		+
	Guarantee by state and municipal on the obligation of investors		+
2.	Investment Programs		
	Transport and energy infrastructure development programs	+	+
3.	Investor support		
	Tax credits: lowering the profit tax rate; land and transport tax exemption		+
4.	Training of specialist personnel based on the needs of enterprises	+	
5.	Support the development and development of parks by providing information and advice		+

Therefore, investors pay attention to the state of industrial parks that will be built before investing. The competition indicators of Industrial parks for attracting large investors include: the availability of qualified labor resources and financial institutions, the level of development of transport and other infrastructures, the level of provision of energy resources and the proximity of sales markets. Interested parties in the construction of Industrial parks are: regional authorities, a large investor, residents and management company that determines the Park specialty.

The main obstacle to the construction of Industrial parks is the lack of financial resources in the participants. Therefore, in solving this problem, the need arises for federal



and regional authorities to support companies located in the park, and here the state and business have to act effectively together.

According to research conducted in the Russian Federation, when the Park is equipped with infrastructure, enterprises save up to 20 percent on spending on infrastructure facilities. Investors may leave for the region where other infrastructure facilities are built unless the zone is provided with infrastructure in most cases. This situation encourages regional authorities to actively act in providing the zone area with the necessary devices.

One of the effective ways to build Industrial zones is through public-private sector partnerships. Public-private sector partnership is a form of public - private partnership aimed at addressing important socio-economic issues.

A contract and concession form of public-private sector partnership was proposed by V.G.Varnavsky [2]. The contract form provides for the involvement of private business in the implementation of socially significant projects, with responsibility for which the public authorities will take responsibility.

In the form of a concession – agreement, an agreement is concluded between the state and a private company, in which, according to the agreed terms, the right to build an enterprise or land area for use, and at the same time buildings and structures is granted. The legal base of a public-private sector partnership is a specially developed public law. The legal basis of Public-Private Partnership in the Russian Federation is the law „On the foundations of Public Private Partnership in the Russian Federation“.

As institutions of public-private sector partnerships, banks, investiture funds, public companies are studied. In the instruments of the public-private sector partnership, the following can be included: Concession Agreement, investment agreement on the use of the budget. The concession form of the public-private sector partnership is used in the implementation of more infrastructure projects. For example, in the social, municipal, transport and energy sectors.

While the concession will lead to a reduction in budget funds by pulling private funds into the project, on the second hand, it will make it possible to produce a competitive product by incorporating modern, advanced, expensive technology into the project. On the other hand, the contract clearly defines the responsibilities, responsibilities of the private sector and the state, while ensuring the protection of private investment.

In Turkey, industrial zones are referred to as established industrial zones. In order to support small and medium-sized businesses, hundreds of small business entities are integrated into a single industrial zone, but their legal and economic independence is maintained. The decision to establish organized industrial zones is made by state bodies together with network associations and the local entrepreneur association. The projects are financially supported by the state, the financial provision of which is carried out from the state fund or private funds. The construction of the future building, structures and tsex rooms is carried out by Special firms, the completed building and rooms are sold to small enterprises.

According to the project, it is also envisaged to build khimiya laboratories, workshop, training center, social facilities in the established industrial zones. The zone is managed by a specially created firm, and its main task is to organize infrastructure facilities and maintenance activities.



An example of an industrial zone established among the first in Turkey is the Tuzla zone, located close to the city of Istanbul. Zona specializes in leather goods. In it, 223 companies are engaged in leather processing, while 150 firms produce parts for leather products. 90% of infrastructure facilities were financed by public funds, the remaining 10% was financed by a bank loan and the funds of future entrepreneurs in the same zone.

Industrial Park is not only a sum of production buildings, but also a real conceptual object. Industrial Park concept includes areas of production in volume and shape, corresponding to the production of products of tenants, at the same time, a specialized zone area, intended for the production of a particular network product.

We will study the strengths and weaknesses of small industrial areas with the Greenfield and Brownfield types of Industrial parks (Table 3).

Table 3
The strengths and weaknesses of small industrial areas with Greenfield and Brownfield types of Industrial parks²

Types of parks	Greenfield	Brownfield	Small industrial areas
Characteristics	Production is designed for, building, structures to be built according to customer's requirement	Land area and buildings prepared for sale or rental to residents	Ready-made land area available for rent to zone participants
Strengths	The area of land that can be designed in accordance with its own production and build buildings, structures according to the same project	The start-up period of the project will be reduced, the financing of the costs of designing, building and bringing communications to the zone will be reduced	The start-up period of the project will be reduced. The costs of designing, building, bringing communications will be reduced
Weaknesses	The design, construction, bringing of communications is the additional cost of financial costs and the lengthening of the project launch period. The problem of	Demolition of non-production facilities, excessive financial costs associated with redevelopment, clearing the area	The emergence of partial adaptation costs to production

² Developed by author.



	providing specialist personnel social infrastructure		
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As a "core" of Industrial parks, the location of large specialized production companies, the construction and reconstruction of infrastructure facilities, production buildings and structures will have to be completed, and this area will receive a huge amount of funds. For this reason, industrial park's Greenfield and brownfield tours, along with their dominant sides, can result in significant investment costs. Since small industrial zones are mainly occupied by small business entities, it is easier to place them in existing production buildings, and this makes it possible to adapt rooms to development at low costs.

Services to Industrial parks also vary. Therefore, we think that it is advisable to analyze the services provided to industrial parks as well.

The type of services provided to industrial Park residents in Vietnam can include: quality infrastructure service; logistics service; finished industrial buildings; customs post in zone areas. In addition to these, the zone has clear priorities and is specialized.

Industrial Park "Chemro" in Slovenia provides a number of services to its residents, including: industrial wastewater treatment; maintenance; industrial waste disposal; chemical laboratory service; telecommunications and Postal Service; industrial facilities design; construction works Service; computer service; kitchen and buffets.

Milton Park (England) has established the following infrastructure services in its area: cafe-restaurants, minisupermarket, rhythmic gymnastics service, pool, sauna, beauty salon, car service, electricity and main highway exits, kindergarten, mail, chemical cleaning, storage chamber service, free internet access service day and night (Wi-Fi) [3].

Industrial Park ZETA (Costa Rica) provides the following services: labor Reserve and database, Training Center, Customs Service, Administrative Assistance, Guard service, Internet service, general maintenance, cleaning facilities, affordable housing for Park workers, car parking, Health Center, bank service, kindergarten [4].

Mid America Industrial Park has on its territory: training centers, a health clinic, a shopping center, an accident service, two gas companies for residents, an exhibition hall, a business incubator, a regional airport [5].

According to the experience of foreign countries, it can be observed that there is a competition between industrial parks to attract residents. Because the more residents settle in the industrial zone of the region, according to its concept of development, the greater the possibility of economic development of the region, which, in turn, leads to an increase in revenues to the budget of the region and its social development.

In addition to these, industrial parks, the cost of access to their composition is also different. Looking at the amount of land occupied for Industrial Park, the cost of 1 acre of land in the US industrial park of Huntsville ranges from US \$ 62,500 to \$ 300,000 (1 sq.m. for \$ 6.25 to \$ 30.0).



In Japan, however, Mutsu-Ogawara Industrial Park (prefecture Aomori), 1 ga. the purchase price of the land is 18 million.rubles èki 1 sq.m. 5,000 yen. Looking at the rental price of industrial land plots, the rental price of 1 hectare of land in the Tokyo region is \$ 10,000, around the city of Osaka – \$ 9,000, in Nagos – \$ 5,500.

In Greenfield Park in the Russian Federation, 1 sq.m. the cost of the land area was estimated from \$ 35 to \$ 60. The park, which has Engineering Communications, has a capacity of 1 sq.m., costing about \$ 230 for residents. The average cost of land for industrial construction, located in the Elibuga raion of Tatarstan, is 320 rub/sq.m. From Alabuga industrial park, the park's reservations are 1 sq.m. Ernie 10 rub.ga can buy.

The composition of the operational costs of industrial Park reservations in the Russian Federation, in percentage, is as follows (when the profit tax is not calculated):

transportation costs of materials 35%

salary 14 %

electric energy 26 %

property tax 5 %

heating 17 %

product transportation transportation transportation costs 3 %

If foreign companies independently prepare the land owned by them from the Greenfield Park area for 2-4 years, 94% of the total investment will be directed to construction work (preparation of the project, examination, obtaining permission, the cost of materials and work to be done). The value of the land is 2%, technology is 4%.

Mid America Industrial Park in the United States is exempt from normal tax benefits, reduced profit tax rate, accelerated depreciation, targeted tax relief (specific significant production, employment of the population), residents are exempt from the tax on proceeds sold in the Park area, and the utility tariff is also reduced.

In the law on investment in Vietnam (Law on Investment No. 59/2005 / QH11, 01.07.06.), which is „stimulating“ and „stimulating important“, the invesvision sector includes: infrastructure (railways, roads, ports); forest tree processing, agriculture; water processing, treatment; renewable energy; information technology; production of new materials, energy, high-tech-based products, biotechnology, production of IT products; production of export-oriented products, construction of social infrastructure in industrial parks (Table 4).

In Vietnam, industrial zones where" promotion is important "and projects where" promotion is important " are separated with the help of experts and benefits are established for them. The advantage of such benefits is that they lay the groundwork for the construction of infrastructure facilities where business does not go to invest, the development of a competitive, export-oriented product and the production of new products based on new high technology.

In France, a number of benefits are established in the state support of the newly established small business.

Benefits for newly established small businesses in industry and Commerce:

fully exempt from profit tax for 2 years, exempted 75% in the third year, exempted 50% in the fourth year and 25% in the fifth year;

the damage seen is allowed to go back 3 years and forward 5 years;

high rate of fast depreciation is 30% of the balance value of machinery and equipment;

25% of the investment in the land plot, building and equipment is subsidized;

tax deduction benefit and preferential lending (common benefits).

Benefits provided by local authorities:

sale or lease of land at a low price;

free Personal Training;

Table 4

Preferential corporate profit tax rates for investment enterprises in Vietnam[6]

Indicators	Profit tax	Period	Tax holidays	Corporate profit tax 50% payment time
New projects" incentive gan"	20,00 %	10 year	From the year the profit for 2 years	3 year after tax holidays
Projects in "encouraged" zones	20,00 %	10 year	From the year the profit for 2 years	6 year
A new project that will be "encouraged" in the "promoted" zones	15,00 %	12 year	From the year the profit for 3 years	7 year
In zones where new "promotion is important" projects are "promotion is important"	10,00 %	15 year	From the year the profit for 4 years	9 year

full or partial 5-year exemption from qualification tax.

In addition to these, wide and high benefits are established if the investments made are included in the following areas:

increases employment, leads to better employment retention and job conditions;

increased exports;

improves the efficiency of the processing industry;

introduction of new technology and production of new products;

if it leads to saving raw materials and energy;

if an experienced constructor encourages their development.

When we study the state support of territorial industrial production structures analyzed above on a state scale, they differ from each other in composition and quantity. A common aspect of this support is the development of industrial production in the region based on high technology and innovation, ensuring the socio-economic development of the

region, employment of the population of the region and, ultimately, increasing the economic potential of the country.

CONCLUSIONS

According to the above comparative analysis, the weaknesses of the small industrial zones being established in Uzbekistan can be explained by:

First of all, they have a low level of technological, innovative development.

Secondly, the absence of a differential, scientifically based approach to the placement of small industrial zones in urban, suburban and district areas.

Thirdly, the fact that the formation and support of small industrial zones according to the level of technological production of products, the use of innovations is not established.

Fourth, the lack of cooperation of small industrial zones with research institutes and universities, the establishment and development of technoparks, business incubators. Therefore, identifying the mechanisms that ensure the technological and innovative development of small industrial zones and ensuring their active functioning is one of the strategic issues of today.

We think that in the support of industrial parks in the Russian Federation, it is advisable to use the public-private sector partnership in the development and development of small industrial zones in the conditions of Uzbekistan.

We think that the Vietnamese experience of state support for Industrial zones and projects to be placed in them is also very interesting. The use of a number of points of the French experience in supporting small businesses in the development of small industrial zones, small businesses in our republic can lead to effective results. In particular, it would be possible to gradually reduce the tax after the exemption of small businesses from profit tax for 2 years, preferential lending, rapid depreciation, the introduction of new technology, energy saving, import substitution, the creation of benefits for investments leading to an increase in exports, the development of small industrial zones based on stable, high technology.

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