

## Managing the Process of Exporting Foreign Direct Investment (Using the Example of the Automotive Industry of Uzbekistan)



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**ABSTRACT:** The article examines current trends in the development of foreign direct investment (FDI). It is noted that in the era of globalization, along with attracting FDI, an important condition for the development of the country is the export of capital. Using the theoretical framework of FDI, the example of the Uzbek automotive industry and its trends in the transition from the export of goods (cars and spare parts) to the export of capital (FDI), the organization of automobile production in neighboring Central Asia countries have been identified. An analysis of current trends on a republican scale is provided. The role of managing these processes is emphasized, including accounting, registration, analysis and measures of state support for the resulting FDI of the republic. Suggestions and recommendations are given.

**KEY WORDS:** foreign direct investment, exports, capital outflow, automobile production, management, FDI statistics, FDI geography, regional integration, "flying geese" paradigm.

### 1. INTRODUCTION

As the practice of the Republic of Uzbekistan shows, a comprehensive analysis of the past stage of the country's development, the changing conjuncture of the world economy in the context of globalization and increasing competition require the development and implementation of radically new ideas and principles for further sustainable and advanced development of the country [1].

In the context of globalization, national economies become participants not only in the world market of goods and services, but also in the movement of economic resources between countries and regions. With the weakening and subsequent abolition of protectionism in commodity markets, liberalization in the currency and capital markets, and the increasing role and weight of multinational corporations, the conditions of international trade have changed dramatically.

The international economic system has transformed due to many qualitative changes, and the conclusions of D. Ricardo can no longer fully meet the requirements of today. The difference in production conditions in the classical world and today's global world economy can be seen in Fig. 1.

If in the era considered by D. Ricardo, such factors as "land" and "labor" dominated, today "technology", "capital" and the "highly qualified labor force" associated with technology are increasing their importance.

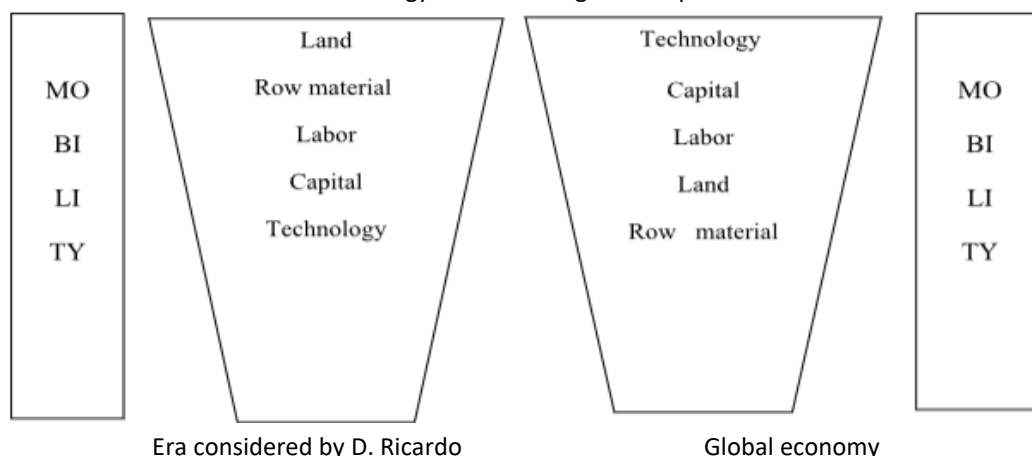


Fig. 1. Changes in the importance of production factors. Source: [2]

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In comparison with the model based on the predominance of trade relations in international relations (1960-1980), it has a number of distinctive features. Thus, foreign direct investment (FDI) is becoming the predominant type of international relations instead of the export of goods and services [3].

In 2022, Uzbekistan's gross domestic product (GDP) at current prices amounted to 888.34 trillion sums (\$80.4 billion). Real growth compared to 2021 has reached 5.7% [22]. From 2017 to 2022, the share of industry in Uzbekistan's GDP increased from 21.1% to 26.7%. Experts note that this increase was influenced by the steady .

The main part of the country's industry is processing, accounting for 83.2%. According to national experts, this is a positive result for an industrial development program aimed at expanding the production of products with high added value, increasing the degree of processing of raw materials, and introducing modern technologies [18]. This fully applies to the automotive industry of Uzbekistan, which is actively entering the markets of the Central Asia states, using world experience, certain basics of well-established theories of foreign direct investment (FDI).

### 2. REVIEW AND ANALYSIS OF LITERATURE

The world experience demonstrates that as countries develop economically, along with attracting foreign direct investment, capital is also exported. According to S. Hymer, due to the imperfection of the world market, the process of monopolistic advantage is a necessary condition for FDI: foreigners involved in FDI must bear additional costs in connection with entering a new environment where (only) they are faced with a paucity of information about the country -recipient, communication difficulties, exchange rate risks, sometimes discrimination from the government and the population [4]. The practical significance of Hymer S.'s conclusions for managing the export of capital is that it provides an answer to the question of why direct investment prefers to export or license the use of its monopoly advantage. Thus, exporting may be complicated by tariffs and other barriers, for example, transportation prices. Another advantage of direct presence in the local market can be the adaptation of the product to suit local conditions, stimulating local demand. In this regard, in order to maximize profits or minimize costs, the owner of the advantages must set up his own enterprise abroad.

To better understand the reasons for the export of capital, let us turn to the eclectic theory of international production or the OLI paradigm (Fig. 2):

a firm begins production of goods and services abroad (i.e., makes direct investments) if three prerequisites coincide simultaneously:

-the company has advantages in this foreign country (specific advantages of the owner);

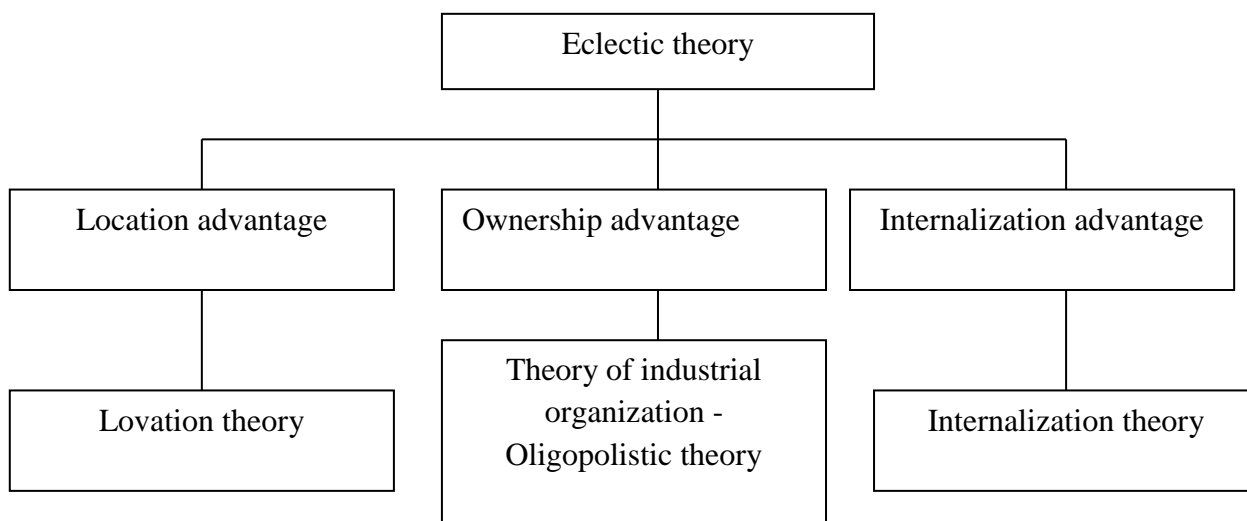


Fig. 2. Eclectic OLI model. Source: J.Dunning, 1981,1988.

- it is more profitable for a company to use these advantages itself locally, and not to realize them through the export of goods or the export of technology to other companies (advantages of internalization);

-the firm uses some production resources abroad more efficiently than at home (location advantages).

An analysis of modern investment processes shows that almost all groups of countries are actively involved in the process of exporting capital, so in 2022 the volume of gross FDI inflows in the group of CIS countries amounted to \$870.1 billion, and outflows

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- \$436.7 billion. USA (50.1%), and in the group of Southeast Asian countries, respectively, 9102.4 billion US dollars and 7188.1 billion US dollars (78.9%).

At the same time, great difficulties arise in obtaining adequate estimates of the scale and structure of foreign investments of national companies. Kuznetsov A. notes that despite the fact that there is a well-known Guidelines for accounting for foreign direct investment (OECD, 2008), the quality of statistics on these investments is much worse than the quality of another type of international relations - foreign trade operations [5]. Thus, in the case of cross-border transactions, other problems are added to the accounting problems: searching for data on reinvested profits and long-term intracompany loans, as well as adequately assessing the current value of previously made investments.

The automotive industry is of great importance to the global economy, making it a promising investment destination. Foreign capital played a leading role in the development of the automobile industry in a number of developing countries.

Experts note that the concept of "flying geese" as the basic Asian model of development served as the theoretical basis for the export-oriented development of Japan, NIS SEA-4, ASIAN countries, and China, proving its effectiveness in developing international trade and deepening international labor division [6]

Researcher V. Terentyeva, revealing the relationship between FDI and the "flying geese" paradigm in Vietnam, in the process of studying such an unique phenomenon of regional economic development as the FG paradigm, the investment climate in Vietnam as a whole, substantiated her own hypothesis that Vietnam could take on the role of "leading goose" in one of the "flocks of flying geese" in some other industries [7].

Y. Salikov, M. Isaenko draw attention to the fact that in the K. Akamatsu's view, the FG paradigm author, there are three phases of the industry development:

1. Entry of products into the country through imports.
2. Opening of the national production.
3. Exports of previously imported industrial products [8].

The Republic of Uzbekistan is actively studying the experiences of other countries to improve the efficiency of the national economy, including the competitiveness of the national automotive industry. First, the contours of the development and specific tasks were defined. Particular attention has been paid to increasing production capacity and improving the competitiveness of automotive products.

Automotive production and sales have traditionally been the largest and fastest-growing sectors of the world economy in the 20th and 21st centuries. The importance of the automotive industry in the development of national economies is, obviously, a generally recognized fact that gives positive impulses and incentives for many countries to follow this experience, develop their own automotive industry, and inevitably enter into competition with world leaders.

In developing countries, over the past 10–15 years, the automotive industry has shown unique growth rates, which are due not only to positive changes in the living standards of the population but also to an active government policy to stimulate and attract foreign investment in this segment of the economy. Thus, China's share of car production in 2001 did not reach 5%, but a few years later, in 2016, it reached 30% of the global car industry. Similarly, during the period under review, India's share increased from 1 to 5%.

### 3. MATERIALS AND METHODS

The aim and objectives of the study were to diversify the exports of the Republic of Uzbekistan through the growth of industrial products with high added value. Each country begins the export of FDI at a certain stage of investment development. On the example of "UzAutoMotors" JSC, we set the task to identify the patterns of this process, its stages, to study the trends in the operation of foreign direct investment (FDI) theories under conditions of Uzbekistan and the countries of Central Asia. Using the Akamatsu's "flying geese" paradigm as a tool, the task was to conduct a comparative analysis of their action in the conditions of Japan and the countries of Southeast Asia with the practice of Uzbekistan and Central Asia states, to identify common patterns and differences as well as giving an assessment and the necessary suggestions and recommendations. The next aim and objective was to study the capital export trends in Uzbekistan, using the case of the "UzAutoMotors" JSC, as it is a new phenomenon under new development conditions of Uzbekistan, which needs appropriate statistic and data, management tools and support.

The theoretical and methodological foundations of the study are based on national statistics (18-23), conclusions and proposals of foreign and domestic researchers in the automotive industry, foreign direct investment, and investment policy. The methodological basis for accelerated industrial development is the National Strategy of Actions for the Further Development of the Republic of Uzbekistan, concept for the development of the national economy for the period up to 2030, and government decisions on providing and expanding foreign economic relations, materials, and expert reports. During the course of the study,

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various methods were used: observation and collection of facts, modeling, the method of scientific abstractions, and system analysis, set out in the works of domestic and foreign scientists.

### 4. RESULTS

#### 4.1. Automotive market of Uzbekistan: from DAEWOO (South Korea) to MAN (Germany).

The starting point for the creation of the automobile industry in Uzbekistan was the visit in May 1992 to the Daewoo automobile plant by President Karimov I. during his visit to the Republic of Korea. This automotive company, which produced cars under licenses from GM and Suzuki and had already begun to build its own models on licensed platforms, was already planning to create branches in the countries of the former USSR and Eastern Europe.

Thanks to this, it was the Uzbek Daewoo project, created on a parity basis with the Uzavtosanoat state company, that became the only successful one. And the terms turned out to be the shortest by engineering standards: already in July 1996, the UzDaewoo plant produced the first Nexia, Tico and Lanos cars, licensed and slightly modernized copies of Opel Kadett, Suzuki Alto and Suzuki Every from the mid-80s. Already obsolete by European standards but superior to post-Soviet cars, at least in quality [9].

In our opinion, the leadership of the Republic of Uzbekistan, prioritizing the development of automotive production, sought to solve a multi-criteria task as well as:

- development of the industrial sector of the economy;
- saturation of the domestic market with automotive products and services;
- accelerated and massive creation of jobs, considering the rapidly growing population of the Republic.

In this regard, the birthplace of the Uzbek automobile industry was the city of Asaka, Andijan region, where, as in the whole Fergana Valley, the highest population growth was observed.

As part of President Shavkat Mirziyoyev's state visit to the Republic of Korea in 2017, Uzavtosanoat reached an agreement on the organization of production in Uzbekistan, giving new impetus to the development of the automotive market in Uzbekistan. Thus, at the automobile plant in Asaka, the production of the Tracker model, an upgraded version of Cobalt, started with the launch of mass production in 2019.

In 2021, Bo Anderson from Sweden, who had previously made a high-profile career in Europe and Russia, became the head of "UzAutoMotors" JSC (he headed the GAZ group in 2009-2013, and then led AvtoVAZ for another two years). If the first year he was engaged in "putting things in order" and did not take decisive steps, then recently it became known about changes in the company's policy. In particular, about the removal from production of the two least expensive and marginal models, Spark and R3, in order to "clear" the conveyor for the assembly of more profitable equipment. The Chevrolet brand, as well as the Chinese BYD, including those with a hybrid drive. It was very likely that Anderson agreed to cooperate with the Chinese company to resume export deliveries to Russia (for example, Uzbek-made Chevrolet models) and to expand exports to other countries.

The study of the economic indicators of the Uzbek automaker shows the achievement of optimizing its production structure, where the number of enterprises, including those for industrial purposes, has changed insignificantly over the past five years (Tab.1). Simultaneously, the volume of industrial production has increased from 4,222 billion soums in 2016 to 33,975 billion soums by the end of 2022 (eight times).

**Table 1. Information on the main indicators of production activities of "UzAutoMotors" JSC, in 2016-2022.**

Indicators	Number	2016	2017	2018	2019	2020	2021	2022
The number of enterprises in the composition, including production ones	pieces	76	77	73	75	74	72	72
	pieces	35	35	33	31	33	34	34
Volume of production	billions soums	4222	10792	26821	33534	34052	31185	33974
Rates of growth	percents	50,8	167,1	172,5	122,0	95,8	89,1	156,8

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Main products								
Cars	thousands pieces	88,2	140,2	220,7	271,1	280,1	235,8	230,3
Buses	pieces	908	1 057	949	1 534	642	1 002	852
Trucks	pieces	3500	3700	4200	5 300	4 200	4 500	3 100
Power units	thousands pieces	44,1	91,6	158,8	200,6	222,4	160,4	168,0
Common consumption goods	billions soums	2389	6 686	18442	24251	23286	20440	23075
Rates of growth	percents	46,4	156,4	191.1	131,1	96,0	85,9	167,0

Source: [10].

### 4.2. Development of exports by “UzAutoMotors” JSC.

The study of export trends of “UzAutoMotors” JSC shows a dynamic growth in exports, which from 23882.9 thousand US dollars in 2018 grew to 276421.2 thousand US dollars in 2021 (11.5 times), having rolled back at the same time, up to 4656.6 USD at the end of 2022. Among the reasons for this decline, we identified the absence of Kazakhstan among the importers of Uzbek cars in 2022, whose share in 2019-2021 in the export of cars from Uzbekistan was 79-87% (see Tab. 3).

**Table 3. Export of cars by “UzAutoMotors” JSC, in 2018-22, thousands US dollars.**

Indicators	2018	2019	2020	2021	2022
Cars and other motor vehicles, mainly for the transport of people * incl. utility vans and racing cars, including:	23882,9	108807,3	168015,8	276421,2	4656,6
Azerbaijan	101,4	5803,9	6902,5	2354,1	797,5
Afghanistan	-	4485,9	1210,6	1352,0	-
Belarus	371,1	1036,5	827,7	-	-
Brazil	-	-	-	75,7	284,1
Kazakhstan	5710,2	90503,6	147402,9	260699,0	--
Kyrgyzstan	715,1	85,9	185,8	620,8	1166,5
The Republic of Korea	99,6	-	16,1	45,4	321,7
Lebanon	-	-	-	117,0	801,2
Moldova	37,3	-	-	-	
UAE	1029,2	-	-	-	114.3
Tajikistan	11,7	49,0	64,1	46,3	97,4
Russia	13094,7	2230,0	315,8	3106,2	-
Ukraine	2383,8	4092,7	9900,9	7392,0	-

\*(excluding motor vehicles of heading 8702). Source: [11].

This disproportion required the diversification of export geography. Among the new directions, we see countries such as Brazil, Lebanon, the United Arab Emirates, and the Republic of Korea, which was the founder of the automobile industry in Uzbekistan in the early 1990s. It should be noted that the auto industry in Uzbekistan maintains its export positions in countries such as Azerbaijan, Kyrgyzstan, and Tajikistan. In our opinion, it is necessary to intensify the promotion of exports to Russia and the Republic of Belarus, which are capacious and well-known sales markets.

Our study demonstrates that the export of spare parts and components has become an important source of export earnings for Uzbek automakers. Thus, export volumes in the column "Motor vehicles for the transport of goods" increased from \$11.7 thousands in 2018 to \$103.3 thousands in 2022 (eight times). The export of Uzbekistan in this direction is oriented toward the neighboring countries of the region, such as Afghanistan, Kazakhstan, Kyrgyzstan, and Tajikistan.

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The nomenclature for the export of spare parts is constantly improving. Thus, in the export of "Parts and accessories of motor vehicles of headings 8701 – 8705" we can note that export volumes have risen from \$ 798.4 thousands in 2018 to \$ 37158.6 thousands in 2022. We can see a wide geography of countries, where, along with traditional partners from the CIS countries – Russia and Belarus – there are countries in Central Asia – Kazakhstan, Kyrgyzstan, and Tajikistan. Export deliveries diversified significantly because of countries such as the Republic of Korea, Ukraine, the UAE, Lebanon, Moldova, and China. Among the importers for such a position as "Trailers and semi-trailers; other non-self-propelled vehicles; parts of them", we see countries such as Azerbaijan and Kazakhstan.

As a preliminary conclusion, we can single out that countries such as Azerbaijan, Kazakhstan, Kyrgyzstan and Tajikistan are among the main consumers of the products of "UzAutoMotors" JSC, which, in accordance with a number of theories of "foreign direct investment" (FDI), suggests more deep and extended penetration into the markets of the countries mentioned above.

### 4.3. Export of capital or "foreign direct investment".

Our research shows that many of the theoretical provisions of D. Dunning's OLI model have been used by UzAuto Motors since 2017.

**Republic of Azerbaijan:** the "UzAutoMotors" JSC has launched the assembly of five Chevrolet models: Damas, Labo, Lacetti, Tracker and Malibu. Cars began to be assembled in the Azerbaijani city of Hajigabul at the Azermash SR plant, where Chevrolet Nexia and Cobalt cars have also been produced since September 2021. All the products were manufactured in accordance with the global standards set by General Motors. The next steps in this direction were the replenishment of the Chevrolet model portfolio in Azerbaijan with new promising models as well as a gradual increase in production volume. Thus, by 2022, the company planned to increase production to 5 thousand cars [12]. A contract was signed between "Uzavtosanoat" JSC and the Association of Automobile Manufacturers of the Republic of Azerbaijan to study the deep localization of cars in Azerbaijan. As a result of the successful cooperation of the parties on the implementation of the large-scale cars assembly project by "UzAutoMotors" JSC in Azerbaijan, the volume of production in 2022 increased 12 times. The increase in production volumes naturally led to mutual interest in the further development of car production using the modern high-tech full-cycle method with deep localization [24]. In addition to selling manufactured products on the domestic market, the free trade agreement signed by Azerbaijan with Turkey in 2020 allows "UzAutoMotors" JSC, together with Azerbaijani partners, to start exporting cars to the Turkish market.

**The Republic of Kazakhstan:** GM Uzbekistan, together with AllurGroup, the national vehicle manufacturer of the Republic of Kazakhstan, has begun the serial production of the Ravon Nexia R3 model. The release of Ravon Nexia R3 sedan was carried out in Kostanay [13]. The next stage of cooperation was to expand the range of the cars produced. The UZAVTO ASIA company, the official distributor of Ravon in the Republic of Kazakhstan, began to sell the cars produced through the already existing dealer network, including AllurAuto auto centers.

In 2020, "UzAutoMotors" JSC launched the production of Chevrolet cars. In the first stage, the production volume was 26 thousand cars. The lineup includes Cobalt, Damas, Labo and Malibu models. Production has been established at the production facilities of SaryarkaAvtoProm LLP, where Ravon cars (Nexia R3) have already been produced since May 2017. All products met the world standards set by General Motors [14]. In the future, General Motors and UzAuto Motors reached an agreement to produce new models, including the Cobalt family sedan (formerly Ravon R4), Damas and Labo commercial vehicles, and the Malibu premium car. At the same time, Ravon Nexia R3 will also be produced under the Chevrolet brand. In the future, the Chevrolet model portfolio in Kazakhstan should be replenished with new models, such as Tracker and Trailblazer. In 2022, an agreement was reached between GM International, Uzavtosanoat, and Allur on the further development of car production in Kazakhstan over the next 10 years.

**The Republic of Tajikistan:** In March 2019, Uzbekistan and Tajikistan launched a joint automotive project - "Plant of special equipment, TALKO-KRANTAS", the first enterprise in Tajikistan, engaged in the production of trucks and special equipment.

As part of the first Uzbek-Tajik interregional investment forum, on June 9, 2021, an agreement was signed in Bokhtar between the Tajik Aluminsokhtmon OJSC and Avtosanoat Invest LLC on the establishment of the Auto Motors Tajikistan joint venture to produce "UzAutoMotors" JSC cars. To implement this project, in May 2021, the working group of Uzavtosanoat JSC visited Tajikistan, studied the production capacities of the partner company AluminSokhtmon, and negotiated the establishment of a joint venture. The production capacity of the project worth \$2 million in the initial stage was 10,000 vehicles, with further plans to increase to 35,000 units [15].

**The Republic of Kyrgyzstan:** Uzbekistan and Kyrgyzstan have common interests and goals in the development and expansion of interstate trade relations, including the automotive industry. Currently, Uzavtosanoat JSC exports cars and commercial vehicles to the Kyrgyz Republic. This cooperation aroused interest in strengthening bilateral relationships. Consequently, there was a desire

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to implement a joint project between Uzbekistan and Kyrgyzstan. At the Uzbek-Kyrgyz business forum in January 2023, it was announced that "UzAutoMotors" JSC together with Kyrgyz partners would launch the production of commercial vehicles and cars. The project is being implemented as part of an agreement between the governments of Uzbekistan and Kyrgyzstan on organizing the production of passenger and commercial vehicles in the Kyrgyz Republic.

Thus, in the village of Ak-Su in the Chui region, a joint venture for the assembly of cars will be built. It is assumed that the plant will assemble 19 types of vehicles, including minibuses, pickups, and sedans. These are Chevrolet and ISUZU commercial vehicles. The initial production capacity of the plant is 3,000 vehicles per year. Gradually, production volumes are expected to increase to 30,000 vehicles per year. The cost of cars will be approximately 13 thousands dollars, and trucks will be from 28 thousand dollars [16].

Taking into account the mutual interest in expanding cooperation in the development of the automotive industry in Kyrgyzstan, as well as the positive experience of "UzAutoMotors" JSC in organizing the production of competitive products in Kazakhstan and Azerbaijan, representatives of Uzavtosanoat JSC and DT Technik LLC in the Chui region of Kyrgyzstan are implementing an investment project "Manufacture of automotive and commercial vehicles using the SKD method". The project is planned to be implemented in stages. In particular, this includes large-scale assembly and small-scale production, as well as the organization of the production of auto components .

### 4.4. Foreign direct investment theories and practice.

First, the approaches and theories of FDI are of interest to Uzbekistan, as they can be used to strengthen its position as an FDI recipient country. In particular, the "flying geese" paradigm is, in essence, a "catch-up cycle" model. The "wild flying geese" paradigm was developed in the late 1930s. by the Japanese scientist K. Akamatsu as a generalized theory of economic development, reflecting the dynamics of internal processes and changes in the competitiveness of the Japanese industrial sector. Japan is at the head of the "flock", and then other "geese" - East Asian countries - fly at a certain time interval. Japanese firms invested in Taiwan, Singapore, Hong Kong, and South Korea (the "Asian tigers"), which, in subsequent years invested in neighboring Southeast Asian countries, such as Malaysia, Indonesia, and the Philippines. (see Fig. 3)

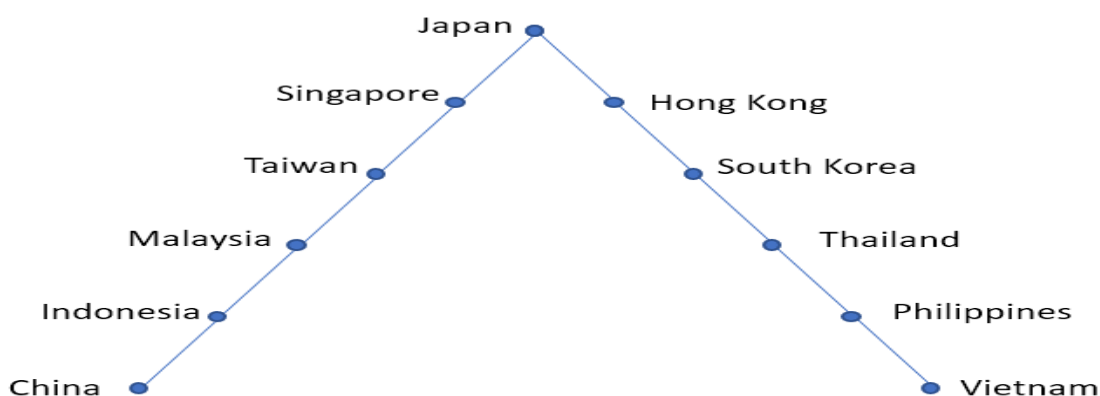


Fig. 3. Paradigm of "flying geese". Source: [17].

At the same time, the theory of "Paths of investment development" of nations by Dunning J. and Narula R. examines the dependence of exports and imports of capital on the level of economic development and shows that the path to the export of capital lies through its initial import, i.e. demonstrates the important role of foreign investment in the development of countries, especially at the stage of transition to market relations [18]. The study of the practices of Uzbekistan shows the interconnectedness of the above processes and the interdependence of investment policies.

Meanwhile, in the activities of UZAUTO MOTORS JSC we note:

-Systematic, consistent work of the holding in new markets, primarily in the countries of Central Asia and the Caucasus (Azerbaijan).

-The gradual entry of automotive products into these markets is supported by increasing supplies of spare parts and components.

-At the same time, production volumes are being expanded and the model range is being diversified.

-UZAUTO MOTORS JSC is practically implementing a strategy of transition from the export of goods (products) to the export of capital.

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Our comparative study showed some common features with the classical “flying geese” model, first of all, the formation of regional integration and a regional production chain following the example of Southeast Asia and the Central Asian region.

As a result of studying the above materials and trends, the author believes it is possible to put forward a hypothesis about the emerging Central Asian “flying geese” model with the leading role of the automobile industry of the Republic of Uzbekistan. However, it is necessary to highlight a number of specific features:

1. A chain (“flock”) of countries connected by ties of cooperation is built (from more developed at the beginning of the “flock” to less developed at the end).
2. Industrialization is gradually advancing in all regional chain-linked countries.
3. Each country starts production to export simple goods.
4. Profits are reinvested and used to improve the fixed capital.
5. Countries began exporting more complex goods.
6. In the course of this process, added value increases, and wages and living standards gradually approach those the level of developed countries [19].

Regarding to Uzbekistan, more precisely to the “UzAutoMotors” JSC, we note:

- It planned consistent work in new markets, primarily in Central Asia and the Caucasus (Azerbaijan).
- We see a gradual entry into automotive product markets, which is reinforced by the increasing supply of spare parts and components.
- Along with this, the expansion of production volumes and diversification of the model range are conducted.
- “UzAutoMotors” JSC is practically implementing the strategy of transition from the export of goods (products) to the export of capital.
- from the "flock of wild geese" by K.Akamatsu [20], South Korea became the founder of the automotive industry in Uzbekistan, bringing in foreign direct investment (modern technologies), having produced the first car in the region in 1996. This circumstance and the above-mentioned analysis of modern trends allow us to combine the classical paradigm and the emerging model in Central Asia and Azerbaijan in the field of automotive production (see Fig. 4).

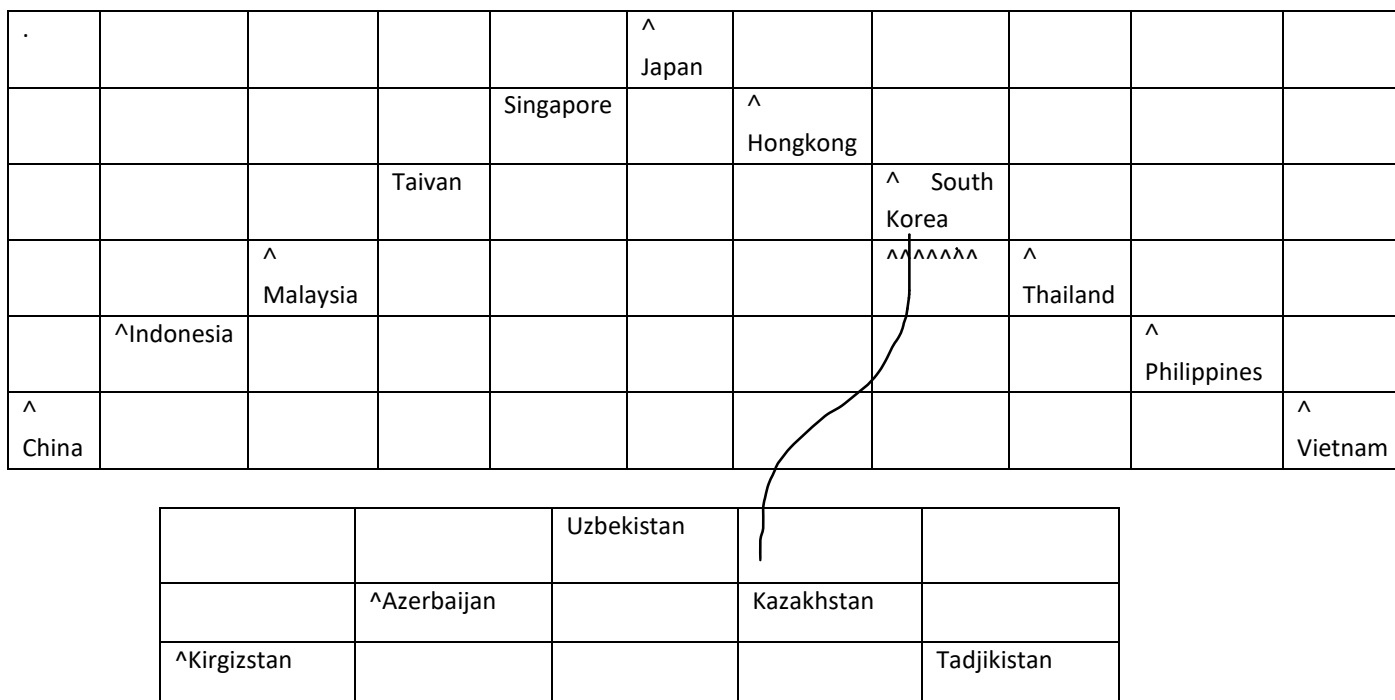


Fig. 4. "Flying geese" paradigm with the participation of the Republic of Uzbekistan. Source: [ 21], the author’s vision.

At the same time, it should be noted that this vision is not devoid of certain conventions, taking into account the short period of regional integration itself and the insufficient volume and lack of information and statistics based on this new phenomenon.



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### 5. DISCUSSIONS

In our study, we had opportunity to study many foreign and domestic experts in the field of foreign direct investment and the automotive industry. The practice of the Uzbek automaker demonstrates that for the successful operation of an enterprise in the foreign market, all three basic conditions for the eclectic (OLI Ownership advantage, Locationship advantage, Internalization advantage) paradigm of D. Dunning are necessary [22].

Some experts draw attention to the fact that in the view of the author of the FG paradigm K. Akamatsu there are three phases of the industry development: the entry of products into the country through imports; the opening of national productions; the export of industrial products that were previously imported [20], which received full confirmation on the example of "UzAutoMotors" JSC.

According to L.G. Belova [19], a chain ("flock") of countries connected by ties of cooperation is built (from more developed at the beginning of the "flock" to less developed at the end), which finds scientific confirmation on the example of the Uzbek automaker.

E. Petrushkevich, in her analysis of the dynamics of foreign direct investment, identifies 5 phases of investment development of countries. Among them:

- Countries with labour-intensive, low-tech industries, as well as countries where extractive industries predominate, are almost always net importers of FDI (phase 1) - India, China, Philippines, Colombia.
- As soon as they begin to develop capital-intensive and high-tech production, FDI imports into these countries intensify (phase 2) - Saudi Arabia, Turkey, Mexico, Malaysia, Hungary, Estonia, Slovakia.
- With the growing competitiveness of national companies in the country, FDI exports are growing, first by enterprises in the extractive industries, and then in industries with high extractive value (2nd and partly 3rd stage) - Taiwan, UAE, Singapore, Hong Kong, Cyprus, Malta. [23]

### 6. CONCLUSION

Noting that conclusions of Petrushkevich E. were largely correct for a number of countries during the 2000s. , we agree that they are applicable at the present time, not only to the export of FDI by UzAuto, but also in general to the ongoing processes of export of FDI by business entities of Uzbekistan. Thus, Uzbekistan is actively developing capital-intensive and high-tech production, FDI imports in 2017-2024. increased 4 times (phase 2).

And with the growing competitiveness of national companies in the country, FDI exports are growing, first by enterprises in the extractive industries, and then in industries with high extractive value (2nd and partly 3rd stage).

Currently, Russia is one of the largest trade and investment partners of Uzbekistan, and more than 1,000 enterprises with Uzbek national capital operate in this country. As a result of the initiatives of the President of the Republic of Uzbekistan in 2016-2024 to improve trust and good neighborly relations in the region, the investment climate has been improved, which contributed to a threefold increase in trade flows and mutual investments. Thus, in the countries of the Central Asian region there are more than 600 enterprises with Uzbek capital.

Using the example of Uzavto, we identified emerging trends in the export of foreign direct investment in the republic as a whole. The growth in the volume of capital export, on the one hand, corresponds to international trends, the conditions of globalization, on the other hand, it requires the formation of an integral state policy to manage this process

- accounting, development of a special statistical base.
- it is necessary to organize analytical work to study the geography and structure of the resulting investments, their volumes and forms, areas of investment for the purpose of control, as well as providing measures of state support and incentives.

Our vision and proposed hypothesis of the Central Asian "flying geese" paradigm are not without certain conventions - taking into account the novelty of the phenomenon itself, the short period of regional auto-industrial integration, the fragmented and insufficient volume of information base and statistical materials.

Nevertheless, it seems important to see emerging trends, begin to analyze their "pros" and "cons," and get involved in the process of government regulation.

In our opinion, at the legislative level it is advisable to unify (harmonize) the regulatory framework, as well as the basic concepts of the movement of foreign capital in the territory of the participating countries, including "foreign direct investment", "joint ventures", "foreign enterprises".

We believe it is necessary to develop a separate statistical base on the network of such joint ventures abroad, the movement of financial resources, forms and types of attraction (export) of foreign capital, measures of state support, incentives and protection.

## Managing the Process of Exporting Foreign Direct Investment (Using the Example of the Automotive Industry of Uzbekistan)

There is a lot of work ahead to introduce and consolidate the Uzbek automaker in the markets of the analyzed countries in the region, the conditions in which will differ radically from domestic ones. It is desirable to build a clear long-term Development Strategy, taking into account such factors as: features of work (production) in the markets of the countries of the region with a focus on high unsecured and constantly changing demand; modern trends in "green economy" and "green development" and others.

The government of Uzbekistan is doing its best to stimulate the formation of a competitive environment in the domestic market of automotive products by attracting FDI, expanding the number of automakers, importing cars, etc. This is very relevant in light of Uzbekistan's accelerated preparations for joining the World Trade Organization (WTO). Under these conditions, automotive production can become another driver of economic growth for the countries of the region, promoting regional integration, and the formation of a regional production chain.

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