

Leveraging Industrial Parks to Build Shoemaking Clusters in Uzbekistan

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The report firstly identifies Uzbekistan's key comparative advantages in labor, raw materials (cotton and leather), natural resources and land, as well as the key binding constraints which limit Uzbekistan's possibility of transforming comparative advantages into competitive advantages, namely high transaction cost due to hard and soft infrastructure gap, "first-mover" problem, lack of confidence from international buyers and poor local supply chain. Establishing successful SEZs is proposed to be a key instrument for the government. By conducting regional analysis, the report suggests two development paths towards successful shoemaking industrial clusters for Namangan and Bukhara depending on their regional characteristics. The report concludes by listing key policy recommendations to Uzbekistan government on three folds: (1) overcoming binding constraints; (2) improving local SEZ development; and (3) for regional governments of Bukhara and Namangan.

Objectives/ Motivation and research questions



This report comes as the second output of the joint project by the Institute of New Structural Economics at Peking University and Aloqabank in Uzbekistan. The cooperative project aims to support Uzbekistan in setting up footwear production, and forming international competitive clusters by establishing Special Economic Zones (SEZs) in two regions of Uzbekistan namely Bukhara and Namangan.

methods



Field research, comparative case study, interviews.

Results



The report is now considered to be one of the main guiding papers for establishing shoemaking industrial clusters in Bukhara and Namangan by the regional government. Guided by this report, INSE and the Uzbekistan government have been closely working together to implement relevant policy tools and initiate investment attraction activities, including organizing multiple delegations of leading firms from China to Uzbekistan for market investigations, etc.

Recommendations



The recommendations are directed to Uzbekistan central and regional government in particular. However, it also sheds insights to other developing areas. Moreover, it provides valuable information to other stakeholders such as Chinese government, Chinese and international shoemaking entrepreneurs and firms in related sectors, players in energy, infrastructure and SEZ management, and so on.

The views expressed in this poster are strictly those of the author(s) and do not represent the position of GReCEST. The present one-pager is based on the working paper entitled "Leveraging Industrial Parks to Build Shoemaking Clusters in Uzbekistan".