

AUTOMOTIVE INDUSTRY - A KEY SECTOR FOR EMPLOYMENT IN UZBEKISTAN

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Annotation

This article analyzes the role of Uzbekistan's automotive industry in employment and its strategic importance in ensuring socio-economic stability. In recent years, the sector has not only expanded production but also created hundreds of thousands of jobs through services, spare parts trade, logistics, and digital transport platforms. The article provides detailed insights into the activities of major companies such as "Uzavtosanoat" JSC, "UzAuto Motors," "BYD Uzbekistan Factory," as well as the impact of small businesses, online taxi services, and vocational training programs on employment. It argues that the automotive sector is evolving into a multifaceted economic cluster that promotes sustainable growth by increasing localization, producing import-substituting goods, and investing in human capital.

Keywords

Uzbekistan, automotive industry, employment, Uzavtosanoat, localization, online taxi services, spare parts market, youth and women employment, small business, economic cluster, social stability, human capital.

In recent years, Uzbekistan's automotive industry has experienced rapid growth and has become one of the leading sectors of the national economy. This industry not only meets domestic market demands but also plays a crucial role in creating thousands of permanent jobs.

In particular, thousands of specialists, engineers, production, and service workers are employed at "Uzavtosanoat" JSC and its subsidiaries such as "UzAuto Motors" JSC, "UzAuto Motors Powertrain" JSC, "BYD Uzbekistan Factory" LLC, "Alyans Auto" LLC, as well as private enterprises related to the automotive sector like "Samarkand Automotive Plant" LLC, "ADM Jizzakh" LLC, and various joint ventures located across the country.

According to statistical data, more than 40,000 people are currently directly employed in Uzbekistan's automotive sector. In addition, more than 90,000 people work in areas indirectly connected to the sector, such as logistics, sales, and service centers. Considering the additional jobs created in small businesses and entrepreneurship linked to the industry, the significance of this sector becomes even clearer.

Today, special attention is being paid to increasing the localization level in the automotive industry. More than 20 localization projects are planned, attracting up to \$100 million in direct investments.

Large enterprises in the industry are consistently implementing practical measures to increase employment. For example, one of the country's leading car manufacturers, UzAuto Motors, hired more than 500 new employees during 2024. Meanwhile, the rapidly developing BYD Uzbekistan Factory, specializing in the production of electric vehicles, has created over 1,000 new jobs. These figures indicate both the high demand for labor in the sector and the expansion of production volumes.

The localization process in the automotive industry is not limited to the assembly of finished vehicles, but also opens the door for the development of additional sectors producing auto parts. Special attention is being given to the metallurgical industry to support the production of metal components for vehicles. For this purpose, the newly established "Auto Spring Components" LLC (KOVA) is scheduled to launch at full capacity this year. This production line will manufacture major structural metal parts – including bodies, chassis, frames, and partial engine elements – using locally sourced raw materials.

Most importantly, this initiative aims to reduce the dependence on imported metal components and create new jobs, employing thousands of people in the metallurgical sector.

These projects not only replace imported production processes with domestic manufacturing solutions, but also introduce new technological advancements, produce import-substituting products, and create more employment opportunities in the local labor market. Moreover, the involvement of local entrepreneurs in auto component manufacturing is expanding, leading to the development of a robust cooperation ecosystem around the industry.

According to statistical data, **over 13,000 sales and service centers** are currently operating across Uzbekistan. In particular, more than **40,000 people** are employed in enterprises engaged in the sale of cars, buses, and other types of vehicles, while around **50,000** are working in companies that provide technical maintenance and repair services for vehicles and equipment.

In total, nearly **90,000 individuals** are employed in these sectors, demonstrating that the automotive industry in Uzbekistan contributes not only to manufacturing but also significantly to employment through its **extensive service and sales infrastructure**. This wide-reaching employment capacity further strengthens the industry's position within the country's economic system.

The automotive value chain—ranging from manufacturing and sales to maintenance, spare parts supply, and logistics—activates hundreds of entrepreneurial entities, thus promoting business growth. The sector's expansion also plays a vital role in **ensuring social stability**, offering a **stable and continuous source of income** for thousands of specialists and young professionals working in repair shops, diagnostics centers, auto-electric services, and sales outlets. **Small businesses** hold a significant share in this sector, contributing to the **expansion of entrepreneurship** among the population.

With the introduction of **modern technologies, digitalization, and intelligent transport systems**, qualitative changes are taking place in automotive-related services. This not only boosts the labor market but also creates opportunities for **innovative development**, strengthens the **investment climate**, and raises **competitiveness**.

In conclusion, these statistics and developments prove that Uzbekistan's automotive sector is becoming a **crucial factor** in ensuring economic activity, employment, and social well-being—not just through production, but also through services and retail trade.

Industries **indirectly connected** to the automotive sector are also playing an increasingly important role in employment. For example, over **14,000 retail outlets and markets** specializing in the sale of spare parts are currently active, providing **permanent employment to nearly 60,000 people**. This illustrates that, in addition to direct manufacturing, **indirect services and retail segments** also offer wide employment opportunities.

These figures highlight the **expanding ecosystem** shaped by the automotive industry. Vehicle production naturally leads to growing demand for servicing, spare parts, repairs, and service infrastructure, forming a **strong chain of supply and demand**. Retail outlets in this chain not only stimulate economic activity but also serve as **stable income sources** and ensure **social stability** for local businesses and self-employed individuals.

Notably, many of these retail activities are run by **private individuals, family businesses, and young entrepreneurs**, often operating through **mentor-apprentice systems**. This serves as an **effective mechanism for integrating economically active groups**, including youth and returning migrants, back into the labor market.

Furthermore, the **economic activity generated through spare parts trade** contributes to improving social infrastructure and transport services and increases demand for **domestic products and import-substituting goods**. Employment in this sector is not static, but rather adapts to **changing and priority-based needs**, making it **highly responsive to labor market dynamics**.

From this perspective, the **retail and spare parts markets**, which are indirectly linked to the automotive industry, represent a **strategically important sector**. They engage a broad segment of the population, including low-income groups, job seekers, and individuals pursuing self-employment. The **sustainable operation** of this sector is a **key factor in increasing domestic demand, strengthening competitiveness**, and promoting **social stability** in the national economy.

Currently, more than **50 online taxi platforms** operate in Uzbekistan, and over **280,000 self-employed individuals** are registered on a membership basis, providing transportation services to the population.

This large-scale involvement in **online taxi services** illustrates how **innovative technologies** are helping to create new jobs in Uzbekistan. Thanks to the **development of the automotive and transport infrastructure**, not only large enterprises but also individuals are increasingly earning income through their own vehicles and labor.

Online platforms create opportunities for **flexible and supplementary work**, especially for youth and returning migrants. This **new employment model**, rooted in the **digital economy**, stands out for offering modern alternatives to traditional workplaces.

At the same time, online taxi services **positively impact** related sectors such as **vehicle sales, spare parts markets, technical services, and fuel consumption**, thereby **stimulating overall economic activity** and expanding the **domestic consumer market**.

In short, the employment opportunities generated through online taxi services are important **both economically and socially**. They offer **ordinary citizens** a way to earn a **stable and independent income** while contributing to social stability.

Moreover, the establishment of **new automotive industry clusters** in the **Republic of Karakalpakstan, the Fergana Valley, and Navoi region** is expected to create additional job opportunities. By the end of **2025**, the number of people employed in this sector is projected to reach **450,000**.

Within the framework of ongoing government reforms and socio-economic development programs, special attention is being paid to ensuring employment for youth and women. In particular, specialized upskilling and vocational training courses are being organized in the automotive industry and related fields. These

courses aim to engage young people entering the labor market, women seeking to acquire a profession, and citizens interested in retraining.

This initiative plays a strategic role in supplying the automotive sector with a new generation of specialists equipped with modern knowledge and practical skills. By preparing competitive professionals for activities in manufacturing, repair, logistics, trade, electronic diagnostics, electronics, and modern auto services, these programs contribute to the sector's sustainable growth.

Of particular note is that these training courses are being implemented in cooperation with regional employment centers, colleges, technical schools, and private educational institutions. This collaboration allows for the effective use of local resources and creates opportunities to meet sectoral demand through locally trained personnel. Additionally, the practice-oriented nature of these programs, integrated with manufacturing enterprises, ensures a balance of theoretical knowledge and hands-on experience.

This approach not only prepares the workforce needed for the automotive industry but also acts as an essential social mechanism to protect youth from unemployment and women from economic inactivity.

In conclusion, these government-led programs are among the key reforms aimed at strengthening the human resource potential in the automotive sector, increasing employment, and enhancing the effectiveness of investments in human capital by involving a wide segment of the population.

Conclusion. Today, the automotive industry in Uzbekistan is becoming not only one of the main drivers of expanded production capacity and the implementation of innovation but also a strategically important sector for increasing employment, creating new jobs, and ensuring social stability. The continuous development of the industry—including the commissioning of new factories and workshops, the establishment of additional local capacities for producing spare parts, the expansion of export potential, and the modernization of the auto service network—is laying the foundation for creating stable, decent, and productive jobs for hundreds of thousands of citizens.

The automotive industry plays a significant role not only in direct production but also in stimulating demand in numerous related sectors such as logistics, trade, repair, marketing, services, IT, and education. This positions the sector as a comprehensive economic cluster. Moreover, state support policies, the attraction of investments, and localization efforts are opening new doors of opportunity—especially for youth and women—encouraging their active participation in competitive professions and skill development.

As a result, the automotive industry is serving not only as an engine of economic efficiency but also as a long-term contributor to improving living standards, reducing poverty, and effectively channeling investments into human capital development.

In summary, the automotive industry in Uzbekistan should be viewed not merely as a production sector but as a strategic platform for ensuring socio-economic stability. Every new job created in this field represents a family's livelihood, a young person's future, and the economic outlook of an entire community.

SOURCES:

1. Data provided by the Statistics Agency under the President of the Republic of Uzbekistan;
2. Data provided by the Ministry of Employment and Poverty Reduction of the Republic of Uzbekistan;
3. Official website and Telegram channel of "Uzavtosanoat" JSC.