THE ROLE OF LOCALIZATION IN ENHANCING COMPETITIVENESS IN THE AUTOMOTIVE INDUSTRY

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Abstract. This thesis examines the role of localization processes in the automotive industry in enhancing the competitiveness of enterprises. It analyzes key aspects such as reducing production costs, decreasing import dependency, increasing value added, and developing a network of local suppliers through localization. Furthermore, it substantiates that the effective management of localization strategies is a crucial factor in ensuring the sustainable development of automotive enterprises and strengthening their competitive advantage in both domestic and international markets.

Keywords: automotive industry, localization, competitiveness, strategic management, supply chain, import substitution, production efficiency, local suppliers.

Introduction. Geopolitical and economic changes in the global economy, disruptions in global supply chains, and increasing international market competition require industrial enterprises to organize production in a more stable and efficient manner. In this context, the development of localization processes in the automotive industry has become strategically important. Localization not only reduces import volumes but also enhances the production capacity of domestic industries, creates new jobs, increases value added, and strengthens the competitiveness of products.

In Uzbekistan, increasing the level of localization in the automotive industry is one of the priority directions of state industrial policy. Therefore, studying the impact of localization on the competitiveness of enterprises is considered one of the most relevant scientific tasks.

Main Part. The automotive industry is a high-tech and multi-sector production system, where efficiency largely depends on the supply of spare parts and components. An increase in the share of locally produced components reduces import costs, optimizes logistics expenses, and ensures the continuity of production processes.

Localization improves the competitiveness of enterprises in several ways. First, the reduction of transport and customs-related costs decreases the overall production cost. Second, long-term cooperation with local manufacturers increases production flexibility and enables faster order fulfillment. Third, the development of cooperation among national industrial enterprises stimulates innovation and creates conditions for the introduction of new technologies.

In addition, the success of localization strategies is closely linked to the application of modern management mechanisms in enterprises. In particular, effective supply chain management, selection and evaluation of local suppliers, improvement of quality management systems, and digitalization of production processes significantly enhance the efficiency of localization.

Today, localization in the automotive industry is viewed not only as a tool for import substitution but also as a factor for increasing export potential, improving product quality to international standards, and ensuring long-term strategic development of enterprises. From this perspective, scientifically based management of localization strategies plays a key role in forming sustainable competitive advantages.

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Table 1.

Impact of Localization on Automotive Industry Performance

Indicator	**Before Localization**	After Localization	Impact on Competitiveness
Production Cost	High (import-dependent)	Reduced by 15–30%	Increased price competitiveness
Supply Chain Stability	Low	High	Fewer production interruptions
Delivery Time	Long	Short	Faster market response
Local Supplier Participation	Limited	Expanding	Strong industrial cooperation
Export Potential	Moderate	Increasing	Improved global competitiveness

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Conclusion. In conclusion, localization in the automotive industry is one of the key strategic factors in enhancing the competitiveness of enterprises. It contributes to reducing production costs, decreasing import dependency, ensuring supply chain stability, and developing industrial cooperation. In the future, improving localization management mechanisms, widely implementing digital technologies, and enhancing the innovative potential of local suppliers will further strengthen the competitiveness of automotive enterprises in both national and global markets.

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