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### **FOREIGN EXPERIENCE IN IMPROVING THE ORGANISATIONAL AND ECONOMIC MECHANISM FOR THE FORMATION AND DEVELOPMENT OF THE OIL AND GAS SECTOR IN THE REPUBLIC OF UZBEKISTAN**

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#### **Abstract**

This thesis examines the directions for improving the organizational and economic mechanism for the formation and development of the oil and gas sector in the Republic of Uzbekistan based on an analysis of foreign experience. Management models in Norway, the United States, and Saudi Arabia are analyzed, highlighting differences in approaches to resource rent distribution, the role of the state, and the level of market competition. The possibility of adapting specific elements of these models to the conditions of Uzbekistan is justified, taking into account the institutional characteristics of the national economy. The study concludes that enhancing transparency in revenue management, introducing innovative technologies, and implementing strategic planning for sector development are essential for sustainable growth.

**Keywords:** Oil and gas sector, Republic of Uzbekistan, organizational and economic mechanism, international experience, resource rent, state regulation, economic diversification.

#### **Introduction**

The oil and gas sector plays a crucial role in ensuring the energy security and sustainable economic development of the Republic of Uzbekistan. In the context of national economic modernization and increasing global competition, the



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improvement of the organizational and economic mechanism of the sector is particularly relevant.

Global practice shows that the resilience of the oil and gas sector depends not only on the availability of resources but also on an effective management system, transparent revenue distribution, and the adoption of modern technologies. In this regard, studying the experience of countries such as Norway, the United States, and Saudi Arabia is of practical interest for adapting the most effective tools to the conditions of Uzbekistan. International practice demonstrates various models for forming and operating organizational and economic mechanisms in the oil and gas sector, each reflecting the national institutional environment and strategic priorities.

### **Main part**

One of the most effective models is the Norwegian system of oil and gas sector management. Norway combines market mechanisms with an active role of the state in strategic regulation of the industry. As of 2024, the country's oil production was approximately 2 million barrels per day, accounting for about 2% of global demand. Natural gas exports reached 126 billion cubic meters, covering around 30% of the European Union and United Kingdom's gas consumption. A key element of the Norwegian mechanism is the accumulation of oil and gas revenues in the Government Pension Fund, which enables efficient management of resource rent, reduces macroeconomic risks, and ensures long-term financial stability. High transparency, a strict tax system, and strategic investment of revenues form a stable and sustainable model of sector development.

In contrast, the model of the United States is primarily based on market principles and the dominance of private capital. In 2023, U.S. oil production exceeded 12.9 million barrels per day, making it the world's largest producer. More than 40%



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of production comes from the Permian Basin, which became the center of the shale revolution. The development of horizontal drilling and hydraulic fracturing technologies has led to significant productivity growth and cost reduction. The U.S. organizational and economic mechanism is characterized by a flexible regulatory system, a developed financial market, and high investment activity of private companies. The government plays a stimulating and regulatory role, creating conditions for technological innovation and enhancing export potential. Another example is Saudi Arabia, where the oil and gas sector plays a systemic role in the national economy. In 2024, crude oil production reached approximately 3,277 million barrels, with exports of around 2,214 million barrels. The country's production capacity ranges from 9 to 12 million barrels per day, allowing significant influence on the global oil market. Saudi Arabia's organizational and economic mechanism is based on centralized resource management through the national oil company and integration of the oil and gas sector into long-term socio-economic development programs. Special attention is given to strategic planning and economic diversification aimed at reducing dependence on raw material exports.

Thus, the analysis of foreign experience allows us to draw general conclusions for the Republic of Uzbekistan. From the Norwegian model, it is advisable to adopt tools for effective resource rent management, increase transparency in revenue distribution, and implement elements of stabilization fund management. The American experience highlights the importance of developing a competitive environment, attracting private investments, and introducing innovative technologies for hydrocarbon extraction and processing. The practice of Saudi Arabia emphasizes the significance of long-term strategic planning and integrating the oil and gas sector into national economic diversification programs. The combined application of these elements, taking into account the institutional



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characteristics of Uzbekistan, can contribute to creating a more sustainable and efficient organizational and economic mechanism for the development of the country's oil and gas sector.

### **Conclusion**

Improving the organizational and economic mechanism of the oil and gas sector in the Republic of Uzbekistan requires a comprehensive approach, including the modernization of the state regulatory system, increasing the investment attractiveness of the sector, and the introduction of innovative technologies.

The analysis of foreign experience indicates the advisability of adapting elements from different models. In particular, Uzbekistan can draw on the Norwegian model of resource rent management, the American approach to innovation and private sector development, and the Saudi system of strategic planning and economic diversification. The combined application of these tools, taking into account the national characteristics of Uzbekistan, can enhance the resilience of the oil and gas sector and ensure its contribution to the country's long-term socio-economic development.

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