

Macroeconomic tendencies of the development of the national industry complex

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Abstract: This article is devoted to the analysis of modern macroeconomic trends in the development of the national industrial complex.

Key words: Industry complex, macroeconomic indicators, reforms, potential of industrial production, industrialization strategy, industrial producers

Introduction

In Uzbekistan, it is desirable that in the long term, industry will become the main driving force in achieving sustainable development of the country. This can be achieved through structural changes and diversification of the economy, preparation for the transition to an innovative and high-tech model of development, and the creation of conditions that will help to avoid the focus on raw materials. Competitive modelling is based on the ability to achieve and innovate in many sectors of the economy and industry that combine competitive advantages in existing and rapidly evolving scientific and technological areas..

The development of industry is important to increase the economic activity of both the state and business entities and to encourage the growth of small business and private entrepreneurship in the development of industrial production in the context of the rapid development of an effective national innovation system. It also focuses on increasing the efficiency of resource utilization through structural and institutional reforms in the economy through the expansion of public-private partnerships.

Industry is an area that defines the country's position in the world economy and makes a significant contribution to increasing its competitiveness. The sector also has a significant impact on improving the territorial structure of the national economy. This is because the quantitative and qualitative indicators of economic growth are achieved through the rapid development of industrial production. Today, our country has set strategic goals for the balanced development of resource-intensive, labour-intensive and high-capacity industries.

Methodology

Over the past 3-4 years, economic, organizational, institutional, property and legal reforms have been implemented in the sector. The main directions of these reforms are:

- Denationalization and privatization of industrial enterprises;
- Ensuring the functioning of state-owned, corporate, public, private forms of property;
- Implementation of structural changes in industries;
- Ensuring the rapid development of small business and private entrepreneurship;
- Ensuring the inflow and effective operation of foreign capital in the industry;
- Acceleration of technical and technological renewal, modernization, diversification;
- Creation of free economic zones, small industrial zones and techno parks, etc.

The structure of the Uzbek industrial complex is very complex and is divided into 18 branches: electricity, fuel, ferrous metallurgy, non-ferrous metallurgy, chemistry and petro chemistry, machine building and metallurgy, metallurgy and metallurgy. , construction industry, construction and details industry, glass and porcelain industry, light industry, food industry, microbiology industry, flour and mixed feed industry, medical equipment industry, printing industry.

In Uzbekistan, the industrial complex is a complex of important sectors of the national economy. The industrial complex has more than 100 branches and sub-branches. More than 60,000 enterprises and organizations of various scales operate in the industry. Today, in addition to large production units, there are small, micro-units, individual entrepreneurs and households in industrial production.

Uzbekistan's industry is an integrated sector of the national economy, which is a key factor in the expansion of reproduction and economic growth. In this sector, the means of production for other sectors of the economy - agriculture, construction, transport, communications, trade and catering are being created, machinery and technology are being improved. In addition, the necessary environment for the implementation of scientific research and experimental design is emerging in industrial enterprises, where innovative resources are increasingly formed.

Today, compared to other sectors of the economy, the role and importance of industry in ensuring the competitiveness of the country is growing. This is due to the fact that the industry is active in the volume of exports, foreign exchange earnings, investment, the formation of budget and extra-budgetary funds, the depreciation and renewal of fixed assets, the acceleration of innovation.

In determining the location, scale and structure of the productive forces, first of all, the potential of industrial production is taken into account. For this reason, industry is also at the heart of the policy of modernization, diversification, technical and technological renewal of the economy. The strategic goal of industrial development in Uzbekistan is not only to ensure high rates of industrial growth, but also to increase the international competitiveness of sustainable industries. This is because industrial production can be developed in two ways - by expanding demand in the domestic market and by exporting goods to foreign markets.

Today, concepts, strategies and related programs for the development of the industry are being developed in both directions. At the same time, the main focus is on the implementation of export-oriented industrialization strategy.

The industrialization strategy includes the following:

- increasing the share of industry in the national economy;

- Rapid development of high-tech industries and the processing sector compared to other industries;
- Ensuring the efficient and integrated use of the industrial potential of each region;
- Establishment of new industrial enterprises and small industrial zones.

In today's strategy, the processing industry is moving to the centre of the backbone. These include industries such as petrochemicals, food, garments, leather and footwear, and building materials. The development of these industries is achieved through the introduction of energy-saving, competitive technologies.

Over the past period, the disparities in the industrial sector have been significantly mitigated and appropriate positive results have been achieved. The results of the following measures were:

- Investment policy aimed at the creation, modernization and technical and technological equipment of modern production facilities in the basic industries;
- Budget and credit policy aimed at supporting effective industrial enterprises;
- Measures to reduce the cost of production and increase price competitiveness;
- Stimulating domestic demand for industrial products by non-inflationary methods, including by expanding inter-sectorial cooperation and localization of production. An important mesa-trend trend in industrialization is the general accumulation, which is of long-term strategic importance. Gross domestic product consists of gross accumulation and gross consumption. Gross aggregation has a significant impact on the speed and scope of the macro cycle in the national economy. In this concentration, the part of it directed to fixed capital will become the material basis, support and conditions of industrialization. For example, the GDP calculated in current consumption at current prices in 2019 will reach 511.8 trillion sums. In terms of its volume, the total rainfall is 216.2 trillion sums, and the total accumulation of fixed capital amounted to 191.5 trillion sums.

In the last three years, i.e in 2017-2019, the annual growth rates of fixed capital accumulation were 19.37, 29.90 and 30.21%, respectively. This means that the capital directed to fixed capital has increased sharply as a result of the policy of accumulation. The policy of active accumulation, in turn, creates additional opportunities for active investment policy.

The rates of aggregate concentration, gross internal concentration, and gross accumulation of fixed capital, in turn, affect the rates and directions of economic growth (see Table 3.1.2). If efficient consumption means an improvement in the composition of consumption, rational accumulation means the conversion of available material and financial resources into investments. The rate of accumulation of fixed capital changes in direct proportion to the growth of the total value added of the industry.

In 2010-2019, the main factor of economic growth was formed and expanded in industry and construction. During this period, the production (processing) industry grew by an average of 107.2% per year, while the volume of construction increased by 111.8% per year. In particular, the growth rate has accelerated in the last 2 years; 107.9 and 109.4% in industry and 114.3 and 119.0% in construction, respectively.

Table 1
Dynamics of economic growth in Uzbekistan,
as a percentage of the previous year

	2010	2012	2014	2016	2017	2018	2019	Average annual growth, %
Gross domestic product, in last year's prices, as a percentage	107.3	107.4	107.2	106.1	104.5	105.4	105.6	106.2
Gross value added of industries	107.7	107.8	107.3	106.1	104.3	105.4	105.6	106.3
Village, forest and fisheries	106.1	107.0	106.0	106.2	101.2	100.3	102.5	104.2
Industry	105.9	105.7	104.5	105.4	105.2	110.8	106.6	106.3
Mining and quarrying	94.8	108.8	93.2	100.8	117.6	126.5	99.0	107.2
Manufacturing industry	108.9	106.3	108.0	106.7	104.2	107.9	109.4	107.2
Electricity, gas, steam supply and air conditioning	118.5	96.3	104.1	103.6	95.5	103.1	100.3	103.0
Water Bilan analysis minlaş Alonso ; kanalizatsiya district tizimi , ciqindilarni ji etc. lessen and utilizatsiya district stahiyang	118.6	105.6	112.0	110.0	108.0	111.3	106.3	110.2
Construction	104.2	114.5	117.6	107.2	106.0	114.3	119.0	111.8

Source: Compiled on the basis of data from the State Statistics Committee of the Republic of Uzbekistan for the relevant years. // stat . uz /

The contribution of the agricultural sector to economic growth is declining from year to year, as economic growth in the sector is slowing down. Institutional factors that play an important role in industrialization, in most cases, expand or contract under the influence of fluctuations in inflation, exchange rates and price indices. According to the basic model of institutional change in industry, the change in the relative prices of resources involved in industrial production is the optimization of the corresponding state pricing policy.[\[1\]](#).

Table 2
Prices of industrial producers
Index dynamics

		compared to the same period last year %	2000-2004 average,%
Round 1	2000	160.9	142.1
	2001	142.2	
	2002	148.0	
	2003	129.9	
	2004	129.6	
			2005-2009 average,%
Round 2	2005	125.6	120.7
	2006	130.2	
	2007	114.1	
	2008	109.1	
	2009	124.7	
			2010-2014 average,%
Round 3	2010	115.6	115.0
	2011	119.6	
	2012	114.5	
	2013	111.7	
	2014	113.6	
			2015-2019 average,%
Round 4	2015	113.5	124.1
	2016 *	114.8	
	2017	117.5	
	2018	131.8	
	2019	143.2	

*) was calculated based on IFUT-2 classification from 2016

Source: Compiled on the basis of data from the State Statistics Committee of the Republic of Uzbekistan for the relevant years. //stat.uz/

From 2000 to 2019, the price index for industrial production changed relatively unsteadily over time. For example, in 2000-2004 this indicator averaged 142.1%, in 2005-2009 - 120.7%, in 2010-2014 - 115%, and in recent years - 2015-2019 - 124.1%.

In each period, the state in the development of industrial policy has put a strong conjuncture in the price factor. This forced the government to take into account the price factor in the development and implementation of various industrial programs and projects.

Price instability or sharp fluctuations have led to continuous adjustments to the parameters of industrial policy, in other words, changes in the rules of business and entrepreneurship, organizational, economic and institutional conditions between the public and private sectors.

In recent years, industrial producers' price indices have risen sharply, creating unfavourable market conditions, while market imbalances and imbalances have widened the institutional gap and have a negative impact on the sustainability of institutions.

If price volatility persists for a long time, then the process of developing strategic plans will slow down, industrialists will become passive, capital resources will flow to industries with high rates of turnover and high profit margins, in addition to industrial production. This will lead the government to urgently transfer additional financial resources to strategic sectors, to replace the elements of the market mechanism, and to deepen the work of directives. Maintaining stable and dynamic trends in price changes is important in this process.

The consumer price index in relation to the price index of industrial producers is changing at a steady pace, i.e there is a relative stability in the consumer goods market. This is the result of a number of measures taken by the country to combat inflation, to prevent monopolistic movements in the consumer market, to regulate foreign trade and to ensure the stability of exchange rates. However, it is impossible to pursue such an effective policy in the market of investment goods for a number of objective reasons.

Changes in the structure of Uzbekistan's foreign trade turnover allow us to describe in general the change in the export potential of industrial production. Export potential has been provided in recent years by exports of rare metals. This process, from the point of view of the country's industrialization, is not considered appropriate for a long time. Revenues from exports of rare metals should have the potential to increase the export potential of value-added goods. Otherwise, there will be a backwardness in deindustrialization, ie industrialization.

Table 3

Dynamics of exports of the Republic of Uzbekistan
(Million US dollars) *

Code K ICT	K Name of ICT categories	2015	2016	2017	2018	2019	Change in 2015- 2019, equal
	Total	12,507.6	12 094.6	12 553.7	13 990.7	17 458.7	1.4
100	Food and beverages	1,288.1	663.4	843.4	1,062.6	1,465.9	1.1
110	Raw materials	1 221.8	598.9	712.7	907.5	1,237.3	1.01
120	Processed	66.2	64.5	130.7	155.1	228.6	3.45
200	Primary products for production not included in other categories	5 126.0	6 117.7	6,937.5	6 589.4	9,066.6	1.77

210	Raw materials	819.4	738.1	571.5	352.9	506.0	0.62
220	Processed	4 306.6	5 379.6	6 366.0	6 236.5	8 560.6	2.0
300	Fuel and lubricants	2 677.2	1,705.7	1,601.5	2 657.6	2,521.7	0.94
310	Raw materials	2,549.4	1,522.6	1,389.9	2 424.0	2 260.8	0.89
320	Processed	127.8	183.1	211.5	233.6	260.8	2.04
400	Fixed assets (excluding vehicles) and their components and accessories	35.6	104.4	107.8	64.9	129.2	3.63
410	Fixed assets (excluding vehicles)	19.3	54.6	53.9	39.0	77.6	4.02
420	Fittings and accessories	16.3	49.8	53.9	25.9	51.6	3.17
500	Vehicles and spare parts	79.0	85.8	194.4	84.7	197.3	2.5
510	Cars	42.3	39.4	130.1	29.3	121.5	2.9
520	Others	12.4	37.0	25.5	38.3	49.2	4.0
530	Spare parts and accessories	24.2	9.4	38.9	17.2	26.6	1.1
600	Consumer goods that do not belong to another category	240.6	296.9	394.5	432.1	583.1	2.42
610	Used for a long time	17.6	34.0	68.2	68.1	90.2	5.1
620	Medium term use	96.3	134.6	176.3	187.7	270.4	2.81
630	Used for a short time	126.7	128.3	150.0	176.3	222.6	1.77
700	Goods not included in another category	0.0	0.0	0.0	29.5	60.0	xxx
800	Services	3 061.3	3 120.6	2 474.5	3 070.0	3 434.8	1.12
* Classification by broad economic categories - KIKT							

Source: Compiled on the basis of data from the State Statistics Committee of the Republic of Uzbekistan for the relevant years. // stat . uz /

At the same time, the share of investment goods in exports has not increased significantly. However, compared to raw materials, exports of processed goods are growing significantly. True, in absolute terms this is not considered significant. This means that the export-oriented strategy in industrialization is being implemented more actively in low-tech industries.

Looking at the dynamics of changes in the structure of exports of the Republic of Uzbekistan in 2015-2019, exports of total goods increased by 1.4 times (see Table 3). The highest increase in the categories of goods was fixed assets (excluding vehicles) and their components and devices - 3.6 times, vehicles and spare parts - 2.5 times, non-consumer goods - 2.4 times. goods not included in the category were registered 2.0 times. In the case of goods in these categories, processed products in the primary product groups for the production of food and

beverages and other categories are 2.0 times, in the main means (excluding vehicles) and components for them (vehicles and components) and components and fittings, respectively, 4.0 and 3.1 times, vehicles and their spare parts 2.8 times, and other goods about 4.0 times, while non-consumer goods last a long time. Goods increased by 5.1 times and consumer goods by 2.8 times.

CONCLUSIONS

The following trends in the dynamics of Uzbek exports can be highlighted:

1. Exports of processed goods are growing faster than exports of raw materials. However, the volume of exports of this group of goods has a small share in total exports. For example, in the group of food products, the processed category is only 15%.
2. The growth rate of short-term consumer goods in the group of consumer goods is not high.
3. There is almost no change in the volume of exports of services.

In general, the structure of exports of industrial goods is partially diversified. This will require further institutional reform of export-oriented industrialization programs and projects. Organizational and institutional changes in this area need to be systematically implemented.

In Uzbekistan, the industrial complex has become a significant and influential factor in increasing the competitiveness of the economy, stabilizing the consumer market, expanding the production of investment goods, strengthening the balance of trade and balance of payments. The effectiveness of structural shifts in this regard depends, among other factors, on the ability to make more effective use of institutional factors.

References:

1. See: Kholmatov NB Institutional problems of the national industrialization process. T.: "Ilm-ziyovot", 2019, pages 59-60.