



Economic Analysis of the Current Situation of Services in the Socio-Economic Development of the Territories of Uzbekistan

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Abstract – *The article analyzes the development trends of the service sector in the development of the regions of the Republic of Uzbekistan. In particular, the volume of services provided by the main types of economic activity, the growth of per capita services in the regions and the growth of services by regions, as well as the dynamics of growth in the northern part of the country in the Republic of Karakalpakstan were analyzed and studied. . The essence of the legal normative documents adopted by the government, which serve to achieve positive results in the field mentioned by the author, is revealed.*

Keywords: Regions of Uzbekistan, Development trends in the service sector, By regions, the volume of services, The growth of services in Karakalpakstan.

1. INTRODUCTION

The development of the service sector today is very important for the development of the entire national economy of any country, as its role in the modern economy is based not only on its dominance in the economy, but also on scientific knowledge, intangible forms of savings, information technology and globalization of economic activity. factors. It is known that in the modern economy all types of services can be grouped as follows: transport, communications, wholesale and retail trade, credit and finance, insurance, personal services, cultural and recreational services and the block of social services - education, health, social services.

Comprehensive development of the service sector is a key issue in ensuring sustainable economic development, ensuring effective employment and improving the living standards of the population. Practice shows that the rapid development of the service sector in both developed and developing countries is now a priority to influence economic growth. Therefore, the service sector covers all segments of the population and affects almost all socio-economic processes taking place in society, which indicates the relevance and importance of this issue.

It should be noted that over the past two decades, the service sector has become one of the fastest growing sectors of the world economy. This is due to the increasing complexity of production, the saturation of the market with new products and the rapid growth of scientific and technological progress.

Thus, in the early 2000s, the service sector became the largest sector of the economy in the economies of leading foreign countries. In particular, the total share of transport, communications, wholesale and retail trade, credit and financial institutions, insurance business, consumer, consulting and socio-cultural services in GDP amounted to 69-76% [1]. In many countries, a set of very important new business services such as marketing and advertising services, engineering and construction services, leasing operations, accounting and auditing services, etc. are leading in terms of growth rates. Hiring services with computer services is developing at a very high pace.

2. RESEARCH METHODOLOGY

Based on theoretical analysis and monographic observations, the concept of socio-economic development of the regions of Uzbekistan is aimed at highlighting the importance of trends in the development of the service sector, based on priorities.

3. ANALYSIS AND RESULTS

The sectors under consideration in Uzbekistan since 2000 and in recent years account for 37-49% of the country's GDP. In Russia, for example, the sector accounts for only 23 percent of GDP and 37 percent of the total number of workers, which is almost lower than in Western countries. Based on the above, we must first overcome the theoretical assessment of the service sector in Uzbekistan as an unrealistic secondary sector, in which, first of all, we believe that the state should promote the formation and further development of small business in the service sector. Especially for business entities operating in the economically underdeveloped remote areas of the country.

It should be noted that over the years of independence, Uzbekistan has carried out systematic work to deepen structural changes and diversify the economy, to ensure the rapid development of services and services as one of the important factors and areas of improving employment, income and quality of life. That is, the sector plays an important role in ensuring sustainable economic growth (Table 1).

Table -1: Growth rate of services provided by the main types of economic activity in the Republic of Uzbekistan [7]

Indicators / years	2010	2015	2016	2017	2018	2019	2020
Services - total	115,8	113,4	114,7	110,7	108,9	113,2	103,0
Information and communication services	130,5	116,0	114,6	121,3	115,9	108,3	123,8
Financial services	116,4	130,6	119,8	136,5	121,5	147,0	125,6
Transportation services	109,8	104,3	107,8	109,9	104,5	106,7	91,4
Including: motor transport service	122,3	115,9	117,2	102,1	101,6	105,1	101,4
Accommodation and meals	127,1	119,0	121,1	112,1	107,0	107,3	80,3
Sales services	121,5	118,5	120,5	100,3	104,9	107,4	103,8
Real estate related services	128,4	118,5	117,5	106,6	107,9	104,7	90,0
Educational services	90,1	111,2	107,8	125,6	110,5	109,5	101,0
Health services	121,2	117,2	122,2	116,9	113,4	114,7	94,8
Rental and leasing services	116,0	113,8	117,6	102,1	110,4	98,3	98,4
Repair services for computers, personal items and household goods	115,3	116,3	115,6	102,6	104,2	107,1	94,5
Personal services	119,0	107,0	113,8	100,7	102,2	105,4	94,7
Services in the field of architecture, engineering research, technical testing and analysis	108,0	106,6	115,3	124,7	118,1	115,5	93,3
Other services	121,0	113,5	114,9	111,8	121,2	116,3	99,7

Table 1 shows that in the volume of services provided by the main types of economic activity in the Republic of Uzbekistan, the main sectors of services - information and communication services, construction services, transport and

communications, catering, as well as education services contribute to sustainable GDP growth significantly affected. The results of the analysis show that the service sector plays a significant role in ensuring economic growth in the country's regions.

These considerations can be interpreted as follows. In particular, at the initial stage of reforming the national economy in our country in 1991-2000 - the transition to a market economy and the creation of the foundations of national statehood. That is, during this period - the growth rate of gross domestic product in the republic was low. Over the past years, the share of services in the country's GDP has grown from only 33.8% to 37.0% [7]. It should be noted that the structure of the services market in this period was formed mainly at the expense of traditional types of services, such as trade and catering, transport, housing and communal services.

Later, with the adoption of the laws of the Republic of Uzbekistan "On Auditing", "On Insurance", "On Banks and Banking", "On Communications", "On Informatization", the volume of services increased, and the quality of network and market components changed, new types of market services emerged. As a feature of this period, not only consumer services, but also services for business development have developed. In particular, in accordance with the adopted laws "On Leasing", "On Advertising", "On Appraisal Activities", "On Exchanges and Exchange Activities", "On Telecommunications", promising areas of services such as communication and information, banking, insurance and leasing successfully developed. In addition, the creation of a favorable environment has created incentives and favorable conditions for the establishment of joint ventures with foreign partners in the field of forwarding services and communication systems.

The Law on Tourism, which is the main legal document regulating the development of tourism in the country, as well as government measures for the further development of the hotel industry and

tourism are reflected in the rapid growth of the tourism industry. The hotel industry has begun to develop in our country through the extensive use of the rich potential of international tourism. The process of modernization of international airports, railways and highways has not only contributed to the development of educational tourism in historical cities such as Samarkand, Bukhara, Khiva, Kokand, Shakhrisabz, but also allowed to expand ecological, scientific and business tourism in other cities of the country.

It should be noted that the factors ensuring peace and security, political and economic stability in the country are in the center of attention and serve to increase the flow of tourists to Uzbekistan. This, in turn, will ensure not only an increase in the share of services in GDP, but also an increase in the volume of services per capita. We can see this information in Table 2.

Table -2: Growth rate of services per capita in Uzbekistan by regions [7]

Regions / years	2010	2015	2016	2017	2018	2019	2020
Republic of Uzbekistan	112,6	111,4	112,7	108,9	107,0	111,1	101,0
The Republic of Karakalpakstan	113,9	116,7	111,5	106,7	111,6	111,1	104,7
Andijan	112,5	117,2	113,8	103,5	105,4	108,9	103,5
Bukhara	113,6	114,5	113,8	103,1	107,1	111,6	104,6
Jizzakh	119,4	117,0	114,7	104,8	112,1	115,1	103,7
Kashkadarya	115,4	114,5	115,6	102,5	104,5	108,8	104,8
Navoi	125,4	115,7	114,0	106,3	109,2	113,2	104,0
Namangan	117,4	115,5	122,1	101,7	105,6	111,1	101,7
Samarkand	116,1	113,0	111,8	104,4	105,2	110,1	99,1
Surxandarya	110,8	115,1	114,1	103,6	116,7	101,5	102,3
Syrdarya	120,2	116,2	114,8	106,0	110,2	119,3	108,7
Tashkent	124,5	111,8	115,4	103,9	105,7	111,9	101,0
Fergana	117,1	116,0	115,7	103,2	106,2	111,0	103,4
Khorezm	112,5	113,3	113,9	106,5	108,3	111,5	100,0
Tashkent city	116,9	116,3	118,6	116,3	108,9	113,2	104,0

According to Table 2, Navoi, Tashkent, Namangan, Syrdarya, Jizzakh and Fergana regions, as well as the city of Tashkent, have the highest growth rates per capita in Uzbekistan. In the rest of the regions, or

in the Republic of Karakalpakstan, the growth rate is moderate and requires further growth. The growth of the volume of services in the country by regions is given in Table 3.

Table -3: Regional growth rate of services provided by regions [7]

Regions / years	2010	2015	2016	2017	2018	2019	2020
Republic of Uzbekistan	115,8	113,4	114,7	110,7	108,9	113,2	103,0
The Republic of Karakalpakstan	116,2	118,5	113,2	108,3	113,2	112,8	106,1
Andijan	116,4	119,4	115,8	105,3	107,2	110,9	105,6
Bukhara	117,0	116,4	115,6	104,6	108,6	113,3	106,1
Jizzakh	123,1	119,4	117,0	106,7	114,3	117,5	105,9
Kashkadarya	118,9	117,0	118,1	104,5	106,6	111,1	106,7
Navoi	127,9	117,4	115,8	108,0	111,4	115,2	105,8
Namangan	121,7	117,8	124,4	103,6	107,6	113,3	103,8
Samarkand	120,1	115,2	113,9	106,4	107,3	112,4	101,0
Surxandarya	114,6	117,7	116,6	105,8	119,2	103,8	104,5
Syrdarya	122,2	118,2	116,7	107,7	112,1	121,5	110,7
Tashkent	126,7	113,2	116,9	105,1	107,0	113,4	102,0
Fergana	121,1	118,1	117,7	104,9	108,0	113,0	105,3
Khorezm	115,1	115,4	115,9	108,2	110,1	113,4	101,5

It is known that the data in Table 3 also confirm our above-mentioned considerations.

At the stage of implementation of economic reforms in the country in 2001-2010, in particular - in the period of active modernization and democratic renewal of the country, deepening market reforms and structural changes, the service sector has become the most important factor in economic growth, employment and income. During this period, there was a growing trend in the provision of services to GDP, as a result of which the contribution of this sector to the economy of the regions of the country has increased. In particular, the volume of services in the Republic of Karakalpakstan in 2010

amounted to 671.1 billion UZS, an increase of 116.2% was recorded this year.

In our opinion, this is due to the contribution of major industries in the country: trade and catering, transport and communications, utilities, finance and others. More importantly, the services previously provided by the state have gradually acquired the character of a private market.

Resolution of the President of the Republic of Uzbekistan No. PP-325 of April 17, 2006 "On measures to accelerate the development of the service sector in the Republic of Uzbekistan in 2006-2010" [2] and No. PP-640 of May 21, 2007 "On additional measures to accelerate the development of the service sector in the period up to 1 year" [3].

As a result of the implementation of comprehensive measures to develop the service sector in the country, high-tech and market types of modern services: information and communication, banking, insurance, leasing, tourism and excursion services, communication and information services, financial, personal services and cars. services such as repairs began to develop. Leasing operations have increased among the financial services provided to rural consumers in the regions. These services have been developed, first of all, as a result of providing incentive programs to the regions of the country. As a result of the reconstruction and development of telecommunications networks, implementation of national programs of computerization and information technology, there has been a rapid development of wireless telephone, payphone, public access points to the Internet, terrestrial cable television services, as well as an increase in mobile subscribers.

As a result, the volume of quality services has significantly expanded, allowing the country's regions to cover remote areas with communication and increase the level of telephone communication. The main types of telephone services have increased, and new additional services have emerged. In addition, modern high-tech and market services - information and communication, banking,

insurance, leasing, tourist and excursion services, etc. are developing rapidly.

It should be noted that the Resolution of the President of the Republic of Uzbekistan dated May 10, 2012 No PP-1754 "On the program of development of the service sector in the Republic of Uzbekistan for 2012–2016" [4] and April 17, 2013 The main purpose of the Resolution No. PP-1957 "On additional measures for the accelerated development of services in rural areas in 2013–2016" [5] is to accelerate the development of the service sector, expand the range and improve the quality of services, especially in rural areas. The expansion of access to the regions, the rural population is a modern high-tech and market services and, on this basis, to increase the role and importance of the service sector in sustainable and dynamic development of the country's economy, employment, income and welfare growth.

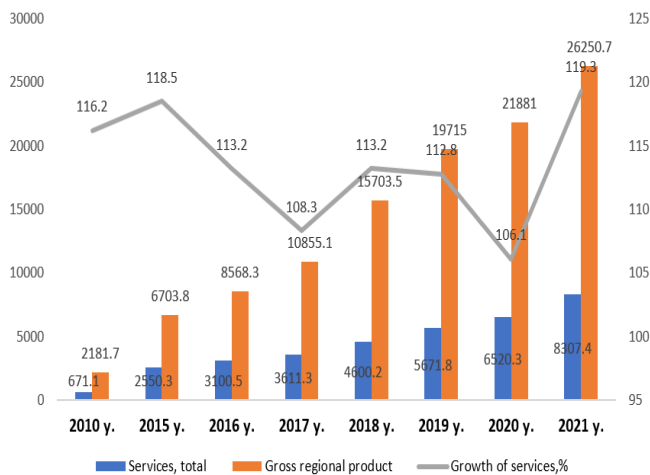


Fig -1: Growth of services in the Republic of Karakalpakstan, [7] (in billion UZS)

The allocation of soft loans for the technological equipment of newly established enterprises to provide services to businesses was a stimulus, which resulted in high rates of services in the Republic of Karakalpakstan and increased its share in GRP (Figure 1).

4. CONCLUSIONS AND SUGGESTIONS

In short, the sustainable growth of the service sector, in turn, will have a decisive impact on the level of employment in the regions. Today, the service sector covers more than 40 percent of the population employed in the economy. A structural analysis of trends in the development of the service sector has shown that the largest share can be achieved in employment in socially important sectors such as education, culture, arts and science, trade and catering, health and others.

At present, the priorities of state programs are to ensure the accelerated development of services in the regions of Uzbekistan, the creation of a modern market for services, the formation of a rational structure of production and consumption of services, improving living standards and quality of life. On the basis of the Resolution No. PP-4889 of November 11, 2020 "On measures for integrated socio-economic development of the Republic of Karakalpakstan in 2020–2023" [6], a state program was introduced, within which today being increased.

In our opinion, the strict implementation of this program, along with the balanced development and diversification of enterprises in the regions of the country, will serve to increase the competitiveness and quality of services provided by them.

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