



FACTORS INFLUENCING THE DEVELOPMENT OF INDUSTRIES IN THE INDUSTRIAL SECTOR OF THE ECONOMY

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Article history:		Abstract:
Received:	11 th November 2023	The importance and role of the industrial sector in the development of the country's economy are highlighted. The issues of stable development of the industrial sector in the national economy of Uzbekistan, innovative activity of the industry, as well as management efficiency were touched upon. The analysis showed that as a result of the measures taken to reform the economy, a number of positive changes were achieved in the structural changes carried out in the industrial complex. The main factors of industrial development are identified
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INTRODUCTION

Industry is the main and largest branch of material production. It provides all branches of the national economy with production items and tools. Various types of machines and mechanisms are created in it, structural elements of buildings are also produced, underground wealth is mined, a huge amount of food products is produced, etc. The development of the industrial sector will lead to sustainable growth of the national economy. Diversification processes will be improved by processing the grown and extracted resources in the field of industry, producing new products from them and increasing the assortment and nomenclature.

The industrial sector directly affects many important factors such as:

- well-being of the population (qualified medical care, high level of education, comfortable housing, provision of employment for the population, etc.);
- strategic security of the country;
- provision of necessary products to the population, processing of agricultural products;
- scientific and technological progress;
- investment receipts;
- entering the world market, increasing exports;
- economic relations between countries.

ANALYSIS OF THEMATIC LITERATURE

This article provides an analysis of scientific works in the field of industry for the period 1995-2021, and also examines the main factors affecting the development of the industrial sector.

The role of industry in the economy, prospects, problems and ways to solve them were studied by such scientists as: I.V. Ivanov, V.V. Baranov, G.I. Lysak, O.V. Kirsanov, A. Ortikov, M. P. Narzikulov, etc.

RESEARCH METHODOLOGY

Industry as a branch of the national economy includes three basic types of economic activity, which are mining, manufacturing, as well as the production and distribution of electricity, gas and water.

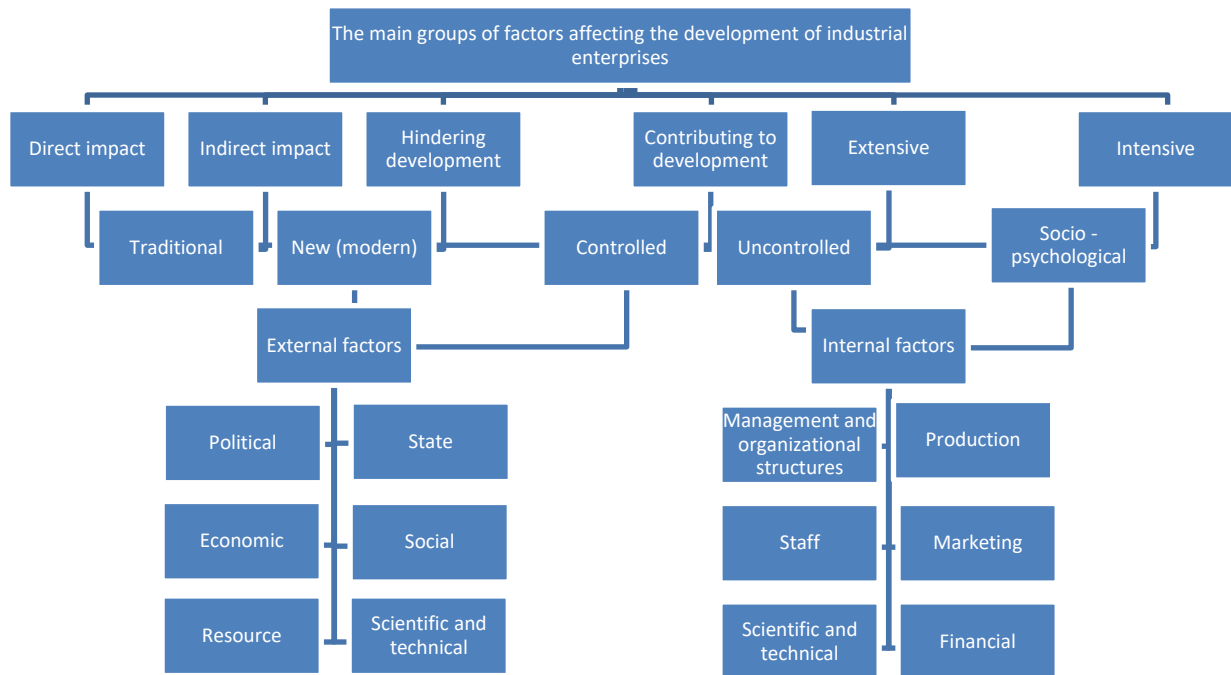
The methodology of analyzing and forecasting the development of industry in economic activity and in the industry as a whole includes a number of stages and methods of cognition. At the first stage, information support is provided for research on types of economic activity, based on statistical data: gross output, intermediate consumption, gross value added, wages of employees, gross profit of the economy and gross mixed incomes, as well as indices of the physical volume of gross output and gross value added for the period. The essence of the second stage is the formation of a research methodology that includes the use of a number of specific methods and techniques of cognition: index, comparative, graphical, correlation and regression with the modeling of relationship dependencies and the identification of patterns of development, forecasting and computational and constructive. The third stage determines the analysis of dynamic series, the study of growth factors, the identification of development trends, both in the context of economic activities and in the industry as a whole



THE MAIN PART

Each state chooses for itself its own specific path of development and support of the national industry, while it can focus on the development of innovative high-tech industries. It is also important to take into account that countries have formed their policies in different periods of time, having different competitive advantages. There are industries in the economy of Uzbekistan that are potentially competitive in both domestic and global markets. Since industry goes side by side with the development of scientific and technological progress. The main tool for increasing the competitiveness of industry is innovation activity, and the level of development of the innovative sphere (science, new technologies) forms the basis for sustainable economic growth, determines the prospects for the development of the enterprise.

Various factors of the external and internal environment have a significant impact on the efficiency of the development of industrial enterprises. In general, factors of production are understood as "elements necessary for the production of products – goods and services. According to the widespread classification, factors of production are divided into: means of production (machines, tools, buildings, land), materials (raw materials, auxiliary and production materials) and labor in the sense of purposeful activity." The effectiveness of the development of industrial enterprises may also depend on factors such as:
 - commercial conditions of enterprises (the ability to provide customers with loans, discounts from the list price, discounts on the return of previously purchased goods that used their economic resource);



Pic. 1. The main groups of factors affecting the development of industrial enterprises

- organization of a sales network (location of a network of branded stores and exhibition centers, their

accessibility to a wide range of customers, demonstration of products in action);



- organization of product maintenance (scope of services provided, warranty repair terms, cost of post-warranty service, etc.)
- representation of consumers about the company, its authority and reputation, its product range, service, the impact of the trademark, etc.[1].

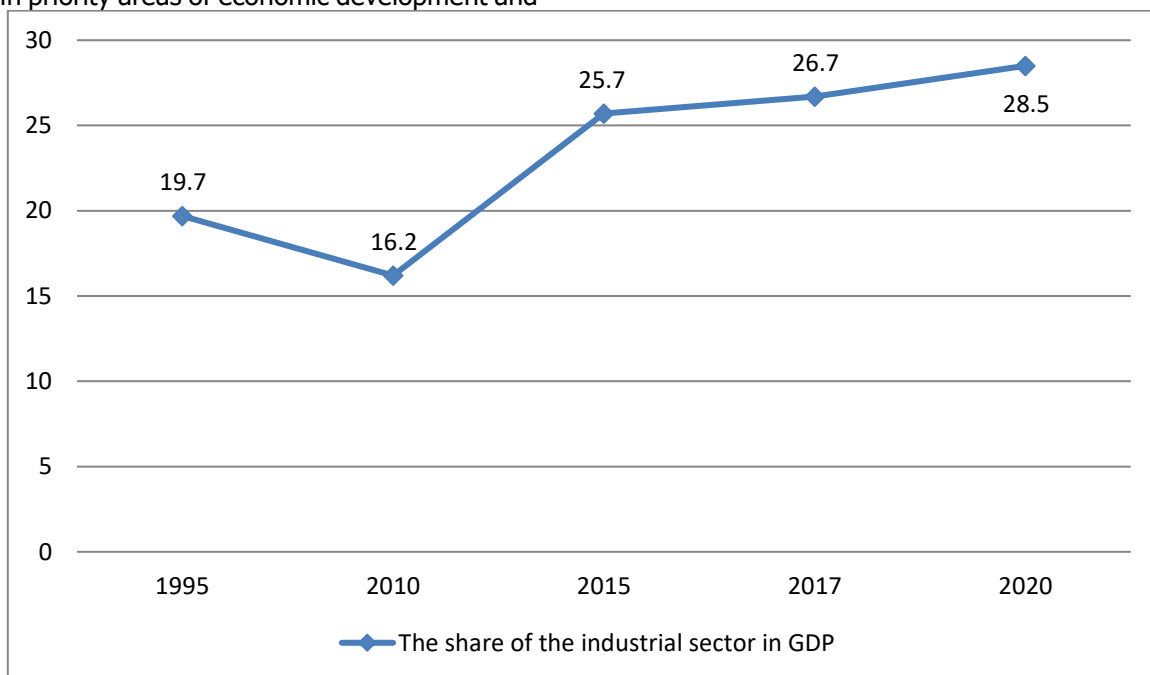
The industry of our country has passed a long historical path and radically changed during the years of independence, as it began to develop in accordance with the market economy. In the last 10 years, the industry has developed quite rapidly, as a result, Uzbekistan has taken its place among the countries with developed industry. During the years of independence, completely new industries appeared, such as the automotive industry, engine building and creating spare parts for these industries, oil and gas processing industries, pharmaceuticals, as well as the production of modern televisions and computers[2].

The Decree of the President of the Republic of Uzbekistan Sh. M. Mirziyoyev "On the strategy of actions for the further development of the Republic of Uzbekistan" in order to implement priority directions for the modernization of the country and the liberalization of all spheres of life provides for the issue of increasing the competitiveness of the economy by modernizing and diversifying the leading sectors of the national economy in priority areas of economic development and

liberalization. Modernization and diversification of production are an important prerequisite for ensuring and strengthening economic security. Accordingly, the national industrial potential is gradually increasing due to the consistent implementation of promising projects. It can be said that the industrial development program in 2017-2021, as well as the consistent implementation of industry programs for modernization, technical and technological renewal of production, open new pages in the production of competitive products with added value in the activities of all industries. At the same time, it is an argument that almost 80% of industrial products account for their share[3][4].

As a result of measures taken to diversify, modernize, and technically and technologically upgrade the industrial sector, the total volume of industrial production and the share of industry in GDP increased from 19.7% in 1995 to 28.5% in 2020.

The growth rates in industrial sectors depend on the scale of domestic and external demand for products created in these industries. The sharp expansion and improvement of the consumer credit system with a further increase in real incomes and purchasing power of the population is characterized by an increase in the share of domestic demand, which increases the volume of production in the industrial complex.



Pic. 2 Dynamics of changes in the structure of GDP (%).



The presence of favorable conditions on the world market for products created in industry, the strengthening of international economic integration has a positive effect on the development of industry and is characterized by an increase in the external factor. As a result of the fiscal, assessment and monetary policy of the state, and in general, measures to reform the economy, a number of positive changes have been achieved in the structural changes implemented in the industrial complex. Reforming and restructuring of industrial enterprises based on market principles occupies an important place in the development of industry[5].

CONCLUSION

Structural changes in industry require the phased implementation of the following areas:

- Denationalization of property and expansion of the class of owners through privatization;
- Abandonment of previously formed industries specialized for the supply of raw materials, the creation of capacities in their place that produce finished products;
- Provision by the state of socio-economic and legal guarantees that produce industrial products to subjects for their free activity;
- The introduction of modern experience, equipment and technology of foreign firms for the entry of Uzbek industrial products into world markets, the creation of a favorable investment environment for this;
- Step-by-step development of existing experience, the potential of qualified personnel and all intellectual property;
- Development of the necessary infrastructure, primarily electricity, gas and water supply for new and already operating industrial enterprises;
- Increasing competitiveness by reducing energy costs, reducing costs and improving the quality of industrial products;
- Improving the quality of training of highly qualified personnel;
- Provision of benefits and preferences for the expansion of production activities, attraction of financial resources for targeted areas.

Taking into account all the factors, it can be noted that all the reforms implemented and implemented in the Republic have a positive impact on the development of the industrial sector and the

improvement of the macroeconomic stability of the country.

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