



## **STATISTICAL ANALYSIS OF TRENDS IN THE DEVELOPMENT OF THE SERVICE SECTOR IN UZBEKISTAN**

**Ruziyev Alisher Ibroimovich,**

Tashkent state university of economics, associate professor, department of "Economic statistics"

[alisherruziev1986@mail.ru](mailto:alisherruziev1986@mail.ru)

<b>Article history:</b>	<b>Abstract:</b>
<b>Received:</b> 6 <sup>th</sup> February 2025	Opinions and comments on the content, nature and history of development of service industries is presented in the article. At the same time, the role of the service sector in the development of the economy of Uzbekistan and the trends of its structural indicators have been determined. In addition, the study of the factors affecting them, the assessment of structural changes, and the volume of services per capita have been determined. Also, the future forecast values of the volume of services per capita were calculated, and conclusions and suggestions were made based on them.
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**Keywords:** service industry, statistical data collection, tables and graphs, absolute change, rate of change, incremental growth rate, 1% incremental absolute value of change, dynamics series, trend, GDP, factors, average quantities, structural shifts, employment, per capita, forecast value

### **INTRODUCTION**

Services sector dominates among the main areas of development of the modern economy. The level of modern development of advanced countries shows the development of various services and the rapid development of their market. At the same time, the level of development of the service sector is the main criterion for the formation of society.

Statistics of services for Uzbekistan is a relatively new branch of statistical activity, its importance has seriously increased in the transition of the information system of the republic to the formation of macroeconomic indicators based on the principles of national accounting.

The service sector as a socio-economic category covers a wide spectrum of reproduction of consumer services, each of which corresponds to a special type of activity. Unlike goods, services cannot take the form of tangible objects.

Share of the service sector in the gross added value of the industries of our republic was 38.6 percent in 2021, and its share in the GDP was 35.7 percent, the volume of services provided was 284,165.4 billion soums, the growth rate compared to 2020 was 119 was equal to .5 percent. Respectively gross added value (GVA) created in the service sector was about 1.4 times and 43.5% higher than in the industrial and agricultural sectors.

Also, in 2021, the weight of intermediate consumption in the gross production of goods was 48.3 percent, while this indicator was equal to 38.7 percent in the service sector, that is, the weight of intermediate consumption 9.6 percent lower compared to the production of goods provides an opportunity to develop

the added value chain and increase its amount by further developing this sector.

According to the decree of the President of the Republic of Uzbekistan dated May 11, 2021 "On measures for the rapid development of the service sector" No. PQ-5113, increasing the share of the service sector in the economy of our country, fully utilizing the available opportunities in the field of services, solution of the problematic issues waiting for their solution in terms of expanding the types of services and improving their quality[1] is emphasized. It is determined to make the service sector an important driver in ensuring economic growth and to increase the volume of services by 2.0 times by 2023. It is an important issue to learn and apply the advanced experience of developed countries to the service sector in fulfilling the intended tasks in this decree. This requires the identification and reflection of industry indicators directly using modern statistical methods in the national statistical system.

### **LITERATURE REVIEW**

The first to introduce the concept of "service" to science was a representative of the classical economic school, French economist Jean-Baptiste Sey. According to him, services are provided not only by humans, but also by the body and the power of nature [3].

At the same time, Adam Smith, the founder of the classical school of economics, did not study the service sector separately in his research. The scientist considered service as labor and mentioned that labor (service) is consumed in the production process itself, divided into productive and unproductive labor (service). Smith recognized that labor (service) does not

create value, value is created only in the material sphere [4].

Although Karl Marx, the founder of the Marxist school, did not study services separately, he used the concept of "effective service" in his works. In particular, it evaluates transportation services as effective services in industrial development. Also, Marx recognized capitalists and workers in society as the source of money[5].

The development of post-industrial society also includes the category of "service". Now, theories have been put forward that value is created not in material wealth, but in living labor, that is, in service. Supporters of this theory are the founder of the Keynesian school, John Maynard Keynes, who states that without the human factor, any material wealth freezes and no value is created [6].

Uzbek economist M.E. Polatov defines human capital in his research as follows: human capital is the most visible aspects of people, including the qualifications, practical skills, and work experience of the company's employees. As well as creative and thinking abilities, purposeful use of these qualities allows to increase income and profit at different levels (individual, enterprise or society), increase the quality and efficiency of work [7].

Scientists of our country have also expressed their opinions on the concept of "service", in particular, economist M.M. Mukhammedov defines it as follows: "all goods that do not have a material appearance, created by human labor, they are bought and sold. Regardless of whether it becomes an object or not, it is named with one phrase, that is, with the phrase "service". Its composition includes both the service that goes to the consumer through the market and the part that is not connected to the market at all [8].

Another economist, I.S. Ochilov, refers to the concept of "service" as "a conscious, beneficial activity of people aimed at satisfying a certain need of a person, labor team, region, state, and society" defines the term as "to provide service" as "the part where the conscious activity of people, aimed at satisfying a certain need of a person, labor team, region, state and society, is carried out." That is, he considers "service" as a service oriented to a specific purpose [9].

At this point, special attention should be paid to the concept of service. Because many economists distinguish these economic categories from each other,

there are many conflicts. Some of them recognize service as a concept in a broad sense, while others, expressing the opposite opinion, say that service has a broader meaning than service. Economist F. O. Abdullaev agreed to both theories and proposed a definition [10].

In the scientific works of the mentioned scientists, the field of services was studied from a socio-economic and theoretical point of view, but the lack of scientific research on the development of the provision of services was defined as the purpose of the article.

## RESEARCH METHODOLOGY

Statistical data collection, tables and graphs, as well as descriptive statistics indicators and average measurements were used during the analysis. In the article, the role of the field in statistical production is taken from the indicators of statistical analysis of dynamic series, analysis and synthesis, as well as absolute, relative and average quantities, statistical indicators are determined. The statistical analysis of dynamics and statistical analysis of the role played by the article field revealed the forecast values. At the same time, the author's suggestions are given.

## ANALYSIS AND RESULTS

The development of the service sector is important for the structural renewal of the national economy, ensuring the well-being and employment of the population. Therefore, as a result of paying serious attention to the development of the sector in recent years, changes are being observed in its place in the economy of our country. If we focus on the state of development of the service sector in our country, in 2021, the volume of GDP was 734,587.7 billion soums, of which 284,165.4 billion soums correspond to the service sector, or its GDP its share was 38.6 percent, compared to last year by 19.5 percent, and the volume of market services provided per capita was 7528.9 thousand soums, the rate of change was 117.2 percent[6]. As can be seen from these data, in general, we can see that there is a growth trend in the main indicators of the service sector in the economy.

The following statistical indicators were used to quantitatively assess the dynamics of services provided in our country: absolute change; rate of change, additional rate of change; the absolute essence of a one percent change.

Table 1

Quantitative assessment of the dynamics of services provided in the Republic of Uzbekistan, billion soums.

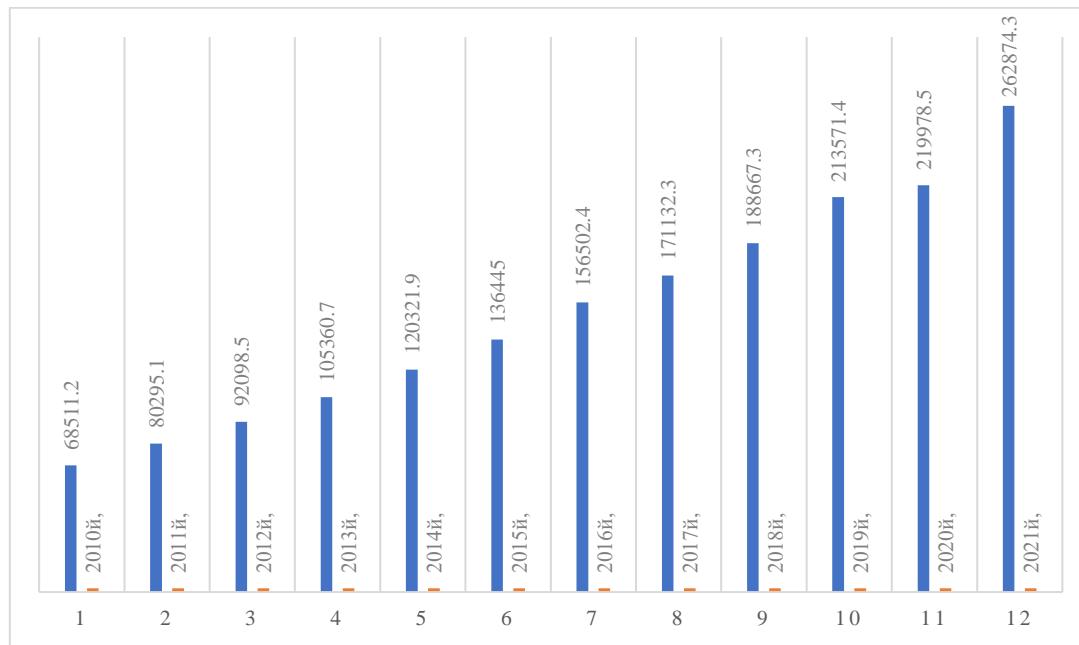
Yillar	Ko'rsatilgan xizmatlar hajmi, 2020 yil bahosida, mlrd.so'm.	Absolute change, billion soums.		Rate of change, %		Incremental growth rate, %		The absolute value of a 1% incremental change
		base method	chin method	base method	chin method	base method	chin method	
2010	68511,2	-	-	100,0	115,8	-	15,8	-
2011	80295,1	11783,9	11783,9	117,2	117,2	17,2	17,2	685,1

<b>2012</b>	92098,5	23587,3	11803,4	134,4	114,7	34,4	14,7	803,0
<b>2013</b>	105360,7	36849,5	13262,2	153,8	114,4	53,8	14,4	921,0
<b>2014</b>	120321,9	51810,7	14961,2	175,6	114,2	75,6	14,2	1053,6
<b>2015</b>	136445,0	67933,8	16123,1	199,2	113,4	99,2	13,4	1203,2
<b>2016</b>	156502,4	87991,2	20057,4	228,4	114,7	128,4	14,7	1364,5
<b>2017</b>	171132,3	102621,1	14629,9	252,9	110,7	152,9	10,7	1565,0
<b>2018</b>	188667,3	120156,1	17535,0	275,4	108,9	175,4	8,9	1711,3
<b>2019</b>	213571,4	145060,2	24904,1	311,7	113,2	211,7	13,2	1886,7
<b>2020</b>	219978,5	151467,3	6407,1	321,1	103,0	221,1	3,0	2135,7
<b>2021</b>	262874,3	194363,1	42895,8	383,7	119,5	283,7	19,5	2199,8

Calculated by the author based on the information of the State Statistics Committee of Uzbekistan

By analyzing the data in Table 1, we can see that according to the results of the quantitative assessment of the dynamics of the services provided in 2010-2021, the absolute change in 2021 compared to 2010 is 194363.1 billion so We can see that it changed by 42895.8 billion soums compared to 2020. If we analyze the rate of change, we can see that the base has increased by more than 3.8 times compared to 2010, and by 19.5 percent compared to 2020.

In order to make a general assessment of the volume of services provided, it is necessary to calculate the average levels of the series, and this indicator is determined using the simple arithmetic average formula:



Calculated by the author based on the information of the State Statistics Committee of Uzbekistan

**Figure 1. The volume of services provided in the Republic of Uzbekistan, billion soums (at a comparative price)**

Taking into account the fact that the number of permanent residents in Uzbekistan is growing year by year, increasing the types of services is an important factor in ensuring the employment of the population, as a result of which the standard of living improves and prosperity. This requires determining the volume of services provided per capita. This indicator is determined as follows, and its results are described by the data in Table 2.

$$AJBXH = \frac{KXH}{\bar{A}},$$

Here;  $AJBXH$  – Volume of services per capita;

$KXH$  – Total volume of services provided;  
 $\bar{A}$  – average annual number of permanent residents.



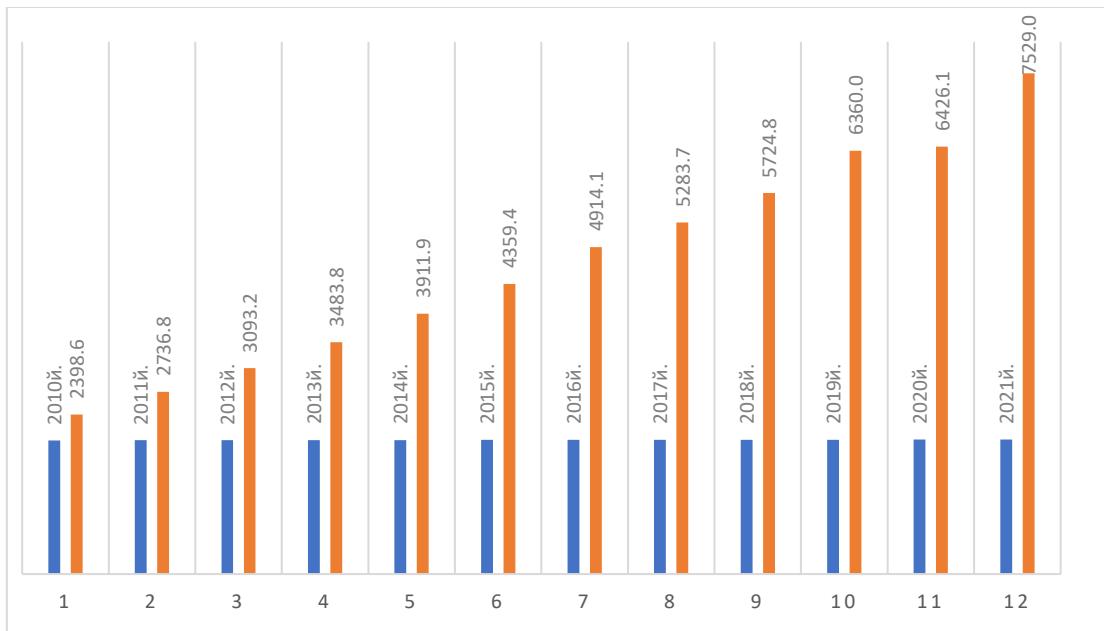
**Table 2**  
**Dynamics of the volume of services per capita in the Republic of Uzbekistan**

<b>Years</b>	<b>Average annual number of permanent population, thousand people</b>	<b>Volume of rendered services, billion soums.</b>		<b>Volume of services per capita, in 2020 estimates, thousand soums</b>
		<b>At current prices</b>	<b>At the prices in 2020</b>	
<b>2010</b>	28562,4	27 126,8	68511,2	2398,6
<b>2011</b>	29339,4	35 196,3	80295,1	2736,8
<b>2012</b>	29774,5	44 386,0	92098,5	3093,2
<b>2013</b>	30243,2	55 872,8	105360,7	3483,8
<b>2014</b>	30757,7	68 032,1	120321,9	3911,9
<b>2015</b>	31298,9	78 530,4	136445,0	4359,4
<b>2016</b>	31847,9	97 050,0	156502,4	4914,1
<b>2017</b>	32388,6	118 811,0	171132,3	5283,7
<b>2018</b>	32956,1	150 889,8	188667,3	5724,8
<b>2019</b>	33580,4	193 697,8	213571,4	6360,0
<b>2020</b>	34232,1	219 978,5	219978,5	6426,1
<b>2021</b>	34915,1	284 165,4	262874,3	7528,9

Calculated by the author based on the information of the State Statistics Committee of Uzbekistan

The data of Table 2 shows that the permanent population increased by 22.2% in 2010-2021, and the volume of services provided per capita increased by 3.14 times, that is, in 2010, it was 2398.6 thousand and in 2021 it was 7528.9 thousand soums.

The volume of services per capita determined in the results of statistical analysis is shown in Figure 2.



Calculated by the author based on the information of the State Statistics Committee of Uzbekistan

**Figure 2. The volume of services per capita in the Republic of Uzbekistan (in thousands of soums)**

The average annual growth rate of the volume of services provided per capita in our republic in 2010-2021 using the geometric mean formula is 113.0 percent, and the additional growth rate is 13.0 percent. Taking into account that, short-term forecast indicators can be determined (Table 3).

**Table 3.**

**Forecast indicators of the volume of services per capita of the Republic of Uzbekistan (in thousands of soums)**

Indicators	2021 year in reality	In 2022	In 2023	In 2024
Forecast results of the volume of services per capita (in thousands of soums)	7528,9	8507,6	9613,6	10863,4

According to the calculated forecast indicators, the volume of services per capita is expected to be 10,863.4 thousand soums in 2024 in 2020 estimates, that is, the growth rate compared to 2021 can be 144.3 percent.

### CONCLUSIONS AND SUGGESTIONS

In our opinion, it is appropriate to implement the following measures to develop the service sector, especially in rural areas, to expand the type of services provided and improve their quality:

- according to the President's Decree No. PF-60 "On the Development Strategy of New Uzbekistan for 2022-2026" dated January 28, 2022, increasing the role and share of services in the formation of the gross domestic product, achieving a radical change in the composition of the provided services at the expense of modern high-tech types;
- development of service enterprises in rural settlements, primarily utilities, repair and construction of houses, preparation of agricultural products;
- creating conditions for increasing the activity of entrepreneurs in the service sector, attracting young

people from among the graduates of educational institutions to family business entities;

➤ based on the characteristics of each region, creating conditions to increase the share of small business and private entrepreneurship in the service sector;

➤ taking into account the fact that women's employment is growing in the service sector, using non-standard types of employment so that they can coordinate their professional activities with family work and raising children.

In conclusion, it can be said that modernizing and diversifying the service sector, changing its composition in accordance with the requirements of the times in an optimal way is an important factor in increasing the volume of added value in GDP. From this point of view, establishing dozens of new types of services in the market, including payments by credit cards, internet trade, opening new shopping centers, catering kitchens, hotels, expanding educational services, developing the tourism industry, etc. it is necessary to increase the level of income and well-being of the population.

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