

WAYS TO ENSURE ECONOMIC GROWTH BASED ON INCREASING THE EFFICIENCY OF THE INDUSTRIAL SECTOR

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Today, economic development is accelerating around the world. Every sector of the economy is experiencing this progress. In particular, the widespread use of information technologies has revolutionized economic development. Although global challenges such as pandemics, climate change, and geopolitical tensions significantly impact the economy, growth, particularly in the industrial sector, continues.

It is well known that achieving stable and high economic growth in any country is critically dependent on sound economic policy. The economic policy pursued by President Shavkat Mirziyoyev is clear evidence of this.

The Decree PF-60 of the President of the Republic of Uzbekistan dated January 28, 2022, "On the Development Strategy of New Uzbekistan for 2022–2026" [1], serves as the legal basis for implementing such economic reforms.

One of the main priorities of this strategy is "Rapid development of the national economy and ensuring high growth rates," which includes the goal of increasing the country's per capita gross domestic product (GDP) by 1.6 times over the next five years, maintaining macroeconomic stability, and increasing the share of industry in GDP by continuing industrial policy. This highlights the relevance of the research topic.

International experience shows that the industrial sector plays a crucial role in ensuring high and stable economic growth. The industrial sector not only creates added value but also produces high-value or high-tech products. This is essential not only for the development of other socio-economic sectors but also for science.

For this reason, the role of industrial sectors in achieving high GDP growth, economic independence, and sustainable development is a key subject of study among global economists. For example:

According to Conrado Diego, the economic development of any country depends on the state's economic policy, particularly industrial policy, the level of investment in the sector, and its effective use [2].

Hermas Abudu, Xiangyu Cai, and Boqiang Lin believe that the oil industry is crucial for supplying all sectors of the economy with fuel and is the primary sector influencing economic growth and development in a country [3].

Natural resources have a significant impact on economic growth. The more abundant and efficiently used they are, the higher the potential for growth. Utilization of natural resources is based on industrial development [4].

Industry is one of the main sectors of the Uzbek economy. It stands out due to its added value, its role in meeting population needs, and its status as the leading force of production. Industrial development leads to stable national economic growth. It improves diversification by processing extracted and cultivated resources, producing new products, and expanding product ranges and assortments [5].

According to statistics, Uzbekistan's GDP in 2022 amounted to 888,341.7 billion UZS, compared to 738,425.2 billion UZS in 2021. Thus, GDP grew by 105.7% in 2022 compared to 2021. Moreover, 93.2% of the GDP was generated by the gross value added (GVA) of various sectors. The GVA totaled 828,054.2 billion UZS in 2022, including 208,452.9 billion from agriculture, forestry, and fisheries; 276,227.0 billion from industry (including construction); and 343,374.3 billion from services (Table 1).

Table 1.

Gross Domestic Product and Its Composition in Uzbekistan for 2021–2022 [6]

Indicators	Volume, bln UZS		Growth Rate (%)	
	2021	2022	2021	2022
I. GDP	738 425,2	888 341,7	107,4	105,7
<i>including:</i>				
Gross Value Added (GVA)	686 432,4	828 054,2	107,6	106,2
Net Taxes on Products	51 992,8	60 287,5	104,6	99,2
II. Sectoral GVA:	686 432,4	828 054,2	107,6	106,2
Agriculture, Forestry, Fisheries	181 787,7	208 452,9	104,0	103,6
Industry (incl. construction)	232 535,6	276 227,0	108,4	105,5
Construction	45 557,4	55 522,7	106,8	106,6
Services	272 109,1	343 374,3	109,5	108,5
Trade, Hospitality, Food Services	46 750,0	57 801,7	113,6	109,3
Transport, Storage, ICT	47 934,3	57 776,5	117,8	114,7
Other Services	177 424,8	227 796,1	106,3	106,6

In other words, the sectoral GVA constituted 93.2% of GDP, with agriculture at 25.1%, industry (including construction) at 33.4%, and services at 41.5%.

In 2022, Uzbekistan produced 553,265.0 billion UZS worth of industrial products (including construction), up from 456,056.1 billion UZS in 2021. Specifically, 52,093.5 billion UZS were produced in the mining industry, 460,491.8 billion in manufacturing, 37,653.7 billion in

electricity/gas/steam and air conditioning supply, and 3,026.1 billion in water supply, sewage, waste management, and remediation.

During this period, within manufacturing, the largest share came from metallurgy (23.3%) and textile manufacturing (13.6%). The shares of food and beverage production were 12.5% and 3.5%, respectively.

However, from 2010 to 2022, food production consistently led manufacturing with an average share of 17.9%, while beverages held 3.1%. Specifically, food production's share was 19.2% in 2010, 24.5% in 2016, and 12.9% in 2021.

To achieve a high level of economic growth, it is necessary to accelerate ongoing socio-economic reforms, provide broader opportunities for leading sectors such as industry, and strengthen support for lagging sectors.

To ensure the sustainable development of the economy, particularly the industrial sector, future strategies should consider the following:

Develop scientifically grounded development strategies by quantitatively assessing the impact of socio-economic factors on industrial sectors using economic-mathematical methods.

Improve the business climate, enhance investment attractiveness, and provide broader opportunities and freedom to foreign investors, especially for job creation.

Promote multi-sector industrial clusters, drawing on experiences from developed countries, and establish a cluster and state procurement system to improve employment and income.

Increase the economic efficiency of industrial enterprises by liberalizing the activities of real sector entities. This includes maintaining constant dialogue with businesses, identifying barriers in specific sectors, and implementing effective measures to remove them.

Develop and effectively implement an investment policy strategy focused on the most promising sectors to support future growth in industrial production capacity.

Special attention should be given to supporting the industrial sector and initiators of investment projects, deepening reforms to promote exports and investments, expanding economic and financial freedoms, protecting property rights, and enhancing institutional and results-based protection of investor rights. Additionally, developing prompt and effective solutions based on individual approaches to each business entity's problems will improve the investment climate. This will facilitate financing of the real economy, learning from advanced foreign practices, and integrating cost-effective modern technologies, ultimately leading to high economic growth and improved living standards through job creation.

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