

## ANALYSIS OF THE FOREIGN ECONOMIC ACTIVITY OF INDUSTRIAL ENTERPRISES IN THE REPUBLIC OF UZBEKISTAN AND THE PRACTICE OF APPLYING FOREIGN EXPERIENCE IN THE DEVELOPMENT OF THEIR FOREIGN ECONOMIC ACTIVITY

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**Annotation:** At the moment, the establishment of market relations in a period of intense globalization, the integration of the country into the world community and the growth of the information role in the economic system, the strengthening of ties between new technologies and capital markets, presuppose the transition of the economy to the path of innovative development. It is important to study the experience of developed and developing countries of the world, as well as to choose the path of innovative development, taking into account the rich natural and social resources, production and scientific and technical potential of our republic. In particular, in order to maximize the organization of the development of our country, first of all, serious attention should be paid to the effective use of innovative and scientific and technical potential. In this article, the analysis of the foreign economic activities of industrial enterprises in the Republic of Uzbekistan and the practice of applying foreign experience in the development of their foreign economic activities are highlighted and relevant recommendations are given.

**Key words:** industrial enterprises, production, export, import, private sector, statistic data, indices, foreign trade, balance of payments, economy, market economy, digital technology, digitization, innovation strategy, digitization,

Today, in order to ensure the rapid development of the economy of our country, it is important to carry out structural reforms, modernize and diversify the leading sectors. Otherwise, not only the development of our economy, but also high rates of national development cannot be ensured. The role and importance of national industry in the economy of Uzbekistan is significant, and after state independence, fundamental economic, organizational and institutional and structural reforms were carried out in this area. Nationalization and privatization of industrial enterprises, transformation into forms of Public – Joint-Stock, corporate, collective and private property, structural changes in industries were carried out, and joint ventures with the participation of small business and private entrepreneurship, foreign capital were established.

The development of innovative activities of industrial enterprises located in the country and the growth of innovative activities are greatly contributed by the availability of water supply, favorable climate, working conditions and large sources of fuel and raw materials. In combination with the complexity of the natural-climatic conditions, the lack of Labor, the low level of development of production forces, transport, and, on the contrary, hindering the development of innovative activities of the enterprise, the enterprise requires a huge amount of funds for the solution of the above problems that negatively affect the level of innovative activity. Social factors can include the demographic situation, the level of social tension, the living conditions of workers, wellness at the

enterprise, the organization of sports and cultural hordik work, the cultural, general level of personnel in education, etc. These serve to ensure the efficient and fuller reproduction of the productive resources of the enterprise, the Cooperative Development and formation of human capital. Financial and economic factors determine the availability of funds, raw materials, materials, the level of opportunities for attracting additional funds. The research of the financial and economic factors of innovative activity provides, first of all, the opportunity to research the financial capabilities of the enterprise in its innovative development, to develop in advance the direction of the development of an innovative strategy in the current and future financial position of the crown. In particular, in Figure 1 we can see the analysis of the physical volume index of industrial production by type of economic activity in Uzbekistan in the cross section of 2016-2022. In doing so, we can see that the volume of industrial products has decreased by 0.1% by 2022, mining and open-pit operation has increased by 0.1%, the share of industrial products produced has decreased by 1.3%, and as the biggest change, the electricity, gas, steam supply and air conditioning industry has grown by 10% with aging. Of course in this, their production has also grown, taking into account the increase in electricity, gas, steam supply and air conditioning consumption in accordance with the demographic growth of the population. We can also assess this not as an example of development, but as a “Fundamental increase in the need to meet needs”.

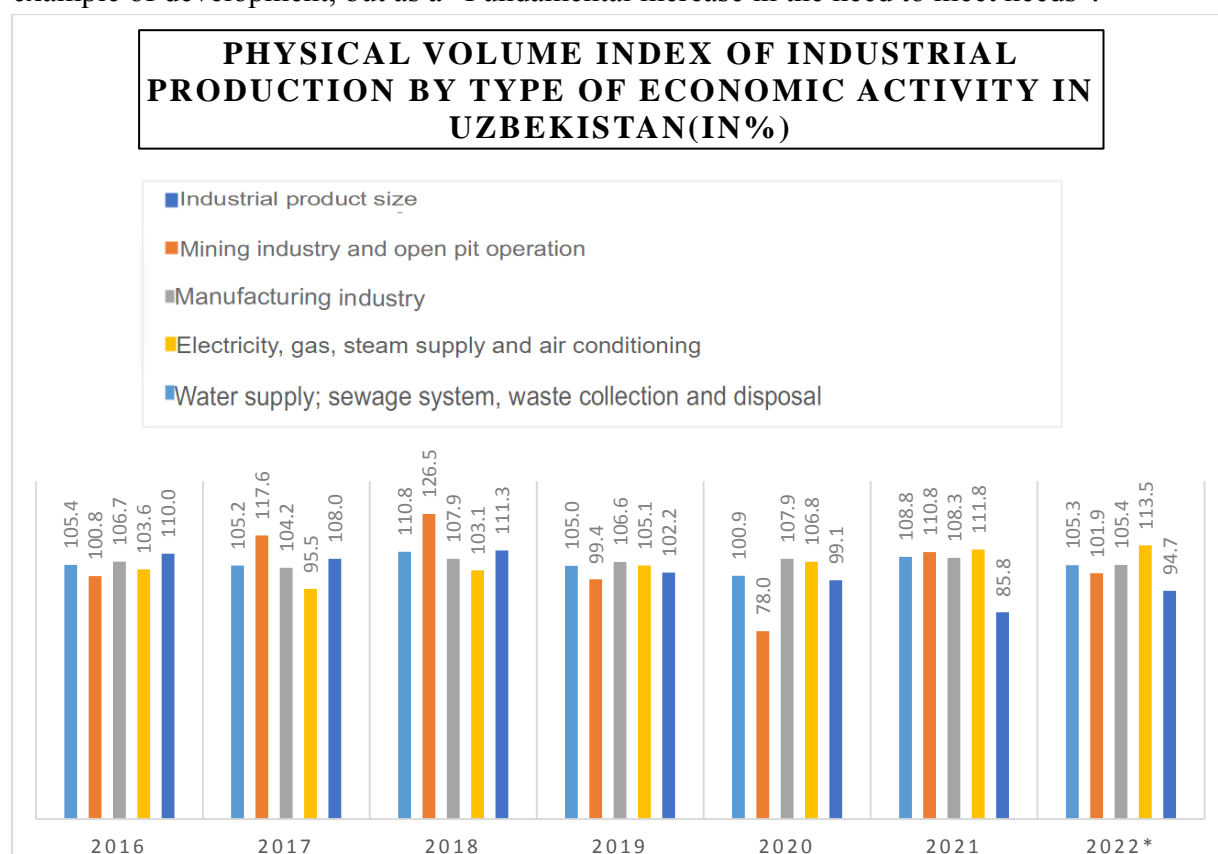


Figure 1. Analysis of the physical volume index of industrial production by type of economic activity in Uzbekistan for the period 2016-2022.

At the same time, it accounted for more than 1% in boşak, Surkhandarya, Syrdarya and Jizzakh Regions, 3% in Karakalpakstan, Kashkadarya, Khorezm and Namangan regions, around 6% in Fergana, Samarkand and Bukhara regions and 14.8%, 17.5% and 19.5% respectively, noting the main korsatkichkar in Navoi, Tashkent region and Tashkent regions. From this we can see that the main production volume in the country largely corresponds to the contribution of developed districts and cities (Figure 2). In the Regions, Financial and economic factors determine the availability of funds, raw materials, materials, the level of opportunities for attracting additional funds. The research of the financial and economic factors of innovative activity provides, first of all,

the opportunity to research the financial capabilities of the enterprise in its innovative development, to develop in advance the direction of the development of an innovative strategy in the current and future financial position of the crown.

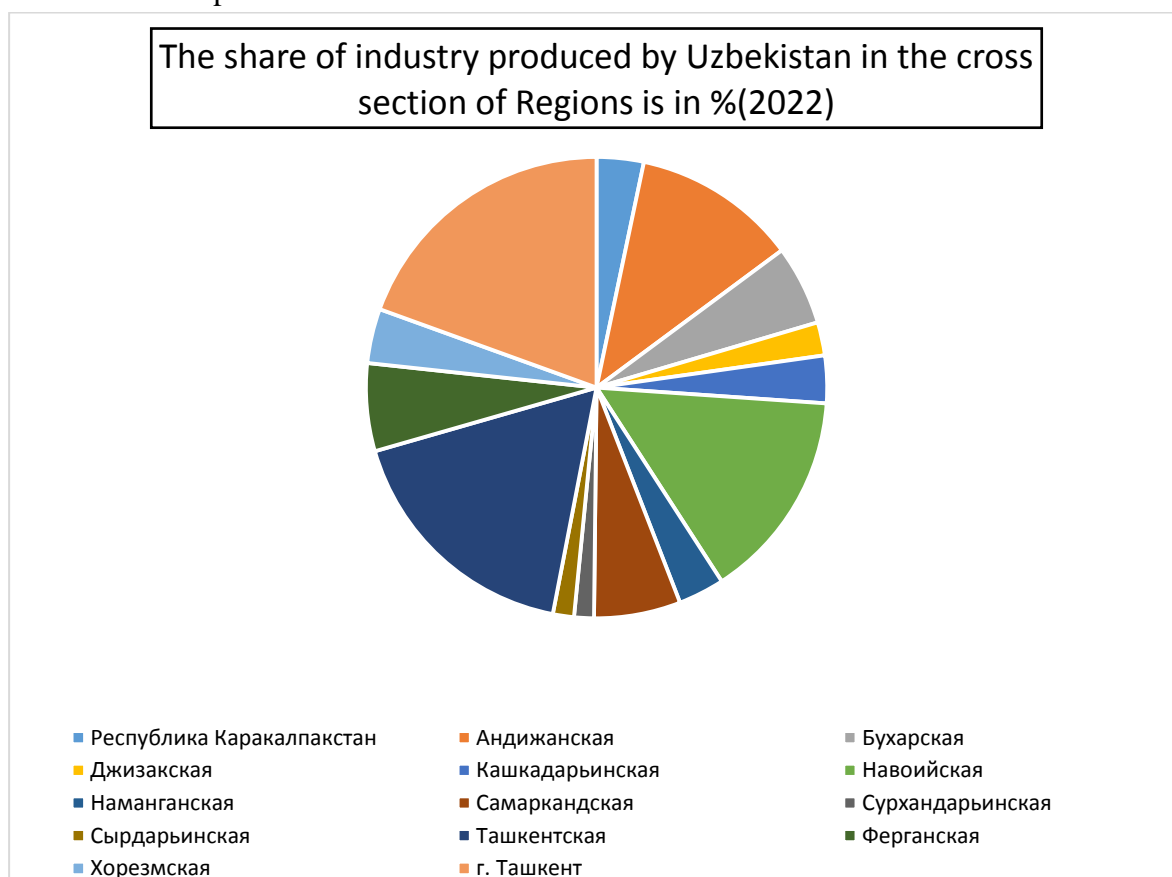


Figure 2. In 2022, the share of the industry produced by Uzbekistan in the cross section of Regions is in %

It will be necessary for enterprises and organizations of our republic to study the experiences of developed and leading companies in finding their place in the world markets, to monitor their innovative management activities and tactical activities. Because in ensuring the "unity of interests" in determining the economic, scientific spheres of cooperation with foreign firms, an entrepreneur and an economic entity must clearly define their goals, long-term and short-term strategies, innovative policies.

At the same time, if we analyze the industrial enterprises of the Republic of Uzbekistan, then as of 2023, the state of production of industrial products by type of economic activity of the state of the Republic of Uzbekistan from Figure 3, we can see that the network of products produced by the volume of industrial products occupies the main connection.

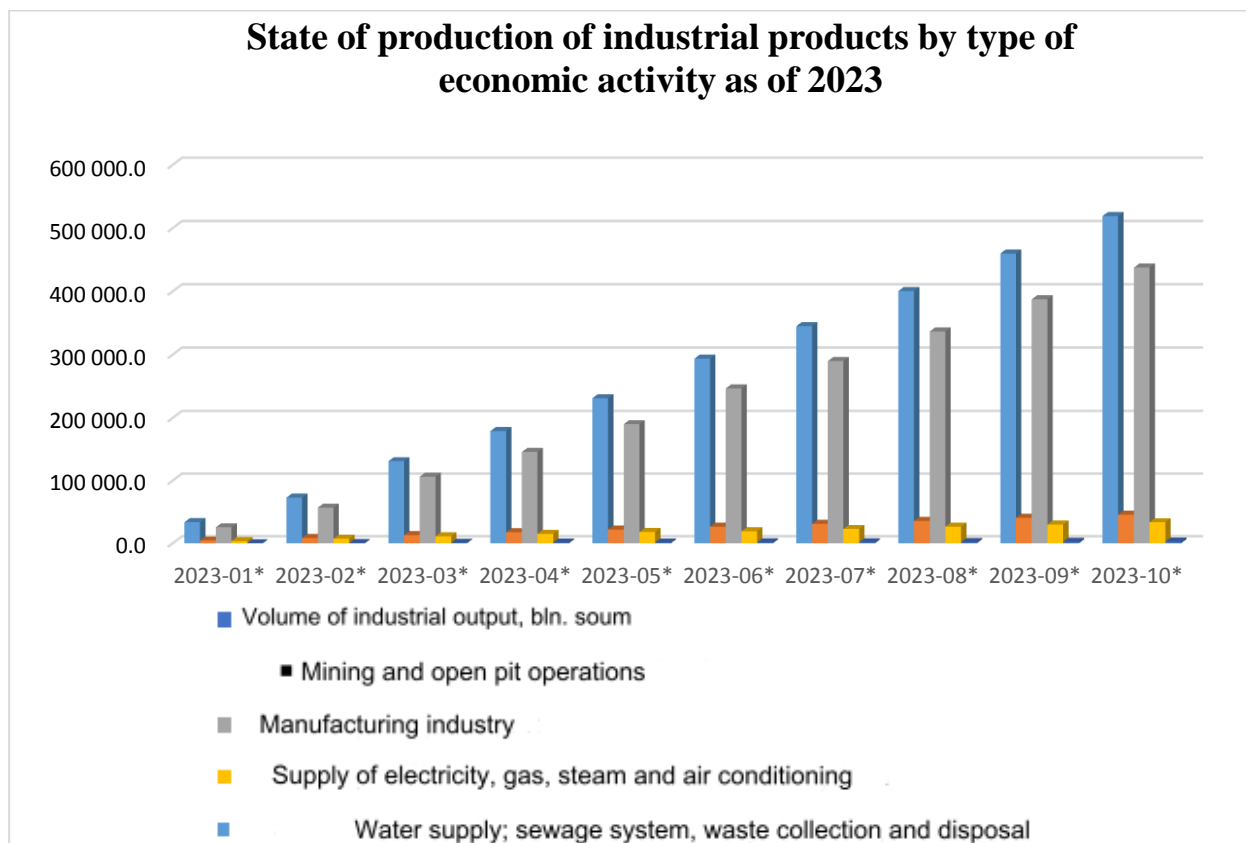


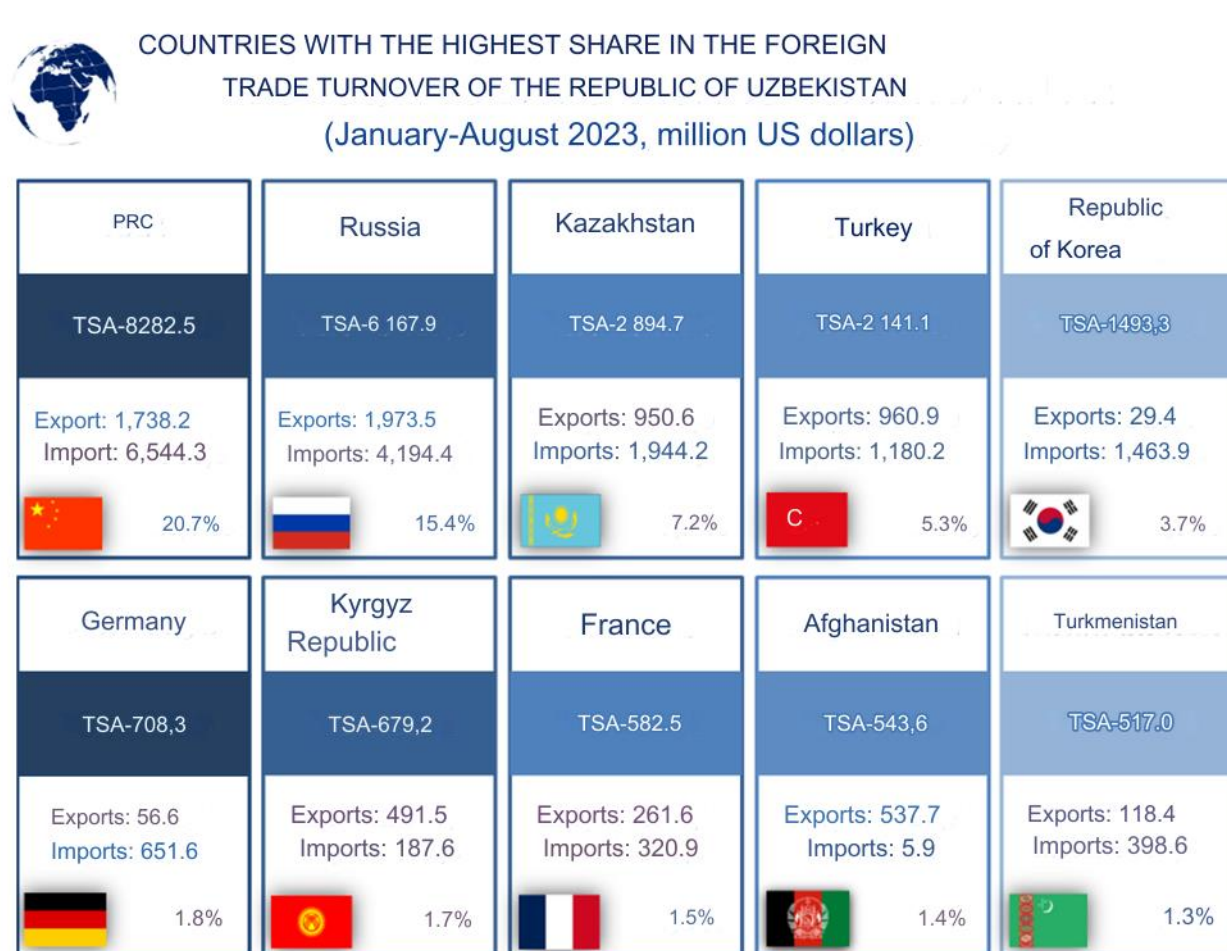
Figure 3 state of production of industrial products by type of Antibody activity (2023)

Table 1. Foreign trade of the Republic of Uzbekistan

Indicators	2020	2021	2022
mln.USD Tashqi savdo aylanmasi	doll. 36 256,1	42 170,5	50 061,5
export	15 102,3	16 662,8	19 293,7
import	21 153,8	25 507,7	30 767,8
trade balance	-6 051,5	-8 844,9	-11 474,0
including: with the CIS countries	11 826,4	15 920,4	19 954,8
export	4 106,4	5 433,8	7 867,0
import	7 720,0	10 486,6	12 087,7
trade balance	-3 613,6	-5 052,8	-4 220,7

As a result of the measures implemented in the republic in recent years in order to promote export, optimize import and generally ensure the balance of foreign trade, the foreign trade turnover of the republic in January-August 2023 will be 40.0 billion. reached US dollars and 7.5 billion compared to January-August 2022 (Table 1). It increased by USD or 23.2%. Export volume in foreign trade

turnover is 16,434.6 mln. to US dollars (increased by 27.8% compared to January-August 2022) and the import volume is 23,611.0 mln. reached USD (increased by 20.2%). During the reporting period -7 176.4 mln. A negative foreign trade balance was recorded in the value of US dollars (Figure 4).



From the main industrial production statistics of the usbu of the Republic of Uzbekistan, we can see that it is appropriate to use the tajba of developed countries of the world in increasing the volume of industrial production, its potential and the volume of exports in our country. In particular, we can study the industrial production strategy of China, the United States, Japan and Germany, the countries that are the world leaders in industrial production, and get a template from them.

In particular, from the experience of China, we can say that there are more than 280 industries in China, which, based on the database about them, will provide a list of the largest industries by revenue in China in 2023 . They are:

- \* Copper ore mining in China - \$ 13,897. 9 billion
- Construction of a building in China - \$ 2,797. 4 billion
- Online shopping in China - \$ 2,547. 5 billion
- Real estate development and management in China - \$2,086. 6 billion
- \* Mail order; online shopping in China - \$2,067. 5 billion

\* Residential real estate in China - \$1,709. 0 billion

• Construction of Bridge, tunnel and metro in China - \$1,563. 5 billion

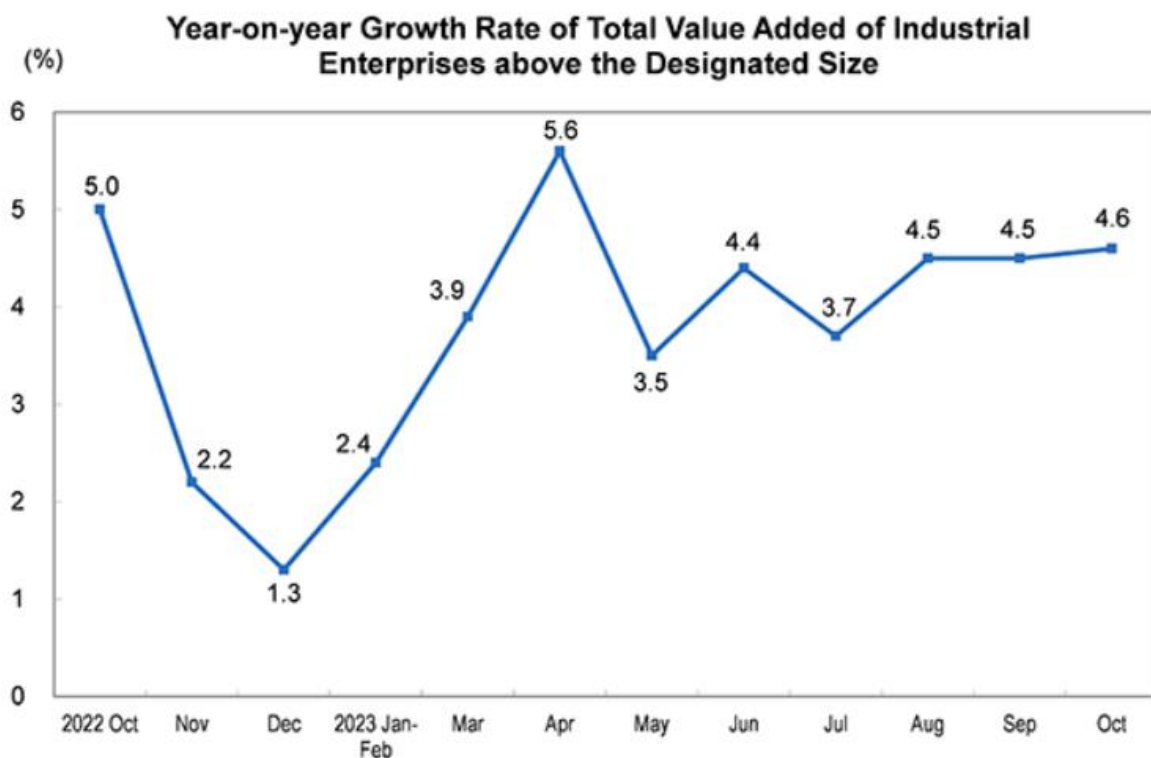
\* Software development in China - \$1,331. 3 billion

\* Rolled steel in China - \$1,296. 4 billion

\* Oil and oil; oil processing in China - \$1,007. 1 billion

The industry accounts for 39.4% of China's GDP in 2022. Industry-including construction-accounted for 46.7 percent of GDP and accounted for 27 percent of the workforce. Drinking industries accounted for 40% of China's GDP. While the manufacturing sector produced 44.1% of the gross domestic product, it accounted for 11.3% of total employment. China is the world leader in the production of chemical fertilizers, cement and steel. Until 2018, the bulk of the product was produced by state-owned enterprises. Subsequent economic reforms have resulted in a significant increase in production by local municipalities, especially towns and villages, private entrepreneurs and foreign investor-sponsored businesses, but by 2020 the public sector was around 10%.

In China, as of October 2023, the total value added of industrial enterprises has increased from the specified volume by 4.6% compared to the same period last year (the growth rates of value added are real growth rates, removing price factors). In October, the total added value of industrial enterprises increased by 0.39% compared to the previous month on a monthly basis above the established volume. The total added value of industrial enterprises above the established volume in January-October increased by 4.1 percent compared to the same period last year .(Figure 5)



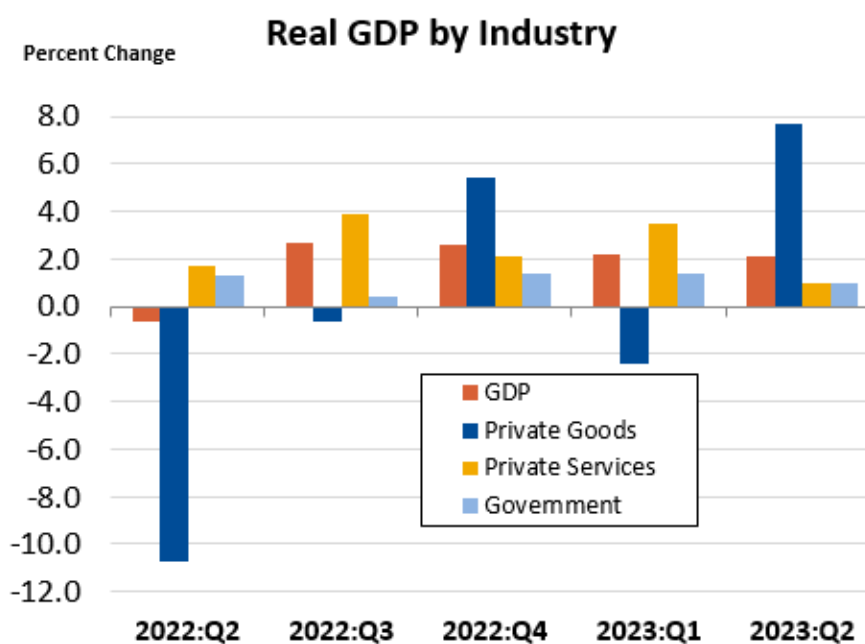
In terms of industries, the value added of the mining industry in October increased by 2.9 percent compared to the same period last year, production industry by 5.1 percent, electricity, thermal



energy, gas and water production and supply. 1.5 percent, in terms of ownership, in October, the value added to state holding enterprises increased by 4.9 percent compared to the same period last year; joint-stock enterprises increased by 5.6 percent, and enterprises financed by foreign investors and investors from Hong Kong, Macau and Taiwan increased by 0.9 percent; those of private enterprises increased by 3.9 percent.

The United States has a history of over 200 years. At the same time, the gross domestic product of the United States in 2018 exceeded \$ 20 trillion. According to some reports, the reason why the US economy has reached such a high level is that the manufacturing industry in the US has a huge value and has developed. Data from 2018 showed that the United States gross domestic product was \$ 20.494 trillion, of which production was 11.4 percent of GDP, lower than Japan and Germany, with two recognized production capacities, both accounting for more than 20 percent of GDP. The added value of the U.S. service sector is \$ 16.5 trillion, which is more than 80% of the gross domestic product.

Considering the analysis of the contribution of industry to GDP in the United States, in the second quarter, the industry grew by 7.7 percent in private product production networks, 1.0 percent in private services networks and 1.0 percent in public enterprises (Figure 6). In total, 13 of the 22 industrial groups contributed to an annual growth rate of 2.1 percent of real GDP in the second



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

quarter of 2023.

Figure 6 industrial connection in GDP in the USA

If we analyze the updated annual industry GDP estimates for 2017-2022 as part of the first synchronization of national, industrial and state comprehensive updates, then quarterly GDP by sector for 2023. The publication includes new estimates for the second quarter of 2023 and revised estimates from the first quarter of 2018 to the first quarter of 2023. These updates include new and revised source data that are more complete and detailed than before.

Figure 7 if we analyze the contribution of real GDP to percentage change in the Industrial Group, the sales or revenue indicator of the industry, which in real gross product mainly includes sales (GDP) to the end users of the economy and sales (intermediate production) to other sectors — increased by 1.4 percent in the II quarter, reflecting an increase of 3.5 percent in private In total, 12 out of 22 industrial groups contribute to an increase in real gross output in the second quarter. The average annual growth rate of real GDP during the review period is 2.0 percent when calculated from the first quarter of 2018 to the first quarter of 2023, 0.1 percentage points higher than previously announced. It is estimated that the real value added for private commodity producing industries is now reduced by one-tenth of a percent; according to previously published estimates, private goods production networks decreased by 0.2 percent. It is estimated that private services manufacturing networks have now grown by 2.7 percent, up by 0.1 percent. The government is now estimated to have increased by 0.6 percent, down by 0.1 percent.

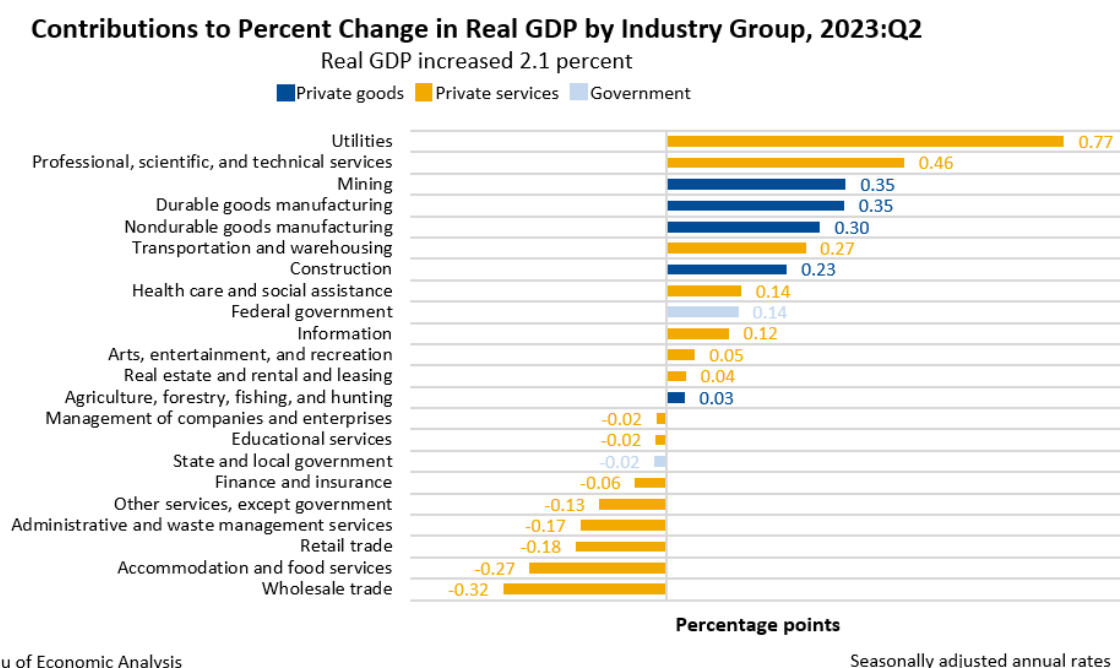


Figure 7-contribution of real GDP to percentage change by industrial group. As of 2nd quarter 2023



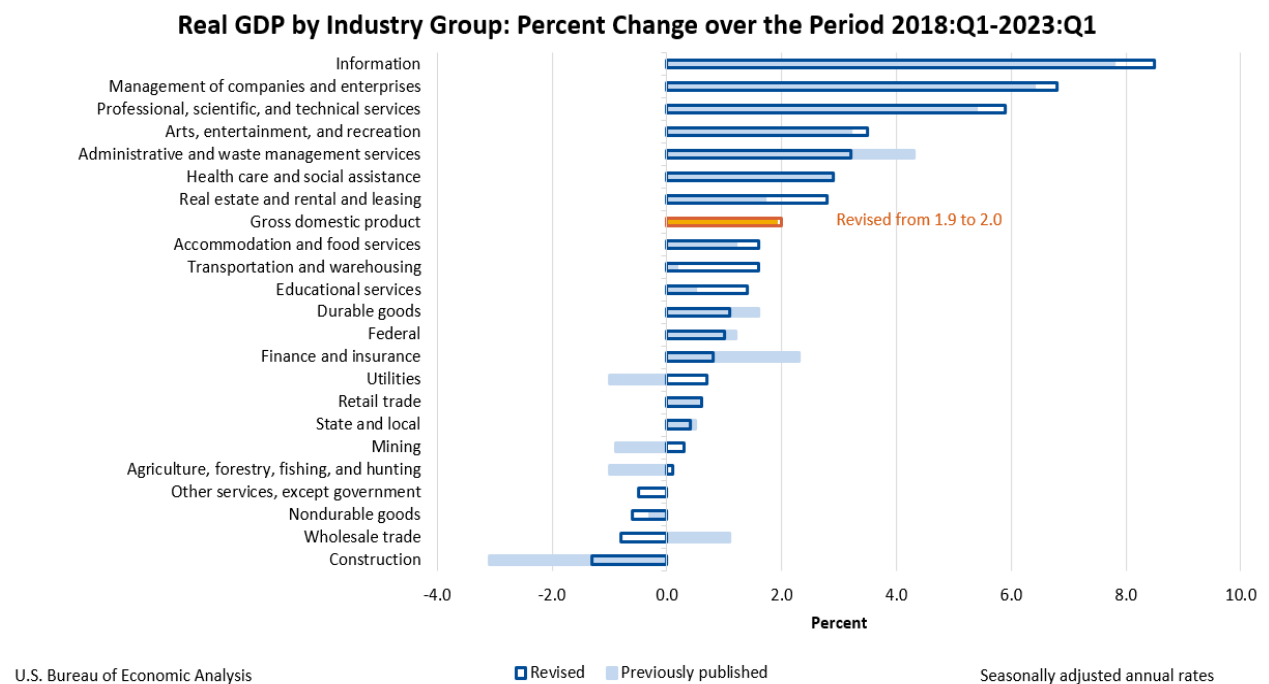


Figure 8. Percentage change in real GDP by industry group

Actual gross production increased by 1.9 percent during the review period as previously announced. Private goods industries are now down 0.5 percent, indicating a 0.1 percent increase. We can analyze the fact that the networks that produce private services have now increased by 2.7 percent, which has decreased by 0.2 percent.

In conclusion, it can be said that in the development of foreign economic activities of industrial enterprises, it is advisable to carry out the following measures to solve the existing problems in the industrial sector of Uzbekistan and improve financial indicators, based on international experience in the industrial sector of China and the United States:

- Firstly, by strengthening the corporate and banking system, it helps to improve the functioning of weak or unsuccessful enterprises and helps to reduce structural risk. By doing so, they are able to overcome barriers to credit and promote a more dynamic growth of the private sector.
- Secondly, focusing attention on the remaining barriers to market competition can spur the growth of innovation and productivity. Further opening up the services sector in a protected industry can improve access to high-quality services and support balancing high-value service jobs. By lifting all restrictions for all sectors in the industrial production sector, it will equally contribute to the growth of the live service economy in Uzbekistan in terms of labor mobility.
- Thirdly, it is envisaged to create a more progressive tax system of fiscal reforms to support the restoration of balance in relation to domestic consumption, while at the same time increasing the volume of production in the industry, decreasing prices and increasing the level of competitiveness.
- Finally, with the reform of the energy sector and the development of a wider set of green financing tools, the wider application of carbon cost will help accelerate Uzbekistan's low-carbon transition process, thereby stimulating green innovation and thereby increasing the prospects for medium-term growth.

Industrial enterprises are the main branch in the development of each country; in the development of its foreign economic activity. By developing it, however, it is ensured that the country occupies the position of the world in the ranks of developed countries.

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