



Article

Analysis of Changes in Development Trends of Industrial Sectors in Uzbekistan

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Abstract: After the Republic of Uzbekistan gained independence, ensuring the stability of economic development and increasing the well-being of the people became one of the main priorities. In this process, industrial sectors play an important role in the country's economy, contributing to increasing production volumes, technological innovation and strengthening export potential as a high-value-added sector. This article analyzes the direct impact of the development of industrial sectors not only on economic indicators, but also on increasing employment and improving social welfare.

Keywords: Industry, Industrial Products, Export, Import of Products, Industrial Diversification, Mining Industry, Manufacturing Industry

1. Introduction

In recent years, significant changes have been observed in the growth rates and development trends of industrial sectors. Uzbekistan's economic policy is aimed at strengthening its position in the global economic system through industrial diversification and the production of competitive products. The reforms being implemented in this regard, including a number of measures to modernize industrial sectors, attract foreign investment, expand exports, and introduce new technologies, are an important factor in this direction [1].

In addition, as a result of reforms and state programs aimed at the development of industrial sectors, great attention is being paid to the introduction of new technologies, attraction of domestic and foreign investments, and increase of competitiveness [2]. As a result of these efforts, new enterprises are being established in such sectors as oil and gas, chemistry, automotive, electrical engineering, food and textile, and the modernization of existing production capacities [3]. Also, through the development of industrial clusters in the regions, integration between sectors is being strengthened, which contributes to the increase of production efficiency [4].

The volume of industrial production is one of the indicators of the development of the country's economy [5], [6]. This indicator is not only one of the factors determining the dynamics of economic growth, but also reflects economic processes related to the national production potential and the standard of living of the population [7]. The volume of industrial production varies depending on the demand of the country's domestic market, export opportunities, raw materials resources and technological potential [8].

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Analysis of Literature on The Topic

The issues of increasing the volume of regional industrial production have been widely covered in many studies. For example, Williamson in his studies studied the processes of emergence and development of economic disparities between regions. At the same time, many modern researchers have shown the role of the state, investment attraction strategies and the need for infrastructure development to ensure regional development [9].

Our scientists, such as Gulyomov A.A., Qosimov E., Qosimov I., Nurimbetov R.I., Metyakubov A.D., Toshmukhamedova K.S. Matrizayeva D. Yu., Kurbaniyazov Sh.K., Djumaniyazov U.I., Abdullayev A.A., conducted research on methods of state regulation of the industry.

2. Materials and Methods

The research adopted a mixed-method design merging quantitative data examination and comparative assessment for investigating industrial sector development changes during ten years across Uzbekistan. Official government data from the State Statistics Committee of Uzbekistan (www.stat.uz) provided the required statistical information about industrial production which included details on sectoral data arranged by years and regions [10]. The grouping technique enabled region categorization according to industrial progress levels while inspecting growth patterns throughout manufacturing, mining, electricity, gas and water supply sectors [11]. Evaluation of the collected data included absolute output measurements together with regional structural percentage changes to identify both long-term growth trends and underlying structural shifts [12]. Research focused intensively on the manufacturing industry because of its extensive influence on Uzbekistan's industrial framework. Statistics from different time periods allowed researchers to measure production growth within clothing and metallurgy and electric equipment sub-sectors [13]. These trends were evaluated in relation to foreign and domestic investments as well as technological modernization and policy reforms [14]. The research analyzed economic policy events together with numerical statistics to create an extensive understanding of Uzbekistan's industrial evolution. The combined use of macroeconomic data and micro-level sectoral dynamics produced a strong foundation for analyzing Uzbekistan's industrial sectors' efficiency and sustainability together with their competitiveness [15].

3. Results and Discussion

Depending on the types of economic activity, the production of industrial products develops differently in different sectors and is provided with different production capabilities, innovative innovations, and labor skills. Therefore, it is important to analyze the role and development dynamics of different sectors in the economy, taking into account the characteristics of different sectors.

In 2014, the volume of industrial output of the Republic of Uzbekistan amounted to 84,011.6 billion soums, of which 68,225.7 billion soums (81.2% of the total volume of industrial output) fell on the manufacturing industry, 8,129.6 billion soums (9.7% of the total volume of industrial output) on the mining and open-pit mining industry, 7,117.7 billion soums (8.5% of the total volume of industrial output) on the electricity, gas, steam and air conditioning industry, and 538.6 billion soums (0.6% of the total volume of industrial output) on the water supply (sewerage system, waste collection and disposal) industry, see Table 1.

In 2023, the share of the manufacturing industry in the volume of industrial products increased further and reached 84.4% with 556382.4 billion soums. Also, the share of the mining and open pit mining industry in the volume of industrial products decreased by 1.3% compared to 2014 and amounted to 55442.0 billion soums.

Table 1. Indicators of the volume and composition of industrial products by type of economic activity.

Indicators	Unit of measurement	Years										Change (ratio) in 2023 compared to 2014
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Industrial product including: Mining industry and open pit mining including:	billion soums	84011,6	97598,2	111869,4	148816	235340,7	322535,8	368740,2	456056,1	553265	658991,7	7,8
	billion soums	8129,6	9466,6	9031,5	15283,8	29087,9	43438,9	33106,9	43872,2	52093,5	55442	6,8
	in percent	9,7	9,7	8,1	10,3	12,4	13,5	9,0	9,6	9,4	8,4	-1,3
Manufacturing industry including: Electricity, gas, steam supply and air conditioning including:	billion soums	68225,7	78492,3	91483	120686,9	189642,6	254860,9	305928,6	378186,4	460491,8	556382,4	8,2
	in percent	81,2	80,4	81,8	81,1	80,6	79,0	83,0	82,9	83,2	84,4	3,2
	billion soums	7117,7	8993,3	10522,6	11656	14518,5	22014,7	27375,3	30815,5	37653,7	43967,6	6,2
	in percent	8,5	9,2	9,4	7,8	6,2	6,8	7,4	6,8	6,8	6,7	-1,8
Water supply; sewage system, waste collection and disposal including:	billion soums	538,6	645,8	832,3	1189,3	2091,7	2221,2	2329,3	3182	3026,1	3199,7	5,9
	in percent	0,6	0,7	0,7	0,8	0,9	0,7	0,6	0,7	0,5	0,5	-0,2

In 2023, the volume of the electricity, gas, steam and air conditioning industry decreased by 1.8% compared to 2014, accounting for 6.7% of total industrial output, while the water supply (sewerage, waste collection and disposal) industry grew by 0.1%, accounting for 0.5% of total industrial output. Also, by 2023, the total volume of industrial products will amount to 658,991.7 billion soums, of which the volume of the manufacturing industry will be 556,382.4 billion soums, the volume of the mining and open pit mining industry will be 55,442 billion soums, the volume of the electricity, gas, steam supply and air conditioning industry will be 43,967.6 billion soums, and the volume of the water supply (sewerage system, waste collection and disposal) industry will be 3,199.7 billion soums.

We can see that over the 10 years under analysis, the manufacturing industry has increased by 8.2 times, the mining and quarrying industry by 6.8 times, the electricity, gas, steam and air conditioning industry by 6.2 times, and the water supply (sewerage system, waste collection and disposal) industry by 5.9 times. From the analysis, we can see that the volume of the manufacturing industry has a very high share in the total volume of industrial products of the Republic and therefore is one of the most important indicators of the development of the Republic's industry.

Figure 1 presents a 10-year analysis of the dynamics of changes in the volume of the Manufacturing Industry from 2014 to 2023.

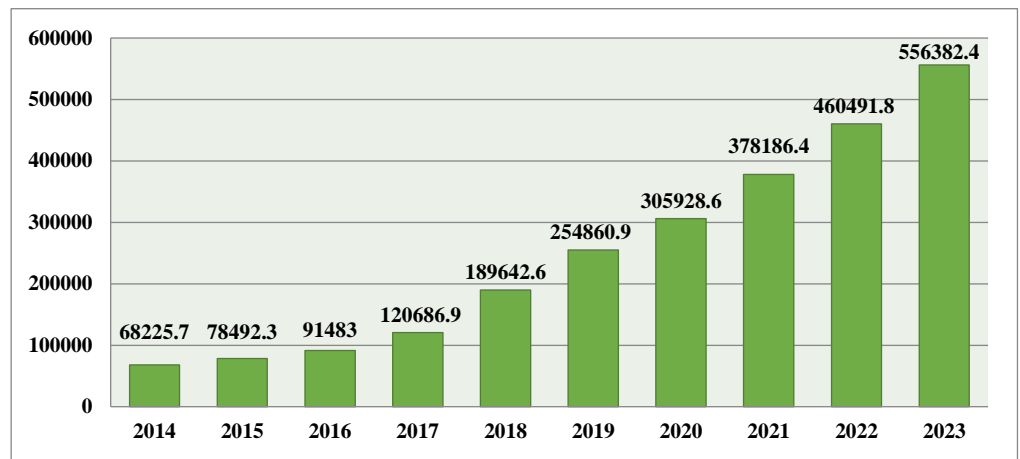


Figure 1. Dynamics of changes in the volume of manufacturing industry (*billion soums*).

The manufacturing industry is one of the dominant sectors of the economy of every country, significantly affecting the economic stability of society, employment levels, national income growth, and technological development. This industry acts not only as a key sector that converts raw materials and semi-finished products into finished products, but also supports other sectors of the national economy.

The development of the manufacturing industry is also of great importance in ensuring the economic independence of the state, which, in turn, is considered one of the priority areas of economic policy. The development of manufacturing industries ensures increased international competitiveness, sustainable economic growth, and the widespread use of modern technologies. At the same time, increased demand for products manufactured in the domestic market increases the competitiveness of national production and reduces the level of dependence on imports.

In 2023, the volume of the manufacturing industry increased by 8.2 times compared to 2014, while the average output by manufacturing industry sector increased by 15.4 times. We can also see that in 2023, clothing production increased by 17.6 times compared to 2014, metallurgy by 16.8 times, electrical equipment by 12.7 times, other finished goods by 11.9 times, and paper and paper products by 11.8 times. Figure 2 presents a 10-year analysis of the dynamics of changes in the share of the garment industry, metallurgy, and electrical equipment manufacturing sectors in the overall manufacturing industry from 2014 to 2023.

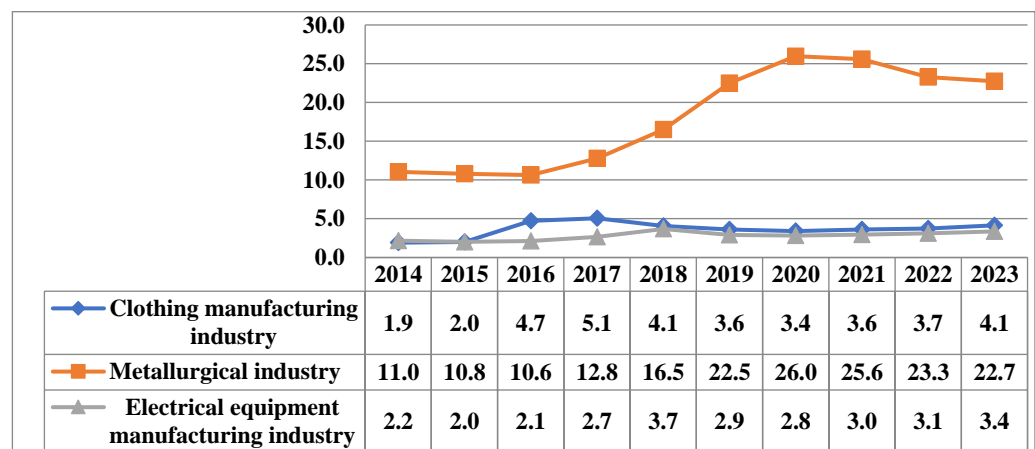


Figure 2. Dynamics of changes in the shares of the clothing manufacturing, metallurgy, and electrical equipment manufacturing industries in the total manufacturing industry.

The volume of the manufacturing industry is one of the important indicators reflecting the growth rates of the country's economy and the level of industrial development. This volume is mainly measured by the volume of products and services in the manufacturing sector and is of great importance in ensuring domestic market demand, export opportunities, and overall economic stability. The growth of production volume allows for the creation of new jobs, diversification of the economy, and increased exports. At the same time, the results of the analysis provide strategic information for attracting investments and developing state polic.

4. Conclusion

The volume of the manufacturing industry is a key indicator in assessing economic stability and the dynamics of industrial development. An increase in this volume indicates increased economic development, growth in national product production and the creation of new jobs. At the same time, the volume of the manufacturing industry also plays an important role in ensuring the country's export potential and domestic demand. Investments by the public and private sectors aimed at expanding production volumes stimulate economic diversification and technological innovation.

The grouping method was used to group industrial products based on various criteria, identify their growth trends, and analyze the level of economic efficiency. The grouping method is important not only for improving economic indicators, but also for ensuring the efficient use of resources, optimizing product production based on innovative approaches, and increasing competitiveness in domestic and foreign markets.

The volume of industrial production was analyzed based on the grouping method, which was based on the volume of industrial production, the number of industrial enterprises operating in the republic, and the distribution of industrial production per capita. This method identified the relationship between industrial sectors and products, and provided clear analytical results for making strategic decisions.

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