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Of Development of the Building Materials Industry

Rakhimov Ilyos Ikramovich

Researcher at Tashkent University of Architecture and Civil Engineering

Abstract

This article analyzes the importance of introducing economic mechanisms in the development of the building materials industry in Uzbekistan. Based on scientific works and statistical data, indicators such as production volume, investment flow, number of private and state enterprises are analyzed. Also, existing problems in the industry and practical proposals for their elimination are put forward. Strategic paths for sustainable growth of the industry are indicated based on economic mechanisms such as public-private partnerships, innovative technologies, clustering and improvement of export infrastructure.

Keywords: building materials industry, economic mechanisms, investment, clustering, private sector, public-private partnership, innovative technologies, export, energy efficiency, logistics infrastructure.

Introduction. In Uzbekistan, within the framework of the New Uzbekistan Development Strategy for 2022-2026, significant investments are being made in the construction sector. The state also pays special attention to supporting local manufacturers, diversifying the building materials industry, and increasing export potential. This will lead to the stimulation of the production of competitive products through the introduction of modern economic mechanisms in the sector.

Increasing the production capacity of building materials is important not only to fill the domestic market with local products, but also to ensure competitiveness in foreign markets. This requires the implementation of comprehensive approaches, such as improving economic mechanisms, namely tax and customs privileges, strengthening public-private partnerships, improving the investment climate, and introducing innovative technologies.

The rapidly developing construction sector in Uzbekistan is sharply increasing the demand for building materials. The fact that the volume of construction work in the country in 2023 exceeded 140 trillion soums confirms the growth rate of this sector. Urbanization processes, population growth, the need for new residential and industrial facilities are continuously ensuring the demand for this sector.

Supporting local producers, improving the investment climate, and introducing innovative technologies will ensure the creation of high added value in this industry.

At the same time, the “Infrastructure Development Program”, “Localization Program” adopted by the state, as well as initiatives to digitize licensing and control mechanisms in the construction

sector, are further increasing the importance of this sector. In this regard, the effective organization of economic mechanisms, namely, improving financing, tax incentives, investment preferences, and export support systems, remains an urgent task.

Review of relevant literature. The increasing number of scientific studies on the development of the building materials industry indicates the growing scientific interest in this area. In particular, K. Freeman by the industry innovative changes technological transformation through done increase the necessity emphasizes. His stating that innovative potential increase economic growing up solution doer factor to be service does.[1]

B. Lundvall and innovative systems theory previously pushing, industry in networks state and private sector between solid of connections importance shows. According to him, systematic cooperation mechanism economic to stability in reaching main role plays.[2]

Uzbek researcher E. Khidirov argues that the introduction of a cluster approach in the building materials industry will enhance competitiveness. His research identifies the integration of local raw material resources, transport logistics, and energy-efficient technologies as the main goals.[3]

Sh. Rakhimov, in his work, put forward proposals to increase the flow of investments into the sector, simplify licensing and certification processes, and improve the mechanisms of preferences provided by the state.[4]

At the same time, G. Kenjaboeva emphasized the need to study foreign markets and improve marketing strategies to increase the export potential of construction materials manufacturers. In her opinion, state support through export agencies in entering foreign markets will increase efficiency.[5]

Based on these considerations, it can be seen that the existing literature covers a wide range of aspects of economic mechanisms: investment climate, clustering, innovation, public-private partnerships and export support. However, these studies have not sufficiently developed integrated approaches, that is, the interrelationships of economic, technological and institutional mechanisms have not been critically analyzed. Therefore, there is a need for analytical and systematically based approaches that unify existing scientific views.

Research methodology. Comparative analysis, study of statistical data and economic comparison and analysis, logical thinking, scientific abstraction, analysis and synthesis, induction and deduction methods were widely used in the study of economic mechanisms of development of the building materials industry.

Analysis and results. The building materials industry is an important component of the country's economy, providing the main resources necessary for all types of construction work in industrial, infrastructure and social sectors. This sector plays a crucial role in ensuring the sustainability and efficiency of construction work. In world experience, the building materials sector is also considered one of the main locomotives of the industrialization and urbanization processes of the economy.

Table 1. Volume of construction materials production in Uzbekistan (in billion soums)

Years	Cement	Hedgehog	Concrete	Gypsum	Total
2020	9,800	2,300	1,400	900	14,400
2021	11,200	2 750	1,800	1,000	16,750
2022	13,500	3 200	2 100	1,200	20,000
2023	15,800	3,700	2,400	1,500	23,400
2024	17,300	4 100	2,800	1,700	25,900

Source: Data from the Statistical Agency under the President of the Republic of Uzbekistan

As can be seen from the table, cement and concrete production volumes have almost doubled from 2020 to 2024. This is explained by the sharp increase in demand for the construction sector. On the other hand, gypsum and brick products are also showing steady growth.

Table 2. Construction materials in the industry activity running enterprises number

Years	State enterprises	Private enterprises	Outside hand investment in the presence of	Total
2020	85	312	27	424
2021	81	385	34	500
2022	78	452	41	571
2023	75	510	46	631
2024	73	580	52	705

Source: Data from the Ministry of Investments, Industry and Trade of the Republic of Uzbekistan

As can be seen from this table, the number of enterprises with private and foreign investment has increased significantly. This indicates that the necessary conditions are being created in the industry to form a competitive environment, attract new technologies, and increase production.

According to the results of the research conducted by the scientist, the following problems were identified: insufficient introduction of energy-saving technologies in the production of building materials; insufficient diversification of the raw material base; insufficient development of export infrastructure.

Simplifying mineral resource extraction licenses and expanding geological exploration; developing **logistics** centers and clusters serving exporting enterprises.

Analysis shows that effective organization of economic mechanisms, expansion of private sector participation, and introduction of innovative approaches are crucial in the development of the building materials industry.

Conclusion. The introduction of effective economic mechanisms is of particular importance to ensure the development of the building materials industry in Uzbekistan. Dynamic growth in the sector, increased market demand, and active private and foreign investments are making the building materials industry a strategic segment of the economy.

The current economic policy, in particular the licensing system, investment incentives, tax and customs privileges mechanisms, requires further improvement. The introduction of energy-efficient and environmentally friendly technologies, the efficient use of local raw materials, and the improvement of transport and logistics infrastructure are important in ensuring the sustainability of the sector.

At the same time, expanding public-private partnerships, locating production based on the clustering model, increasing human resources capacity, and strengthening research and development activities are among the priority areas for modernization of the sector. Therefore, it is appropriate to implement a strategy based on comprehensive and innovative approaches to the development of the building materials industry in the future.

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