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**BRANCHES ACTIVITY PROSPECTS OF ECONOMY
IN THE REPUBLIC OF UZBEKISTAN**

**ПЕРСПЕКТИВЫ ДЕЯТЕЛЬНОСТИ ОТРАСЛЕЙ ЭКОНОМИКИ
РЕСПУБЛИКИ УЗБЕКИСТАН**

©**Baikhonov B.**

*Ph.D., Tashkent State University of Economics
Tashkent, Uzbekistan, bahodir73@mail.ru*

©**Байхонов Б. Т.**

*канд. экон. наук
Ташкентский государственный экономический университет
г. Ташкент, Узбекистан, bahodir73@mail.ru*

Abstract. The article analyzes the development trends and forecasts the prospects of the economic sectors, such as agriculture, construction, services and other sectors of the economy in the Republic of Uzbekistan. Also, based on the results of the forecast, the proposals for the development and effective use of investments in the sectors of the economy are set out.

Аннотация. В статье приведен анализ развития различных отраслей экономики Республики Узбекистан. Определены перспективы экономики сельского хозяйства, сферы услуг и других направлений. Указываются факторы, определяющие темпы роста и развития различных отраслей экономики. Также, исходя из результатов прогноза, изложены предложения по развитию и эффективному использованию инвестиций в отраслях экономики.

Keywords: integration, investment, inflation, econometric model, correlation, regression, extrapolation, forecast.

Ключевые слова: интеграция, инвестиция, инфляция, эконометрическая модель, корреляция, регрессия, экстраполяция, прогноз.

In development of economy of the Republic of Uzbekistan and its integration into the world community ensuring production of food and light industry with local raw material resources is generally assigned to agricultural branch. In this regard it is expedient to make forecasts for definition of tasks for further development and achievement by rural economics of positive results.

At the same time for the choice of the directions of investments it is necessary to analyze and model a situation from the point of view of system approach on the basis of the principles of system coherence [1].

The choice of the factors influencing production in rural economics is for this purpose carried out and, first of all, density of their interrelations is checked. As show results of the analysis, investments into production of gross agricultural output in agriculture are closely interconnected (0.986851531). Existence of the interrelations which are more weakly than average density of indicators of employment of the population (0.187117829) and the number of the enterprises which are carrying out the activity in branch of agriculture (0.401895957) is established.

First of all, measures for transformation of unprofitable, low-profitable and unpromising agricultural cooperatives (shirkat) to farms (1) are the reason of it, besides, will be pertinent to note that by results of implementation in their activity of measures for optimization of the sizes of the land

plots (2) only in 2008 the land plots of the operating 219976 farms which total makes 105033 are optimized, and works in this sphere are still continued agriculture (0.401895957).

It is defined that inflation indicators, as well as all factors, are and inverse relation (communication) from production of gross agricultural output (−0.723640092). It is necessary to highlight that экономическо value of inverse relation (communication) is explained that, the size of one factor more decreases (that is the rate of inflation), the size of the second factor (gross agricultural output) increases more.

Now it is necessary to develop the adequate econometric model which is completely displaying change of each of these factors. For this purpose we will enter the following designations: investments into branch — quantity occupied in branch — the number of the enterprises which are carrying out the activity in agriculture — the rate of inflation. On the basis of these definitions we have the following models:

$$\begin{aligned} X_1 &= -325.0192395 + 84.26212519 * t; \\ X_2 &= 3615.504 - 4.0351 * t; \quad X_3 = 13.59789 + 5.32068 * t; \\ X_4 &= 7.586667 - 0.07 * t. \end{aligned}$$

For forecasting of the expected production volumes which will be made in agriculture in the future it is necessary to create the econometric model connected with above-mentioned factors which will be equal to the following:

$$\begin{aligned} Y &= -4752.909337 + 25.72051668 * X_1 + 1.4870500287 * X_2 + \\ &+ 27.4536148 * X_3 + 221.4077961 * X_4 \end{aligned} \quad (1)$$

Putting provided in a certain model, and in model (1), having performed necessary calculations, their results can be seen in the following look at (Table 1).

Table 1.

THE FORECAST FOR THE FACTORS INFLUENCING
 PRODUCTION IN RURAL ECONOMICS

Years	Gross agricultural product Y (billion sum)	Investments into branch, X_1 (billion sum)	Quantity of busy X_2 , thousands.	Number of the enterprises X_3 , thousands	inflation X_4
2016	42059.7	1528.8	3526.7	130.7	6.05
2017	44379.5	1613.0	3522.7	135.9	5.98
2018	46699.3	1697.3	3518.7	141.1	5.91
2019	49019.1	1781.5	3514.6	146.3	5.84
2020	51338.9	1865.8	3510.6	151.5	5.77

Source: development of the author based on data of the State committee on statistics of the Republic of Uzbekistan

According to the table, we can see that is expected achievement of the outputs to 4259.7 billion bags for production of agricultural production of the Republic due to growth in 2016 in comparison with 2015 for 5.8 percent with the rate of inflation 6.05 and achievements to 1528.8 billion bags and reduction of number of the enterprises by 130.7 thousand and the number of the busy population by 4.1 thousand.

It should be noted that today as a result of paying of special attention in the country for profound processing of agricultural raw materials and development of infrastructure of storage of the grown-up production last 2015 230 enterprises processing agricultural production with 114 new cameras of

cooling of 77.8 thousand tons are modernized and the general power of storage of fruit and vegetable products reached 832 thousand tons. It, in turn, despite the high outputs, gives the chance of delivery of agricultural production to consumers without their other and destructions on the way.

Just as, in comparison with 2015 by 2020 reduction of quantity occupied in agriculture for 0.6 percent, growth of the volume of investment for 29.2 percent and achievements of 1865.8 billion bags is expected, and as a result of it growth of volume of agricultural production in comparison with last years, for example, in comparison with 2015 for 29.2 percent was noted at inflation 6.0 and reached 1865.8 billion bags.

Now, having defined the factors influencing volumes forthcoming to perform works in construction and their results in branch of the construction taking the third place among branches of economy, in particular, having defined investments into branch — quantity occupied in branch — the number of the enterprises of the construction sphere — and the rate of inflation — we will check their correlation communication.

Having used the provided data, it is possible to note that production in construction branch has dense coherence with a volume of the investments (0.960345088) entered into branch occupied with quantity in branch (0.881293089) and the number of the enterprises which are carrying out the activity in this branch (0.873173706). It can be expressed in the following formula:

$$\begin{aligned} X_1 &= -191.84 + 47.62111113 * t ; \\ X_2 &= 404.1825 + 38.30351 * t ; X_3 = 9.8007 + 0.624333 * t ; \\ X_4 &= 7.586667 - 0.07 * t . \end{aligned}$$

Because of it the forecast of works which need to be executed in branch is carried out.

$$\begin{aligned} Y &= -26518,52466 + 15,1565005 * X_1 + 26,08598826 * X_2 - \\ &- 261,2109299 * X_3 + 1254,884039 * X_4 \end{aligned} \quad (2)$$

Introduction to model (2) models expressing change of the factors given above is carried out based on the forecast of volume of the expected investments of quantity occupied and the number of the enterprises of branch, and volume of production made in branch. These results we can see in following Table 2.

Table 2.

THE FORECAST OF VOLUME OF PRODUCTION IN CONSTRUCTION BRANCH
 AND CHANGES OF THE FACTORS INFLUENCING IT

Years	constructional work Y , (billion sums)	Investments into branch X_1 , (billion sums)	Quantity occupied in branch X_2 thousands	Number of the enterprises X_3 thousands	inflation X_4
2016	21565.5	855.8	1246.9	23.5	6.057
2017	23070.7	903.5	1285.2	24.2	5.98
2018	24576.0	951.1	1323.5	24.8	5.91
2019	26081.3	998.7	1361.8	25.4	5.84
2020	27586.5	1046.3	1400.1	26.1	5.77

Source: development of the author based on data of the State committee on statistics of the Republic of Uzbekistan

As a result of continuation of the begun works on implicit implementation of the basic rules and the directions of the program of development and modernization engineering communication and road and transport infrastructure in 2015–19, according to the table, in 2016 the amount of the entered

investments into this branch — 855.8 billion bags, growth of the population occupied in branch in comparison with 2015 for 3.2 percent, the enterprises of branch for 2.6 percent and at the expense of it performance of construction works on 21565.5 billion bags is expected.

By 2020 the volume of investment, expected in construction branch in comparison with 2015 will grow by 29.5 percent, the quantity occupied in branch will grow by 15.8 percent, and the number of the enterprises of branch will grow by 13.7 percent and respectively, as a result of achievement of 1046.3 billion bags, 1400.1 thousand and 26.03 thousand, volume of production in branches of construction respectively will grow by 37.5 percent and will reach 27586.5 billion bags.

The services sector, in particular, rendering paid services to the population develops stable rates in national economy in comparison with other branches. Because of development by high rates of branches of a services sector to a low volume of capital and demanding simple technologies in this sphere there were structural changes. Certainly, also the comprehensive state economic policy directed to strengthening of market reforms exerts the direction of such high-quality changes impact.

Adoption of laws and other regulations on privatization and privatization of property, natural implementation of these processes, along with development of small business and private business, creates possibilities for attraction of foreign investments and improvement of the economic mechanism of strengthening of activity of foreign firms.

The services sector which is shown as the new direction developing economy of Uzbekistan is one of quickly developing branches of economy, extend and in an expedited manner different types of services develop. As the services sector holds a specific place in the solution of problems of development of economy, the questions directed to the fullest satisfaction of the growing and extending needs of the population to different types of services are a priority problem of the social and economic policy pursued in the country.

The main strategic objective of the Republic of Uzbekistan is formation of market economy, and reforms directed to liberalization of economy and modernization of society serve as the cause of the private sector based on different types of property and profound structural changes in economy. For today the main part of this sector is made by a services sector.

As shows experience of the developed countries, private business, in particular, subjects of a services sector, are one of the major factors providing social and economic stability in all areas of development of society. Development of this sphere leads to increase in welfare of the population, development of economy, saturation of the consumer market and increase in *psstupleniye* in the state budget, and also, to decrease in unemployment.

As the First President of the Republic of Uzbekistan I. A. Karimov, “noted... the services sector is the major source and a factor of stable development of our economy. The international experience shows that this sphere takes the leading place in increase in welfare of people, employment of the population, formation of gross domestic product. 65–70 percent of able-bodied population of the most developed countries of the world carry out the activity in spheres of the market of service and their specific weight in economy very high” (3).

Also, in the republic for today the market of services has big prospects. Because services at the same time represent both the economic, and social sphere. The economic services sector is shown that a certain part of GDP of the country is made in this sphere, and the sociality of the sphere is shown that it is directed to improvement of life and increase in welfare of people.

Development of the social sphere of the population gives possibilities of determination of welfare of life of the population. Therefore to expect development and future *sostyaniye* of activity of branches of a services sector необходимо to predict. And for this purpose realization of the works performed on the branches given above will be required.

In this regard it is necessary to define the factors influencing production in this sphere, in particular, — investments into branch, — quantity occupied in branch, — a quantity of the enterprises of branch, — the rate of inflation and to establish interrelations between them. According to a research, the volume of services is generally closely connected with investments into branch

(0.98924226), quantity the occupied in branch (0.87135803) and the number of the enterprises of branch (0.86222112), given factors also have close interrelations. It is established that the rate of inflation has feedback with all factors. Proceeding from this situation, the adequate models having possibilities of full expression of each factor are defined:

$$\begin{aligned} X_1 &= -5175.31 + 1094.2049 * t ; \\ X_2 &= 2158,3 + 145,5737 * t ; X_3 = 58,5307 + 3,7776857 * t ; \\ X_4 &= 7,586667 - 0,07 * t . \end{aligned}$$

Now it is necessary to determine the volume of the expected works in branches of services, the amount of investments, the number of the population occupied in branch, the number of the enterprises which can join branch, and for this purpose необходимо execute calculations for the following model.

$$\begin{aligned} Y &= 78544,51993 + 5,569971547 * X_1 - 13,0057859 * X_2 - \\ &- 48,7526617 * X_3 + 2260,96407 * X_4 \end{aligned} \quad (3)$$

Results of the conducted research can be seen in Table 3.

Table 3.

VOLUME OF PRODUCTION IN A SERVICES SECTOR AND THE FORECAST
 OF CHANGE OF THE FACTORS INFLUENCING IT

Years	Volume of services \bar{Y}	Investments into branch. X_1	Quantity occupied in branch X_2	Number of the enterprises of branch X_3	inflation X_4
2016	93501.9	18897.2	5360.9	141.6	6.05
2017	97677.3	19991.4	5506.5	145.4	5.987
2018	101852.7	21085.6	5652.1	149.2	5.90
2019	106028.2	22179.8	5797.6	153.0	5.84
2020	110203.7	23274.0	5943.2	156.8	5.74

Source: development of the author on the basis of State committee of statistics of the Republic of Uzbekistan

According to data of the table made by the results calculated on the basis of model proceeding from results of a research in 2016 investments into branch are expected made 18897.2 billion bags, the number of 5360.9 thousand occupied in branch and the number of the enterprises of branch — 141.6 thousand, at the expense of it rendering of services for the sum of 93501.9 billion bags and growth in comparison with 2015 for 4.7 percent is expected.

If to consider that the attention to consecutive development of a services sector in rural areas and regions of the country and consecutive implementation of the program of further development of a services sector is paid especially, in comparison with 2015 by 2020 growth of the amount of investments into branch by 30.7 percent and achievements of 23274.0 billion bags, and achievement of volume of the executed services in branch of 110203.7 billion bags and growth in comparison with 2015 gdy for 23.4 percent is expected.

It should be noted that, our way to opinion, taking into account change of a tnosheniye of supply and demand in the market for improvement of ways of effective use of the investments entered into branch and development of branches of services in the conditions of uncertainty, also as well as all economic branches, it is expedient to define future tasks by means of results regular correlation регрессионных analyses of investment processes.

In the conclusion it would be desirable to note that for achievement in the future of stable development of national economy by high rates, further increase in the income of the population, improvement of quality and the standard of living of the population, expediently deep studying of all process of the organization of production, raw stocks of the country, since their processing and before their transformation into finished goods, and also to carry out the forecast with justification of self-sufficiency and expediency of expenses.

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(1). The decree of the President of the Republic of Uzbekistan about “Measures for transformation of agricultural cooperatives on farms in 2006” PQ-215 of November 8, 2005.

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