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**SECTION 31. Economic research, finance,  
innovation, risk management.**

## STRATEGY OF IMPROVING COMPETITIVENESS OF OIL AND GAS INDUSTRY

**Abstract:** In this article discusses ways to improve the competitiveness of the oil and gas industry in Uzbekistan. A necessary condition for ensuring the competitiveness of enterprises is the implementation by the state of a special policy to support competition and regulation of monopolies.

**Key words:** strategy, competition, competitiveness, competitive relations, monopoly, state regulation.

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### Introduction

The oil and gas industry occupies an important place in the economy of our country. It acts as a key source of raw materials for the production of polymers, organic chemistry substances and nitrogenous mineral fertilizers necessary in many sectors of the economy.

Over the past two years, as a result of measures taken in the industry, gas production increased by 10 percent, natural gas supply by 15 percent, and liquefied gas — 1.6 times. During this period, the refineries produced an additional 204,000 tons of petroleum products; the domestic market's demand for gasoline and diesel fuel is being met. This year alone, the Shurtan and Ustyurt gas chemical complexes will produce polyethylene and polypropylene, the added value of which is 4 times higher than the cost of gas, by almost \$ 700 million.

For the further development of the oil and gas sector until 2030, it is planned to implement 30 investment projects in the fields of geological exploration, production and deep processing of hydrocarbons totaling \$ 36.5 billion.

Currently, the oil and gas industry is deeply processed to produce products with a high added value of only 2 percent of natural gas; there is every opportunity to increase this figure by 7 times over the next 10 years. In this regard, the meeting indicated that JSC "Uzbekneftegaz" should be given priority attention to oil and gas chemistry. In particular, there are opportunities for the production of new types of

products - polystyrene, PET (polyethylene terephthalate) and synthetic rubbers based on aromatic hydrocarbons (benzene, toluene, xylene) and using the technology of producing olefins from methanol, as well as increasing the production of polyethylene and polypropylene. For the implementation of these projects it is necessary to attract about 9 billion dollars. To this end, a strategy for the implementation of projects with the attraction of direct investments from large companies in Europe, Japan, the United States, and the United Arab Emirates will be developed.

### Literature review

Questions of the theory of competitiveness were investigated in the scientific works of F. Knight, K.P. McConnell, C.JI. Brue, J. Schumpeter, FA Hayek, I. Ansoff, M. Porter, M. Best, I. Kirchner, D. Prescott, S. Miller, G. Hamel, K.K. Prahalada Among the scientists of the CIS engaged in the issues of competitiveness, it should be noted Avdasheva, S. B., Shastitko, A.E., Kalmychkova [3], Grib SA. [4], Gurkov IB, Avramova EM, Tubalov B.C. [5], Kaipiev K. [6], Kershenbaum V.Ya. [7], Shushkin MA, Zabaeva M.N. [8], A.N. Zakharova, P.S. Zavyalova, Z.A. Vasilyev, I.B. Gurkova, A.P. Chelenkova, G.L. Azoeva, A.Yu. Yudanov, I.A. Spiridonov, MD Magomedova, P.P. Akhunova, I.V. Pilipenko, V.E. Khrapova and others. Topical issues of the oil and gas sector, production of equipment for the oil and gas industry, the service component was

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studied in the scientific works of Nyo S. [9], S. Selin VS, Tsukerman VA, Vinogradov AN [10], Bjerkholt O., Lorentsen L., Strom S. [11], Porter M., Ketels K. [12] and others.

### Analysis and results

Today, one of the main strategic projects is the “Action Strategy for the Five Priority Development Areas of the Republic of Uzbekistan in 2017–2021, which refers to the reform of the public administration system and civil service through the decentralization of public administration, increasing the level of professional training, material and social security of civil servants, as well as a phased reduction of state regulation of the economy; introduction of modern mechanisms of public-private partnership aimed at improving the efficiency of mutually beneficial cooperation in the implementation of the tasks of the socio-political and socio-economic development of the country”. [1]

Microeconomic theory proves that monopoly leads to a loss of public welfare. Equilibrium price, exceeding marginal costs, distorts the relative price proportions and does not allow to achieve efficient allocation of resources between activities. The treatment of the economic content of competition policy can be narrow and broad. With a very narrow approach, competition policy is identified with antitrust regulation. However, antitrust regulation itself may extend to a more or less wide range of problems.

Antimonopoly policy in the narrow sense of the word - combating cartels, preventing restriction of competition from large companies, preliminary control of economic concentration transactions - proceeds from the fact that, regardless of the reason for the appearance of large sellers on the market, under certain conditions they have incentives and opportunities to restrict competition and redistributing the benefits of consumers in their favor. The central method of combating such practices is to recognize its illegal and impose sanctions for violating antitrust regulations. Sanctions for restricting competition are imposed after the establishment of the fact of illegal practices. In this context, antitrust policy in the narrow sense of the word refers to passive, rather than active types of economic policy. The policy of introducing competition in the natural monopoly industry interprets the losses described above in a slightly different way. In the sectors of natural monopolies, there is initially a contradiction between inter-production and allocation efficiency due to the fact that a large company has a cost advantage. If there were several sellers in the industry, the competition between them would provide greater allocation efficiency (lower price excess over marginal costs and less distortion of the produced set of products compared to the “first best”), but production

efficiency would be lower (average costs higher) than with a single seller. A single seller can produce goods with lower average costs, but the losses from allocative inefficiency are higher. As a way to resolve this contradiction, the state uses price (tariff) regulation in the sectors of natural monopolies. Regulated prices are the solution to maximizing consumer gains, subject to the break-even of a single seller.

A specific method of increasing costs is the excess investment of a monopolist. When the regulator sets the “fair price of capital” (to determine the normal profit), the seller has an incentive to increase his capital in excess of the volume, which would minimize the costs of this issue.

However, even greater problems arise due to the fact that the regulated manufacturer lacks adequate incentives both to reduce costs with this technology and to update production technology. Even understanding this problem, the regulator cannot determine to what extent the change in the costs of a monopolist is due to the level of its efforts, and to what extent the change in the prices of resources and other external factors.

Unlike traditional antitrust regulation, competition policy in natural monopolies is directed not only against the actions of the monopolist, but also against the traditional model of price regulation. It uses two groups of methods. The first is related to the improvement of tariff regulation, the introduction of — albeit highly imperfect — stimulating contracts in tariff regulation.

The second is to remove as many markets as possible from the tariff regulation regime. This implies the division of types of activity in regulated industries into natural monopoly and potentially competitive ones. For the latter, the ultimate goal of transformation is the complete rejection of tariff regulation. However, before achieving this goal, it is necessary to carry out a major transformation of the structure of the previously regulated industry and the rules that should guide the participants in this industry. This is primarily due to the fact that structural transformations of a company operating in an industry are not the most difficult problem. The problem is to limit the ability of an established company to resist competition in an unregulated market. As a rule, in order to free potentially competitive markets from price regulation, it is necessary to introduce many new norms and directions of regulation.

The fight against restriction of competition from the state is repelled by the understanding that much of the entry barriers that impede the development of competition are created thanks to the conscious actions of government officials in order to “rent-see.” The concept of “rent seeking”, among other things, makes it necessary to rethink the approach to assessing the loss of society from a

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monopoly. Monopoly profits can be interpreted as the price paid for the acquisition of a monopoly position. In this context, the monopoly profit does not bring any benefit to society and should be attributed to overhead costs. Then the quantitative losses of society from a monopoly should include not only the actual “dead losses”. Monopoly becomes even more dangerous for public welfare. Even in the absence of production inefficiency, monopoly brings losses to society due to the redistribution of gains in favor of those who restrict competition.

However, it is obvious that the state policy should be directed not only against the monopolist as such, but also against the organizer of competition for monopoly rent, that is, against officials representing the state. Regulation, which leads to the creation of barriers, causes more damage to society than private monopolies as such. From this point of view, the understanding of competition policy is expanding, including both the policy of liberalization (reducing the administrative burden) and the policy against corruption. In this regard, it is advisable to include in the composition of competition policy those areas of government action that have a direct impact on markets — policies on public procurement and policies on state assistance. In the field of public procurement, which make up to 8–10% of GDP in EU countries, the rules established by the state as a purchaser have a direct impact on competition.

Similarly, choosing the scale and form of state aid, the state determines how strong the distorting effect on the market structure will be. The competition policy in this part uses both passive instruments (for example, anti-corruption legislation) and active (for example, requirements for competitive procurement of goods and services for state needs).

Thus, the cause of the implementation of competition policy in general and antitrust regulation in particular is monopoly power as a form of market failure, which reduces economic efficiency. However, this conclusion does not mean that any competition policy and any anti-monopoly regulation increases welfare. Antitrust policy brings benefits to society only if the benefits of its implementation exceed the costs of its implementation.

In addition to the three traditional areas of antitrust regulation — prevention of cartel agreements, prevention of abuse of dominant position (in terms of US antitrust law — monopolization), and antitrust control of mergers — the Russian antitrust law contains rules on unfair competition, state competition restrictions, and antitrust requirements for government procurement and the provision of state aid. Secondly, the legislator aims to provide a comprehensive and consistent description of all types of illegal practices in a single law.

The Law “On Protection of Competition” substantially changed the content of the basic concepts used by competition law. In particular, a commodity in the Law means an object of civil rights (including work, service, including financial service), intended for sale, exchange or other introduction into circulation.

The definition of the commodity market is concretized taking into account the technical and other possibilities and expediency of the acquirer to purchase goods in the relevant territory. According to the Law, a commodity market is a sphere of circulation of goods (including goods of foreign production) that cannot be replaced by another product, or interchangeable goods, within whose borders (including geographic ones) based on economic, technical or other possibilities, either expediency the purchaser can purchase goods, and such a possibility or expediency is not outside of it.

The law introduced the concepts of such forms of influence on competition as coordination of the activities of economic entities, as well as concerted actions restricting competition. Coordination of economic activity is the coordination of actions of economic entities by a third party who is not in the same group of persons with any of these economic entities. At the same time, the actions of a self-regulating organization carried out in accordance with federal laws for establishing conditions for their members to access the product market or exit the product market are not coordinated. Regarding abuse of dominant position, the Law establishes a list of violations, the existence of which does not require proof of a negative impact on competition:

- setting, maintaining a monopoly high (low) price of the goods;
- withdrawal of goods from circulation if prices increase as a result;
- imposing contractual terms on the counterparty that are unfavorable for him or not related to the subject of the contract;
- economically or technologically unjustified refusal or evasion from concluding an agreement with individual buyers (customers) in the case of the possibility of production or supply of the relevant goods, as well as in the event that such a refusal or such evasion is not expressly provided for by acts of state bodies;
- economically, technologically and otherwise unjustified establishment of different prices (tariffs) for the same product, unless otherwise established by federal law;
- the establishment by a financial institution of an unreasonably high or unreasonably low price of a financial service;
- violation of the pricing procedure established by regulatory legal acts.

With regard to other types of abuse of dominant position, an economic entity has the right to provide

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evidence that its actions (inaction) can be considered admissible, if these actions do not create an opportunity for individuals to eliminate competition in the relevant product market and do not put restrictions on their participants or third parties. that do not meet the goals of such actions, and the result of such actions may be a positive effect.

Monopolistic activity is defined as the abuse of a dominant position in the market by an economic entity (group of persons), the conclusion of agreements or the implementation of concerted actions prohibited by antimonopoly legislation.

In accordance with the current antimonopoly legislation, manifestations of monopolistic activity in commodity markets include: 1) abuse of a dominant position in the market by a business entity (group of persons), which may or may result in the prevention, restriction, elimination of competition and (or) infringement of the interests of other business entities subjects; 2) agreements and concerted actions of economic entities that restrict competition, which can be differentiated as follows: a) contracts, other transactions, agreements, concerted actions of economic entities operating in the market for one commodity (interchangeable goods) that lead or may lead to divided negative effects associated with monopoly-asymmetric pricing, the division of the market between these economic entities, the establishment of barriers to access to ok, to eliminate competitors from the market, and so on. etc.; b) agreements between economic entities operating in the market of one commodity (interchangeable goods), or their concerted actions, as a result of which there are or may be the prevention, restriction, elimination of competition and infringement of the interests of other economic entities; c) coordination of business activities of commercial organizations, which has or may result in restriction of competition.

It is common to refer to anti-competitive practices (aimed at restricting competition) of financial organizations:

- actions of a financial institution that holds a dominant position in the financial services market, making it difficult for other financial organizations to access the financial services market and (or) have a negative impact on the general conditions of financial services in the financial instruments market;

- agreements (achieved in any form) or concerted actions of financial organizations, if such agreements or concerted actions have or may result in restricting competition in the financial services market findings.

Another common offense in the implementation of competitive interaction between business entities is unfair competition, which refers to any actions aimed at acquiring business advantages that contradict the provisions of current legislation, business practices, honesty, reasonableness and fairness and may cause or cause losses to other

business entity am competitors either damage their business reputation.

In addition to monopolistic activity and unfair competition, anti-competitive practices of the executive authorities, the Central Bank of the Republic of Uzbekistan, state authorities of the constituent entities of the Republic of Uzbekistan, local governments and other bodies or organizations endowed with the functions or rights of these authorities are other actions aimed at restricting competition. The Law summarizes the following signs of restriction of competition: a reduction of economic entities that are not in the same group of persons in the commodity market, a rise or fall in the price of goods that are not related to the corresponding changes in other general conditions for the circulation of goods in the commodity market, and the refusal of economic entities that are not in one a group of persons from independent actions in the commodity market, the determination of the general conditions for the circulation of goods in the commodity market by agreement between economic entities or in accordance with the instructions of another person, which are binding for them, or as a result of coordination by economic entities that are not in the same group of persons, of their actions in the commodity market, as well as other circumstances that make it possible for the economic entity or several economic entities to unilaterally influence the general conditions of goods circulation in the commodity market. One of the main directions of the state antimonopoly policy implementation is the conduct of state antimonopoly control over economic concentration in commodity and financial markets, which includes preliminary antimonopoly control and subsequent antitrust control. Objects of such control in commodity and financial markets can be differentiated as follows: a) objects related to the implementation of the corporate policy of an economic entity, financial organization (creation, reorganization (merger, affiliation), changes in the composition of participants in business entities (including the number of financial organizations), change authorized capital of a financial organization, election of individuals to governing bodies, advice

Despite the obviousness of the concept itself in the practice of antitrust regulation with the definition of the boundaries of a group of individuals, there are high costs. This is caused primarily by the fact that during the period of redistribution of property after the completion of privatization, Russian companies developed an opaque structure of ownership and control with the active use of so-called tool companies, masking the true corporate structure. In recent years, the structure of ownership and control has become increasingly transparent - primarily because the intensity of the redistribution of control is a little decreases, but in many cases the opacity of the final beneficiaries makes the precise definition of

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the boundary of a group of individuals a very difficult task. Industrial policy (eng. Industrial policy) is a system of relations between the government, local government, business and society about the formation of a structurally balanced competitive economy and high-tech intellectual core of industrial production. The presence in the modern economy of market regulation defects related to the inability of market structures to meet many potential social needs, the cyclical nature of economic development, increased socio-economic differentiation, increasing market concentration, lack of interest of market participants in funding basic research, support for the scientific and technical sphere, causes the need for government intervention in the implementation of the measure ulirovaniya investment demand, coordinating the functioning of the financial and credit sector, customs tariff regulation to support national enterprises, promoting the formation of innovative industries that determine the priority of the country's technological development.

Industrial policy is closely linked with other areas of state influence on the economy, including foreign economic, regional antitrust, environmental, social policies. At the same time, at different stages of the functioning and development of the economy, industrial policy has specific goals and instruments for implementation.

In a cyclically developing economy at the stage of overcoming the structural crisis, industrial policy contributes to the formation of a new type of sectoral structure of the industrial sector with a predominance of higher technological level production, at the stage of economic growth - development and strengthening of the complex being formed, at the stage of stabilization it is aimed at implementing the existing production, scientific and technical and innovation potential.

Thus, depending on the stage of economic development, industrial policy provides either support for the existing industrial structure or the formation of a sectoral structure of a new type.

According to the degree and nature of the state's impact on the economic complex, economic theory makes it possible to distinguish two alternative models of industrial policy:

- 1) a dictatorial model - a "rigid" or vertical model;
- 2) the liberal model is a "soft" or horizontal model.

"Tough" policy is usually understood as a course whose goal is the creation and development of priority sectors of the economy. Government agencies form a long-term growth strategy based on budget subsidies and loans to enterprises of priority sectors, indirect subsidies for companies, and protectionism in foreign trade. The interconnectedness of the subjects of the economic

complex ensures the chain development of related industries through the use of the achievements of leading industries and the formation of a new type of economy.

In contrast to the "rigid" model of industrial policy, which implies direct active state intervention in the economy as an actor, a state entrepreneur and an investor, liberal policies are aimed at creating conditions for competitiveness growth and supporting investment projects that will increase the level of efficiency of national companies.

The horizontal model is focused on the formation of common for all sectors of the development of production. Sectoral proportions, problems of capital flow (intersectoral, interregional) and many other problems should be solved at the junction of supply and demand in market self-regulation procedures, therefore the need to prioritize development and highlight leading industries is denied.

According to supporters of this model, the establishment of priorities for industrial development can lead to the preservation of emerging proportions; this determines the preference of a strategy of constant adjustment of the structure based on the action of market forces.

However, the imperfection of the market mechanism in the conditions of the prevailing market conditions and limited resources, manifested, for example, in over-capitalization of the commodity sector to the detriment of the manufacturing industries, in the long run can lead to significant disparities in socio-economic development, lagging in the innovation, technological and other sectors of the economy.

Today, industrial policy is implemented in most developed countries of the world (France, Germany, USA, etc.). State bodies are implementing comprehensive measures aimed at bringing the industrial structure in line with the challenges of the global economy, increasing the competitiveness of the national industrial complex, improving the industrial infrastructure, and creating new industrial sectors. Direct and indirect methods of state regulation are distinguished as instruments of industrial policy. Direct methods of industrial policy are associated with the distribution or redistribution of resources for production, carried out directly by the state in order to stimulate or de-stimulate certain activities. Direct methods include subsidizing industries, enterprises or regions, direct public investment, creating state-owned enterprises, subsidizing interest rates.

Indirect methods, including elements of monetary and fiscal policy, are aimed at creating conditions for the functioning of all economic entities. They are designed to change producers' expectations and, in the first place, their assessment of the risks associated with certain types of

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production activities. With these tools, the state seeks to transform the ratio of supply and demand in the desired direction.

International experience shows that in today's rapidly changing post-industrial economic environment, traditional means of direct financial support for individual industries and industrial complexes prove to be very costly and inefficient. The main means of implementing the goals of modern industrial policy are indirect methods.

However, in order to ensure national and economic security, preserve and develop a diversified production system, ensure the stable functioning of the social sphere, stimulate the activities of public sector enterprises, government agencies use direct impact tools, allocating budget funds to support specific industries and implement large investment projects.

The prevalence of one or another set of tools in the complex of measures aimed at the development of the national economy, new technologies and products with a high degree of processing, as well as a fundamental feature of modern industrial policy related to its focus on the formation of innovations as the most important factor of economic growth, determine the type of government industrial policy.

At present, the following main types of industrial policy have emerged in the world:

- export oriented industrial policy;
- import substitution policy;
- innovative industrial policy.

The essence of export-oriented industrial policy lies in the full promotion of production, focused on the export of its products. The main incentive measures are aimed at developing and supporting competitive export industries in order to capture the largest possible share of the world market. The implementation of this type of industrial policy is carried out through tax and customs benefits, lending to exporting enterprises, maintaining a low exchange rate and creating other favorable conditions for the functioning of export-oriented industries.

Important advantages of this type of industrial policy are the inclusion of the country in the world economy and access to world resources and technologies; the development of strong competitive sectors of the economy that provide the multiplicative effect of the development of the rest of the "domestic" industries and are the main supplier of funds to the budget; attracting foreign currency into the country and investing in development production and services of the national economy. Successful examples in terms of export-oriented industrial policy can serve such countries as Japan, South Korea, Chile, the Asian Tigers (Malaysia, Thailand, Singapore), China.

Negative factors in the implementation of this type of policy are mainly related to commodity exports, since its excessive presence in the structure

of exported products threatens to lead to primitivization of the structure of the national industry, increased corruption in government, an outflow of personnel and financial resources from the manufacturing industry of the country (Venezuela, Russia ). In the long run, this may lead to a weakening of the competitiveness of the manufacturing industry, a slowdown in economic growth and a decrease in the level of accumulated knowledge, since the most intensive process of accumulating knowledge, the growth of human capital occurs in the manufacturing sector. This situation in modern economic theory has been called the "Dutch disease".

The stagnation in the manufacturing industry can lead to its lagging behind the global technological development and the need to import new equipment, which practically nullifies the effect of commodity exports, because it makes the country's economic development dependent on foreign manufacturers.

In addition, there are negative aspects when the country focuses on exporting even industrial equipment with high processing, if in the production of this equipment a high proportion of imported components, which leads to the linkage of the price of exported machines and machines to the cost of their imported parts, as well as to the possibility of non-economic influence of the country -importer on these enterprises, industry and the economy as a whole (Mexico).

The industrial policy of import substitution is a strategy to ensure the domestic market based on the development of national production through the implementation of protectionist policies and the maintenance of a firm exchange rate of the national currency (thereby preventing inflation). Import-substituting industrial policy contributes to improving the balance of payments structure, normalizing domestic demand, providing employment, developing engineering production, and scientific potential.

The negative sides of the import-substituting model of industrial policy are: self-isolation from new trends in the global economy; the possibility of technological, and therefore competitive lag from developed countries; the danger of creating greenhouse conditions for national producers, which will lead to inefficient management and use of resources; the need, regardless of the international division of labor, to build fully production chains, which may be more capital and resource-intensive than those already existing in other countries.

The basis of the innovation industrial policy is the process of economic development of the country in the domestic and foreign markets, based on the latest trends in technological and social development using high-tech and capital-intensive production. The innovation model contributes to the maintenance of

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the scientific and technological potential of the state, and therefore its competitiveness in the international arena; stimulates the development of educational institutions and provides the economy with qualified personnel; promotes job creation within the country and provides domestic demand; maintains a stable and high rate of national currency and the welfare of the population; focuses on the development of the machine processing complex, instrument-making with high value added products.

Since the early 90s. XX century, market transformations are being implemented in Uzbekistan. Applying the experience of developed capitalist countries, the Government of the Republic of Uzbekistan has adopted a liberal model of industrial policy, making a bet on the effectiveness and self-controllability of market mechanisms.

At the beginning of radical market reforms, the concept of economic policy was based on the idea that general economic reforms of the institutional environment and the creation of market mechanisms would solve the problems of industries and enterprises without government intervention.

However, the liberalization of the pricing process with the addition of many control functions inherent in the command economy and the underdeveloped market mechanisms from the state fully revealed all structural distortions of the Soviet economy, resulting in high inflation, budget deficit, impoverishment of the population and stagnation of production.

During the transition to a market economy, the government impact on the development of industry was characterized by attempts to stimulate domestic demand, provide enterprises with cheap working capital to increase the utilization of existing capacities, develop import substitution through protectionist foreign economic policies, accelerate intra-industrial integration and build sustainable production "chains". Against the background of the crisis of liberal ideas, the state even under various "soft measures" interacted with business for various reasons, for example, in the framework of debt restructuring procedures, bankruptcy procedures and operating assets of state enterprises for the implementation of various projects.

The approach to the development of industrial policy shifted from solving tactical problems to creating an industrial development strategy for the long term. At present, a new stage of development of the state industrial policy is being formed, when its development is based on the introduction of innovations. The main task at this stage is to create the conditions and mechanisms for the design and production of competitive high-tech products.

In the future, the industrial complex should turn into a constantly "learning" and "getting smarter" production capable of overcoming the challenges of the external environment, creating a large variety of

its internal potentials and managing it. In the development of industrial policy at this stage, it is necessary to take into account the projected global trends, including the intensive formation of a new technological core of modern economic systems, the development of digital technologies, the spread of educational technologies, the expansion of the availability of new technologies, and the blurring of the boundaries between fundamental and applied research.

The strategic goal, according to the Concept of the long-term socio-economic development of the Republic of Uzbekistan for the period up to 2020, is to transform Uzbekistan into one of the leaders of the world economy.

Achieving this goal involves the diversification of the economy, in the structure of which the leading role goes to the "branches of knowledge" and high-tech industries.

The benchmarks for industrial, oil and gas development are supposed to focus on:

1) creating a highly competitive institutional environment that stimulates entrepreneurial activity and attracting capital to the economy (developing competitive markets, consistently de-monopolizing the economy, supporting innovative business; developing the financial sector, ensuring the transformation of savings into capital);

2) structural diversification of the economy on the basis of innovative technological development (the formation of a national innovation system, including engineering business, innovation infrastructure, institutions of the intellectual property market; the creation of a powerful scientific and technological complex; assistance in improving the competitiveness of leading industries through the use of public-private partnerships; conditions for companies to access long-term investment sources cations, providing industries with highly professional personnel);

3) on the consolidation and expansion of Russia's global competitive advantages in traditional areas (energy, transport, agricultural sector, processing of natural resources) - the development in the territory of Uzbekistan of large nodes of the international energy infrastructure using new energy technologies; commercialization of environmentally friendly energy production technologies, etc.

## Conclusions

Today, the low technological level of production, the lack of demand for innovative products by enterprises in other industries that are part of the production "chains", the lack of high-quality human capital inhibit the spread and introduction of innovations, accelerating the outflow of innovators abroad. To reach a qualitatively new stage of innovation development, industrial policy should be aimed at competent borrowing, refinement

## Impact Factor:

ISRA (India) = 3.117	SIS (USA) = 0.912	ICV (Poland) = 6.630
ISI (Dubai, UAE) = 0.829	PIHHI (Russia) = 0.156	PIF (India) = 1.940
GIF (Australia) = 0.564	ESJI (KZ) = 4.102	IBI (India) = 4.260
JIF = 1.500	SJIF (Morocco) = 5.667	

of technologies and their dissemination among enterprises of all sectors of the industrial sector. At the same time, the level of acquired technologies should correspond to the degree of technical and technological development of the country.

The need for substantial financial resources for the acquisition of technology, as well as a developed scientific and technological base for the adaptation of achievements, determines a high proportion of innovators among large enterprises integrated into holding companies, as well as companies that are part of state corporations. Small business is not able to bear such costs. In this situation, the task of the state is to promote the purchase of licenses to domestic companies, as well as to ensure the diffusion of innovations among related industries, through the formation of development institutions (venture funds, technology parks, innovation and technology centers, technology transfer centers, etc.).

In addition to this channel, borrowing can be carried out through foreign direct investment (the purchase of enterprises abroad), foreign trade (competition in export and import operations), education renewal (study of advanced technologies, foreign experience), cooperation with foreign experts (exchange of experience, foreign internships).

The current global crisis exposed the main imbalances in the global economy, revealed the contradictions of global economic development. The gap between the financial sector and the real sector clearly manifested itself. Overheating of financial markets, and above all mortgage, has become one of the factors behind the bankruptcy of a number of world banks.

In essence, there was a “sovereignization of private debts”: the states were forced to incur a significant portion of the debts of banks and corporations. Expensive anti-crisis programs, and often unbalanced pre-crisis growth of social obligations, led to record budget deficits. The crisis has led to increased differentiation between the centers of economic power on the world

stage. The positions of the United States, which started the crisis wave, strengthened relatively, but then became among the developed countries the main locomotive of post-crisis growth. The differences in the eurozone are intensifying, where both the leaders of the revival — Germany, France, and the “risk zones” — Greece, Italy, Spain, Portugal, and Ireland — are marked. An important factor in this division becomes the level of budget discipline of countries.

The demand for foreign goods from Latin American countries is growing at a significant pace, while the developed countries: the USA, the EU countries and Japan annually reduce their weight in the import markets. And import markets are essentially export opportunities.

The global crisis has become a kind of stress test for all national economies, exacerbating structural problems, once again showed the vulnerability of the Russian export-raw material model of development.

At the same time, the crisis must be viewed not only as a test of the national economy, but also as a window of opportunities to increase its competitiveness, including through the implementation of an effective industrial policy.

The government has currently identified seven key strategic priorities for the development of the economy:

- improvement of the investment climate;
- stimulating innovation;
- energy efficiency;
- small and medium business;
- improving the efficiency of foreign economic policy, integration within the framework of the Common Economic Space and the Customs Union;
- state property management and privatization;
- increasing the efficiency of public administration.

All these priorities are linked by the ideology of creating an environment for realizing the potential for modernization and the creation of new competitive industries.

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