



Business Activity and its Evaluation in Uzbekistan

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Annotation:

The article analyzes the role and place of small businesses and entrepreneurship in the development of the national economy, considers the problems of providing employment to the population, the share of small businesses in the context of economic sectors, innovative development, and examines the practice of supporting this industry with various financial instruments.

The share of small businesses in the GDP of our republic in recent years (2013-2022) has decreased by 9.1 percent, the volume of added value created by them in 2022 amounted to 114,524.9 billion soums, which is almost 1.4 times more than in 2013 (Fig. 1).

In fact, it has been proven that private enterprise is more efficient than public enterprise. Now, without confusing the concept of “private property” with the concept of “enterprises based on non-state ownership,” it is necessary to ensure the priority of private property in the economy, support it and guarantee its inviolability.

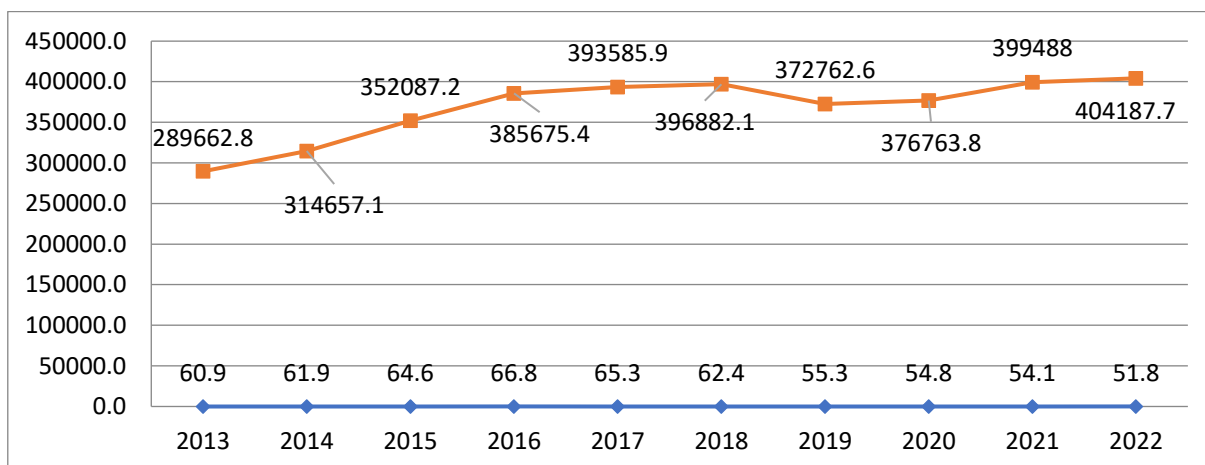


Figure 1. Dynamics of the share of small businesses and private entrepreneurship in GDP¹

Consistent reforms carried out in our country have not affected the increase in the number of people employed in the economy. As a result, the number of people employed in the small business sector increased in 2022 by 5.5% or 527.1 thousand people compared to 2013 and reached 10,131.1 thousand people (Fig. 2).

In 2023, the number of small enterprises and micro-firms operating in our republic increased by 2.95 times compared to 2013, and the number of employees increased by 1055 times. This indicates the expansion of the activities of these entities.

In recent years, the expenses of small enterprises and microfirms on innovation have increased; in 2022, innovation will be financed mainly from their own funds, i.e. 62.1% are financed, 7.6% are foreign investments, 27.6% are loans from commercial banks and 2.7% others are carried out at the expense of funds. These figures correspond to 55.6 in 2019; 9.8; It is equal to 30.8 and 3.8 percent, which indicates that the share of equity is 6.5 percent. However, the share of foreign investment in financing innovation in small business decreased by 2.2 percent.

¹Calculated by the authors based on data from the Statistics Agency under the President of the Republic of Uzbekistan.

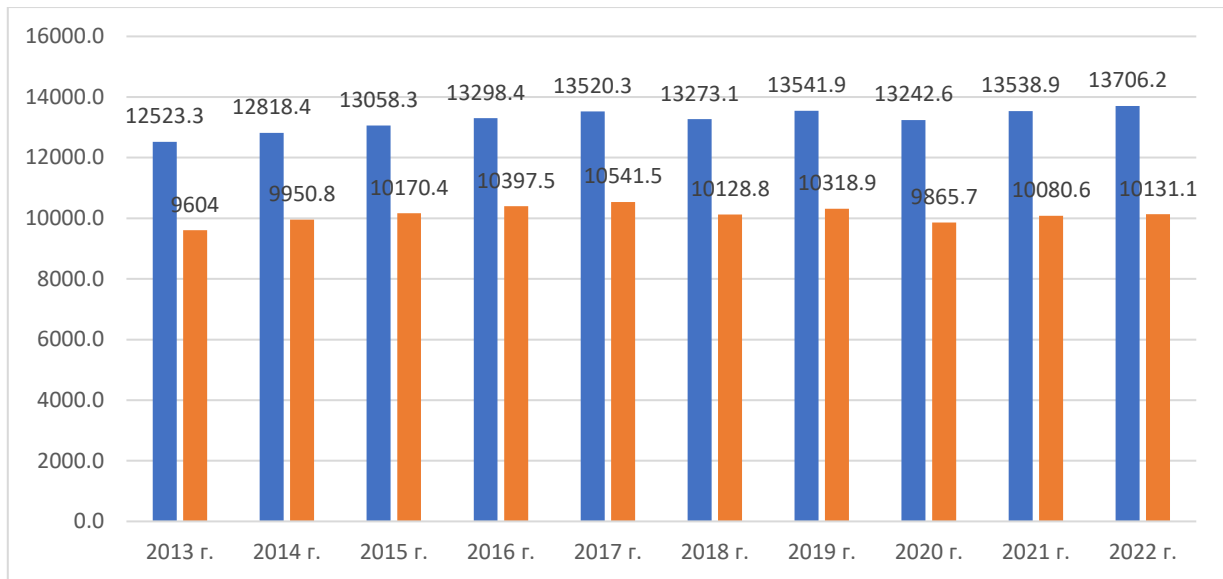


Figure 2. Number of people employed in the economy and small business of Uzbekistan in 2013-2022, thousand people²

To increase employment, it is necessary to create new jobs both in the manufacturing sector and in the service sector [14].

In 2022, the share of small businesses in the volume of products produced in the economic sectors of our republic will be 26.0% in industry, 94.8% in agriculture, 71.5% in construction, 84.7% in trade, 49.4% in the field of paid services and 47% of investments in fixed assets, 9%, there have been structural changes compared to previous years. The results of statistical analysis of small businesses and private entrepreneurship show that this sector is developing unevenly in the regions (Table 1).

Accelerating innovation processes in small businesses reduces costs, creates an opportunity to take their place in the market, increases the volume of products and profit margins, and has a positive effect on increasing business efficiency.

At the present stage of socio-economic development, innovative activity should become one of the most important factors in the economic development of the regions of our republic.

Table 1

In 2022, the share of small businesses by regional economic sector³

(percentage of total volume)

Regions	GDP, GNP	Industry	Agriculture	Construction	Trade	Paid services	Investments in fixed assets
The Republic of Uzbekistan	51.8	26.0	94.8	71.5	84.7	49.4	47.9
Republic of Karakalpakstan	56.6	20.5	93.6	88.2	97.3	49.9	26.7
Andijan	69.5	22.4	96.3	93.8	93.9	66.0	59.0
Bukhara	74.1	33.5	97.3	80.3	93.9	61.7	45.1
Jizzakh	78.4	50.0	96.4	93.8	95.2	59.4	72.1
Kashkadarya	68.1	23.0	97.8	72.7	95.6	67.8	26.9
Navoi	26.8	7.2	96.0	80.4	94.0	58.3	42.8
Namangan	72.8	44.8	93.7	91.2	94.9	66.3	65.2
Samarkand	71.4	38.1	93.1	77.8	80.7	67.6	60.5

²Data from the Statistics Agency under the President of the Republic of Uzbekistan for 2013-2022.

³Compiled by the authors based on data from the Statistics Agency under the President of the Republic of Uzbekistan.

Surkhandarya	76.8	42.4	96.4	92.2	96.6	64.5	49.5
Syrdarya	65.4	30.6	93.5	78.6	93.2	52.2	76.5
Tashkent	46.5	20.9	88.2	74.3	86.4	69.2	36.8
Fergana	68.9	44.0	95.3	80.4	92.7	65.8	62.0
Khorezm	71.6	16.0	95.7	89.7	94.0	62.0	52.4
Tashkent	46.8	36.9	-	61.0	62.6	40.2	41.6

In the strategy, by 2030 the Republic of Uzbekistan intends to become one of the 50 most advanced countries in the world according to the Global Innovation Index rating. To achieve this goal, of great importance, first of all, is the development of innovative activities of enterprises located in the regions, including small businesses and private entrepreneurship.

The number of innovations introduced by small enterprises and microfirms in our country in 2013 was 624, and by 2022 it reached 1635. This is the result of positive work carried out to enhance innovation. As a result, the volume of production on average over the years amounted to 222409.8 and 11470.1 billion soums in current prices, 181.2 and 2006.1 billion soums equal to soums, and their profitability amounted to 126.2 and 471.8 percent, then there is an efficiency indicator increased by more than 3.7 times.

The analysis shows that there are differences in the territorial distribution of innovative goods, works and services produced in the ICT sector. Thus, in 2022, approximately 80 percent of all innovative products will be produced by the city of Tashkent, Kashkadarya, Tashkent, Navoi and Fergana regions. At the moment, the share of the Republic of Korakol-Pakistan, Surkhandarya, Jizzakh, Namangan and Andijan regions in this regard remains low.

Table 2

Territorial composition of innovative goods, works, services produced by small enterprises and microfirms (excluding farms), %⁴

Regions	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
The Republic of Uzbekistan	100	100	100	100	100	100	100	100	100	100
Republic of Karakalpakstan	2.1	3.0	1.8	3.0	3.0	1.2	1.6	1.6	1.2	1.2
Andijan	4.7	0.9	0.5	0.9	3.8	3.6	2.7	2.7	1.0	1.9
Bukhara	4.9	6.4	1.4	2.2	2.6	2.6	2.7	2.7	2.9	2.7
Jizzakh	2.3	1.7	4.7	3.3	7.5	3.2	6.6	6.6	3.2	0.5
Kashkadarya	1.2	0.9	0.8	0.5	0.3	0.7	3.9	3.9	2.9	10.8
Navoi	8.7	3.3	1.7	1.7	5.8	11.3	4.4	4.4	3.3	7.7
Namangan	3.9	7.5	7.8	5.6	5.1	7.3	8.6	8.6	2.7	1.3
Samarkand	2.1	1.8	11.3	11.7	3.8	4.2	6.4	6.4	7.5	4.3
Surkhandarya	1.2	1.6	1.8	2.3	3.0	4.0	1.2	1.2	2.1	1.9
Syrdarya	0.7	4.3	3.5	3.9	4.7	6.4	5.4	5.4	4.7	3.5
Tashkent	1.3	11.6	11.6	9.8	13.8	17.1	17.8	17.8	15.9	9.2
Fergana	6.3	3.7	4.9	5.8	15.1	8.8	7.0	7.0	10.4	4.6
Khorezm	3.0	2.5	4.7	3.3	5.8	2.6	7.2	7.2	0.5	3.9
Tashkent	57.8	50.8	43.5	46.0	25.7	27.0	24.4	24.4	41.6	46.5

In our opinion, to ensure the development of innovative activity in the regions of our country, it is advisable to use the following tools:

- stimulating demand for innovative products in the domestic and foreign markets;
- increase the efficiency of the science and technology generation sector. Including, eliminating problems of innovative development of regions through mechanisms for stimulating cooperation between business, science and educational institutions;

⁴Information from the Agency for Statistics under the President of the Republic of Uzbekistan

- achieve increased efficiency in the use of human resources in order to implement innovative activities.

Today, the small business sector is the largest labor market in our country, the main factor in the formation of the middle class of ownership, and the source of income and prosperity for millions of people who will benefit most from ensuring the stability of our country. an economy based on planning and strengthening your business.

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