

# Formation and Development of the Territorial Consumer Market in Uzbekistan as a Result of Innovative Policy

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## ABSTRACT

The article collects public and private information on innovative projects, policies, as well as the implementation of projects in the Republic of Uzbekistan, and contains important facts of a descriptive nature.

**KEYWORDS:** *Innovation, innovative projects, innovative activities and innovative policies, advanced technologies*

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In recent years, the terms innovation and advanced technology have been widely used in the scientific and practical literature in the field of economics, as well as in many scientific works, along with the words innovation and advanced technology. The term innovation, used in many pulpits, conferences and scientific councils, means Latin innovus (in novus depending on innovation) and can be used as synonyms with the terms innovation and advanced technology. The issue of innovative growth has been playing an important role in the active economic policy pursued by our country since independence to restructure and modernize the economy and ensure its competitiveness. Therefore, the country pays great attention to ensuring the effective participation of investments in the implementation of innovation policy, as a result of which the volume of investments in the national economy, the number of projects based on modern and advanced technologies, it also ensures that the GDP grows with high pictures. It should be noted that in recent years, our country has also taken

important steps to transition to an innovative economy, in particular, the adoption of the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021. 2018 is declared the Year of Active Entrepreneurship, Support of Innovative Ideas and Technologies [1]. In particular, President Shavkat Mirziyoyev described Miromonovich's innovation as follows: Innovation is the future. If we start building our great future today, we must start it on the basis of innovative ideas, innovative approaches "[2]. Attention to innovation is growing in our country. To this end, on November 29, 2017, President Shavkat Mirziyoyev adopted Decree No. PF 5264 "On the establishment of the Ministry of Innovation Development of the Republic of Uzbekistan" [3], as well as The Resolution of the President of the Republic of Uzbekistan dated May 7, 2018 "On additional measures to improve the mechanism of introduction of innovations in industries and sectors of the economy" resolution PP-3698 also shows how much attention is paid to

innovative development in our country in today's information age [4].

The deepening of reforms in Uzbekistan is affecting the formation of the regional consumer goods market at different levels and conditions. Meeting the demand for products necessary for the life of society is an important issue for any state and the basis of the well-being of the population in the regions. Therefore, it is necessary to take a serious approach to the problems of further formation and development of the consumer market.

It is well known that consumer goods are a commodity form of consumer goods designed to meet human needs; consists of material products and various services that can be purchased for money. Consumer goods satisfy personal consumption, differ from investment goods in providing human livelihoods, create conditions for the reproduction of labor resources.

Consumer goods are divided into: food products, non-food products and paid services. These, in turn, are divided into small groups. There are many types of non-food consumer goods (they vary depending on who they are intended for, which needs to be met, the convenience of consumption, and the individual taste and fashion).

Consumer goods, including services, can be divided into cultural, household and social services. Effective demand depends on two groups of factors: the consumer goods market and the capital goods market. An increase in demand for consumer goods and means of production leads to an increase in supply, which in turn leads to an increase in employment.

The regional consumer goods market is a complex system consisting of various interconnected exchange institutions. However, each participant has his own interests. Manufacturers try to recoup the money spent and make a profit, while consumers try to meet

the needs optimally. The mechanism of formation and functioning of the regional consumer goods market makes it necessary to study the relationship between the processes and factors of production, distribution, exchange and consumption of products in the region.

The location of the country's productive forces in the regions plays an important socio-economic role in providing the population with consumer goods. Resolution of the President of the Republic of Uzbekistan No. PP-3182 "On priority measures to ensure the rapid socio-economic development of the regions" provides for effective measures to ensure price stability in the consumer market [5].

"Five priorities for the development of the Republic of Uzbekistan in 2017-2021" adopted on the basis of the Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, in the Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, the study of the development of the regional consumer goods market put on the agenda a number of issues that need to be addressed. It is important to ensure a balance between the growing solvency of the population and the volume of consumer goods produced by domestic enterprises in the domestic market, to expand the range of such products, to fill the markets with them.

In recent years, the de-monopolization of trade, price liberalization, privatization of trade enterprises and the intensification of competition have contributed to the stabilization of the consumer market in the regions of the country, its saturation with consumer goods, deficits, unsatisfied demand, queues.

According to the analysis of statistical data, the growth of consumer goods production in the republic in 2020 amounted to 104.1% compared to the previous 2019. Only Andijan (107.9%) and Khorezm (103.2%) had the highest rates (Table 1).

**Table 1 Growth rates of consumer goods production in the regions [6] (in% compared to the previous year)**

Regions	2010 y.	2015 y.	2016 y.	2017 y.	2018 y.	2019 y.	2020 y.
Uzbekistan	108,4	107.8	104.2	102,7	103,2	109.8	104.1
Karakalp.Res.	107,2	117.0	102.7	102,9	103,5	119.0	101.3
<i>Provinces</i>							
Andijon	105,3	90.7	68.8	130,3	130,9	99.7	107.9
Bukhara	106,2	111.5	103.4	97,4	98,6	102.5	101.0
Jizzakh	112,7	111.7	118.2	100,5	102,3	117.7	103.8
Kashkadarya	106,3	107.7	110.3	90,8	91,2	108.7	99.6
Navoi	109,9	112.1	109.8	93,8	95,1	113.1	101.9
Namangan	109,8	117.1	120.0	104,8	105,4	107.5	100.7
Samarkand	114,7	106.1	106.9	97,7	99,5	119.8	103.8
Surkhandarya	104,3	113.5	116.8	93,0	95,3	105.1	98.7

Sirdarya	105,9	106.8	110.0	75,9	81,8	114.3	99.2
Tashkent	114,5	121.1	113.0	100,3	105,6	123.9	102,3
Farg'ona	106,1	111.2	110.6	101,0	108,2	121.0	101.0
Xorezmskaya	108,7	122.5	92.1	108,6	98,1	102.9	103.2
Tashkent sh.	109,4	113.6	118.0	101,5	112,6	119.0	102.6

High levels of consumer goods production in the above regions have been achieved as a result of modernization of production in the competitive consumer goods and consumer goods industry, installation of modern equipment and application of new technologies. The regions above the national average were also reached in Namangan (100.7%) and the Republic of Karakalpakstan (101.3%). The positive results in these regions have been achieved to some extent due to the growth of production of finished and local products in the leading industries.

In the rest of the region, consumer goods production was lower than in 2019. For example, in the Syrdarya (99.2%) and Kashkadarya (99.6%) regions, no growth rates were observed.

The city of Tashkent leads in the production of consumer goods per capita. The consumer goods index for the capital's population in 2020 was 3,169 (2,060 in 2010) (Figure 1).



Figure 1. Changes in the index of production of consumer goods per capita in the regions [7].

The next place was taken by Andijan region (1,790 in 2020). In Navoi, Syrdarya and Tashkent regions, per capita production of consumer goods was slightly higher than the national average. In the remaining 8 regions, the rate was below the national average. The lowest index of consumer goods was in Surkhandarya region (0.233 in 2020). In general, the difference between Tashkent and Surkhandarya region was 13.6 times, and with Andijan region - 7.7 times. The city of Tashkent and the Andijan region, which have great economic potential, have had a significant impact on the formation of inter-regional stratification.

In 2000-2020, Bukhara (1,496 to 0.909 ha), Samarkand (1,225 to 0.871 ha), and Fergana (1,070 to 0.565 ha) regions saw a decline in the consumer goods index. In contrast, Navoi (0.612 to 1,252 ha) and Syrdarya (0.696 to 1,017 ha) indexes rose.

In short, the difference between the high and low developed regions in the production of consumer goods remains today. This means that the only

measures taken by the state for the socio-economic development of the regions should be focused on specific goals and act on the basis of the natural and economic potential of the regions.

The low level of consumer goods production in the regions is due to the slow implementation of measures to provide local markets with products produced by local organizations in the regions, to support the small business structure and the purchase of durable goods.

The main producers of consumer goods in the country are mainly located in Tashkent and Navoi, Kashkadarya, Tashkent, Andijan and Fergana regions.

The development of the consumer goods market in the regions will, firstly, provide a high level of employment and increase their incomes, and secondly, enterprises will be able to maximize the sale and profitability of their products. These two cases expand the revenue base of the regions. The

revenue base of the regions stimulates investment for the development of market infrastructure, increased budget expenditures and increased demand for goods and services.

The future integrated development of the regional consumer goods market requires the dynamic growth potential of the economy, increasing the welfare of the population, further formation of the country's economic security and competitiveness of goods.

Creating conditions for increasing the competitiveness of goods, ie eliminating imbalances in the system of average prices, reducing energy production, reducing subsidies provided by state, territorial authorities and households to businesses.

Creating conditions that will help expand domestic demand. For example, reducing the income stratification of the population by increasing targeted social protection, increasing wages associated with the growth of production, increasing the efficiency of employment.

Expand domestic sources of investment through income growth, savings in the real sector, savings in the hands of the population, and the creation of favorable conditions for foreign direct investment in the consumer goods market.

4. Development of competitiveness of goods, services and capital in the market by increasing the role of small business and private entrepreneurship.

Modernization and construction of new leading industries in the field of consumer goods by increasing the inflow of foreign direct investment in the region, which affects the development of consumer markets in the regions; to encourage the development of small business and private entrepreneurship, home-based work; development of livestock and poultry, which are a source of meat, dairy and egg products; expanding the production of competitive and export-oriented products that meet world standards; expansion of credit activity of commercial banks; It is necessary to work in such areas as the effective use of the opportunities created by the existing mineral resources.

## CONCLUSION

Focus on the priority development of consumer goods, which form the basis of economic independence, the creation and development of export-oriented industries based on the development of import-substituting consumer goods.

Low efficiency in the improvement of the consumer goods market, low activity and low use of innovative technologies in the production of consumer goods; underutilization of production capacity; inefficient

use of agricultural potential in the development of animal husbandry, horticulture and viticulture; lack of modern technologies in the production, transportation, storage and processing of agricultural products; High degree of differentiation of regions in the development of ITIC; the inability of rural enterprises to fully meet the needs of the population in consumer goods; low levels of social development in mountainous, foothill and desert areas.

Lack of competitiveness in a number of products in the regions; the degree of wear on the main background; the industry is mainly focused on the production of raw materials; high level of obsolescence in water infrastructure; slow development of private entrepreneurship in the real sector of the economy; the existence of issues such as the open competition of market economy entities has a negative impact on the development of the consumer goods market.

There is a need to strengthen the economic, organizational and investment base, which will serve to modernize the industry and sectors that serve the sustainable development of the regional consumer goods market.

Supporting the development of small business and private entrepreneurship by expanding the lending activities of microcredit institutions, insurance companies and commercial banks in areas that serve the improvement of market infrastructure, the creation of new jobs that increase incomes, consumption markets can be supplied with deeply processed, competitive products based on local raw materials.

Modernization of the food industry with the production of canned fruits, vegetables and meat and dairy products, butter, cheese, confectionery, pasta and bakery products through the establishment of small enterprises in the regions aimed at deep processing of agricultural products will yield positive results;

It is desirable to expand and develop the production of non-food products based on local raw materials (cotton, astrakhan leather, wool, etc.) in areas with large agricultural potential.

The launch of large industrial sites in the production of consumer goods, which are inextricably linked with a single infrastructure system, will have an effective effect on the supply of goods.

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