

SMALL BUSINESS DEVELOPMENT BY SECTOR AND INDUSTRY

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Annotation

This article presents the reforms currently being implemented to support the development of small business. It analyzes trends in small business development in the Andijan region by sectors and areas of activity, and examines the economic performance of newly established small enterprises and microfirms. Based on the conducted research, scientific proposals and practical recommendations have been developed.

Keywords

small business, economic criteria, infrastructure, economic growth, territorial development, labor resources, export potential, economic stability, loans and foreign investment.

Аннотация

В данной статье изложены реформы, осуществляемые в настоящее время по развитию малого бизнеса. Проанализированы тенденции развития малого бизнеса в Андижанская область по отраслям и сферам, а также изучена экономическая деятельность вновь созданных малых предприятий и микрофирм. На основе проведенного исследования разработаны научные предложения и практические рекомендации.

Ключевые слова

малый бизнес, экономический критерий, инфраструктура, экономический рост, территориальное развитие, трудовые ресурсы, экспортный потенциал, экономическая стабильность, кредиты и иностранные инвестиции.

Ensuring the development of small businesses and their economic stability is one of the most important macroeconomic factors. The development of small businesses is not only manifested in the growth of GDP in the country and GRP in the region, but also contributes to an increase in production in other sectors and areas of the economy. At the same time, by the decision of the Cabinet of Ministers of the Republic of Uzbekistan, the tasks of increasing the volume of gross regional product and industrial products by 1.4 times, production of agricultural products by 1.2 times, the volume of services by 3.0 times and the volume of construction works by 1.4 times were set in Andijan region in 2022 — 2026 [1]. Systematic work and measures are being organized and implemented in the region to implement these tasks.

Indicators that determine the development of small businesses are key economic criteria for ensuring their economic stability across sectors and regions. Here, let's look at the share of small businesses in Andijan region by sector and industry through

Table 1. If we look at the data in Table 1, we can see that the smallest values are in industry, and the largest values are in agriculture, forestry, and fisheries.

Table 1. Economy by region of anijón is small in areas and sectors share of business (in percentage)

№	Sectors and industries	2018	2019	2020	2021	2022	2023	2024
1	GDP	73,1	69,7	70,1	72,2	69,5	66,0	69,5
2	Industry	21,2	18,0	21,4	27,2	22,4	22,0	29,5

3	Agriculture, forestry and fisheries	99,5	99,1	97,8	96,9	96,5	96,1	96,9
4	Investments	53,8	67,3	63,5	54,8	59,0	72,0	74,1
5	Construction works	96,6	94,9	93,3	95,2	93,8	96,0	92,8
6	Trade	88,8	86,8	88,5	90,1	93,9	93,8	92,4
7	Total services	71,7	69,0	67,7	66,8	66,0	65,3	75,6
8	Transporth	93,9	94,8	91,4	93,8	94,5	95,2	95
9	Passenger transportation	96,4	95,8	96,6	97,4	96,6	98	97,2
10	Employment	81,7	82,1	80,8	80,7	80,2	81,2	82
11	Exsport	75,3	58,9	44,5	36,5	38,3	29,4	36,3
12	Import	16,7	15,2	12,9	13,1	11,0	16,0	18,4

Today, the majority of investments directed towards small businesses in the Andijan region are in the industrial and service sectors. However, even here, the high volume of investment directed towards large enterprises has a negative impact on the share of small businesses. Although the industrial sector has the highest share of gross investment at the regional level, as we noted above, its share of production is the lowest. This indicates that the region has high capital intensity in the industrial sector, but low utilization of this resource.

According to Table 1, we can see that the share of small businesses in exports in the Andijan region, from 75.3% in 2018, to 36.3% by 2024, decreased by 2.1 times during the research period. The decline in the share of exports in small businesses is influenced by the volume of exports of large industrial enterprises in the region. Therefore, it is advisable for us to pay special attention to the industrial sector in small businesses in the region. In our opinion, today in the region there is enough potential to increase the share of small businesses in the industrial sector. The territory has sufficient raw materials as well as capital resources, especially labor resources. It is necessary to increase the entrepreneurial potential and diversify the network, which can purposefully use these resources. This in turn has a positive effect on the further increase in the volume of products produced by small business entities in the region and also on the export potential.

The main reason that the highest share of small business in the region corresponds to rural, forest and fish farming is the favorable weather conditions in the region, the size of arable land and the good soil fertility, and the fact that the population has a lot of experience in the cultivation of agricultural products [2]. However, today, the growing population in the region is primarily due to the growing demand for food among the population. According to statistics, in 2023, the share of Andijan region in the republic's agriculture, forestry and fisheries was 10.2%. As of the end of 2023, 96.7% of the total volume of rural, forest and fishing products (services) are for agriculture and livestock, hunting and services provided in these areas, 2.5% for forestry, 0.8% for fishing [3]. These indicators increased by 0.8 percent by 2024 compared to the total volume of agricultural, forestry and fisheries products (services). However, if we look at the share of sectors in the gross regional product, agriculture, forestry, and fisheries remain one of the leading sectors.

In our opinion, the high share of small businesses in rural, forestry, and fisheries in the region is not a negative situation. However, the increase in the rate of demographic growth in the province from year to year means that the needs of the population for food also increase. Therefore, in our region, it is necessary to focus on gaining the share of the network in GDP. At the same time, it is necessary to pay special attention to the service sector in the Andijan region,

since passenger and freight transportation, retail and wholesale trade services, which are part of this sector, have a leading share in small businesses. In addition, today tourism, which is part of the service sector in small businesses in the region, is gaining its own share.

According to the analysis results, the share of small businesses in the economic sectors and industries in Andijan region during the study period is in a positive state. In our opinion, it is advisable for small businesses in the region to pay special attention to the industrial, service, investment and export sectors, and further increase their share in these sectors. To do this, it is first necessary to pay special attention to newly established small businesses in the region. Today, as a result of the conditions created for small business entities, their role in the economy is growing. The added value created by them increases in size and directly affects the development of the economy. Let's take a look at the types of economic activities of newly established small businesses in the Andijan region in Figure

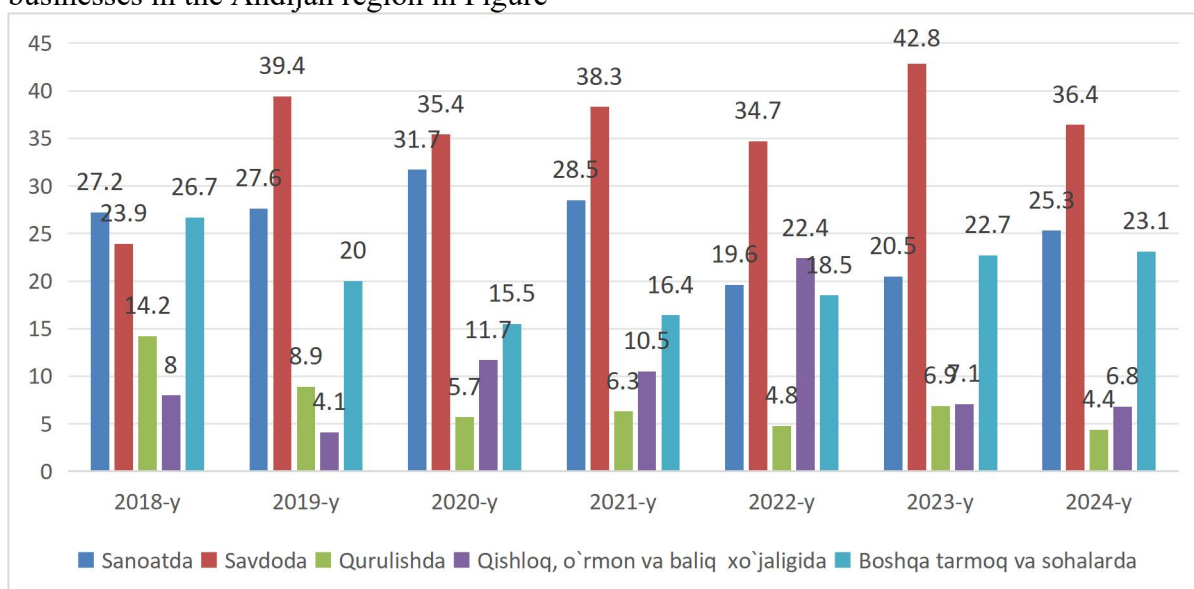


Figure 1. The share of newly established small enterprises and micro-enterprises in the Andijan region by types of economic activity (in percentage) total of 38,271 new small enterprises and microfirms were established in Andijan region during 2018-2024. The average share of these newly established economic entities in the cross-sectional sector was 35.8% in trade, 25.8% in industry, 9.5% in rural, forest and fish farming, 7.3% in construction and 20.4% in other industries and industries. During the study period, the highest share of small businesses established in the region was in the trade sector, and the lowest share was in the construction sector. The reason for this is that the Andijan region has a high level of interest and convenience for entrepreneurs in the trade sector. The low share of newly established small businesses in the construction sector is due to the presence of some problems in the region in this sector. In particular, the lack of experienced and qualified specialists in the construction industry in small businesses and the frequent winning of large enterprises in tenders among construction organizations are the reasons for this. In our opinion, it is necessary to train qualified specialists in this field and provide special state support for this industry, with a special focus on improving the construction industry of small businesses.

Today, there are 12 large and more than 160 local small enterprises in the automotive industry in the Andijan region, and this industry is leading in the region [4]. The volume of industrial production is also growing in the region in the deep processing of light industry, construction products, furniture, leather and footwear products, and agricultural products. In addition, the establishment of Free Economic Zones in the Andijan region in order to carry out high-tech and modern investment projects will contribute to the development of trade and

economic relations with neighboring countries, increase export potential, create new jobs and increase the well-being of the population of the region, in a word, further increase the production of industrial products. In our opinion, today within the industries of the Andijan region, the textile industry has its own special place. Therefore, it is advisable to apply consistent measures to further improve export potential in this area, to implement future plans. Given the presence of large automotive enterprises in the Andijan region, it is also necessary to pay special attention to the activities of small businesses that produce automotive components and provide technical services to cars. It is also necessary to increase the number of small enterprises in the regions that store and process agricultural products. Most regions of Andijan region are specialized in agriculture, including the cultivation of fruits and vegetables, which are considered favorable and highly productive. Therefore, special attention should be paid to the fruit and vegetable growing and processing industry in the region, as well as to increasing its export potential. To this end, it is advisable to further develop the attraction of loans and foreign investments to these sectors.

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