



ECONOMIC REFORMS AND TRENDS IN THE CONSTRUCTION NETWORK OF THE REPUBLIC

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Abstract

In this article, the economic reforms carried out in the construction network of the Republic of Uzbekistan and their effectiveness are studied. The construction sector is analyzed as one of the strategic directions of the country's economy, and the influence of modern approaches such as digitization, public-private partnership (DSC) projects and the introduction of green technologies is considered in the network. The article also analyzes the problems related to the stability of the cost of building materials, the lack of skilled labor and the improvement of Project Management and gives concrete proposals for their solution. Particular attention is paid to the development of green technologies, the introduction of innovative methods and the improvement of sector management mechanisms.

Keywords: Construction network, economic reforms, public-private partnership, green technologies, innovative technologies, digitization, investments, monitoring systems.

Introduction

After independence, the Republic of Uzbekistan began to implement comprehensive reforms in all sectors of the economy. One of the most important and important is the construction network. The construction sector is strategically important not only in the development of the country's infrastructure, but also in a positive impact on other sectors of the economy. This network serves as an important factor in creating jobs in the domestic market, increasing the standard of living of the population and ensuring economic stability. Today, the construction industry stands at the center of economic reforms of the state, taking important steps to improve the efficiency of the industry, attract investments, introduce innovative technologies and form a competitive environment. At the moment, the issues of ensuring transparency in this network, expanding the production of modern building materials and applying "green technologies" taking into account environmental requirements are relevant. Also, the acceleration of the urbanization



process in recent years requires the construction of new cities and residential arrays, the modernization of transport infrastructure. These trends are not only providing high-speed growth in the construction network, but also creating new challenges. In particular, the increase in the cost of building materials, the lack of skilled labor in the industry and the need to improve the project management system are prominent as the main tasks of today. This article will analyze the economic reforms carried out in the construction network of the Republic of Uzbekistan, their main directions, existing problems and trends. At the same time, the proposed strategies and promising solutions for the sustainable development of the sector are also reflected.

The degree of study of the proble A lot of attention has been paid by foreign scientists to the issues of research on the mechanism of using investment in the construction industry and increasing their effectiveness. Including William F. from overseas authors. Sharp, P.Shtolte, Richard A. Brealey, L.Gitman, M.The scientific work of scientists such as dzhonk has played an important role in this field. As part of the studies, the work of these scientists was studied from a comprehensive and critical point of view.

Scientists from the countries of the Commonwealth of Independent States (CIS) also conducted systematic research on attracting investment resources and increasing their effectiveness. A.Abramov, Lishinsky A.S., A.Goncharov, Lobkin S.M., Rezer V.S., Blank I.A., Rimer M.I., T.Blokhina, Kovalev V.V and other scientists can be included. In these studies, the issues of investment are devoted to specific areas of general economy, and the improvement of the effectiveness of investment projects in the construction sector was not considered in a special case. In our country, in the years of independence, literature, scientific articles, educational and methodological manuals dedicated to the effectiveness of investment projects and the problems of its improvement were published. These include a.V.Vakhabov, Sh.X.Khajibakiev, N.G.Muminov, Sh.N.Zainutdinov, M.K.Ziyaev, A.N.Djabriev, R.I.Nurimbetov, Sh.I.Mustafaqulov, B.I.Komiljonov, M.A.Raimjonova, G.A.Samatov, A.M.Ismailov, B.B.The research of such scientists as valievs is of significant scientific and practical importance, which has made a significant contribution to the development of modern methods and methods of improving the effectiveness of investment projects in our country.

However, in the studies carried out by these scientists, the mechanism of increasing the effectiveness of investment projects in construction is not fully considered. They are mainly devoted to theoretical and methodological problems of investment



in economic spheres, certain activities and areas of enterprises. Therefore, the problems of real practice associated with investment projects in the construction industry and the issues of their positive solution have not been studied in detail.

Analysis and results

Investment is the driver of the economy, and to say its heart, there will be no exaggeration. Along with investments, new technologies, advanced experiences and highly qualified specialists will enter various industries and industries, regions, entrepreneurship will develop rapidly. In 2021, there were 318 major investment projects totaling nearly \$ 5.9 billion. Foreign direct investment of Rs 37.0 trillion was attracted to our republic in 2021. According to the results achieved in the previous year, the total volume of investments received was 254 trillion soums, which increased by 109% compared to 2020, of which foreign direct investment amounted to 8.6 billion dollars. The implementation of these projects has created a total of more than 275,000 new jobs. Instructions were given to encourage investment engagement and provide practical support for investment project initiators, as well as to improve the system for organizing continuous monitoring of project implementation. The results of the work carried out on the “recovery” of vacant and non-functioning enterprises at full capacity were considered. At the end of last year, the activities of 2,040 such enterprises were studied and specific measures were taken to financially support entrepreneurs and solve existing problems. As a result, 1908 enterprises (94 percent) set up full-power production, which in addition to the industry of our country allowed to produce 4.1 trillion soums, provide additional export volume of 184 million dollars and create about 25 thousand new jobs. In addition, 152 unused technological equipment was deployed, which in turn enabled the creation of 1,257 new jobs. Particular importance is attached to the systematic restructuring and modernization of the economy, rational distribution of internal and external investments between regions, the effective placement and rational use of investments in regions. And the development of the territory's economy depends not only on the volume of investments, but also on their sources of financing.



Table 1. Sources of financing of investments focused on fixed capital are the growth rate (in percentage accounting)

Specification	2019	2020	2021	2022	2023
Total investments	195,9	202,0	239,55	269,9	174,5
State budget	142,8	66,4	21,498	20,9	88,6
Enterprise funding	96,1	111,2	71,257	84,5	97,3
Population funds	99,3	99,0	22,229	25,8	108,9
Bank loans	106,7	94,4	19,545	21,1	117,9
Foreign investment and loans	142,5	72,0	47,467	52,2	129,2
Recovery and Development Fund	73,1	24,3	3,114	2,5	58,4
Extra-budgetary funds	x	x	x	60,0	x
Foundation for the development of water supply and sewerage systems	x	x	2,8	2,9	52,9

Focusing on the composition of the resources involved in financing investments focused on fixed capital, it is possible to see how much the development of sectors and territories of the economy and financing of investment projects carried out in them are tied to the sources and state of attracting investments. Among the sources of investment in the conditions of modernization of the economy of our country, the most effective sources are foreign direct investments. They directly bring foreign financial, economic, material and other resources, modern foreign technologies and management experience. As a result, the development of the state economy and accelerated integration into the world economic system are ensured. In the economy, foreign direct investment is important in the globalization of international economic relations, does not create payment obligations and does not lead to the emergence and increase of foreign debt.

The law of the Republic of Uzbekistan "on investment activities" regulates relations in the field of investment activities, investment, representing specific economic and social, legal conditions in the regions. The law "on guarantees of the rights of foreign investors and measures to protect them" guarantees the legal basis for protecting the activities, rights of foreign investors in the territories. As you know, the development of investment activities in the national economy of the Republic of Uzbekistan is of particular importance. As a necessary condition for sustainable economic growth in the Republic by the state and government, of course, an investment policy is being implemented. From this, as a result of the



economic reforms carried out in our country, the potential of the territories as a territorial economic unit is growing.

Table 2. The main economic and social indicators mlrd.so'm

Classifier	2019	2020	2021	2022	2023
Village, forest and fish farming	129885	150493,7	181787,7	208809,2	245222,5
Mining industry and open pit operation	30865,6	22161,9	28649,4	33396,2	34975,8
Manufacturing industry	93452,1	116043,1	144523,4	175432,4	207834,4
Construction	30449,9	37334,8	45557,4	54286,4	62554,2
Professional, scientific and technical activities	5019,6	6423,3	7878,8	9494,5	11484,5
Management activities and provision of auxiliary services	6225,4	6823,3	8477,4	11182,7	13768,6
Public administration and defense; mandatory social security	20081,5	23219,4	30863,2	43933,8	63084,9
Art, entertainment and relaxation	1564,5	1731,5	2367,1	2965,1	3821
Providing other types of services	5513,6	5218,9	7074,2	8024,7	9883,4
Electricity, gas, steam supply and air conditioning	8921,8	10994	12322,9	15380,5	18407,1
Water supply; sewage system, waste collection and disposal	946,3	1076,1	1482,5	1562,2	1606,9
Information and communication	7203,9	9061,8	11676,6	16092,8	21103
Financial and insurance activities	13860,9	22011,1	20157,4	33778	44111,1
Transportation and storage	28824,7	29251,3	36257,7	43934,3	56730,1
Living and catering services	3136,7	2790,2	4135,4	6387,6	8915,8
Wholesale and retail; repair of motor vehicles and motorcycles	29043	33872,5	42614,6	51632,7	63466,6
Transactions with real estate	30456,2	34224,8	39703,5	46659,5	54526,1
Education	29548,4	31458,2	41276,7	51162,1	61027,9
Provision of Health and social services	12450,5	1693,4	19626,5	22725,1	25899,2

The gross value added of the construction sector in 2021-2023 is 45557.4 by region in 2021 mlrd.so ' m, Rs 54,286.4 crore in 2022 and Rs 62,554. 2 crore in 2023.



Table 3. Gross added value of construction mlrd.so ' m

The data given reflects the gross domestic product (GDP) figures for the Republic of

Classifier	2021	2022	2023
O‘zbekiston Respublikasi	45557,4	54286,4	62554,2
Republic Of Karakalpakstan	1923,7	2232,6	2540,7
Andijan province	2454,5	2930,3	3189,9
Bukhara region	3145,2	3551,2	4150
Jizzakh region	1335,3	1469,4	1673,5
Kashkadarya region	2697,3	3243,5	3858,9
Navoi region	2194	2463,4	2826,8
Namangan province	2410,2	2837,6	3190,6
Samarkand region	3163,5	3714,1	4235
Surkhandarya region	2524,5	2780,1	3136,3
Syrdarya region	1154,5	1361,6	1629,8
Tashkent region	4002,6	5101,3	6023,3
Fergana province	3008,7	3630,3	4290,2
Khorezm province	1824,9	2080,2	2454,2
Tashkent City	11092,1	13465,4	15031,6

Uzbekistan and its regions in the cross-sectional years. Analyzing the GDP figures for 2021, 2022, and 2023, we see which provinces have shown what increase or decrease in GDP.

- Largest increase: in Tashkent region (50.5%) and in Fergana region (42.6%).
- Smallest increase: observed in Surkhandarya region (24.2%) and Jizzakh region (25.3%).

This analysis will show the level of economic activity in the regions of Uzbekistan and help determine which regions are leading in economic growth.

Diagram of gross domestic product (GDP) values of 2021-2023 by regions of the Republic of Uzbekistan. The diagram shows the growth rates of provinces in GDP over the years. Tashkent region and Tashkent City have the highest GDP rates. The regions of kashkadarya, Syrdarya, and Fergana also showed significant growth. Surkhandarya and Jizzakh regions, on the other hand, have relatively low growth rates.

The construction network in the Republic of Uzbekistan is considered one of the strategic directions of the country's economy, and in recent years a number of economic reforms have been carried out. These reforms are aimed at ensuring the sustainable development of the sector, attracting investments, introducing modern technologies and forming a competitive environment. In 2023, the volume of construction work was 137.8 trillion soums, an increase of 5.6% from the previous

year. Significant results have been achieved in the construction of new housing, modernization of infrastructure and expansion of industrial facilities.

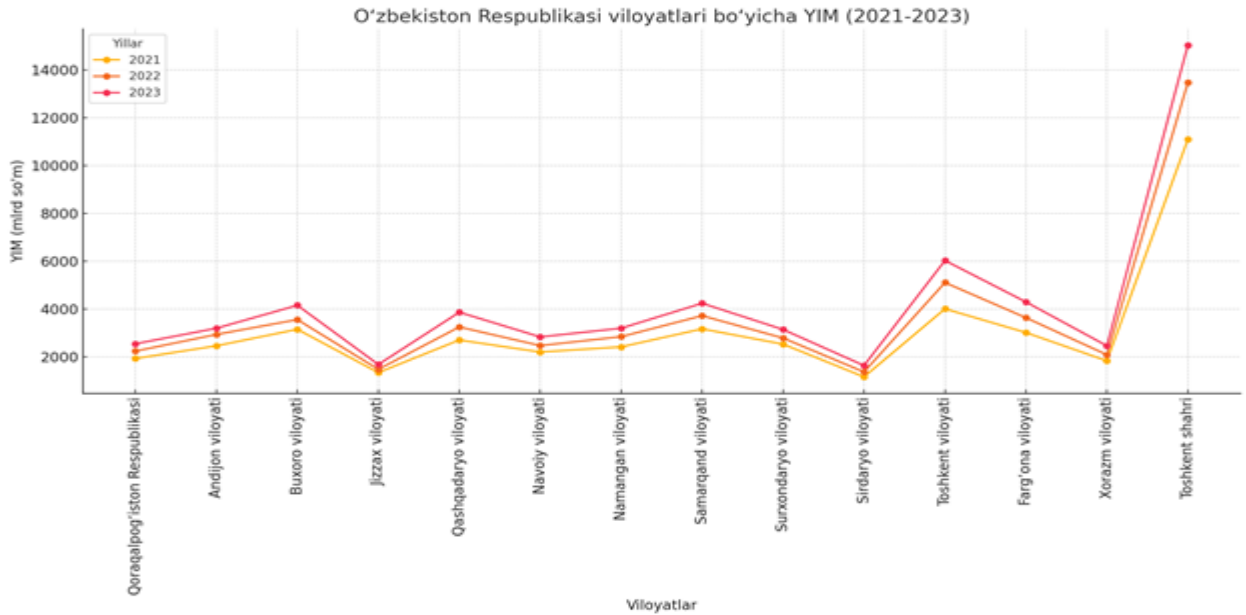


Figure 1 GDP by regions of the Republic of Uzbekistan (2021-2023)

Cost optimization is also achieved by digitizing public-private partnership (DXSh) projects and construction processes. Through the platform "transparent construction", thousands of projects are monitored and transparency is ensured. As a result of the development of green technologies, the share of energy-efficient facilities has increased, and the production of environmentally friendly materials has expanded. However, the sector still faces some problems. The increase in the cost of building materials, the shortage of skilled labor and the need to improve project management remain relevant. To address these issues, a number of decisions were made by the government, including human resources training programs and import tax exemptions.

In general, the construction network plays an important role in the sustainable development of the economy. Further growth of this network can be achieved by continuing to attract investment in the future, wide introduction of innovative technologies and ensuring price stability.

Conclusions and Suggestions

As a result of the reforms carried out in the construction network of the Republic of Uzbekistan, the economic indicators of the industry are steadily growing.



As a result of an increase in the volume of investments, the introduction of modern technologies and the strengthening of environmental requirements, the construction network has a significant impact not only on the development of the country's infrastructure, but also on the creation of new jobs and improving the standard of living of the population.

At the same time, the sector is facing some problems. The instability of the cost of building materials, the lack of skilled labor and the need for effective project management are important issues to be addressed.

To further develop the construction industry, it is advisable to implement the following proposals:

1. Stabilization of the cost of building materials

- o expand the local capacity for the production of building materials. Reducing dependence on imports by increasing the level of localization.
- o reduce the cost of construction by supporting energy-efficient technologies and ensure price stability.

2. Introduction of innovative technologies

- o extensive introduction of BIM (Building Information Modeling) technologies in construction processes. This makes it possible to simplify the design and management processes and reduce costs.
- o expand government programs to digitize and automate construction processes.

3. Green technology development

- o adapt building materials and facilities to environmental safety requirements.
- o provide tax benefits to construction companies that use energy efficient and green technologies.
- o increase subsidies and government orders to encourage the production of environmentally friendly building materials.

4. Improving the investment environment

- o create a favorable environment to attract foreign and domestic investment to the construction network.
- O continuing the implementation of social and infrastructural projects through DXSh mechanisms.

The construction sector is also instrumental in the development of other sectors of the economy. It is possible to develop the sector more efficiently and sustainably



by attracting investments, the widespread introduction of innovative technologies, increasing personnel capacity and price stabilization. When these proposals are implemented, the construction sector not only contributes to the national economy, but also serves to integrate with international markets.

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