Analysis of Economic Growth of the Republic of Uzbekistan

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ABSTRACT--- *The most important characteristic of the country's social and economic development belongs to economic growth. This article analyzes the indicators of the economic growth rate of gross domestic product and gross regional product. After calculating the required annual growth rate when doubling the gross domestic product for 15 years, its volumes are calculated for doubling. The dynamics of changes in the structure of GDP for 1995-2018 is presented. The analysis of the rates of regional economic growth and growth, as well as the processing of data on GDP and GRP by grouping methods. The regional structure of the GRP for the main sectors of the economy is presented. Based on the study, a conclusion is drawn.*

Keywords--- gross domestic product, gross regional product, region, economic growth, extensive growth factors, intensive growth factors, socio-economic development

I.   INTRODUCTION

The most important characteristic of the social and economic development of a country rightfully belongs to economic growth. It manifests itself in an increase in production, and therefore an increase in the country's economy.

What is "economic growth"?

According to J. Stigliz, A. Sen, J. Phytous "economic growth is an increase in real gross domestic product" [1]. S. Gubanov - "economic growth is calculated on the basis of vertical integration of value added. According to their total value, the gross domestic product is formed "[2]. According to the description of E. Lavrov and E. Kapaguzov, ""economic growth "is an increase in gross domestic product compared with the previous period per capita" [3]. K. Khubiev determines that ""economic growth "is an increase in national production due to the quality and quantity of production factors" [4]. Hence, a quantitative indicator of the rate of economic growth is gross domestic product.

Gross domestic product (GDP) and gross regional product (GRP) are social indicators characterizing the presence and further formation of conditions in the country for the development of entrepreneurial activity [5, p. 44-

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58]. They are macroeconomic indicators that characterize the level of development of the economies of countries in the world.

Therefore, the most important task of each state at the present time is to maintain and increase the volume of GDP, which will allow it to occupy a high place in the world ranking.

Over 28 years of independence, the Republic of Uzbekistan has carried out major reforms that allowed the country to reach a new level - the level of developed democracies of the world with a socially oriented economy, ensuring a high standard of living for citizens of the country, thereby approaching the achievement of the main goal.

II.   ANALYSIS OF THE ECONOMIC GROWTH OF THE REPUBLIC OF UZBEKISTAN

Economic growth is the foundation of the country's well-being and its factors explain the level of socio-economic development. The economy of the Republic of Uzbekistan is systematically following the path of qualitative progress. The constant increase in GDP and GRP, the industrial sector, agriculture and construction is supported by moderate inflation·

With the independence in 1991, several stages of development can be distinguished in the Republic of Uzbekistan.

The first stage is from 1991 to 2004.

This stage can be divided into two phases. The first phase of the decline in GDP production from 1991 to 1995 (1991 - -0.5% from the previous year; 1992 - -11.1% from the previous year; 1993 - -2.3% from the previous year; 1994 - -3.2% compared to the previous year; 1995 - 0.8% compared to the previous year). The government of the country adopted state measures, such as the creation of the legal framework of market relations, the privatization of state property, the introduction of national currency in circulation, etc. As a result of the measures taken, the republic switched from negative GDP to positive. Thus, the second phase of the first stage began - from 1996 to 2004.

The second stage is the growth stage, which began from 2004 to 2011. The economy of Uzbekistan has developed rapidly. As a result of the leading role of the state, the country has achieved gradual diversification of the economy. State support consisted in priority access to financing and currency conversion, as well as protection from competition. Due to the increase in foreign investment in the industry, such as telecommunications, oil and gas and energy, engineering, etc., the industrialization of the economy of the republic was observed. For example, in 2005 the volume of foreign direct investment amounted to 88 million dollars, and in 2010 the volume increased to 944 million dollars. The average annual GDP growth was 8% with an increase in the share of industry and services in the country's very structure.

The third stage - 2012 - to the present period. Economic growth at this time began to decline due to global falls in prices for major exported goods. The main vector of economic policy during this period was the further implementation of measures to expand the scale of market reforms, accelerate the modernization, diversification and competitiveness of the republic's economy, improve the country's investment climate to attract foreign

investors, contributing to the development of industries, thereby creating a solid foundation for strengthening macroeconomic stability and achieving high rates of economic growth.

The first president of the Republic of Uzbekistan, speaking at a government meeting on the results of the country's development for 2016, set the goal of doubling GDP for 2016-2030. A twofold increase in GDP by 2030 is strategic planning based on a realistic assessment of the state and prospects of the country's progress.

"Today we have every reason, based on an in-depth analysis of global economic development trends, a real assessment of our resources and capabilities, to set ourselves the goal of not less than doubling the gross domestic product of our country by 2030," said Karimov. [13, p.3]

To double the GDP in 15 years (2016–2030) to the Republic of Uzbekistan, it was necessary to achieve an annual growth rate of 4.72%.

Consider the formula

$$S = P(1 + r)^i,$$

where S — subsequent value;

P — initial value;

r — value of percentage growth taken in shares;

i — the number of periods [6, p. 153]

According to this formula, it is possible to calculate and clearly demonstrate the values of GDP that must be achieved to double the GDP in 15 years.

The dynamics of actual GDP in 2010 - 2019, the annual growth rate, annual growth rate and estimated GDP at the required growth rates to double (in the base year, 2016 was adopted with a GDP of 242,495.5 billion soums.) are presented in table 1.
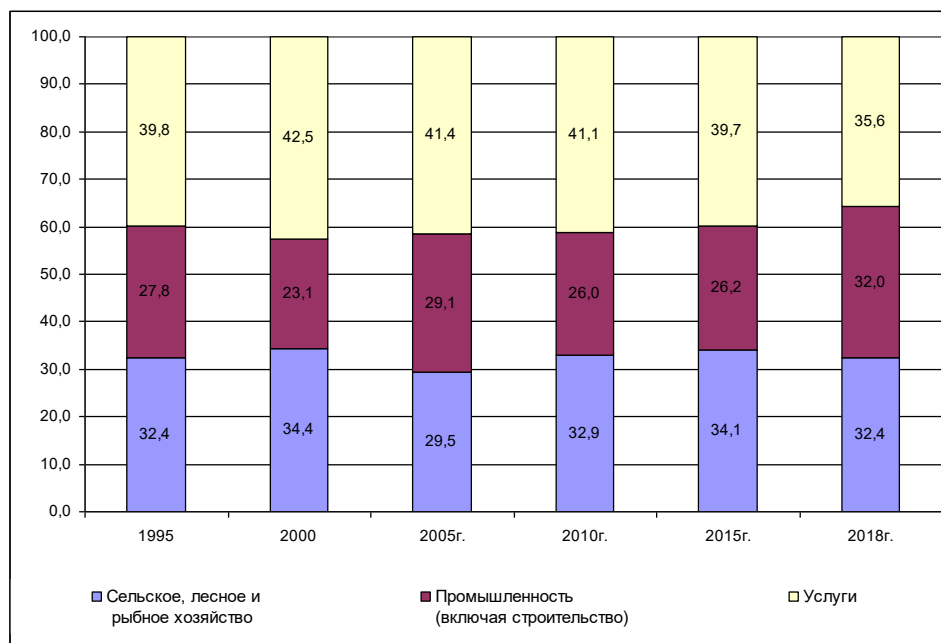
Table 1: Actual and estimated GDP (billion soums))

year	GDP, billion soums	Annual growth rate (%)	Annual growth rate (%)	Estimated GDP for doubling at the required growth rate
2010	74 042,0	107,3	7,3	
2011	96 949,6	107,8	7,8	
2012	120 242,0	107,4	7,4	
2013	144 548,3	107,6	7,6	
2014	177 153,9	107,2	7,2	
2015	210 183,1	107,4	7,4	
2016	242 495,5	106,1	6,1	242 495,5
2017	302 536,8	104,5	4,5	253941,29
2018	407 514,5	105,1	5,1	265927,3
2019	3618583,4*	-	-	278479,1
2020				291623,3
2021				305387,9
2022				319802,2
2023				334896,9
2024				350704,0
2025				367257,3
2026				384591,8
2027				402744,5
2028				421754,1
2029				441660,9
2030				462507,3

 * January-September 2019

** calculated by the authors according to the information of the state committee of the Republic Uzbekistan by statistics (http://www.stat.uz/ (date of circulation 25.11.2019).

Calculations showed that by 2030 GDP should be 462507.3 billion soums. Further, the authors analyzed the structure of changes in GDP from 1995 to 2018 (Fig. 1).

Figure 1: Dynamics of changes in the structure of GDP,%

According to the dynamics of changes in GDP for 1995-2018, you can see that agriculture in 1995 had 32.4%, by 2000 the share in GDP increased to 34.4, then there is a slow decline in the share of agriculture in the structure of GDP, reaching in 2018 year 32.4%. This is due to an increase in the development potential of industries and services.

In industry, it can be said that over the entire study period, the share increases from 27.8% (1995) to 32% (2018). During this period, measures were taken to modernize, technical and technological renewal of industries, as well as diversification. This ensured the growth of total industrial production, and, accordingly, the share of industry in the structure of GDP

Services also tended to increase from 39.8% (1995) to 2013, the figure was 41.5%, then the share of the services sector in the GDP structure decreases by 35.6% (2018). The service sector is one of the most important factors in the growth of the country's economy, increasing employment and increasing incomes.

Most of the GDP consists of the sum of the GRP of the country's regions.

GRP is calculated by the production method as the sum of gross value added by type of economic activity at basic prices and net taxes on products.

III.   ANALYSIS OF THE RATES OF REGIONAL ECONOMIC GROWTH AND GROWTH OF THE REPUBLIC OF UZBEKISTAN

Over the years of independent development, one of the most important areas of state policy has been to ensure the balance of the national economy in the territorial aspect, as well as to reduce regional imbalances in the Republic of Uzbekistan.

A study of the pace of economic growth of the regions of the Republic of Uzbekistan by the authors was carried out for the period from 2010 to 2018.

According to the State Statistics Committee of the Republic of Uzbekistan, methodologically comparable data on growth rates are presented for the Republic of Karakalpakstan, Tashkent and 12 regions of the subjects. In this article, growth rates by region are obtained at current prices.

At the first stage, the regions were ranked in terms of GRP through the correlation of their position in the direction of weakening in 2010 and 2018. (table 2)

Table 2: Distribution of regions by GRP volumes separately for 2010 and 2018

Group of regions on the ratio of the volume of GRP to the republican	Regions in which in 2018 the volume of GRP was higher than the national average	**Regions in which in 2018 the volume of GRP was lower than the national average**
Regions in which in 2010 the volume of GRP was higher than the national average	Kashkadarya region, Samarkand region, Tashkent region, Ferghana region, Tashkent	
Regions in which in 2010 the volume of GRP was lower than the national average	Andijan region	Republic of Karakalpakstan, Bukhara region, Jizzakh region, Navoi region, Namangan region, Surkhandarya region, Syrdarya region, Khorezm region

compiled by the authors according to the State Statistics Committee of the Republic of Uzbekistan (http://www.stat.uz/ (date of treatment 01.12.2019).

As a result of the analysis, Tashkent, Kashkadarya, Samarkand, Tashkent and Ferghana regions turned out to be regions with a GRP that was higher than the national average in 2010 and 2018. In Andijan region, the volume of GRP in 2010 was lower than the national average. As a result of the implementation of targeted regional programs in 2018, the volume of GRP became higher than the national average. Areas in which the volume of GRP in 2010 and 2018 was below the national average include Bukhara, Jizzakh, Navoi, Namangan, Surkhandarya, Syrdarya, Khorezm regions and the Republic of Karakalpakstan.

The authors grouped the regions according to the methodology of A. G. Granberg [7, p. 18-20]. It consists of a combination of the GRP growth rate indicator for the previous year as of 2010 (by 2009) and for 2018 (by 2017). To do this, we used the method of intersecting characteristics: horizontally located regions as of 2018, and vertically - the same indicators for 2010 (Table 3).

Table 3: Grouping of regions by a combination of the indicator of GRP growth rates to the previous year as for 2010 (by 2009) and for 2018 (by 2017)

A group of regions in relation to their growth rate of GRP to the average republican	Regions in which in 2018 the growth rate of GRP was higher than the national average	Regions in which in 2018 the growth rate of GRP was lower than the national average
Regions in which in 2010 the growth rate of GRP was higher than the national average	Republic of Karakalpakstan, Andijan region, Bukhara region, Tashkent region, Tashkent city	Jizzakh, Namangan, Samarkand, Surkhandarya
Regions in which in 2010 the growth rate of GRP was lower than the national average	Ferghana	Syrdarya, Navoi, Kashkadarya, Khorezm

* calculated by the authors according to the information of the State Committee of the Republic of Uzbekistan on Statistics (http://www.stat.uz/ (date of appeal 01.12.2019).

Further, the authors conducted the following grouping of regions:

1. The regions were divided into 2 groups — those that have GRP growth rates from 2010 to 2018 above two times and below two times. All regions of the Republic of Uzbekistan fell into a group in which the GRP growth rate for the study period is more than two times.

2. For this group, the mean value was determined.

In the groups of regions that achieved a doubling of GRP, the average value was 5.49. It is taken as a threshold value for dividing regions according to GRP growth rates into 2 groups
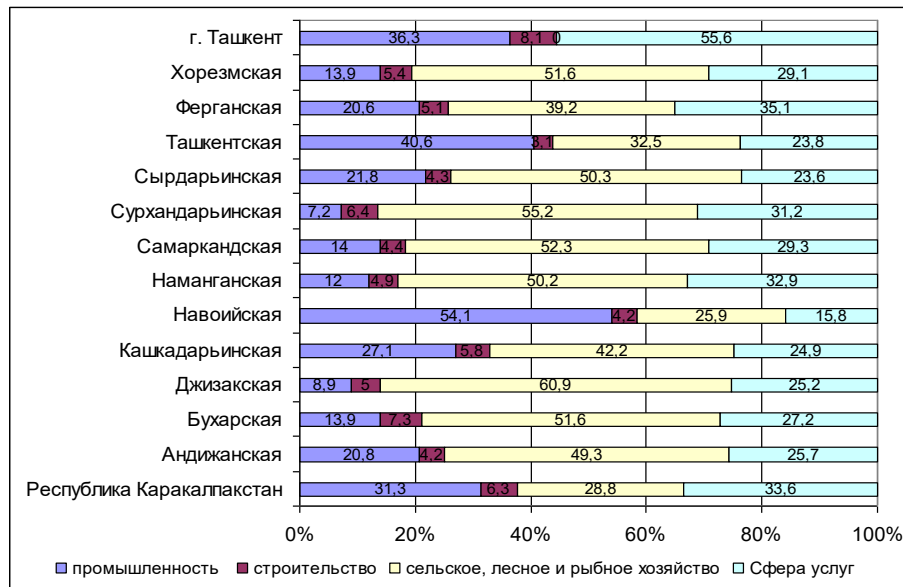
- the group below 5.5 includes the following regions: Bukhara region, Kashkadarya region, Navoi region, Samarkand region, Surkhandarya region, Syrdarya region, Tashkent region, Ferghana region.

- the group above 5.5 includes the following regions: the Republic of Karakalpakstan, Andijan region, Jizzakh region, Namangan region, Khorezm region, Tashkent city.

Regions distributed into subgroups as a result of ranking have different development conditions and sources of formation of their higher or lower than the average for the Republic of Uzbekistan, GRP volumes.

In Uzbekistan, there is an inequality of regions in terms of socio-economic development and economic growth rates. This is due to differences in economic, geographical and resource development; natural-climatic, territorial scales; level of infrastructure development; inequalities in the level of regional development; investment attractiveness and innovative potential of regions and the region; cultural features; competitiveness of enterprises of the country.

For a more detailed characterization of the current level of economic development, let us analyze the sectoral structure of GRP regions (Fig. 2).

Figure 2: The structure of the sectors "Agriculture, Forestry and Fisheries", "Industry", "Service Industry" and "Construction" in the GRP of the regions of the Republic of Uzbekistan for 2018,%

Figure 2 shows the regional structure of GRP in the main sectors of the economy, including industry, construction, agriculture, forestry and water management and services.

According to the diagram, it is possible to determine that in the industry, the leading position is occupied by the Navoi region - 54.1%, then the Tashkent region - 40.6% and the city of Tashkent - 36.3% in third place. Surkhandarya region with indications - 7.2% has the smallest share of industry in GRP. Despite the fact that the Navoi region occupies a leading position, compared with 2017, there is a decrease in volume, which amounted to 99.8%, there is also a decrease in the Jizzakh region - 97.8% with a share in the GRP structure - 8.9%.

In the construction sector, the share of the regional GRP structure for 2018 has low indicators in all regions of the country. Moreover, the largest share of construction in the GRP is Tashkent - 8.1%, the lowest - 3.1% of the GRP.

Studying the sector of agriculture, forestry and water economy in the structure of regional GRP, it can be noted that this is a traditional field of activity for Uzbekistan, which maintains its stable position. The maximum share of agriculture, forestry and water management in GRP was noted in Jizzakh region - 60.9%, the second and third places are occupied by Surkhandarya and Samarkand regions, respectively, with indications of 55.2% and

52.3%. The minimum indicator is observed in the Navoi region of 25.9% of the region's GRP. Moreover, in Kashkadarya - 96.9%, Namangan - 99.5%, Samarkand - 94.4%, Surkhandarya - 96.9%, Syrdarya - 97.9%, Khorezm regions - 98.9%, a decrease in the volume compared to the previous year .

The share of services in the structure of regional GRP is growing steadily. The maximum level of coverage of regional GRP in the service sector is observed in the capital - Tashkent - 55.6%, the minimum value is in the Navoi region - 15.8% of the GRP of the region.

At the present stage of economic development, almost all regions of the Republic of Uzbekistan have developed strategies for their socio-economic development. They are compiled for the medium term until 2025, as well as for the long term - until 2030.

IV.   CONCLUSIONS

Based on the study, a number of conclusions were made.

When analyzing the regions of the Republic of Uzbekistan, it was revealed that only one region (Andijan region) increased its GRP from 2010 to 2018. All other regions (the Republic of Karakalpakstan, Bukhara region, Jizzakh region, Navoi region, Namangan region, Surkhandarya region, Syrdarya region, Khorezm region) in terms of GRP in 2010 and in 2018 were less than the national average.

In some regions of the Republic of Uzbekistan, regardless of the introduction of new management methods and innovative equipment, there is a decrease in volume in the main sectors of the economy (industry, agriculture, forestry and water management). This is due to a complex of reasons such as the lack of an appropriate investment climate throughout the country and in the regions of the republic, and not the desire to switch to an innovative economy.

Consequently, in these regions it is necessary to revise or develop a new strategy for their socio-economic development, necessary to increase the growth rate of the republic's GDP.

It is also necessary to pay attention to improving the efficiency of economic growth factors:

- rational use of natural resources of the regions of the country;

- Strengthening the financial, as well as material and technical base of the regions of the republic;

- mobilization of local resources and opportunities for the implementation of infrastructure, production and social projects;

- further policy implementation to improve the investment climate in the regions of Uzbekistan and the country as a whole;

- further structuring of transformations and diversification of industry, agriculture and the service sector based on the activation of innovative factors.

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