

**ANALYSIS OF THE CURRENT STATE OF OIL INDUSTRY ENTERPRISES IN
UZBEKISTAN AND THEIR DEVELOPMENT TRENDS**

N.Q.Juraeva

FERGANA STATE UNIVERSITY

Annotation: In the article, the current state of the oil industry enterprises in Uzbekistan and their development trends, the operation of the oil enterprises mainly depends on the problematic events and processes caused by unstable environmental conditions, and the features that describe their operational characteristics and modern characteristics are highlighted in the article.

Key words: Cotton seed, sunflower seed, soybean seed, profitability, competitiveness, oil industry, oil plants.

The food industry has a significant impact on the country's economy and plays an important role in the country's economic security. Therefore, one of the main goals of our state is to create diverse systems for providing the population with quality food products. In recent years, due to changes in the market of oil-oil products and the market of raw materials in the republic, the dependence of oil-oil products and oil-plant raw materials on imports has been increasing year by year.

Thus, in the era of market economy, the volume of production of oil enterprises is decreasing, in particular, in the decree of the President of the Republic of Uzbekistan dated February 7, 2017 "On the strategy of actions for the further development of the Republic of Uzbekistan" No. PF-4947 "... cotton and cob to reduce the areas planted with grain, to take systematic measures to plant potato, vegetable, feed and oil crops on vacant land"¹.

Starting from the 2016 harvest, it is planned to reduce cotton areas by 185 thousand hectares or 14.5% over the next 5 years.².

This, in turn, reduces the area of cotton fields by 14.5%, which limits the possibilities of supplying oil and oil enterprises of the republic with raw materials. By 2017, 51.7% of the production capacity of oil-oil enterprises was used, and in 2020, 46% was used, and 90% of the raw materials were seed.³.

Table 1

¹Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, 2017 "On the strategy of actions for the further development of the Republic of Uzbekistan"

²<https://kun.uz/30457003?q=%2F30457003>

³A collection of scientific lectures and articles of the international scientific-practical conference held on May 27-28, 2019 in cooperation with the International University of Westminster and the Tashkent Financial Institute on the topic "Strategy of actions of the Republic of Uzbekistan: macroeconomic stability, investment activity and innovative development prospects". Tashkent-2019, 491-498

Utilization of oil and oil enterprises in the regions in 2017⁴

T/r	The name of the areas	Annual production capacity, tons	Supply of raw materials, tons	Unused capacity, annual in interest
1	Republic of Karakalpakstan	135500	91213	32.7
2	Andijan region	252000	91244	63.8
3	Bukhara region	225400	148301,2	34.2
4	Jizzakh region	126000	76910	39
5	Kashkadarya region	315000	157005	50.2
6	Navoi region	83300	50609	39.2
7	Namangan region	190200	83423	56.1
8	Samarkand region	157500	83927	46.7
9	Syrdarya region	157500	66124	58
10	Surkhandarya region	214700	71289	66.8
11	Tashkent region	209700	86184.4	58.9
12	Fergana region	315000	99556	68.4
13	Khorezm region	189000	137000	27.5
By republic:		2570800	1242785.6	51.7

Source: compiled by the author based on data from the State Statistics Committee

In recent years, oil companies have faced significant changes in reorganization, responding vaguely to the formation of market relations. In our opinion, the macroeconomic crisis that has manifested itself since the middle of 2017, which currently covers oil companies, has had a special impact. The operation of the republic's oil-oil enterprises mainly depends on problematic events and processes caused by unstable environmental conditions. They are distinguished by the presence of features that characterize their performance and modern features.

Republican oil-oil enterprises produce vegetable oil, oil-oil products and household soap. The main distinguishing feature of vegetable oil production is the single product character of the activity, and its main products are cottonseed oil and sunflower oil, due to historically formed consumer preferences.

From the point of view of production efficiency and environmental friendliness, oil-oil enterprises are distinguished by the level of processing of raw materials and the efficiency of using their waste in the production of vegetable oil. The main products of oil-oil enterprises are vegetable oils from cotton seed up to 20% and sunflower grain up to 45%, soybean grain up to 20%, and meal from cotton seed up to 80%, sunflower grain up to 55% and soybean grain up to 80%.

Unprocessed oils are sold as raw materials to oil-oil enterprises (production of mayonnaise, margarine, etc.) or are further processed and packaged and sold to consumers. Unrefined (unrefined, unrefined) vegetable oil is refined and delivered to consumers in bottled packaging or

⁴Compiled by the author based on the data of the State Statistics Committee

whole, used to produce mayonnaise and margarine. Shrotni is a chorand is used as fodder for cattle and poultry. Waste from vegetable oil production - soapstock used to make soap.

Recycled sunflower husks can be used as fertilizer for agricultural crops. In addition, processed sunflower husks can be used as fuel in enterprises. In particular, by burning sunflower husks, the enterprise provides 70% of the heat demand for boiler equipment.

If we talk about raw materials, then again we can see that cottonseed and sunflower seeds are processed more than other oilseeds (Figure 1).

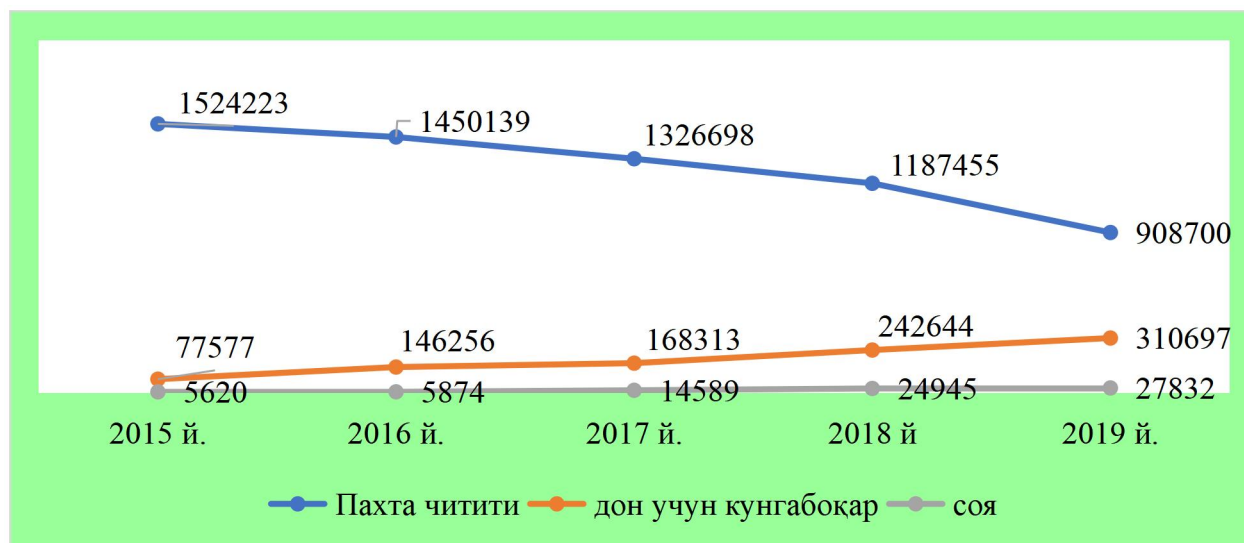


Figure 1. Content of certain types of oilseeds processed by the republic's oil enterprises (tons)

From Figure 1, we can see that in 2015-2019, a total of 9858.7 thousand tons of cotton seeds, sunflower seeds and soybeans were processed by the republic's oil enterprises. In 2015-2019, 6397.2 thousand tons of cotton seeds, 945.5 thousand tons of sunflower seeds and 78.9 thousand tons of soybean seeds were processed. Cotton seed processing in 2019 compared to 2015, the volume of cotton seed, sunflower grain and soybean grain processing decreased by 83% on average. In particular, the processing of cotton seed has decreased by 60 percent. This situation can be explained by the decrease in cotton yield. However, we can see that sunflower grain processing increased by 400.5% in 2019 and soybean processing by 495.2% compared to 2015.

The rate of oilseed processing is declining due to shrinking cotton acreage, low sunflower acreage, underdeveloped seed base and high cost of imported sunflower seed, among many other reasons.

From the point of view of raw material supply, it should be noted that the commissioning of new capacities is proceeding faster than the expansion of raw material capacity. Every year, the shortage of oilseeds is becoming more acute. In 2018, taking into account all the available possibilities, the total processing capacity of the republic's oil enterprises 209.8 thousand tons in 2019 189.8 thousand tons (cotton seed, sunflower seed and soybean seed) were processed.

Despite the increase in oil fields, which is unusual for the republic, the raw material base is still insufficient. In particular, in 2019, 269,000 tons of sunflower seeds and 17,000 tons of soybean seeds were imported, which means that 35 percent of the processing capacity is provided by imported raw materials. Therefore, the share of imported raw materials in the volume of production will be high in conditions where the existing capacities are not fully filled.

Seasonal changes in the prices of oilseeds are a characteristic feature of the commodity market: during the harvesting period of cottonseed and sunflower seeds and other oilseeds (September-

November), they decrease in abundance and in April-May of the following year. After the growers have harvested the crops, the large oil companies seek to replenish the stock of raw materials by purchasing raw materials at low prices within the framework of the existing logistics infrastructure.

Vegetable oil production is characterized by high energy consumption. The cost of raw materials is more than 80% of the main cost, and about 40% of the retail price, so the increase in the price of vegetable oil leads to an increase in cheap consumption. As a result of the research, we can highlight the following feature - the level of oil consumption in the total mass is significantly dependent on the price, in other words, it is logical to recognize the demand for vegetable oil as price elastic.

The unique technological feature of oil-oil products is that they are not perishable and allow manufacturing enterprises to build stocks of finished products and raw materials - which in turn provides an opportunity to manage temporarily free resources. Another technological feature of oil production is the essence of the process of turning raw materials into finished products, which is continuous at all stages of production and excludes the existence of unfinished production.

The shortage of raw materials leads to the disappearance of small oil enterprises. One of the keys to successful operation in oil companies is the creation of effective logistics platforms for conducting business, implementation of closed technological schemes, including processing and cultivation and storage of oilseeds.

The main types of consolidation of the main structures of oil enterprises are horizontal, vertical and complex integration. As an example of the first type, we consider the optimization of the "Yangiyol oil-oil" enterprise, which ends with the start of mayonnaise production. Tashkent oil-oil combine reflects all types of production of oil-oil products.

The priority direction of diversification of the activities of oil-oil enterprises is the development of cultivation and sale of oilseed crops at the expense of increasing the profitability of their cultivation. Cotton seed ranks second after sunflower in terms of production profitability. This is helped by the similarity of the storage technology of these crops, which allows more efficient use of stocks in the company's warehouses.

In recent years, there has been a sharp increase in the import of raw materials by the country's oil enterprises. Nowadays, the demand for products of oil-oil enterprises is increasing more and more. The level of competition in the domestic market can be assessed as very high - active competition is explained by the increasing number of products of foreign enterprises both within regions (small enterprises, mini-trades) and between market participants at the interregional level.

A significant part of the sunflower oil imported to our republic corresponds to Kazakhstan and the Russian Federation. A significant part of the import of vegetable oils to our country (more than 75% of the total volume) is used as raw material for production. Based on the above-mentioned points, we can note a number of specific features that we have identified in oil-oil enterprises (Fig. 2).

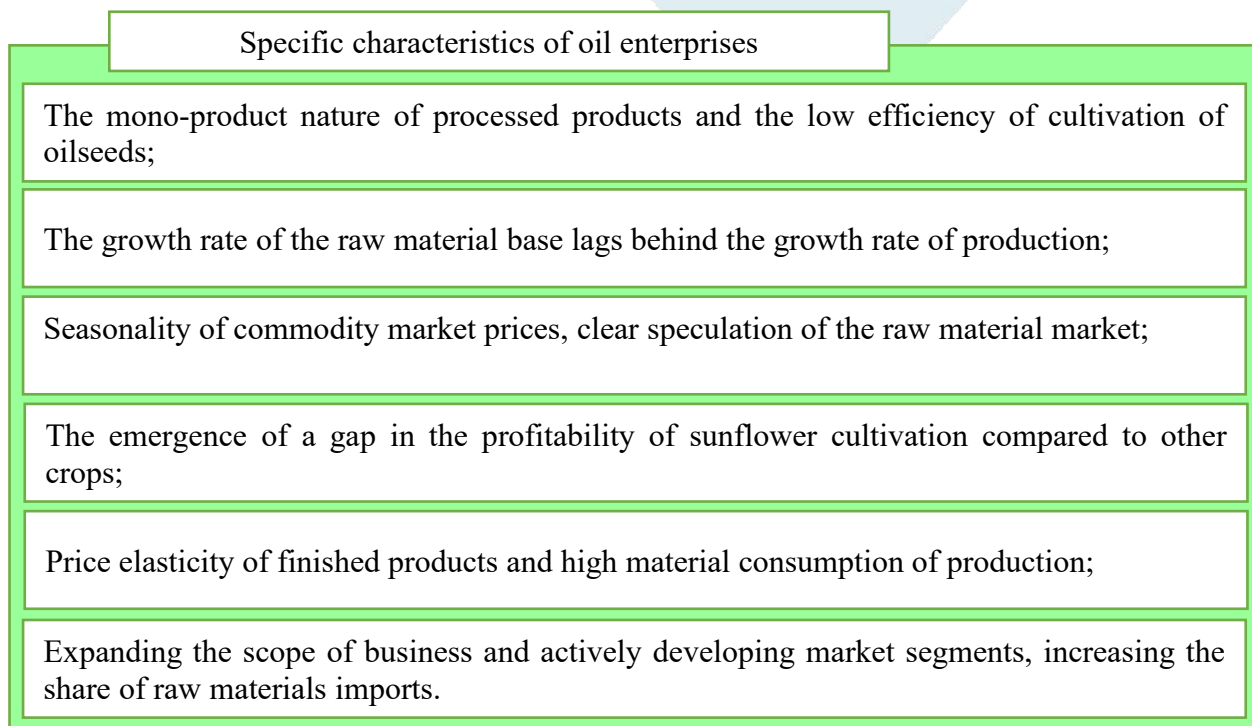


Figure 2. Specific characteristics of oil enterprises⁵

From the classification of the industry, it can be concluded that enterprises should use a modern raw material supply system based on imports from local producers and foreign markets when purchasing raw materials. The choice of raw materials depends on the nature of the product. At the same time, the types of raw materials that we are considering have many similar characteristics for the process: lack of raw materials, seasonality, transportation, dependence on prices on the world market, the presence of electronic trading platforms, and instability of the quality of raw materials. It should also be noted that for the production of one of the types of products, cottonseed and sunflower oils are used in the ratio of 20/80 at the same time. From this it can be concluded that oil and oil enterprises of the Republic should use the proposed raw material supply system as the only one to increase efficiency.

Based on the received priorities of raw material supply, we can talk about the need to gradually introduce the system to the enterprise. As we mentioned earlier, the main concept of the proposed system is the use of modern methods of managing the procurement process. At the same time, such a system should be based on the use of imported raw materials. It is a method of procurement of imported raw materials that is maximally compatible with market mechanisms accepted worldwide. In such cases, the raw material supply system for imported products will be the most competitive in the foreign and domestic markets.

In this regard, the application of the proposed system meets the requirements of the oil industry. They both import raw materials and buy them from local growers. The use of this system helps the enterprise to increase the efficiency of raw material supply.

As a result of the research, a number of deficiencies that are common in the supply process of oil enterprises were identified by applying the system for improving the process of raw material supply to enterprises. These disadvantages are:

⁵Developed by the author as a result of research

deficiencies in the product sales plan and product sales plan not being in accordance with the market situation;
the plan of purchasing raw materials and the speed of responding to changes in consumer demand are low;
the use of modern management systems in the management of the production process and the low level of automation of production processes;
weak dependence on changes in orders at the planning stages of enterprise activity;
insufficient logistics relations between growers and suppliers;
high costs for storing excess stocks, uniformity in the choice of raw material delivery method;
failure to establish a strategic partnership with suppliers and delay in the delivery of raw materials to the production process;
low use of rating of suppliers by the main parameter, as well as non-availability of rating of additional parameters;
lack of detailed description of the supplier selection process (not studied);
the rating of suppliers and their assessment criteria have not been developed;
lack of continuous monitoring and assessment of the raw material market, lack of forecasting of price changes, and lack of systematic analysis of purchases.

In the process of providing raw materials, the above-mentioned shortcomings significantly affect the activity of the enterprise and the cost of the product. At the same time, by eliminating such shortcomings in the process of purchasing raw materials, it can increase the competitiveness of the enterprise. The proposed system is an effective means of optimizing the production process. It should be noted that economic efficiency can be achieved by reducing the cost of raw materials and the cost of products when using several elements of the proposed system. Based on the implementation of this system in enterprises, the following conclusions can be drawn:

enterprises understand the need to improve the efficiency of the process of purchasing raw materials;

the need to support the economic benefits obtained from the implementation, use of modern technologies.

that there is room for improvement in performance even before the implementation is complete;

Also, these implemented measures contribute to the efficiency of the procurement process. At the same time, the company implements its capabilities in this direction. Using modern management and planning systems in the enterprise, developing relationships with suppliers, expanding relationships with supplier logistics and raw material supply chain management, improving the raw material purchasing system by systematizing the selection of suppliers, improving inventory management, and interacting with other elements of the process also gives opportunities.

Based on the above analysis, we can consider the main recommendations for improving management based on improving the efficiency of raw material supply in oil and oil enterprises to improve the supply of raw materials in enterprises:

1. Using the developed scheme of the raw material supply process to determine the sequence of management decisions in process improvement.
2. Accurately planning the sale of finished products with the preparation of possible scenarios for the development of the market situation based on the sales forecast.
3. Planning based on the ERP system, which is fully functionally connected with sales planning in order to harmonize the enterprise's integrated management technology.
4. Management of raw material stocks based on the planning of the movement of goods using a generalized model of management that reflects high turnover of fixed assets and production conditions.
5. Supply chain management based on logistics concepts (information, marketing, integration).

6. Planning of production resources should be based on the principles of the ERP system (hierarchy, integration, interactivity).
7. The enterprise management information system should be based on ERP modules.
8. Multi-factor planning of raw material supply and production should be carried out on the basis of the possibility of on-line adjustment of the process.
9. Depending on the production capacity, the possibility of choosing a traditional or operational method of supplying raw materials and combining them.
10. The selection of the supplier should be carried out as a multi-stage practice, in which the evaluation criteria of commercial proposals should be formulated in advance, and they should be ranked according to the relevant criteria using the systematic analysis matrix of risk assessment.
11. Continuous analysis and monitoring of the raw material market, forecasting of changes in prices and delivery times, technical and fundamental analysis of the market, use of advanced research and analysis methods.
12. Continuous control of the quality of raw materials delivered from the supplier's warehouse to the company's warehouse. Using a qualitative method of assessing the quality of raw materials.
13. Establish mutual strategic partnerships with major suppliers in the planning and implementation of purchasing activities.
14. Regular accounting and analysis of raw materials in the process of order fulfillment, with the assessment of the effectiveness of all elements and the search for ways to further improve enterprise management.

Compliance with the above recommendations for improving the management system will help enterprises to increase the efficiency of raw material supply, their effective use and reduce the cost of raw materials purchased for the enterprise. Thus, the use of developed methods of improving management on the basis of effective raw material supply helps to develop previously used management development tools and increases the efficiency of its application. The formation and implementation of improving the efficiency of raw materials supply, the regulation of management functions, the implementation of optimal management technologies, the development of a detailed algorithm that defines the main directions of the process, the reduction of production duplication, non-production costs and time loss, about the goals, means and methods of achieving them agreement made it possible to form criteria for evaluating the performance of the management apparatus.

In conclusion, as a result of the research, the main directions for improving the management of oil-oil enterprises allow the enterprise to reduce costs. The mechanism of development and implementation of the program for increasing the efficiency of raw materials supply used for practical purposes, as well as the methodology for evaluating the effectiveness of these manuals, will allow making reasonable management decisions on the use, development of raw materials supply, and increasing the profitability and competitiveness of enterprises.

Literature /Literature/Reference

1. Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. PF-4947 "On the strategy of actions for the further development of the Republic of Uzbekistan"
2. A collection of scientific reports and articles of the international scientific and practical conference held on May 27-28, 2019 in cooperation with the International University of Westminster and the Tashkent Financial Institute on the topic "Strategy of actions of the Republic of Uzbekistan: macroeconomic stability, investment activity and innovative development prospects". Tashkent-2019, 491-498

3. NK Juraeva. (2022) Improving mechanisms for managing the activities of the housing and communal services sector - International Journal of Theoretical and Applied Research
5. Juraeva, NK (2022). System of Economic and Social Efficiency Evaluation Indicators of Housing and Communal Services. American Journal of Economics and Business Management, 5(11), 66-75.9.
7. Kurbonovna, DN (2022). PRIORITY DIRECTIONS FOR IMPROVING THE LEVEL OF INTERNATIONAL MARKETING IN FOREIGN ECONOMIC ACTIVITIES OF ENTERPRISES. Gospodarka i Innowacje., 30, 232-239.
8. Juraeva, NK (2022). SOCIO-ECONOMIC ADVANTAGES OF USING THE "LOCAL CLUSTER" MODEL IN IMPROVING THE EFFICIENCY OF HOUSING AND COMMUNAL SERVICES IN THE REGIONS. Gospodarka i Innowacje., 29, 84-93.
- Kurbanovna, J. N. (2023, August). Effectiveness Of Introduction of Raw Material Management In Oil Enterprises. In The Role of Sciences in the Formation of Unusual Thinking Skills in Young Students: International Scientific-Practical Conference (Czech). (pp. 33-38).
4. Kurbanovna, J. N. (2023). The Experience of Foreign Countries In The Provision Of Raw Materials In The Effective Management Of Oil Enterprises. Role of Exact and Natural Sciences During the Renaissance III, 114-121.
5. Juraeva, N. Q. (2023). FOREIGN EXPERIENCES OF ORGANIZING AND DEVELOPING ACTIVITIES OF THE HOUSING AND COMMUNAL SECTOR. International Bulletin of Applied Science and Technology, 3(5), 144-149
6. Kurbonovna, D. N. (2022). PRIORITY DIRECTIONS FOR IMPROVING THE LEVEL OF INTERNATIONAL MARKETING IN FOREIGN ECONOMIC ACTIVITIES OF ENTERPRISES. Gospodarka i Innowacje., 30, 232-239.
7. Juraeva, N. (2023). FORMATION OF HOUSING AND COMMUNAL SECTOR ACTIVITIES IN UZBEKISTAN AND THEORETICAL AND METHODOLOGICAL ASPECTS OF THEIR MANAGEMENT. International Bulletin of Applied Science and Technology, 3(6), 1228-1233.
8. Qurbonbek o'g'li, D. S. (2023). TREATMENT OF THE PATIENT WITH COPD AND CARDIOVASCULAR DISORDERS. Scientific Impulse, 1(8), 553-564.
9. Qurbonbek o'g'li, D. S. (2023). THE RELATIONSHIP BETWEEN CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD) AND CARDIOVASCULAR DISEASE (CVD). PEDAGOG, 6(12), 85-96.
10. Ilhomjon ogli, M. U., Ibrohimjon ogli, S. Z., & Qurbonbek ogli, D. S. (2024). CLINICS AND RESULTS OF TREATMENT OF PATIENTS WITH CORONAVIRUS INFECTION COMPLICATED BY INTERSTITIAL PNEUMONIA IN THE FERGHANA REGION. MODELS AND METHODS FOR INCREASING THE EFFICIENCY OF INNOVATIVE RESEARCH, 3(30), 21-26.
11. Kurbanovna, J. N. (2023). Econometric Assessment Of The Efficiency Of Enterprise Management Through The Supply Of Raw Materials In Oil Enterprises. American Journal of Public Diplomacy and International Studies (2993-2157), 1(6), 63-70.
12. Davlatov Sh.Q., Saydaxmedov Z.I., Mahmudov U.I. DIABETES MELLITUS AND COVID-19; A BIDIRECTIONAL INTERPLAY. FORMATION OF PSYCHOLOGY AND PEDAGOGY AS INTERDISCIPLINARY SCIENCES: a collection scientific works of the International scientific conference (13 January 2024). Part 25 – 129p
13. Davlatov Shohjaxonbek Qurbonbek o'g'li. THE RELATIONSHIP BETWEEN CHRONIC OBSTRUCTIVE PULMONARY DISEASE (COPD) AND CARDIOVASCULAR DISEASE (CVD). PEDAGOG RESPUBLIKA ILMIY JURNALI 6-TOM / 12-SON / 2023-YIL / 15-DEKABR (93-104)