

**EFFICIENCY LEVELS OF INDUSTRY DEVELOPMENT IN IMPLEMENTATION OF
STRUCTURAL REFORMS**

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Annotation: The article develops an approach as a direction for the development of the industry and increasing its competitiveness. scientific proposals and practical recommendations have been developed regarding the maintenance of the positive growth rate of the gross domestic product, the composition of the gross added value of the industry.

Keywords: Diversification, industry, regions, industrial sector, processing industry, investments, synergy.

INTRODUCTION.

In the long-term socio-economic development of the Republic of Kazakhstan in 2017-2021 and until 2030, and in the state programs aimed at "Development of industry and increasing its competitiveness", great attention is paid to diversification as an effective means of eliminating excessive stratification in the development of certain types of economic activity, ensuring the growth of regional industry.

The task of diversifying the industry has an objective nature, it is determined by the exchange of technological doctrines in connection with the transition to a "knowledge-based" information society and economy, the realities of the 21st century advanced by globalization.

ANALYSIS OF LITERATURE ON THE SUBJECT.

60 - 70 years of the last century - the period of introducing diversification into the economy. During this period, diversification of production took place in European countries and the USA, where this process was considered as the only strategic development plan of companies. New production lines were introduced into new markets through the company's merger or acquisition strategy. In this way, the companies reduced the possible risks, activated the competitiveness of the organizations, stabilized the cash flows, and as a result, the value of the company increased. The use of such processes is based on synergistic effect. The concept of "synergy" was introduced by I. Ansoff to note the strategic priorities that arise when combining two or more enterprises into one in order to reduce long-term average production costs.

S. Yu. Glazev notes in his works that diversification is studied as a process of finding economically efficient elements of the system, like structural reforms. That is, structural reforms are related to concepts such as efficiency and acceptability. O. Krasilnikov notes that "the goal and criterion of the progressive development of the production structure is to increase its efficiency, and from the point of view of acceptability, "all other conditions being equal, he states that acceptability is a necessary component and an inevitable sign of the successful implementation of production." Therefore, the criterion of acceptability applied to the

composition of the industrial sector can serve as a sign of balance, which determines the effectiveness of the industrial sector of the economy.

ANALYSIS AND RESULTS.

According to preliminary estimates, the positive growth rate of the gross domestic product was maintained in January-September 2020 and was 0.4 percent compared to the corresponding period of the previous year. This indicator was 5.7 percent and 5.9 percent in January-September 2018 and 2019, respectively.

In January-September 2020, the main contribution to maintaining the positive growth rate of GDP was the 8.6% increase in the volume of construction works. During this period, a decrease in the production volume of industrial products was observed by 2.7 % (it increased by 5.3% in the corresponding period of 2019). The decrease in consumption and investment demand under the influence of the pandemic had a negative impact mainly on the service and some consumer goods production sectors of the economy, in particular, on tourism, trade and general catering, and transport sectors.

The main factor in the growth of the total industrial production is the manufacturing (processing) industry - by 9.4%, electricity, gas, steam supply and air conditioning - by 0.3%, and water supply, sewage system, waste disposal - by 0.3%. An increase of 6.3% was calculated. Also, a decrease of 1.0% was observed in mining industry and open-pit mining industry (Table 1).

Table 1

Composition of gross added value of industry, in billion soums

	2017	2018	Physical volume index , %	2019	Physical volume index , %
Industry	59 570.4	95,083.9	110.6	331 00 0.0	106.6
<i>Including :</i>					
Mining industry and open mines work	12,052.0	24,634.0	128.2	43000.0	99.0
Manufacturing industry	42 243.5	63 532.8	106.4	264400.0	109.4
Other industries	5 274.9	6 917.1	104.7	23600	108.3

Measures aimed at increasing the production potential of the regions, Andijan (114.7% compared to 2018), Khorezm (111.7%), Tashkent (108.2%), Namangan (114.0%), Samarkand (106.1 %), industrial production volume in Bukhara (108.9%) and Surkhondarya (109.3%) regions and Tashkent city (111.1%) allowed the physical volume index to increase significantly.

During 2019, small business entities produced products worth 115.4 trillion soums, and its share in the total production volume was 34.9%. In terms of regions, the highest share of small business in the production of industrial products is in Namangan (73.9% share in the total

production of industrial products), Tashkent (67.4%), Jizzakh (66.5%), Samarkand (53.8%), It was observed in Surkhandarya (53.0%), Syrdarya (47.2%) and Fergana (43.6%) regions.

Since the main large production enterprises are located in the regions of Navoi (12.9%), Kashkadarya (23.2%), Andijan (21.4%) and Tashkent (27.6%) and the Republic of Karakalpakstan (22.2%), the total industry the share of small business in the volume of production was observed to be low.

During 2019, 19,530 new industrial enterprises were established in the republic, of which 2,796 (14.3% of the total volume of newly established industrial enterprises) were established in Tashkent city, 2,043 (10.5%) in Tashkent region, 1,971 (10.1%)) in Samarkand region, 1830 (9.4%) in Andijan region and 1663 (8.5%) in Fergana region.

The main goal of the development of Uzbekistan's industry is not only to strive to increase the rate of growth in this sector of the economy, but also to develop priority industries and production by using the potential of rich natural resources, to form its modern structure, to form a set of measures to increase the competitiveness and efficiency of the country's industry in the foreign and domestic markets . . The strategic direction is to create an export-oriented structure of the industry and to increase the share of highly processed products compared to raw materials in exports.

From the data of Table 3 below, it can be seen that the absorption of investments in fixed capital by industrial sectors that produce products during 2010-2018 dynamics was on average 524 percent, the high dynamics in the absorption of investments in fixed capital in the industries included in it can be seen in the following: 478 percent in the production of food, beverages and tobacco products, 711 percent in the type of production of textile products, clothing and leather and related products , wood and leather products, articles from straw and textile materials, paper and paper products and furniture production 868 percent, in the production of chemical products, rubber and plastic products . respectively, 39.9 and 21.6%). It should be noted that during the analyzed period, the investments involved in the chemical industry increased significantly (by more than 35%). At the same time, the analysis of investment trends in the development of capital investments shows that high-tech productions that produce products with high added value are not considered attractive for investment. Only 0.05% of the total volume of investments in the fixed capital of remanufacturing industries was invested in the production of electrical equipment, electronic and optical equipment, -0.11% in vehicles and equipment, and - 0.93% in machinery and equipment (Table 2).

Table 2 _

Investments in fixed capital by types of economic activity, in %

	2010 __	2015 __	2016 __	2017 __	2018* year .
The volume of total investments, billion s	15338.7	41670.5	48083.1	68423.9	107333.0
including by industry	100.0	100.0	100.0	100.0	100.0
Mining and open pit mining	9.9	23.3	14.9	20,8 _	1 1.4
Manufacturing industry	15.2	12.8	1 8.7	1 7.9	2 2.0
Other economic activities	74.9	63.9	66.4	61.3	66.6

Thus, the funds directed to the processing industries are not enough for their modernization and technical re-equipment and, as a result, to move to the path of innovative development. Such an investment policy of the region does not lead to changes in the structure of the industry. In this situation, there is no doubt that it is necessary to apply the strategy of diversification of the industrial structure. In this case, no matter which direction the restructuring of the industry goes, it must be directed to the technical expediency and the proportionality of the parts determined by the necessity, and the certain regularity of their ratio.

CONCLUSIONS AND SUGGESTIONS.

The development of industrial parks and free economic zones is one of the directions leading to the real diversification of the regional industry and the increase of its competitiveness. However, when developing directions for diversification of the regional industry, this process should be studied not only as an expansion of the names of types of activities and an increase in their share in the structure of the industry, but also as a qualitative structural shift in favor of innovative sectors. In order to eliminate negative trends in the economy of the industrial sector, it is necessary to form an effective system of managing the diversification process. The idea of diversification defines the specific goals and tasks of the industrial policy and requires the development of strategic directions of industrial development.

The analysis of the definitions given above allows us to conclude that the concept of diversification is not sufficiently studied and not sufficiently covered in national and foreign literature, and the practice of its application has not developed a systematic and universal methodology of its introduction to production.

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