

**IMPACT OF GROSS DEMAND AND GROSS SUPPLY FACTORS ON SUSTAINABLE
ECONOMIC GROWTH**

Nabiyev Ulugbek Mirodiljon O'g'li

Andijan Institute of Mechanical Engineering

Foundation doctoral student

Annotatsiya: Maqolada O'zbekistonda iqtisodiy o'sishning real holati tahlil qilingan, barqaror iqtisodiy o'sishni ta'minlash uchun yalpi taklif, yalpi talab omillarini o'stirish, investitsiya omilining iqtisodiy o'sishga ta'sirini baholash yuzasidan taklif va tavsiyalar berilgan.

Kalit so'zlar: Yalpi talab, yalpi taklif, kapital qaytimi, mehnat unumdorligi, mehnatning kapital bilan ta'minlanganlik darajasi, yalpi omillar unumdorligi.

Аннотация: В статье анализируется реальная ситуация экономического роста в Узбекистане, даются предложения и рекомендации по обеспечению стабильного экономического роста, роста совокупного предложения, факторов совокупного спроса, оценки влияния инвестиционного фактора на экономический рост.

Ключевые слова: Совокупный спрос, совокупное предложение, доходность капитала, производительность труда, уровень капитального предложения труда, совокупная факторная производительность.

Annotation: The article analyzes the real situation of economic growth in Uzbekistan, provides proposals and recommendations for ensuring stable economic growth, growth of aggregate supply, factors of aggregate demand, and assessing the influence of the investment factor on economic growth.

Keywords: Aggregate demand, aggregate supply, return on capital, labor productivity, level of capital labor supply, total factor productivity.

Introduction

Any national economy develops unevenly and experiences various cycles such as UPS and downs in economic activity. These changes concern the growth of general macroeconomic indicators. Economic growth is associated with the recovery phase of the economic cycle, which represents the advance of the economy, its progress and development. Taking into account the GDP of the main indicator of economic growth, we put forward the idea that the main goal facing the economy is to achieve potential GDP. And the main condition for achieving a potential GDP is not to deviate from the equilibrium point between gross demand and gross supply, provided that labor, capital and gross factors in GDP increase the volume of productivity indicators.

THEMATIC LITERATURE ANALYSIS

The influence of economic growth and factors on it is widely described in the scientific works of Western economists. Especially Smith A., Ricardo D., Solou R., Sey J., Denison E., Domar Y., Jevons U., Jones Ch., Calder N., Clark J., Kyudland F., Lucas R., Patty U., Prescott E., Romer P., Stiglis J., Thünen I., Harrod R., Schumpeter Y. the work of Economist scientists such as have also been widely used in the research of scientists who analyzed the economic growth that followed them. Also on the scale of the Commonwealth of Independent States (CIS) Semenov A., Yasin Ye., Golub A., Gubanov S., Illarionov A., as well as scholars who have contributed to the study of economic growth and its factors. In Uzbekistan, Chepel S., Eshtaev A., Yuldashev Sh., Immortal A., Kabylov A., Kurbanova D., Gülomov S., Ashurova N., Jakhongirov I., Amirzhanova S., Khamdamov Sh., Kadyrov F. economists such as scientists

have studied in their scientific research the issues of preventing economic decline and ensuring sustainable economic growth.

RESEARCH METHODOLOGY

To achieve macroeconomic stability, it is necessary to ensure a balance between gross supply and gross demand volumes above all. In economics, we use the econometric model introduced by Samuelson-Hicks to determine the volumes of gross supply and gross demand. We will make calculations for 2022. The overall appearance of the model is equal to: . In our opinion, the left side of the model represents gross supply, the right side represents gross demand. In the formula - the volume of GDP in the reporting period (2022 year) (888 341.7 mlrd.so ' m), i.e. gross bid volume; - GDP volume in the year before the reporting period (2021) (738,425. 2 mlrd.so ' m); - the volume of GDP created two years before the reporting period (in 2020) (605,514.9 billion. sum); - the percentage of GDP content of gi consumption in the year before the reporting period (2021) (59.6%); - accelerator size (for 2022). To determine it, we will use the model, where - the volume of investment in the reporting period (2022 year) (266 240 billion. sum); - autonomous demand volume in the reporting period (2022) (340,220.1 billion. Soum).

We put the given data on the model.
$$\mathcal{S} = \frac{I_t}{(y_{t-1} - y_{t-2})} = \frac{266240 \text{ mlrd. so'm}}{(738425,2 \text{ mlrd. so'm} - 605514,9 \text{ mlrd. so'm})} = 2.00316.$$
 The final result showed that the gross bid volume in 2022 was 888,341. 7 mlrd.so 'mni, gross demand volume 1,046,798. 2 mlrd.so' founded M. Although economic growth has been observed in this year, the volume of gross demand is 158,456.5 billion from the volume of gross supply. was rated at. The result was a gross supply deficit. (For 2022 year).

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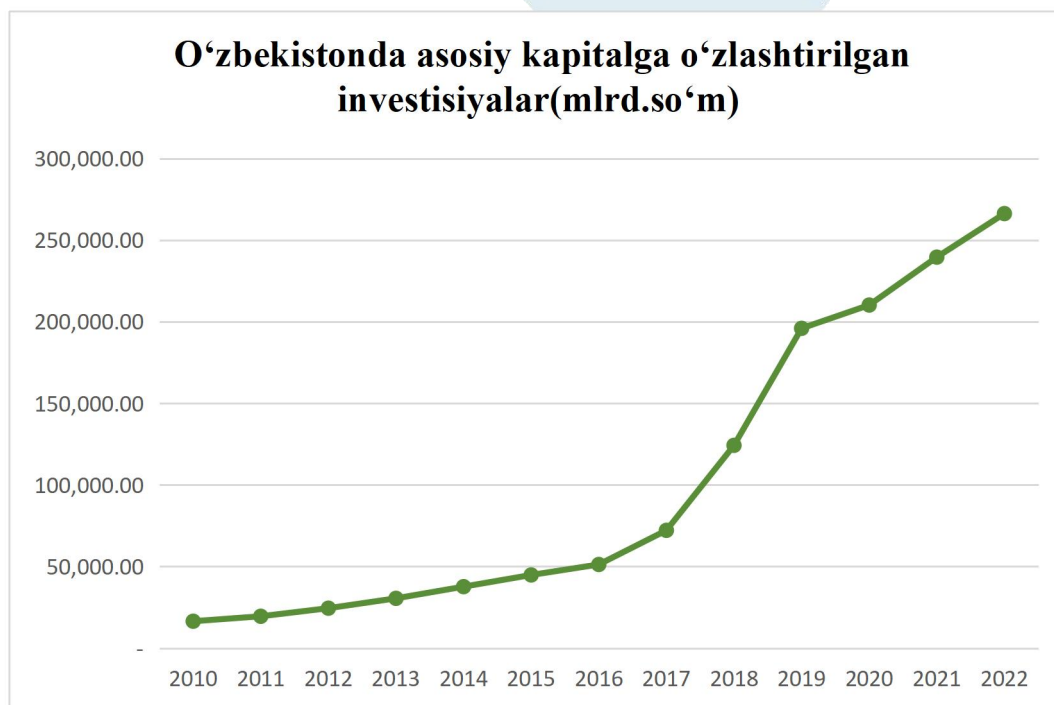
ANALYSIS AND RESULTS

One of the main indicators that cause a deficit of gross demand or a deficit of gross supply is investment.

The volume of investments in fixed capital in Uzbekistan is growing from year to year (diagram 1). This is directly related to the effectiveness of the investment. At this point, it is necessary that the main focus is on the sources of investment. Taking 2022, we observe that the volume of investment in fixed capital was 266,240.0 billion, 43.7% of which was formed on the basis of foreign investment and loans, 34% on the basis of the means of enterprises and the population, 12.5% on loans and loan funds of banks, and 9.8% on the basis of funds allocated from the state budget. These indicators can be said to be positive, but in the context of a market economy, it is necessary to further reduce the financing of non-strategic sectors from the state budget.

1 – diagram

Fixed capital investments(mlrd.sum).



It will also be advisable to analyze the composition of the areas that are being financed from the account of investment funds. In 2022, 28.3% of the investment was in the manufacturing industry, 13.9% in construction, 7.4% in agriculture, 8% in the mining industry, 3% in education, 2.9% in health, 7.5% in the energy sector and 29% in other sectors. At the same time, it is noteworthy that only 0.079% of investments are included in scientific research and development, and 0.439% in other intellectual property products. These low indicators do not adversely affect the competitiveness of the economy in a market economy. For comparison, in 2021, the expenditure on scientific research and development in Uzbekistan was 1.4% compared to GDP. Global investment in the sector was a 2.13% share in world GDP, reaching nearly US \$ 1.7 trillion. Also, within the framework of the Untnig Sustainable Development Goals (BRM), countries have committed to significantly increase costs for public and private R & D by 2030, as well as the number of researchers.

Taking into account the above, taking into account the fact that investments in scientific research and development also serve to increase the investment potential of other industries, it is necessary to make a number of changes to the state investment policy: in order to increase the volume of investment in Uzbekistan aimed at scientific research and development, first, to dramatically increase financial costs from the state budget, in the form of subsidies, it is necessary to carry out measures such as creating wide opportunities, and, thirdly, enriching the legal base in this area and ensuring the guarantee of the rights of the subjects of the industry.

The volume of investments in the economy of Uzbekistan in fixed capital between 2010 and 2022 increased by 16.17 times, and the volume of GDP increased by 11.25 times (Table 1). The analysis shows that the increase in investment volume compared to the previous year is 4.92 units higher than GDP growth. However, if we see the results of the analysis as of 2016, we will witness that the investment volume has increased by 3.11 times compared to 2010, and the GDP has increased by 3.23 times. As can be seen in the latest case, the increase in investment volume is lagging behind the increase in GDP. And unfortunately, we cannot say that a positive indicator in the period from 2016 to 2021 is also a positive state. For this reason, we can cite the fact that the main share of investments in the economy over these years corresponds to the foreign debt.

In particular, in Uzbekistan during 2016-2019, projects worth US \$ 11,391.7 million were financed by external debt. This makes it clear that it is necessary to grow investment efficiency in the country. One of the main ways to grow the efficiency of investing is the interest rate. As you know, the activity of all subjects of the economy lies in minimizing costs and maximizing income through it. The Central bank, an organization acting on behalf of the state and determining the level of interest rate, in this situation it is necessary to increase the money supply in the economy. As a result, the interest rate will decrease, the costs of the subjects of the economy will become additional savings dressing, and the volume of investment in the economy will increase.

Another of the elements that the state can apply in increasing the volume of investment is fiscal policy. In this case, the tax burden is reduced by the state. Ultimately, in the hands of the subjects of the economy there will be more additional benefit dressing and this will stimulate investment. The state, along with reducing the tax burden, is forced to cut budget expenditures, the reason is that budget revenues in Uzbekistan are largely formed according to taxes. In this situation, budget spending cuts act as a temporary measure, as a reason we can bring taxpayers to voluntarily disclose their income, which they hide when the tax burden is reduced, when the amount of taxes is high. These situations directly increase revenues to the budget and stimulate investment, while in the general case there is a stable economic growth.

The investment factor is characterized by an indicator that provides stable economic growth and plays a key role in the formation of gross demand. There is also an accelerator indicator that represents the connection of gross demand and gross supply, through which it is possible to determine which of the factors of gross demand and gross supply in the economy is deficient and determine the real state of existing economic growth and, as a result, make various decisions. The accelerator indicator helps to determine how many units of changes in the volume of investment as a result of a unit change in the volume of GDP.

An imbalance between aggregate demand and aggregate supply was observed between 2010 and 2022, with the real accelerator indicator being larger than the balance-bearing accelerator indicator, resulting in a supply deficit.

Table 1.

Indicators of the real state of economic growth in Uzbekistan(mlrd.su m).

Years	Gross offer	Gross demand	The volume of investment in fixed capital	Supply drive	Real accelerator	Balance accelerator
2010	78 936,6	82 681,7	16 463,7	3 745	1,14	0,90
2011	103 232,6	104 925,6	19 500,0	1 693	1,12	1,04
2012	127 590,2	134 971,4	24 455,3	7 381	1,01	0,56
2013	153 311,3	165 147,0	30 490,1	11 836	1,25	0,90
2014	186 829,5	200 328,9	37 646,2	13 499	1,46	0,91
2015	221 350,9	240 734,0	44 810,4	19 383	1,34	0,85
2016	255 421,9	281 359,3	51 232,0	25 937	1,48	0,77

2017	317 476,4	345 657,5	72 155,2	28 181	2,12	1,04
2018	426 641,0	482 321,8	124 231,3	55 681	2,00	0,69
2019	532 712,5	666 916,1	195 927,3	134 204	1,79	0,39
2020	605 514,9	771 995,6	210 195,1	166 481	1,98	0,51
2021	738 425,2	898 720,7	239 552,6	160 295	3,29	1,05
2022	888 341,7	1 062 080,7	266 240	173 739	2,00	0,70

The aggregate demand deficit is usually a situation typical of a newly independent or transitional economy. The main reason for this is the low volume of investment necessary for the economy. An example of this is the state of the economy of Uzbekistan in 1995-2002. In Uzbekistan's economy, in 1995-1997, 1999-2000 and 2002, the imbalance between gross supply and gross demand in the country was caused by a deficit in gross demand. During this period, there is a deficit of gross demand, which in many years represented values smaller than the accelerator, which is necessary for balance to be ensured. In 2001, the real and equilibrium accelerator showed almost the same indicator. However, the investment's share in GDP fell sharply from 26.82% in 2001 to 19.31% in 2002, causing a demand deficit to be observed again in 2002. In the following years, the volume of investments in the economy has increased, and a supply deficit has been observed until the current period.

Considering that Uzbekistan belongs to the category of developing countries, it is natural to observe a supply deficit. The reason for this is the positive investment policy pursued by the state. The volume of investments in fixed capital increased by 1.72 in 2018 and 1.58 barorb in 2019 compared to the previous year. Analysis shows that 49.7% of the 2018 fixed capital investment of Rs 124,231.3 crore, and 42% of the 2019 fixed capital investment of Rs 195,927. 3 crore were focused on construction and installation work and as a result, the impact of these amounts on the increase in gross supply was not great and this caused a sharp difference between real and equilibrium accelerator indicators. Even in the following years, we can observe that most of the investments in fixed capital are focused on construction and the development of new industries and see that the projects carried out in these areas have begun to pay off positively. However, it is known from international experience that during the period when the supply deficit is observed, the investment that is usually necessary for the economy is in sufficient quantities, sometimes more than necessary, but in the economy most of the available capital is physically or spiritually outdated, production factors are low in efficiency, production technology is lagging behind the international level, labor productivity and capital return While the economy of Uzbekistan is in a state of steady growth, such situations as the above are found in some sectors of the economy.

CONCLUSIONS AND SUGGESTIONS

To improve the efficiency of production factors, ensure the proportionality of gross demand and gross supply, we note that it is advisable to carry out the following by the state:

- * reducing state intervention in the economy; deepening structural and institutional changes;

- to bring production to a new level and establish in it the widespread use of the latest generation of techniques-technologies;

- gain industry, Service Sector, Small Business balance within the national economy;

- * modernization and diversification of the industry by deep processing of natural resources using high technology;

- deep processing of agricultural products and export orientation, replacing imports; increasing the export potential of territories;

- * create conditions for increasing government spending on scientific research and development and increasing the volume of investments being directed;

- support import substitution goods localization, with special emphasis on consumer goods;

- continue to develop an effective competitive environment while fighting against monopolies;

- production of new products with deep mastery of new industries, making them high-quality and resistant to international competition;

- to improve the quality of alternative energy production, increase volumes and take measures of rational use.

Analyzing the state of the economy of Uzbekistan in 2010-2022, we need to mention that for the duration of sustainable economic growth, a special emphasis should be placed on a number of factors such as gross supply factors, in particular, capital return, labor productivity, the level of employment with capital, gross factors productivity, the development of entrepreneurial abilities in society.

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