

Modern trends in the development of the service market in Uzbekistan

Ziyayeva M.M.

¹Ziyayeva Mukhtasar Mansurjonovna, candidate of economics, scientific researcher

Tashkent State University of Economics
E-mail: mukhtasar_yuldasheva@mail.ru

Abstract:

Currently, the service sector plays an important role not only in the economy of a particular state, but also in the global economy as a whole. Over the past decades, the share of services in the structure of the gross domestic product (GDP) is constantly growing, the number of employees in the service sector is also characterized by a positive dynamic, international trade in services is actively developing. All of the above factors indicate that the modern economy is a service economy or a service economy.

Key words

market services, trade, GDP, engaged in services, trade, transportation, services.

Introduction

Currently, the service sector plays an important role not only in the economy of a particular state, but also in the global economy as a whole. Over the past decades, the share of services in the the gross domestic product (GDP) is constantly growing, the number of employees in the service sector is also characterized by a positive dynamic, international trade in services is actively developing. All of the above factors indicate that the modern economy is a service.

The development of the service sector is one of the priorities directions of the economy of Uzbekistan. Since the first days of independence, its opportunities have become a potential source of increased employment and higher incomes. By the Decree of the President of the Republic of Uzbekistan of February 7, 2017, the Strategy of Action was adopted in

five priority directions of development of the Republic of Uzbekistan in 2017-2021. This document in its essence has become a "road map" for systemic reforms in all spheres of society.

Analysis and results

Today the sphere of services is one of the most important branches of the national economy. Positive results were largely achieved thanks to the implementation of the state support policy and stimulating the development of the service sector in the republic. The adopted Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On the Program for the Development of the Service Sector for 2016-2020" [1] defines the priority areas and tasks for the development of the service sector of the Republic, including:

- The grow gross domestic product due to the development of services, bringing its share in the economy to 48.7%;
- the growth of services in rural areas by 1.8 times by 2020;
- creation of conditions for accelerated development of the service sector, structural reforms due to the development of engineering, communication, road and transport infrastructure, introduction of modern information and communication technologies in the sectors;
- formation of a competitive environment, assistance to the development of subjects of small and private entrepreneurship;
- expansion of various innovative services, new communication facilities;
- providing technical accessibility of the population to the network telecommunications, high-quality network communication services on their basis, the complete transition to digital telephone communication and television

systems, the share of communication and information services in the economy of the republic to 2.5 percent by 2020;

- the development of financial services introduction of the modern electronic payment technologies;
- further development of high-tech through medical services.

The comprehensive development of the service sector is an urgent issue of sustainable economic development, employment and improving the living standards of the population. The service sector covers all segments of the population and affects virtually all socio-economic processes. During the years of independence, systematic work has been carried out in Uzbekistan to ensure the dynamic development of the sphere of services as one of the most important factors for deepening structural transformations and diversifying the economy, increasing employment, income and quality of life of the country's population. Besides these, in the following years, significant results were achieved and necessary measures were taken to expand the presence of Uzbekistan's textile products in the world textile market. [9]

One of the conditions for the development of the service sector in the country is the growth of the country's economic potential and the increase of the competitiveness of the national economy. The analysis shows that Uzbekistan's service sector is growing at a faster pace than the real economy. This is due both to structural changes in the national economy and taking into account the globalization trends of the world economy, as well as the growth of the population's welfare, the saturation of the market with service services. [8]

The main factors of accelerated growth are the creation of new service enterprises and the expansion of the existing based on the analysis of market dynamics and the needs of the population, especially in the territorial context. The development of the service sector is one of the most important conditions for the formation of a socially-oriented market economy. It should be noted in mind that economic growth and the effectiveness of market reforms in the country are inseparably linked with the further development of the sphere of services, increasing its role in solving the most important social and economic tasks of the development of society. As a result of targeted, comprehensive measures for diversification and structural transformations in the country's economy, the share of services in GDP grew to 46.4% in 2016 and the share of employed was 32.3% (trade, transportation, communications, education, healthcare, etc.). The implementation of the "Program of development of the service sector in the Republic of Uzbekistan for 2010-2016" has made it possible to achieve high rates of development of various service sectors.

In particular, high rates in 2016 were observed in

healthcare services 119.8%, financial services 122.2% and telecommunications services 114.6%. The steady tendency to improve the quality and level of service is manifested not only in the growth rates, but also in the priority development of individual sectors of the service sector in the country, including:

- a wide range of services are provided to the population by various modes of transport, which are associated with the conditions of transportation of passengers, cargo, organization of transport and expedition work, etc. The volume of transportation of goods by transport in 2016 amounted to 1603.5 million tons, including automobile 1473.7 million tons, its share in the freight turnover of transport reached 40.9%. Transportation of passengers by transport in 2016 was 7910.9 million people, including automobile traffic of 7831.3 million people, its share in the passenger turnover of transport reached 90.0%.

- ;
- important for the development of the service sector. During the period under review, the share of non-public services increased significantly. The share of small enterprises and microfirms among hospitals rose to 40.4% (37.9% in 2015) in 2016, and in outpatient facilities (35.9% in 2015) to 39.0% in 2016 year. The number of hospital beds in small enterprises and microfirms increased by 1.7 thousand beds, while the number of patients treated in 2015 amounted to 147.5 thousand people - 2.8% of the total number of treated, and in 2016, respectively, 205.1 thousand man - 3.7% of all those treated;

- One of the distinguishing features of the reforms in the Republic of Uzbekistan is its integrity, a systematic approach, where the components of a single process are the individual, the state and society, continuing education, science and production. It solves the problems of training highly qualified, competitive personnel for all sectors of the economy and spheres of life of the country; ensuring the effective integration of education, science and production; development of mutually beneficial international cooperation in the field of personnel training (currently there are branches of international well-known foreign universities in the country: International Westminster University, INHA University of the Republic of Korea, Turin Polytechnic Institute, Singapore Institute of Management, etc.);

- perspective directions of the industry development in the republic were carried out in the following directions: development of the software products market (stimulation of the development of domestic software production,

creation of modern information systems, etc.); development of telecommunications infrastructure (expansion of broadband access network, creation of data centers, development of mobile communication networks); development of e-government (in 2017, 52 types of new services were realized on the Single Portal of Interactive Public Services, and the total number of services provided was 300. As a result, more than 945,000 services were provided to the population and business entities by the state bodies).

Further ensuring sustainable economic growth through the creation of new jobs, improving investment, tax, monetary and credit policy, scientific and technical policy and the development of small business with the use of new information and communication technologies contributed to qualitative structural

changes in the sectoral structure of market services.

In 2010-2016, the volume of services increased 3.5 times and increased from 26040.8 billion sums to more than 92536.0 billion sums. (Table.1).

An analysis of the paid services system shows that along with the growth in volumes, the structural relationships of market services have changed. The total volume of transportation services decreased in, but the share of new market services has increased.

In particular, in 2010 - 2016 the share of transport services decreased from 36.2% to 28.2%, communication and information services from 8.0 to 6.8%. Along with this, the share of trade services increased from 25.4 to 29.6 percent, financial services from 10.2 to 10.7 percent, education services from 2.9 to 3.5 percent, accommodation and food services from 1, 1 to 3.3 percent, services related to real estate from 3.1 to 3.7 percent.

Table-1

Dynamics of the main indicators of the sphere of services in the Republic of Uzbekistan for 2010-2016. (billion sums.) [2]

Services - total	26040,8	42552,1		65880,4	92536,0	3,5 times
including by main types:						
communication and information services	2 080,20	3 219,30		4 541,30	6306,8	3,0 times
Financial services	2 643,70	4 208,80		6 728,20	9898,4	3,7 times
transport services	9 438,40	14 664,90		21 629,30	26103,7	2,8 times
including: motor transport services	3 954,50	6 216,60		10 254,70	14701,4	3,7 times
accommodation and food services	292,7	463,4		732,3	3038,7	10,1 times
trade services	6 620,80	11 533,60		18 976,00	27368,2	4,1 times
services associated with real estate	809,3	1 408,60		2 235,90	3405,1	4,2 times
services in the field of education	763,1	1 385,30		2 154,40	3263,0	4,3 times
health services	258,0	498,8		868,1	1416,3	5,6 times
rental and rental services	548,0	902,7		1 494,60	2270,1	4,1 times

computer and household goods repair services	624,2	944,1		1 388,40	2187,9	115,6 times
individual services	756,5	1 233,60		2 049,20	2915,5	3,5 times
services in the field of architecture, engineering surveys, technical testing and analysis	299,2	537,2		748,7	1132,6	3,8 times
other services	906,7	1 551,80		2 334,00	3229,7	3,6 times

The special importance of the service sector and the need to increase its share in GDP in Uzbekistan in the context of the formation of a socially oriented market economy are determined by a number of conditions, including:

- Expansion and development of the service sector contributes to sustainable economic growth and increased competitiveness of the national economy (especially the growth of services in high-tech sectors of the economy). D. Bell points out that in the economic sphere, a transition is made from the development of industry, primarily manufacturing, to the production of services, which causes structural restructuring of the economy in many countries of the world. [5]

As evidenced by the trends of the world economy in the structure of GDP of developed countries, the share of the service sector is more than 50.0% (according to the estimates of the World Bank as of January 1, 2016, service revenues account for about 70% of the world GDP.) The countries that are leaders in the sphere of services include Luxembourg -88.3%, Cyprus-87.4%, Malta-85.5%, Denmark-76.3%, Spain-74.8%, Great Britain-79.6%, USA-77, 6%);

- development of the service sector contributes to solving the problems of employment of the population both at the republican and territorial levels. The presence of surplus regions (in 2016, the Andijan region lived -9.2% of the total population of the republic, Namangan-8.2%, Fergana-11.1%, Kashkadarya-9.6%) requires effective use of labor resources. Employment growth (in 2016, the unemployment rate in the republic was 5.2% of the economically active population and the level of economic inactivity is 23.1%) necessitates an increase in the number of employees in the service sector. In 2016, 32.3% of the total number of employed in the economy was engaged in the services sector, including trade - 10.9%, transportation - 4.8%, informatization and communication - 0.5%,

financial and insurance activities- 0.5%, education-8,3% and health-4,5%; [3]

- the dynamics of the development of the service sector depends on the growth rates of the aggregate income of the population, which predetermines both market volumes and the transformation of the industry structure. So, in 2016, the growth of total incomes of the population in comparison with the previous year amounted to 118.2%, the aggregate income per capita was 116.2%. At the same time, the service sector itself creates incomes for employees in this sphere, especially given that the prevailing form of management is small business and private entrepreneurship (especially in such sectors as transport, accommodation and food, trade, etc.). In the republic in 2016 out of the total volume of total incomes, incomes from small business amounted to 55.2%; [4]

- there is a market transformation of the service sector, the notion of "service economy" appears (the role of Internet technologies, social networks, telecommunications services, etc.) increases significantly, the content and significance of the service sector change (labor market demand for technologists, professional marketers, IT-specialists, which are becoming more and more popular on the part of business);

- the modern economy of reproducing services is an important condition for ensuring the quality of life of the population. But at the same time, the behavior of the consumer is changing in the market of services. The consumer himself creates services with the help of creative marketing, presenting his specific requirements, to the services rendered to him. Man becomes not only an object, but also a subject of rendered services, enters into direct relations with producers and intermediaries in this sphere. Modern services form and develop the human capital necessary for transition to innovative development.

Table 2

**Level of differentiation of services per capita
by regions in 2010 - 2016 [5]**

Regions	2010	2012	2014	2016	Changing in 2016y to 2010y
The Republic of Uzbekistan	1,000	1,000	1,000	1,000	-
Republic of Karakalpakstan	0,357	0,530	0,543	0,563	+0,206
area:					
Andijan	0,482	0,532	0,584	0,589	+0,107
Bukhara	0,618	0,661	0,707	0,788	+0,170
Jizzakh	0,393	0,448	0,467	0,539	+0,146
Kashkadarya	0,536	0,453	0,489	0,520	-0,016
Navoi	1,103	0,946	0,955	1,001	-0,002
Namangan	0,432	0,487	0,523	0,541	+0,109
Samarkand	0,503	0,534	0,527	0,577	+0,074
Surkhandarya	0,412	0,455	0,498	0,545	+0,133
Syrdarya	0,464	0,521	0,497	0,524	+0,060
Tashkent	0,978	0,940	0,984	1,034	+0,056
Fergana	0,451	0,509	0,547	0,574	+0,123
Khorezm	0,527	0,513	0,528	0,527	-
Tashkent city	4,236	4,002	3,905	4,194	-0,042

It should be noted that the distribution of services across the country has a differentiated character, mainly it is concentrated in large industrial regions. The dynamics of the development of the sphere for 2010-2016 testifies to the positive tendencies of development practically in all regions of the republic (Table.2).

In 2016, the Navoi and Tashkent regions exceeded the average republican level of consumption of services per capita, respectively - 1,001 and 1,034 points, and Tashkent city - 4,194 points. Providing high growth rates in Tashkent is primarily due to the increase in real incomes of the population, the development of industries for the production of final consumer products, which gives a cumulative effect for the development of various types of services. The most important problem hampering the improvement of the quality of the services provided is the insufficient level of competitive relations in the market to limit tariff growth and reduce administrative barriers for new organizational

structures.

The service sector is one of the most promising sectors of the economy of the regions of the republic, and its development has an impact on increasing employment of the population primarily in the non-productive sphere, improving the quality of human capital, and introducing modern technologies into production. It is known that the sale of goods, especially high-tech, is an important factor in their implementation and after-sales service, while the introduction of various services in this area has a significant impact on the volume of sales of goods.

It should also be noted that, when diversification processes take place in senior sector, various services are united under separate companies. The tendency of uniting the sphere of services within the framework of individual companies helps to increase their efficiency and increase competitiveness and transport services are integrated with insurance, leasing services, tourism and

other services. [6]

At the same time, the innovative activity of economic entities is a significant factor affecting the development of the economy in modern market conditions. In connection with the announcement of 2018 as the Year of Support for Active Business, Innovative Ideas and Technologies, the issues of interaction, mutual influence and interpenetration of innovative development processes in various spheres of the economy (including services) and the quality of life of the population of the Republic of Uzbekistan are particularly relevant and institutionally supported by the state.

In our opinion, for the sphere of services, the following groups of innovations are characteristic:

- Innovations in the field of technology for the provision of services, the introduction of new technological equipment that will significantly expand the range of services provided (telecommunications, mobile communications, e-commerce, etc.);
- Increasing the consumer value of services, improving the quality of services (service innovation in education, health care and others characterized by mass demand of the population, fulfilling the role of social infrastructure);
- improvement of business processes (strategic planning, outsourcing, coworking, etc.), introduction of

new management methods based on the use of new information and communication resources in the service sector (integrated management systems ISO-quality management, CRM-client management, ERP-management resources, etc.);

- introduction of mechanisms to increase the investment attractiveness of the service sector (by improving investment and tax legislation, creating specialized zones, infrastructure development, etc.)
- creating new financial instruments and technology financing (creating public-private partnership mechanisms, corporate social responsibility, leasing, etc.).

The dynamic development of the service sector is due to the expansion of the production of services by small businesses and private entrepreneurs. Currently, more than 16,500 large organizations (including non-profit organizations providing market services) and more than 126,000 small businesses are involved in the service sector. As part of the implementation of the state program to support the development of the service sector, significant volumes of soft loans were granted to business entities for the technological equipment of newly created service enterprises. As a result, the share of small business in the total volume of market services produced increased from 53.9 percent to 61.4 percent (Fig.2).

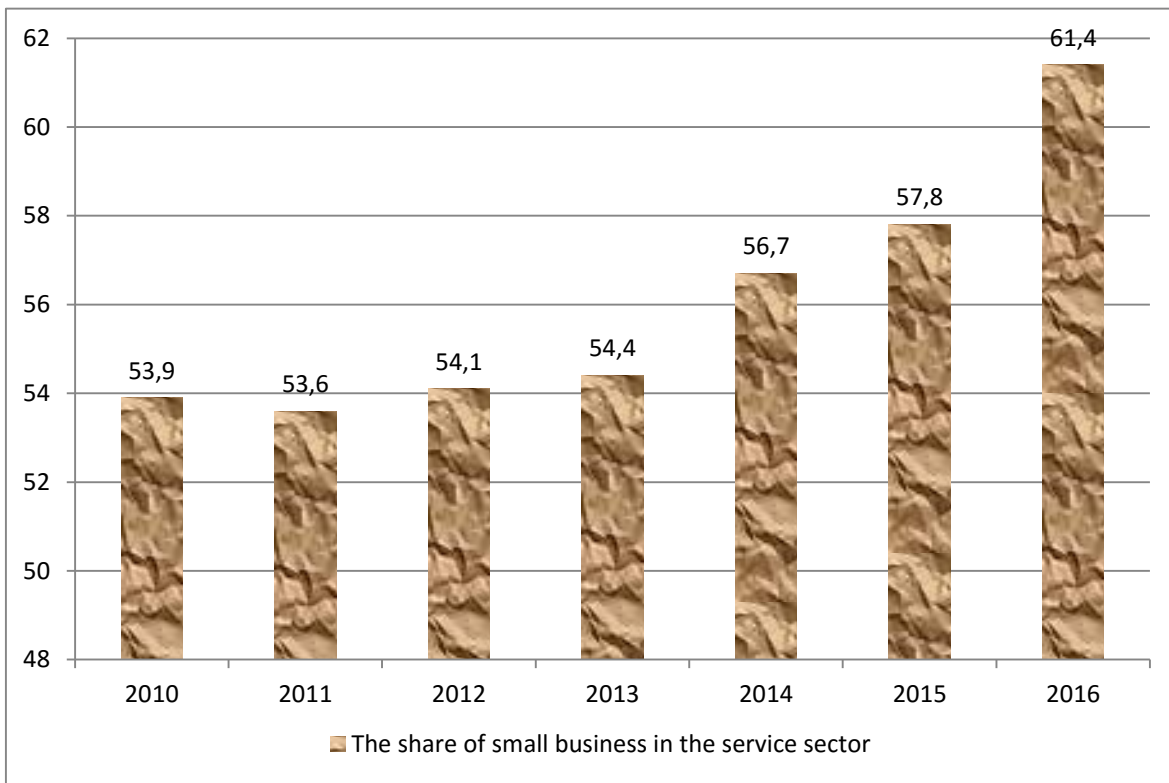


Fig. 1. The share of small business in the service sector for 2010-2016. [4]

One of the directions for improving the quality of customer service can be the creation of marketing competitive relations in the service sector, which will allow a more rational distribution of financial and material resources, more efficient use of various forms of public services. The use of marketing in the sphere of

services is associated with ensuring the quality of the services provided to consumers, planning the product mix, studying the competitive environment when rendering the most effective ways of delivering various services.

They are considered in connection with the qualitative

content of their implementation and have their marketing decisions in various sectors of the service sector. These include:

- the relationship with consignors and consignees, the distribution of material resources along the optimal routes and the definition of the supplier are examined in the organization of wholesale or retail trade. And, of course, this is due to the planning of the supply of products to the sales markets;

-development of medical services should be accompanied by the creation of a competitive environment in the market of medical services, which can be realized through the introduction of non-state forms of medical care. Marketing activities in the sphere of medical services should be oriented to improve the quality of research of various market segments and develop a pricing system and expand the advertising activities for their promotion;

-development of marketing of educational services should be aimed to researching the market situation, identifying new promising areas of educational services, assessing the existing system of pricing, communication and advertising policies. One of the most promising directions of the development of educational services is the wide use of electronic educational services, which are a kind of information services associated with the creation of an electronic document based on information models and resources; [7]

-another priority area is the development of tourism services. In 2016, the number of operating travel companies was 433 units, compared to 2012, 75 more. In 2016, 2157.7 thousand foreign citizens arrived to the Republic of Uzbekistan, this figure increased by 7 times (1855.3 thousand persons) in comparison with 2000. The use of marketing in the tourism industry is associated with the development of a special product in the market and its orientation towards a specific consumer. The main tourist product is a complex service, providing a certain set of standard services that are provided to each tourist. An important direction in the market of tourism should be considered the study of a competitive environment that allows a tourism enterprise to assess the opportunities of competitors in the market, determine their priorities and develop a strategy for their neutralization. At the same time, an important area for researching competitors is the availability of the necessary information to analyze the activities of a particular competitor.

The use of marketing in the sphere of services is associated with ensuring the quality of the services provided to consumers, planning the product mix, studying the competitive environment when rendering the most effective ways of delivering various services.

Conclusion

Thus, considering the main trends in the dynamics of the

service sector in the national economy, it should be noted that the basic prerequisite for their formation and implementation is the need for sustainable development of the country's economy, reflected in the dynamics of the main macroeconomic parameters.

The generalization of the world and domestic practice of rendering services provides the basis for formulating the main trends in the development of the service sector at the present stage of economic development.

These include:

-formation of the general service technology in the form of a standardized system using innovative technologies;

- rapid integration of the production and service industries based on information and communication technologies;

- there is a high level of requirements for professional training of workers in the service sector;

-formed quite a highly developed level of service infrastructure, which is implemented through digital technologies;

- new markets for services (including external ones) are emerging, such as the service level of selling software products, providing services in the educational market, providing engineering services, etc. ;

- in the service sector, after the sale of services (at the development of the home appliances market, complex technical products for various sectors of the economy, etc.), services are developing at an accelerated pace.

References:

1. Decisions of the Cabinet of Ministers of the Republic of Uzbekistan No. 55 "On the program for the development of the services sector for 2016-2020" dated February 26, 2016.
2. Social development and living standards in Uzbekistan. State Committee of the Republic of Uzbekistan on Statistics. T: .2017 p.52.
3. Uzbekistan in figures. State Committee of the Republic of Uzbekistan for Statistics. T: .2017 p.37.
4. Transport and communications in Uzbekistan. State Committee of the Republic of Uzbekistan on Statistics. T: .2017c.27-31
5. D. Bell. Future post-industrial society: the experience of social prediction / Trans. from the English; Ed. V.L. Inozemtseva. M.: Academia, 1993.
6. Kazakov S.P. Trends in the development of the service sector in the innovative post-industrial economy // Mechanization of construction. 2012. № 6. with. 14-18.
7. Decree of the President of the Republic of Uzbekistan UP-3416 dated November 30, 2017. "On the formation of the Ministry of Innovative Development of the Republic of Uzbekistan"
8. Manako, AF Electronic scientific and educational spaces and prospects for their development in the context of support of mass and continuity // Control systems and machines. - 2012.-№4- p. 83-92.
9. Tursunov, B. (2017). Ways of increasing the efficiency of usage the production capacity of textile enterprises. *Bulletin of Science and Practice*, (8), 232-242.