The Main Directions and Mechanisms for Stimulating Reserves for the Growth of Industrial Production

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Abstract— In this article it is discussed how to stimulate and improve medium and long-term reserves for the growth of gross industrial production in Uzbekistan. It also gives the information about many factors influencing the formation of industrial development reserves such as labor productivity, the use of production capacity and fixed assets. In accordance with it, an algorithm for a comprehensive assessment of industrial production growth reserves is presented.

Keywords— Internal reserves of growth, Industrial development, Increased competitiveness, Activation of reserves, Labor productivity, Use of production capacities, Changes in the technological base, Energy efficiency, Resource efficiency, Innovation.

I. INTRODUCTION

The significance of the tasks to “improve the competitiveness of the national economy by deepening structural transformations, modernizing and diversifying its leading industries” are outlined and outlined in the Action Strategy for the five priority areas of development of the Republic of Uzbekistan in 2017-2021. The most important reserve within the framework of the implementation of the Strategy continues to be the growth of labor productivity, increasing production efficiency by reducing energy intensity and resource intensity through the widespread introduction of energy and resource saving technologies in the sectors of the economy.

There are many factors influencing the formation of industrial development reserves. The most important are labor productivity, the use of production capacity and fixed assets. This choice of factors is justified by the fact that their empirical analysis will reveal the reserves with the greatest potential for further growth and increasing the competitiveness of the industrial sector in the medium and long term. It should be noted that if in the medium term the activation of these reserves will have a significant effect, then in the long term the same factors will gradually begin to exhaust themselves, and their return will decline.

II. LITERATURE REVIEW

In this regard, in the long term, it is necessary to act and activate new sources and reserves for the growth of industrial production, namely the reserves for the development of industrial innovations. The development of innovation is necessary to activate the reserves for the formation of a technological diversity of industry.

The technological diversity that exists on the scale of the world economy affects the development of the economy,
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forming a new type of it, changing the behavior of economic actors, forcing them to develop a new strategy and tactics of activity in modern conditions. In the international division of labor, countries that have technical and innovative potential, which are the first to master new types of products of a modern technological order, win today.

Thus, the analysis performed allows us to identify significant reserves in increasing the level of utilization of production capacities, increasing labor productivity, modernizing fixed assets, as well as diversifying and increasing the competitiveness of industry. In order to maximize the use of available reserves, it is necessary to implement a set of measures. This will allow realizing the potential of competitive advantages and deep processing of local raw materials in such industries as food industry, textile and garment and knitwear, leather and footwear, electrical engineering, pharmaceuticals, metallurgy and others. Modernization, technical and technological re-equipping within the framework of sectoral programs will ensure an increase in the efficiency of the resources used as the most important reserve for the qualitative growth of the industrial sector.

The basis for this should be joint cooperation with technology leaders in the development and promotion of technologies that are in high demand in the domestic and foreign markets, enterprises, universities and research institutes - the main participants in the innovation process of the modernized economy. This will speed up the transition to world standards of energy and resource efficiency and competitiveness, and ensure the output of domestic finished products or individual components to world markets.

III. MATERIAL AND METHODS

In the long term, more attention should be paid to increasing the innovation component of the modernization carried out in the country, as well as building up its own scientific base. To do this, it is necessary to develop and approve the "National Strategy for the Innovative Development of the Country for the Period up to 2030", which provides for the creation of a system of technological modernization of all sectors of the economy and the development of science-intensive areas, improvement of the legislative and regulatory framework for the implementation of effective scientific, technical and innovative activities, mobilization of financial resources to improve the level of research and development of research institutes to create competitive innovative products, improve the mechanism for patenting scientific developments and introduce innovations into production, as well as provide innovative activities with highly qualified personnel.

It is required to develop a mechanism providing for the formation of State innovative scientific and technical programs for a certain period based on the needs of the real sector of the economy for domestic developments and technologies.

Since the rational use of industrial production growth reserves is impossible without their preliminary assessment, an approach was developed that presupposes an assessment of both internal and external in relation to the production growth reserves of industrial enterprises. In accordance with it, a comprehensive assessment of industrial production growth reserves is carried out according to the following algorithm.

IV. RESULT AND DISCUSSION

At the first stage of the algorithm, the value of the internal reserves of production growth of industrial enterprises is estimated. They are identified in the process of economic analysis of production and economic activities. Such an analysis provides for a systematic study of all the elements and conditions of production in their interconnection, the results of which provide a quantitative assessment of the reserves of production growth of industrial enterprises.

The first three blocks of the algorithm make it possible to assess the possibility of increasing the degree of use of resources and production factors. On this basis, it is possible to obtain an estimate of the size of the resource and factor potential of production growth.

The calculation formula is as follows:

\[ R_{\text{inter.}} = V_{\text{max.}} - V_{\text{fact.}} \quad (1) \]

Where \( R_{\text{inter.}} \) - Reserves for the growth of industrial production due to internal factors and resources;

\( V_{\text{max.}} \) - The maximum possible annual output of commercial industrial products and services;

\( V_{\text{fact.}} \) - The actual annual output of commercial industrial products and services;

From formula (1) it can be seen that the assessment of the reserves for the growth of production of industrial enterprises, determined by internal factors and resources, is reduced to determining the maximum possible output of industrial products and services.

At the second stage of the algorithm, the amount of production growth reserves determined by external factors is estimated. Its peculiarity lies in the difficulty of taking into account many interrelated factors of a heterogeneous nature. We propose to assess the reserves of production growth, determined by external factors, as an opportunity to reduce the balance of finished products in the warehouses of industrial enterprises. This indicator, although it does not fully take into account the action of all heterogeneous factors of the external environment, nevertheless, gives a generalized assessment of the possibility of growth in sales of previously produced products.

This indicator, although it does not fully take into account the action of all heterogeneous factors of the external environment, nevertheless, gives a generalized assessment of the possibility of growth in sales of previously produced products. At the third stage of the algorithm, an aggregate
The assessment of the reserves of production growth of industrial enterprises is made, due to the action of factors of both production and sales of products.

**The calculation is proposed to be carried out according to the formula (2):**

\[ R_{\text{sov.}} = R_{\text{inter.}} + R_{\text{exter.}} \] (2)

Where \( R_{\text{exter.}} \) - Reserves for the growth of production of industrial enterprises, determined by external factors (balances of finished products).

However, due to the limited statistics for Uzbekistan, this methodology has been modified and is based primarily on the method of comparing indicators for Uzbekistan with reference countries. For the whole group of selected reference countries and Uzbekistan, the average value and maximum value for the indicator will be calculated.

V. **CONCLUSION**

Thus, as can be seen from the table, with additional activation of the reserves for the development of innovative factors, the potential growth of industrial production in the medium term can be 3 times with an annual growth rate of 20% in 2016-2021. In the long term, potential growth could be 7 times the current level, with an annual growth rate of 10% in the period 2022-2031. These results show how great the potential for the introduction and development of innovations in industry is and how insignificant is the level of its development and contribution to the growth of industrial production today. From this, we can conclude that the activation of innovative factors is the most difficult, but the most promising way to increase industrial production.

**1.1 Figures and Tables**

**Table1.**

Medium and long-term reserves for the growth of gross industrial output, taking into account innovative factors. (Billion soums)

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Average annual growth, %</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td><strong>Gross production volume</strong></td>
<td>203977,3</td>
<td>549424,0</td>
</tr>
<tr>
<td>Internal reserve</td>
<td>47309,5</td>
<td>148151,6</td>
</tr>
<tr>
<td>External reserve</td>
<td>156667,8</td>
<td>401272,4</td>
</tr>
<tr>
<td>At their own expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unsold products</td>
<td>18748,5</td>
<td>37497,0</td>
</tr>
<tr>
<td>R&amp;D costs</td>
<td>413954,5</td>
<td>972556,8</td>
</tr>
<tr>
<td>Number of researchers</td>
<td>37300,5</td>
<td>193763,4</td>
</tr>
</tbody>
</table>

Source: authors' calculations.

**REFERENCES**

[1] Decree of the President of the Republic of Uzbekistan of February 7, 2017 UP-4947 "On the strategy of actions for the further development of the Republic of Uzbekistan"


