

ECONOMIC-STATISTICAL ANALYSIS OF SMALL BUSINESS AND PRIVATE ENTREPRENEURSHIP DEVELOPMENT IN ANDIJAN REGION

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Abstract

This article statistically evaluates the indicators of the development of small business and private entrepreneurship in Andijan region and the factors affecting it, and the role of small business and private entrepreneurship in the development of the region is evaluated using the methods of economic and statistical analysis.

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INTRODUCTION

Small business and private entrepreneurship are among the key factors of economic development and constitute a significant share of GDP in many developed countries. According to 2024 data, the share of small business and private entrepreneurship in the GDP of the United States is 44%. In developed countries such as Germany, Japan, and France, this share ranges from 50% to 55%. In Uzbekistan, the share of small business and private entrepreneurship (SBPE) in GDP was 54.3% in 2024[12], indicating the presence of a favorable economic environment in the country. In developed nations, small businesses account for more than half of the economy. Uzbekistan continues to develop in this regard, and further growth in the small business sector is expected in the future.

Andijan region is one of the most developed industrial and entrepreneurial centers of Uzbekistan. It stands out due to its geographical location, population density, and production potential. Small business and private entrepreneurship (SBPE) are the main driving forces of the regional economy, playing a crucial role in ensuring employment and improving the standard of living. In recent years, the government has implemented large-scale reforms to support the development of SBPE in Andijan. Measures such as access to credit resources on favorable terms, tax incentives, and infrastructure development have facilitated the establishment of new business entities in the region. Notably, the share of small businesses in industries such as light manufacturing, agriculture, automotive production, and services is increasing. This article analyzes the current state, challenges, and development prospects of small business and private entrepreneurship in the Andijan region. Foreign scholars who have studied small business and private entrepreneurship, their role in the economy, development, and directions include A. Marshall, who examined small business and entrepreneurship in terms of market forces, supply and demand, and competitiveness. According to his views, small businesses are more flexible and innovative compared to large enterprises [2].

J. Schumpeter is famous for his theory of innovative entrepreneurship and "creative destruction." He believed that small businesses serve as a driving force for economic development, as new ideas mainly

emerge in the small business sector [3]. A. Marshall, J. Schumpeter, and W. Walles[4] are considered the scientific pioneers of entrepreneurship studies. In Uzbekistan, local scholars have also contributed to the study of small business and private entrepreneurship. B.T. Baykhonov[5] has analyzed sectoral activities through econometric models, emphasizing the application of modern methodological approaches to assess investment efficiency and forecasting. H.P. Abulqosimov and A.A. Qulmatov[6] have studied the role of family entrepreneurship in Uzbekistan's small business sector and explored ways to develop it. B.K. G'oyibnazarov, H.O. Rahmonov, Sh.I. Otajonov, and D.S. Almatova[7] have examined the socio-economic aspects of improving small business and private entrepreneurship (SBPE), identified existing shortcomings in the sector, and studied mechanisms for supporting small business entities.

RESEARCH METHODOLOGY

This study focuses on the statistical assessment of the role of small business and private entrepreneurship in the sustainable development of the economy of Andijan region, making it a topic of significant scientific and practical importance. **Research Object:** The economy of Andijan region, particularly the contribution of small business and private entrepreneurship to economic growth. **Research Objective:** To statistically evaluate the role of small business and private entrepreneurship in the regional economy and develop statistical indicators that reflect their operational efficiency. The effectiveness of small business and private entrepreneurship (SBPE) activities can be assessed through their share in key macroeconomic indicators such as gross regional product (GRP), industrial output, and employment levels.

ANALYSIS AND DISCUSSION OF RESULTS

In Andijan region, small business and private entrepreneurship (SBPE) serve as the main drivers of economic development. SBPE plays a crucial role in employment, industrial production, and the construction sector, demonstrating significant growth trends over the years. The analysis of economic indicators from 2010 to 2025 helps identify the strengths and weaknesses of the sector. The following discussion examines the impact of small business on key economic industries, government support measures, and the directions for sustainable development.

The following table illustrates the share of small businesses in the Gross Regional Product (GRP), industrial production, construction, and employment from 2010 to 2024:

TABLE 1 Macroeconomic indicators of Andijan region

The Contribution of Small Businesses to Key Economic Sectors in Andijan region				
<i>(in % of total volume)</i>				
Year	GRP	Industry	Construction	Employment
2015	78,5	32,0	93,9	83,8
2016	83,6	50,4	93,2	84,4
2017	80,2	34,5	93,8	84,2
2018	73,1	21,2	96,9	81,7
2019	69,7	17,7	94,9	82,1
2020	70,1	21,4	93,3	80,8
2021	72,2	27,2	95,2	80,7
2022	67,1	22,4	93,8	80,2
2023	69,1	22,2	94,6	80,7
2024-yil january- december*	69,5	29,9	92,8	x
*Preliminary data for 2024				

Source: Author's work based on information from the official website www.andvilstat.uz (n.d.).

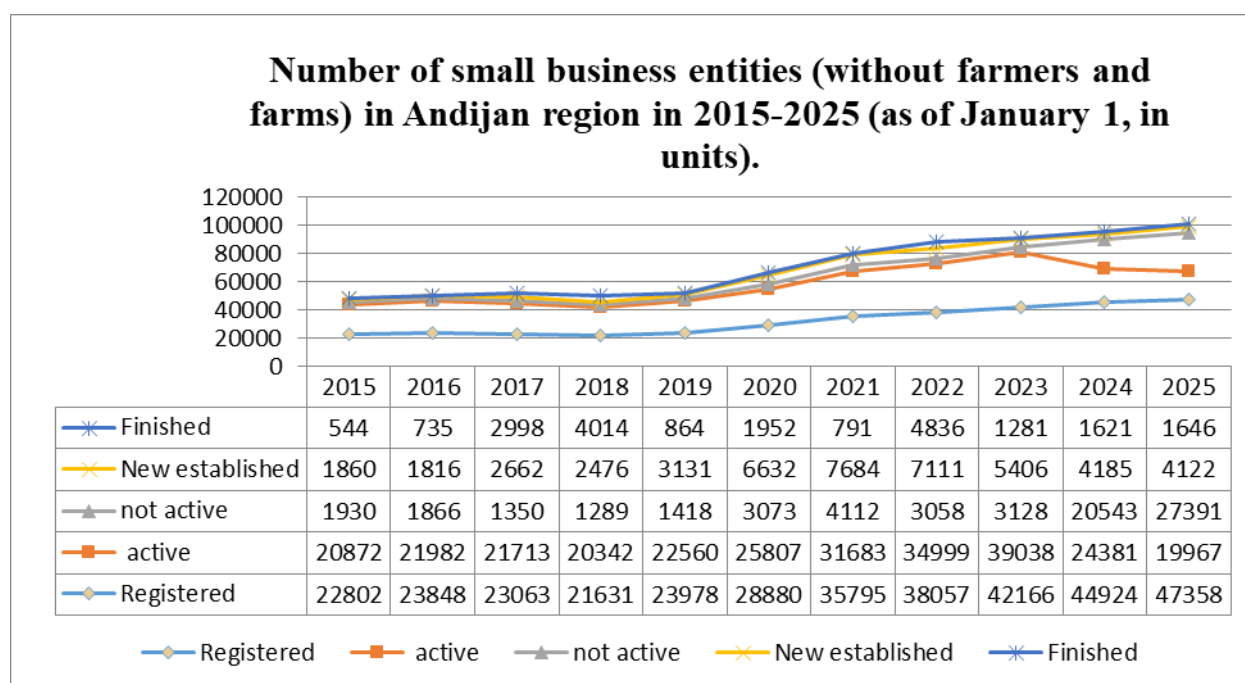
When analyzing the macroeconomic indicators of Andijan region for 2015–2024, we can see the following trends: The growth rate of GDP has changed relatively over the years. From 2015 to 2024: The highest growth of 110.1% was observed in 2018, which is associated with an increase in investments and production volumes. In 2016, the growth was at its lowest level of 100.6%, which can be explained by the economic slowdown or external factors. In 2024, based on preliminary data, a growth of 106.6% was observed, which is higher than the indicator in 2023.

In 2017-2018, a significant increase in industrial production was observed, amounting to 126.8% and 130.6%. In 2016, industrial production sharply decreased by 74.8%, and in 2024, the growth rate of industrial production was 107.3%, showing stable growth.

Investments in fixed assets have been increasing year by year, especially in 2019 by 129.0%, in 2023 by 121.2%, and in 2024 by 136.9%. This indicates an increasing volume of investment attraction to the region. In 2018, construction work reached a peak of 121.8%. There was a decrease in 2019 (99.3%), but growth has resumed in subsequent years. In 2024, the construction sector showed growth of 111.0%. In 2015-2024, retail trade grew steadily, with the lowest growth rate in 2017 (101.8%), and the highest growth in 2015 (113.5%). In 2024, there was a 108.5% increase, indicating high economic activity.

The volume of services has been growing steadily over the years 2015-2024. In 2024, the volume of services increased by 113.1%, which indicates an increase in the share of the sector in the economy. The volume of foreign trade has fluctuated sharply. In 2017-2018, an increase of 144.8% and 136.3% was observed, which indicates an increase in the volume of exports and imports. In 2024, it fell to 82.7%. Exports increased to 149.8% in 2017, 139.9% in 2019, and reached a peak of 167.6% in 2021. These indicators indicate that export-oriented products are being produced in economic sectors in Andijan region.

Figure 1. Demographics of small businesses in Andijan region, in units

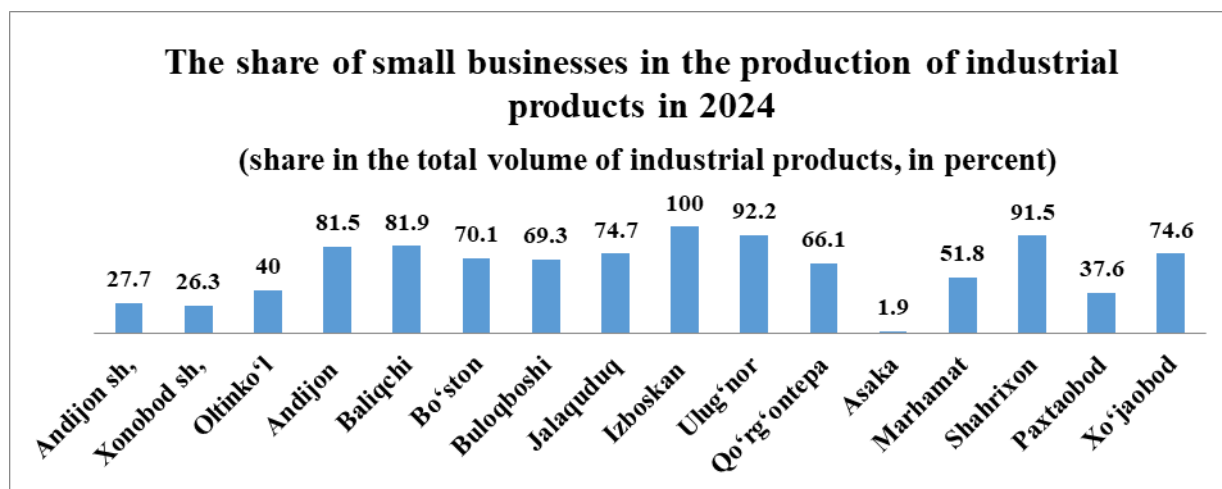


Source: Author's work based on information from the official website www.andvilstat.uz (n.d.).

Today, as of January 2025, 47,358 small business entities were registered in Andijan region, of which 19,967 are operating, of which 27,391 are not operating, a total of 4,122 entities have been newly

established. 1,646 small entities have been terminated.

Figure 2. Share of small businesses in industrial production by region in 2024

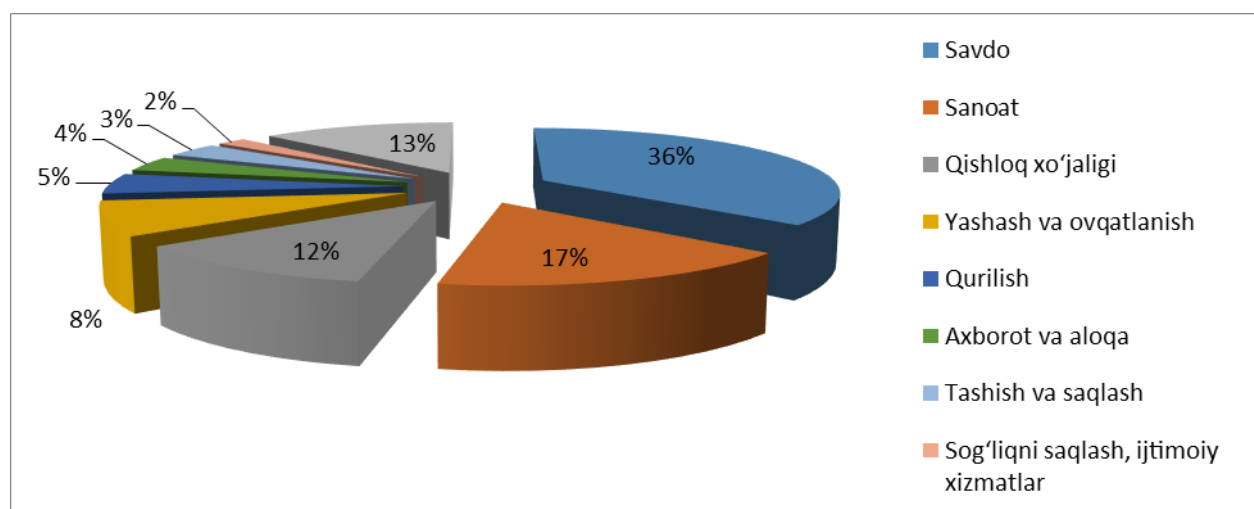


Source: Author's work based on information from the official website www.andvilstat.uz (n.d.).

During the reporting period, small businesses produced industrial products worth 27,085.4 billion soums, accounting for 29.9% of the total production volume. In terms of regions, 81.5% of the industrial production in the Andijan district of the region was organized by small businesses. The highest share of small businesses in the production of industrial products was in Jalaquduk district (74.7%), Izboskam district (100.0%), Ulug'nor district (92.2%), and Kurgantepa district (66.1%), while the regions with the lowest share were Asaka district (1.9%), Pakhtaobod district (37.6%), and Oltinkul district (40.0%).

In regions with a low share of small businesses in industrial production, the dominance of large industrial enterprises is mainly observed. For example, in Asaka district, due to the presence of large industrial enterprises, small business entities had a small share in the total volume. A similar situation was observed in Pakhtaabad and Altynkul districts. That is, in regions where large industrial enterprises were located, they had a significant impact on the total volume of production, relatively reducing the share of small businesses. On the contrary, in regions with few large industrial enterprises, small businesses took a leading place in the production of industrial products.

Figure 3. Distribution of the number of newly established small businesses by type of economic activity.



The figure above shows that the largest number of small business entities was established in trade (36.2% of the total number of established entities), industry (16.6%), agriculture, forestry and fisheries (11.7%).

During 2024, small business and private entrepreneurship entities:

- 69.5% of GRP (69.1% in 2023) was produced by small business entities.
- the volume of industrial production amounted to 23,085.4 billion soums (25.4% of total industrial production);
- the volume of production (services provided) of agriculture, forestry and fisheries amounted to 45,070.4 billion soums, with a growth rate of 103.1% (96.9% of the gross domestic product of agriculture, forestry and fisheries, 4.7% of the gross domestic product of the Republic);
- 13,131.2 billion soums of investments (34.1% of the total volume of investments in the region) were absorbed, which amounted to 103.1% compared to January-December 2023;
- 12,152.1 billion soums of construction and contracting work were completed, an increase of 11% compared to January-December 2023;
- 75.3% of the total volume of services or 31,519.9 billion soums (106.9%) accounted for by small businesses;

CONCLUSIONS AND SUGGESTIONS

As a result of the research conducted on the economic and statistical analysis of small businesses in the Andijan region, it was found that the development of a system of statistical indicators and the creation of a database for the sector will have a positive impact on the development of the following areas: the volume of the gross regional product (GRP) of the region has been growing steadily over the years under study, and a growth trend has also been observed in the fields of industry, agriculture, fixed capital investments and services. This justifies the need to create favorable conditions for small businesses to increase the economic potential of the region.

The high growth rate of imports relative to the growth in exports requires a reassessment of the opportunities for large-scale implementation of localization programs and increasing the share of small businesses in Andijan region. Also, macroeconomic indicators show that investments increased significantly in 2024 (136.9%), which indicates an improvement in the business environment in the region.

The increase in the number of registered enterprises in Andijan region in 2024, as well as the increase in the number of inactive and liquidated enterprises, means that it is necessary to increase the level of use of targeted benefits allocated to small businesses. In this case, by analyzing the activities of small businesses, the reasons for their termination, and the factors ensuring business sustainability, it becomes possible to make strategic decisions in the sector. By expanding financial opportunities, promoting digital transformation, and improving policies for sustainable business operations, Andijan region can further strengthen its economic development.

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