

STRONG DIRECTIONS FOR IMPROVING ECONOMIC CAPITAL IN THE TERRITORY OF KASHKADARYA REGION

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Abstract

This article presents the existing problems in the development of industry in the region and suggestions for their elimination. The conditions for the development of the digital economy in the region were also mentioned.

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Introduction

On the initiative of the President of the Republic of Uzbekistan, 2020 was declared the "Year of Development of Science, Enlightenment and Digital Economy" in our country. On March 2 in 2020, the Decree of the President of the Republic of Uzbekistan "On the State Program on the Implementation of the Strategy of Actions on the Five Priority Areas of the Development of the Republic of Uzbekistan in 2017-2021 in the Year of Science, Enlightenment and Digital Economy Development" and the "Digital Uzbekistan - 2030" program were adopted.

Research methods.

The main features of the digital economy are a high degree of automation, electronic document exchange, mutual electronic integration of accounting, auditing and management systems, electronic databases, CRM (customer relationship system), various corporate networks. Among its advantages, we can include the reduction of costs for various payments, the expansion of opportunities to bring them to the global market, and with a lot of operational information about goods and services.[1]. In other words, the digital economy is an activity connected with the development of digital computer technologies in the provision of online services, electronic payments, internet sales, crowdfunding and other types of industries. [2].

Analysis and results.

One of our future strategic tasks is to increase the share of the digital economy based on information, communication and Internet technologies to 10% (currently 2%) in the country's gross domestic product by 2030. In our opinion, the adoption of the Law on "Digital Uzbekistan" in the near future will serve as a legal basis for a radical change in the development of the digital economy, fully serving the most important tasks of the active transition to the digital economy in the next 5 years.

"Blockchain" technologies, "artificial intelligence", using the capabilities of supercomputers, as well as activity on crypto-assets are one of the directions of development of the digital economy in many countries of the world. "Blockchain" technologies are gradually introduced not only to many sectors of the economy, but also to the public administration system and other public relations.

The network structure of the national economy expresses the social distribution of labor in each period, the nature of scientific and technical development, the structural policy of the state, and social demand.[3]. In the economic policy of the countries transitioning to the digital economy, the structure of the economy and the issues of its reconstruction occupy an important place. Because the improvement of the structure of the economy creates new sectors and new forms of property, forming an innovative economy. In this regard, one of the strategic directions of attracting foreign investments to Kashkadarya region and its effective use is to create conditions for its development from an agrarian-industrial region to an industrial region based on the diversification of the structural structure of its economy. In the future, it will be a strategic task to transform industrial and service sectors into an industrial region based on the superior development of the GNP. Today, in the industry of Kashkadarya region, the production infrastructure has not been developed in the mining industry, innovative technologies have not been introduced in the processing of mineral resources, the initiative of the local government in developing the market, production and social infrastructure and attracting foreign investments is insufficient. As a result, in the industry of the region, the mining industry makes up 43.7% of the output, and in its development, it forms a network supplying more raw materials. Its basis is crude oil and natural gas production. In it, the share of sectors related to the innovative digital economy is not significant. For example, the share of processing industry in the region's industry is 43.1%. The share of the metallurgical industry in the processing industry is 1%, the textile industry is 27.5%, and the production of food products is 29.2%. Processes of diversification will be improved due to the processing of all resources mined and cultivated in the field of industry, the production of innovative products capable of new science, and the increase of their assortment and nomenclature.[4]. The experiences of developing and newly industrialized countries show that most of the economic success in these countries is explained by deep structural changes in industry, especially in the processing industry.[5]. Today, Kashkadarya region provides an opportunity to effectively solve problems such as ensuring the necessary balance in the industrial market, increasing the competitiveness of the economy and the income of the population, localization of production, and takes an important place in creating jobs. In particular, the creation of one job in the manufacturing industry leads to the creation of two or three jobs in other sectors. [6].

In the industry of the region, new ICT, bio and nanotechnologies, chemistry, pharmaceuticals, mechanical engineering and metal processing, microelectronics, fine chemical technologies, information-communication and laser-optical technologies, use of renewable energy achievements, production of new materials, related to the digital economy. it would be appropriate to accelerate structural changes and diversify production based on formation and activation. There are great opportunities for this in the region.

In our opinion, in order to form new industries related to the digital economy in the regional industry, it would be appropriate to establish a "Coworking center" under the Investment and Foreign Economic Relations Committee of the Kashkadarya Region, which would incorporate new innovative and startup projects in the region, research them and recommend the most effective innovative projects to be introduced into the regional economy. This center studies innovative and start-up projects related to the territory of the Republic and the region, embodies them, researches and implements effective projects for the region. For example, in 2018, scientists of the Tashkent Institute of Chemical Technology created a project to produce an anti-corrosion steel plate used in the automobile industry from the unused waste of the Dehqonabad potash plant in the region. However, the lack of communication between the project and the interested enterprises has stopped the process of putting the project into practice. If the production of this product in the region was started, the large foreign

exchange funds of our Republic, which are spent on buying this product from abroad, would be saved. The conclusions of the World Bank's "Digital Dividends" study show how relevant and important the digital economy is in the development of countries' economies. In particular, a 10 percent increase in internet speed leads to an increase in the country's GDP. In developed countries, this figure is 1.21 percent, while in developing countries it is 1.38 percent. So, if the internet speed increases twice, the GDP can increase by 13-14 percent. In the digital economy, modern scientific approaches and innovations will be important and priority. Sectors with high scientific capacity will prosper in this. According to experts, starting from 2020, new types of service are being formed as a result of the use of blockchain technology by service enterprises in Uzbekistan. For example, the development of the digital economy in our country requires the wide use of 3D technologies and the involvement of its achievements in production. For example, in Japan, the widespread use of 3D technology has led to the emergence of a new class of entrepreneurs. "The global 3D printer printing and services market is expected to grow at a compound interest (CAGR) of 25.2% between 2017 and 2021. This market growth is due to increasing demand in various vertical market segments such as healthcare, consumer goods, automotive, fashion and cosmetics, aerospace and defense, education and architecture." [7].

The rapid development of the service sector is largely dependent on the expansion of the production of services by small businesses and private enterprises. In the region, the share of small business and entrepreneurship in GDP is 60.1%, which is lower than the national indicator of 11.7 small business enterprises per 1000 inhabitants. This indicator is 28.8 in Tashkent city and 17.9 in Samarkand region [8]. This shows that the potential of small businesses in the region is not being fully exploited.

Agriculture plays an important role in the economy of Kashkadarya region. The agricultural sector provides 65% of the domestic product exchange, 60% of the employment of the population. Domestic agriculture meets 90% of the food needs of the region's population. Today, the deterioration of land reclamation in the region, the low level of construction of drainage and collectors on saline lands, and the lack of water in the region's agriculture is major problems in the field. The investment policy of the region is based on the requirements and conditions including socio-economic development of the region, local budget, competitive environment, ecology and environmental protection, technical and technological base, human resources and various financial constraints, and on the other hand, industry as the main lever of support. is formed due to the implementation of the policy. The problems in the sustainable development of industry in Kashkadarya region are as follows:

- the existence of disparities in the structural development of the industry, in which the share of raw material processing industries (cotton processing 35.1%) is high;
- the existence of a disparity between the high level of wear and tear of industrial machinery and equipment and the low level of their re-equipment;
- the low share of innovative digital economy sectors with science capacity in the industry;
- financial insolvency of some industrial enterprises. Wide attention is being paid to filling the consumer market in the region with food, daily necessities and products obtained from the processing of agricultural raw materials. Contrasting, conflicting situations can be observed in the structural changes in the regional industry. The development of the food industry based on the processing of local raw materials in the region is a positive situation. However, the decrease in the share of machinery and light industry in the industry indicates that there is a mismatch between labor market and production in the region. The share of primary processing of cotton in the structural structure of the industry is high of (35.1%). The economic situation and the market conditions that have arisen in the context of the globalization of the economy require the production of final products with high scientific capacity in the Kashkadarya region, which made the task of finding new technologies, sales markets and partners for the region an urgent matter of the agenda.

Today, foreign investments do not have a significant impact on the development of the regional

economy as a whole, but now serve as a "catalyst of growth" in a number of narrow areas of production, primarily aimed at meeting the demand of foreign consumers. In our opinion, measures to encourage the attraction of foreign investments in the industrial production of Kashkadarya region should cover the following areas:

- promotion of high-level processing of exported raw materials in the region;
- all-round support for the joining of regional enterprises to international cooperative chains specializing in high-tech processing of raw materials and products;
- creating favorable conditions for foreign companies to locate processing industries in the region, etc.

Conclusions and suggestions

An important and necessary condition for the development of the industrial complex of the region and the implementation of an effective strategy is to increase the investment potential of the region, which is determined by the investment environment of the region, which determines the risk level of investments, the conditions for investment activity, and is formed under the influence of political, economic, legal, social and similar factors. A mechanism is proposed to attract foreign investors to the industrial complex of Kashkadarya region and implement the following measures to create a favorable investment environment:

- Development of regional strategy for 2021-2035 aimed at attracting foreign investments within the framework of development and implementation of industrial policy of Kashkadarya region;
- directing foreign investments to Koson, Kitab, Guzor, Chirakchi and Kasbi districts of the region, where XIK is poorly organized, as well as to the digital economy sectors of the region by implementing target marketing of investors;
- Establishment of regional investment fund of Kashkadarya region. This fund can be established as a venture fund at the initiative of the local government in the region at the expense of a patron, or at the expense of setting a discount on the cost of gas, oil, potash and other mineral resources mined in the region and diverting the discount received from each mined ton to the formation of the region's investment fund;
- Creation of a structural structure consisting of permanent professionals in the "Coworking Center" established under the Regional Investment and Foreign Trade Department coordinating investment policy in Kashkadarya region. This structure can also be established on the basis of the community consisting of young professionals and enterprising specialists operating in Kashkadarya region.

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