FORMATION OF A COMPETITIVE ENVIRONMENT IN THE ECONOMY OF NEW UZBEKISTAN

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Abstract: The article describes considerations on the formation and development of a competitive environment in the new economy of Uzbekistan. It has been shown that reforms in the commodity and financial sectors of our national economy have a positive effect on the development of competition.

Keywords: competition, digital economy, innovation, competitive environment, economic growth, investments, modernization, development

Аннотация: В статье изложены соображения по формированию и развитию конкурентной среды в новой экономике Узбекистана. Показано, что реформы в сырьевом и финансовом секторах экономики нашей страны оказывают положительное влияние на развитие конкуренции.

Ключевые слова: конкуренция, цифровая экономика, инновации, конкурентная среда, экономический рост, инвестиции, модернизация, развитие.

Annotatsiya: Maqolada O‘zbekistonning yangi iqtisodiyotida raqobat muhitini shakllantirish va rivojlantirish bo‘yicha mulohazalar bayon etilgan. Milliy iqtisodiyotimizning tovar-moliya sohalarida olib borilayotgan islohotlar raqobatni rivojlantirishga ijobiy ta’sir ko‘rsatayotgani ko‘rsatildi.

Kalit so'zlar: raqobat, raqamli iqtisodiyot, innovatsiyalar, raqobat muhiti, iqtisodiy o'sish, investitsiyalar, modernizatsiya, rivojlanish.

Introduction

The President of the Republic of Uzbekistan, Sh. Mirziyoyev, in his "New Strategy for Uzbekistan", outlined the following ways: "To create an environment of free competition in commodity and financial markets and create equal opportunities for entrepreneurs to purchase raw materials... To achieve economic growth, first of all, through the creation of competitive industrial chains and increasing investments in such projects"[1].

It is known that in order to increase the competitiveness of the national economy, it is desirable to accelerate the processes of modernization and technical renewal of production capacities in the country.

The current competitive environment that drives the national economy is an auxiliary locomotive of development, accelerating the processes of modernization and technical renewal. In such competitive conditions, production entities in the

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economy struggle for more efficient technology, access to jobs, a profitable market, and, in general, the opportunity to earn higher incomes.

Today, the sharp globalization of the world economy, the intensification of international integration processes, and the rapid development of innovations pose the task of achieving international competitiveness and gaining a strong position in the world market for the national economy of New Uzbekistan.

In the new Uzbekistan, increasing internal and external competitiveness at all stages of economic reforms remains a priority task of structural changes in the national economy. Today, solving this task remains urgent and is considered a strategic direction that consistently strengthens the liberalization and modernization of the national economy. In this regard, the Decree of the President of the Republic of Uzbekistan No. PF-6019 dated 06.07.2020 “On additional measures to further develop the competitive environment and reduce state participation in the economy” has acquired great importance.

As stipulated in the resolution, "In order to create an effective competitive environment by gradually reducing monopoly in commodity and financial markets, measures are being taken in our country to reduce state participation in the economy, abandon excessive price regulation, and reduce the state's influence on the economy."

At the same time, we face urgent tasks to further reduce the negative impact of the monopoly of state-owned economic entities on the competitiveness of the economy, increase the efficiency of the system of granting privileges and preferences, as well as reduce the regulatory burden on business entities. In accordance with Appendix 1 to the Decree of the President of the Republic of Uzbekistan No. PF-6019 dated July 6, 2020, the “Strategy for the Development of Competition in Commodity and Financial Markets for 2020-2024” was approved and a number of tasks were set.

Today, the creation of an effective competitive environment and the gradual reduction of monopoly in the goods and services market remain a priority for further development and liberalization of the economy.

To this end, measures are being taken to reduce state participation in the country's economy and transition to market mechanisms.

In recent years, 86 types of certain licensed activities and licensing procedures in the field of entrepreneurial activity have been abolished, including the consolidation of 38 types into 16, the reduction of processing times for 25 types, and the centralization of the issuance of 14 licenses and permits, and the tax burden has been reduced. The entrepreneurship sector is developing steadily, with the

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number of active business entities increasing by 25 percent over the past three years alone.

The measures taken have ensured the development of competition in the markets of many food products (soft drinks, juices, bread, bakery products, meat and dairy products, confectionery products, etc.) and some non-food products (furniture, carpets and rugs, textiles, etc.) produced by local producers. The monopoly of large companies in the markets of construction materials, cable and wire products, and money transfer services has been eliminated.

The created exchange mechanism has made it possible to provide market participants with highly liquid and monopoly types of raw materials and materials. Today, monopoly products account for 65% of the turnover of the Uzbek Republican Commodity Exchange.

As a result of the reforms being implemented, the number of monopoly enterprises has more than halved in recent years.

At the same time, the following systemic problems that negatively affect the competitive environment in the country's economy have not been resolved:

Excessive state participation in the economy; Excessive price regulation; Ineffective system of privileges and preferences;

High regulatory burden on business entities and lack of interest of industry regulatory bodies in developing competition;

Abuse of natural monopoly status;

Immaturity of legal mechanisms for combating anti-competitive situations.

Today, state-owned enterprises continue to dominate commodity and financial markets, for example, 80 percent of monopoly organizations are state-owned or controlled by state-owned enterprises.

Due to the lack of regulation of state ownership and state control of enterprises, difficulties remain in determining the level of state participation in the economy. [2].

One of the important indicators of a country's competitiveness is the provision of stable economic growth and macroeconomic balancing. Among the main factors of macroeconomic balancing that have protected our country from the direct impact of the global crisis, we can include such factors as the provision of a budget surplus since 2005, high official gold and foreign exchange reserves and low levels of state external debt, a stable banking system and prudent relations in international financial markets. Regardless of which model of economic development countries choose, the position and place of a country's economy in the world economy is determined by its level of competitiveness.

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As the First President of the Republic of Uzbekistan, I.A.Karimov, emphasized, it is self-evident that without forming a competitive economy and, ultimately, without building a competitive country, without implementing the targeted tasks envisaged in the concept of further deepening democratic reforms and developing civil society in our adopted country, it is impossible to talk seriously about this.

Historically, the concept of competitiveness of countries has been based on the theory of comparative advantages (cheap labor, rich natural resources, favorable geographical location, climate, infrastructure factors, etc.), which determine the place of the national economy in the international division of labor. Comparative advantages are given to the country by nature, they are not eternal and cannot be reproduced. These competitive advantages are based on the development of science and technology, their integration with production, globalization at the production level, and innovations at all stages, from the production of goods to the delivery of the product to the consumer.

Uzbekistan has the following comparative advantages:

- The presence of favorable natural and climatic conditions for the development of agriculture;
- The presence of rich natural resources and recreational resources;
- The presence of a rich cultural and historical heritage allows for the development of tourism;
- The favorable geographical location of the country;
- The availability of labor resources with the industriousness and entrepreneurial skills of the population of Uzbekistan. If we analyze the competitive advantages of Uzbekistan, the following can be distinguished:
- Stability of the country's political and legal system;
- High investments in human development (education, health, social needs);
- Long average life expectancy;
- Competitiveness of labor resources;
- High level of education of the country's population.

As mentioned above, along with having comparative advantages, it is necessary to develop the competitive advantages of the national economy of the republic. In this case, in order to increase the competitiveness of the economy, it is necessary to pay special attention to the following factors:

Stability of the country's political and legal system, competitiveness of labor resources and high level of education of the country's population.

Thus, competitive advantages are variable, associated with the development of human capital, innovative high technologies, intelligence and are unlimited in

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nature. It is necessary to clearly distinguish between the comparative and competitive advantages of a country. The integration of comparative and competitive advantages in a country increases its competitiveness in the global economy.

According to M. Porter, a professor at Harvard University in the USA, the level of a country's competitiveness is determined by the competitiveness of the products, firms, and industries its companies produce. Therefore, it is necessary to analyze, first of all, the competitiveness of national companies, rather than the competitiveness of the country.

He emphasizes that the success of a country's companies depends on four important indicators:

- provision with production factors;
- demand indicators; - related and service industries:
- competitive environment and firm strategy. The effective operation of national companies within this environment determines the country's competitiveness rating.

The following serve as the main factors in determining the country's competitiveness:

• Economic potential and growth rates of the economy;
• Efficiency of industrial production;
• Level of development of scientific and technological progress and rates of its assimilation;
• Participation in the international division of labor;
• Size and dynamics of the domestic market;
• Role of the state in the economy;
• Flexibility of the financial system;
• Level of provision with labor resources and qualification;
• Internal political and socio-economic situation;
• Level and ability of the economy to adapt to the demands of the world market.

When determining competitiveness at the national level, the main attention is paid to the created macroeconomic environment (the established rate of inflation, tax burden, access to credit resources, knowledge of the dynamics of the national currency exchange rate and its compliance with the interests of producers of products intended for export), the quality of state institutions, the level of development of infrastructure, the quality of human capital and the education system, the business environment, the development of commodity, financial and labor markets.

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Today, state-owned economic entities continue to occupy a dominant position in commodity and financial markets, for example, 80 percent of monopoly organizations have a state share or are controlled by economic entities with a state share.

Due to the fact that the issue of state ownership and state control of economic entities is not regulated in legal documents, difficulties remain in determining the level of state participation in the economy.

In recent years, the number of natural monopoly entities has been reduced from 151 to 129, 14.5 thousand anti-competitive actions of large state monopolies, market participants and state bodies have been eliminated. This has protected the interests of 37 thousand entrepreneurs worth about 380 billion soums.

In 2022, a total of 2 thousand 607 draft regulatory legal acts received by state and economic management bodies and local government bodies across the republic through the regulation.gov.uz and project.gov.uz portals were studied (ex-ante) for their impact on the competitive environment, and the relevant conclusions of the committee were issued. Of these, 248 projects were found to contain provisions that contradict the requirements of anti-monopoly legislation.

At the same time, in 2022, an antimonopoly compliance system was introduced in 50 enterprises and organizations, including 15 natural monopoly entities, 28 economic entities with a dominant position in the commodity or financial market, and 7 corporate customers.

In the conducted studies, 7,475 controlled sales in the purchase of goods and material assets were identified, of which 3,101 cases contained errors and deficiencies.

In construction, reconstruction, and repair works, 12,873 controlled sales were identified, of which 4,205 cases contained errors and deficiencies. Out of 11,373 purchases in the field of services, 1,304 cases contained errors and deficiencies.

In addition, in 2022, studies were conducted in the economic sectors to ensure compliance with the requirements of the Laws "On Competition" and "On Natural Monopolies", revealing unjustified income received from consumers in a total of more than 132 billion soums.

To date, in 2022, the interests of 209,725 consumers worth 88.8 billion soums have been protected, and 32 billion soums have been recalculated.

Economic entities with state participation are creating structures under their control in the form of state unitary enterprises (SUEs) and subsidiaries, which negatively affect the state of competition.

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Today, the number of such enterprises is more than 4,300, including more than 1,300 in the form of joint-stock and limited liability companies, more than 1,800 in the form of state unitary enterprises, and more than 1,100 of their affiliates.

The underdevelopment of the market environment and excessive state participation in the economy lead to the inefficiency of the activities of individual economic entities with state participation, which is compensated for by state support in the form of "cross-cutting" subsidies, tax and customs privileges, preferences, and preferential loans.

LIST OF USED LITERATURE

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