

The Role of Industrial Enterprises and Financial Markets in Sustainable Regional Economic Development

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Annotatsiya:

This article presents thoughts and considerations on ways to develop a regional economy. It highlights that industrial enterprises in the region are investing in developing and modernizing their production capacities each year, as well as in developing and modernizing information technologies as key factors in production growth. It also acknowledges that enhancing financial literacy and pursuing a stable financial policy are crucial factors in preventing financial crises.

Keywords: Economics, economic development, innovative economic development, strategy, industrial enterprises, modernization, production, regional development, financial crises, risk management, financial literacy, diversification, financial stability, strategic planning.

Currently, in the Republic of Uzbekistan, issues related to the development and management of agricultural product production stand out due to their high level of importance. Economic reforms being carried out in all sectors of our country's economy are consistently being implemented in agriculture, a crucial sector of the national economy. Structural changes implemented in agriculture have led to the production of major agricultural products primarily in the private sector. Examining the competitiveness of the national economy has been influenced by the impact of national economic policy on processes occurring in the economy. Considering the current conditions of global economic development - globalization processes, the growth in the number of transnational companies and the expansion of their areas of activity - issues of developing economic competitiveness, taking into account the location factor, come to the forefront. Currently, filling the country's consumer market and meeting the population's demand for agricultural products largely

depends on the activities of modeling the development and management of agricultural product production.

Reforms implemented in our country in recent years are primarily aimed at improving the living standards and well-being of our people. In this sense, the significant attention being paid to the agricultural sector is logically justified. In many countries, the current structure of production is negatively impacting economic growth.

Among the sectors, the industrial production complex is the main link. The key feature of the industrial complex is that it creates means of production and consumer goods, a significant portion of national income, and achieves scientific and technological progress. At the same time, the majority of the working-age population in Uzbekistan is employed in industrial production.

Uzbekistan's industry is currently continuously producing both material and technical means for its own sectors and other social sectors, as well as products necessary for the needs of the people. Therefore, it is essential to ensure the growth of the level and efficiency of industrial production. The higher the level of industrial production, the stronger the economic foundation of our republic and the better the living conditions of the population. It is worth noting that in 2007, the industrial development index reached 112.1% compared to 2006. Significant achievements were made in the areas of mechanical engineering, chemical and petrochemical, fuel, forestry and wood processing, food and light industry, and building materials. At the same time, there was a slight increase (2.2%) in the share of industry in GDP, reaching 24.0% compared to 2006. The economic development program for 2008 prioritizes ensuring the growth of strategically important sectors of industry, such as the fuel and energy complex, as well as the non-ferrous and ferrous metallurgy sectors.

This is planned to be achieved by developing new natural deposits and increasing the reserves of existing mineral and raw material bases, as well as by introducing effective modern technologies in the extraction and processing of these resources. At the same time, priority will be given to developing the chemical and light industries, petrochemicals, building materials industry, and consumer goods production. Implementing important tasks related to the modernization of production, technical and technological renewal occupies a significant place as a crucial direction of our economic policy.

In the current environment of increasingly fierce competition in the global market, it is impossible to ensure the future of our economy and, consequently, improve the well-being of the population without reconstructing existing enterprises, establishing modern, advanced, and high-tech equipped enterprises, and constantly updating the products being manufactured. Prospective plans for "locomotive sectors" - chemical, ferrous metallurgy, non-ferrous metallurgy enterprises, automotive, light and leather industries, etc. - have been developed and approved. The goal is to bring existing raw material resources into circulation, expand exports, and localize production, particularly the modernization of the light industry, which is focused on transitioning enterprises to energy-saving new technologies and product types. The program for localization, implemented from 2006 to 2008, was adopted by the government to reduce dependence on imported goods.

Enterprises participating in this program will be exempt from the following payments for a period of 5 years

1. Customs duties, including customs fees, value-added tax, and excise tax;
2. Income tax on products manufactured under the localization program;
3. Property tax on key assets for the localization program.

Cooperation with foreign countries ensures the full, rational, and efficient development of production forces and utilization of existing resources. International division of labor significantly

affects the sectoral and regional system of the economy and the rational placement of productive forces. Cooperation with foreign countries is primarily based on bilateral agreements concluded between governments. The trend of increasing production volumes of electrical engineering and agricultural machinery products has been maintained. This indicator reached 47.2% and 105.5% respectively.

However, the situation in the electrical engineering sector, particularly in the area of household appliances, has not improved. The share of these products - refrigerators, air conditioners, televisions, and others - in production volume is not significant. The cable-conductor sector, transformer and elevator production, and others are developing rapidly. Due to increased demand in both domestic and foreign markets, the production of tractor trailers in the agricultural machinery sector has significantly increased (growth of 22.5%) as well as seed drills (17.5%). Demand for ferrous and non-ferrous metals in the foreign market, as well as the need to fill the domestic market with local products, has been the main driver of growth in the metallurgical complex.

The growth index of ferrous metallurgy products reached 11.9%. High sales of manufactured products have driven a 4.2% increase in physical volumes of steel production and a 5.8% increase in ferrous metal rolling. The export volume of metallurgical complex products grew by 125.4%. This is 0.6% higher compared to 2006. The chemical complex sector also showed steady development in production. The sector's share in industrial production volume is significant, accounting for 4.7%.

Uzbekistan's industry produces a wide range of products, including electricity, gas, oil, coal, gasoline, steel, automobiles, tractors, cotton harvesting machines, electric motors, transformers, batteries, cables, excavators, bridge cranes, spinning machines, airplanes, sulfuric acid, mineral fertilizers, synthetic fibers, cement, various building materials, fabrics, cotton oil, flour, rice, clothing, food products, and more.

The role of various sectors within Uzbekistan's industry varies. Historically, industries processing agricultural products and serving the agro-industrial complex have held a leading position. These include cotton cleaning, silk weaving, canning, oil and fat, and other industries.

Furthermore, the chemical and petrochemical industries, machine building, electronics, energy, metallurgy, light industry, and building materials are developing rapidly. The fuel and energy complex plays a crucial role in industrial development. It includes gas, oil and oil refining, coal, and energy sectors. This complex contributes 26.8% to industrial production. Uzbekistan is among the top ten largest gas producers in the world. The country has powerful hydroelectric power stations and thermal power plants.

The metallurgical complex includes enterprises that extract mineral raw materials, ferrous and non-ferrous metals. Uzbekistan has significant proven reserves of gold, silver, copper, lead, zinc, tungsten, molybdenum, lithium, uranium, aluminum raw materials, rare earth metals, and other mineral resources. 30 gold mines have been discovered in Uzbekistan.

Uzbekistan ranks second among CIS countries in terms of total gold production, third in silver, copper, lead, zinc, and tungsten. Globally, it holds the eighth position in gold production and fifth in per capita gold production. The chemical and machine-building complexes are crucial sectors of the country's industry. Under the new economic conditions, these sectors are undergoing profound structural changes. They are aimed at strengthening the country's economic independence. One-third of all consumer goods are produced by light industry enterprises. Textile production remains a traditional leading sector in this area. Energy is the foundation of the republic's national economy, a solid foundation for economic and technological development.

Without scientifically sound tools of strategic management, it is impossible to achieve the goals set before us. In the current context of increasing regional independence, the issue of studying financial potential is becoming increasingly relevant. The problem of regional financial stability remains crucial throughout the entire process of developing any country's socio-political and economic relations. This is especially true for countries undergoing global transformation processes.

In recent years, our country has witnessed rapid development in various sectors. The term "New Uzbekistan" has already become ingrained in the minds of the people. It inspires individuals to progress and innovate. In this regard, it is crucial to develop a national mechanism for supporting the region to facilitate its financial and economic development.

Financial crises often arise due to incorrect economic decisions, a lack of economic knowledge, and an inability to adapt to market changes. This thesis examines the role of economic competence in managing and preventing financial crises.

1. CAUSES OF FINANCIAL CRISES	
* Economic and Financial Illiteracy:	Lack of sufficient knowledge and skills in making financial decisions can lead to crises.
* Poor Risk Management:	Failure to properly assess risks and allocate resources can result in significant losses for businesses and financial institutions.
* Inability to Adapt to Market Changes:	Failure to make timely decisions in response to changes in market conditions can lead to economic downturns.
2. MANAGING CRISES THROUGH ECONOMIC COMPETENCE	
* Financial Analysis and Strategic Planning:	Economic competence is an effective tool for market forecasting and risk management. Organizations with a deep understanding of financial markets can respond quickly to market changes and have the ability to manage crises.
* Diversification and Asset Management:	Economic competence helps to reduce risks by diversifying assets. Allocating investments across multiple sectors minimizes losses during a crisis.
* Creating Reserves and Financial Buffers:	Economic competence ensures the establishment of financial reserves and contingency funds, which helps maintain financial stability during emergencies.
3. WAYS TO PREVENT FINANCIAL CRISES	
* Increasing Financial Literacy:	By improving economic knowledge and skills, citizens and organizations can anticipate and prepare for financial challenges.
* Proper Risk Assessment:	Thorough risk analysis and market forecasting can mitigate the unexpected impacts of crises.
* Maintaining a Stable Financial Policy:	Through economic competence, governments and organizations can regulate financial policy, manage debt loads effectively, and ensure economic growth, thereby preventing crises.
4. ECONOMIC COMPETENCE AND SUSTAINABLE FINANCIAL MANAGEMENT	
* Adaptability:	Economic competence fosters adaptability to

	market changes. Economically knowledgeable leaders are able to make quick and effective decisions during crises.
* Digital Technologies and Innovation:	Implementing digital technologies and innovative solutions also serve as crucial tools for protecting against financial crises.

Conclusion

Based on the ideas reflected by those who adapt to the level of regulation, we can conclude that this approach is appropriate for regulating the development of the region and the local government located within it.

At the same time, S.D. Valentey states: "National regional policy should be based on identifying the specific factors of economic growth or development of certain subjects of the region."

In the study of policy at different levels of governance by T. V. Gritsyuk, great attention is paid to the management of regional development. The author proposes a strategic approach to modeling regional development processes, fiscal regulation of relations between the center and regions, and modeling regional fiscal behavior.

By improving financial literacy, properly assessing risks, diversifying assets, and developing financial strategies, it is possible to mitigate the negative impacts of crises and achieve financial stability.

Furthermore, developing countries should focus on developing sectors with inelastic demand. Demand for such products exists even during crises. This is mutually beneficial, helping to alleviate problems in both developed and developing countries. The increasing standard of living in many countries encourages everyone to think about sustainable development.

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