



**THE IMPORTANCE OF THE IMPLEMENTATION OF VERTICAL
INTEGRATION PROCESSES IN THE DEVELOPMENT OF
INNOVATIVE ACTIVITIES IN INDUSTRIAL ENTERPRISES**

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Annotation

This article discusses the importance of the introduction of vertical integration processes in the development of innovative activities in industrial enterprises and the strengthening of the economic potential of the management system in the effective implementation of innovative activities in enterprises of the real sector of the economy.

Keywords: industrial enterprises, innovation activity, vertical integration, management system.

Adequacy of economic resources in the country is important for the development of the economy of the Republic of Uzbekistan and its integration into the world economy. The sufficiency of economic resources in our country, of course, leads to the need to use them efficiently and economically. It is expedient to increase the volume and type of production of high value-added products, to gradually increase



the deep processing of rich mineral resources and flora in the country, the most important direction of the use of existing opportunities and reserves.

Because it is possible to ensure the integration of the country's economy into the world community through the modernization and renewal of manufacturing enterprises, the introduction of high-efficiency technologies based on modern innovations. The systematic formation of innovative processes in enterprises and the increase of its efficiency depends primarily on the level of improvement of the management strategy of the enterprise.

The management system is one of the important factors in strengthening the economic potential of enterprises in the real sector of the economy in the effective implementation of innovative activities. In modern management practice, the scientific principle is an important core as one of the basic principles of innovative management of enterprises. Therefore, the formation of corporate sectors in the country's economy, the improvement of the vertical integration strategy of the enterprise, in particular, the introduction and improvement of effective management mechanisms is an urgent issue, which should be addressed on the basis of econometric analysis.

Innovative activity and the development of its environment play an important role in ensuring the country's integration into the world economy and the production of quality, competitive products. In this regard, special attention is paid to the development of the innovative environment in the Republic of Uzbekistan, the implementation of reforms aimed at organizing these activities, taking into account market changes in manufacturing enterprises. Because in the current process of globalization, in order to ensure the continuity of the existing large manufacturing enterprises in the country, it is necessary to develop their innovative activities and ensure product competitiveness with foreign manufacturers.





It is expedient to establish the development of innovative activities in the economy of the Republic of Uzbekistan in accordance with the specific "Uzbek model" of development of the market economy chosen in the country. In this regard, first of all, given the fact that today the country pays great attention to small business and private entrepreneurship, it is expedient to carry out a number of tasks in them.



Source: Author's development.

Figure 1. Development of innovative activities in small business and private entrepreneurship



Sufficient research is being conducted on these studies in the world's leading developed countries, such as the United States and Europe. This research has found its application in the economies of the United States and Europe. In addition, the process of vertical integration of CIS countries in the management of industrial enterprises in the Russian Federation has been adapted to the country's economy and is currently in use. In this process, it is proposed to increase efficiency by improving the economic cooperation of manufacturing enterprises and ensuring the continuity of production.

The above processes do not take into account the conditions of modernization of the economy and the development of economic relations between them. However, the research we conduct and the proposals based on it, as well as models for improving innovation based on vertical integration, allow us to predict the continuity of this cooperation in the analysis of future results and analysis of complex relationships in the economy through econometric models. It is also necessary to develop econometric analysis and recommendations based on it, taking into account the current state and prospects of development of the national economy, the conditions of modernization and technical and technological re-equipment of enterprises.

To solve these problems, the management of innovative activities of enterprises, technical and economic modernization of industrial enterprises, further development of priority industries, increasing production efficiency, increasing competitive products that meet the requirements of foreign and domestic markets, and improving the vertical integration strategy in the modernization of industrial enterprises of Uzbekistan. along with the creation of new ones, it is possible to create opportunities to address social issues.

Therefore, in determining the current and future measures of socio-economic development of the country, it is necessary to take into account the impact of external factors, to formulate economic development programs in terms of the impact of these processes and to improve economic relations between them. Based on these measures, the long-term stable rates of economic growth and balanced development of the economy, the continuation of structural reforms and modernization of the economy, primarily aimed at producing competitive products that meet international quality standards and are in high demand in domestic and foreign markets.





It is planned to implement this through the modernization of key industries, diversification of production, technical and technological re-equipment, which in turn will be implemented through the improvement of vertical integration activities in the manufacturing sector. To solve these problems, the management of innovative activities of enterprises, technical and economic modernization of industrial enterprises, further development of priority industries, increasing production efficiency, increasing competitive products that meet the requirements of foreign and domestic markets, and improving the vertical integration strategy in the modernization of industrial enterprises of Uzbekistan. along with the creation of new ones, it is possible to create opportunities to address social issues.

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