



PROBLEMS AND PROSPECTS OF RAILWAY TARIFFS OF UZBEKISTAN IN THE CONTEXT OF WORLD EXPERIENCE

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Abstract

In this article The current railway tariff system was compared with Uzbekistan in the context of world experience, and the problems and their prospects were considered.

Keywords: tariff, railway transport, indexation, efficiency, tariff policy.

Introduction

Shavkat Mirzayev held another meeting on accelerating reforms in the field of transport and put forward the following words: "If we do not take transport and logistics to the next level, we will not be able to ensure sustainable development of the economy." In the context of world experience, Uzbekistan has variables related to the problems and prospects of railway tariffs, changes and reforms in the country's transport sector. These problems and prospects are related to the development of Uzbekistan's international transport network, the use of huge infrastructure investments, economic and political developments, as well as values in the development of international trade and tourism. It is planned to abandon mutual subsidies by the end of 2023 (some a mechanism to limit the increase in tariffs in which the price for buyers is above marginal cost and for others it is below marginal cost, which generally affects average cost leading to equal prices). The government of Uzbekistan is making huge investments in the transport sector. These are applied to collective economic projects, transportation, modernization of systematic transport networks, in particular, the integration of Uzbekistan into the world transport network. These investments will help improve the quality of fares, routes and passenger services. In addition, it was commissioned to develop a mechanism for reimbursement of costs incurred as a result of the use of preferential tariffs in cargo transportation [1].





The tariff is a system of rates that determines the amount of payment for various services or the amount of payment for certain actions. The amount of individual tariffs for services provided to the population is regulated by executive authorities. Uzbekistan's railways are used to further integrate the country's domestic transport network, as well as to ensure safety and reliability in connection with international routes. This is of primary importance in the development of regional trade and economic cooperation.

In the tariff system there are many distortions, but the main concern of users is the cost level. We can consider the problems of the current tariff system. Problems with:

- ※ A large number of tariff schemes based on different principles;
- ※ Excessive complexity of the current price list;
- ※ Outdated cost and transaction base (2000s) used to calculate base rate schemes;
- ※ Low level of adaptability to changing market conditions and market model;
- ※ Sufficient correction factors to increase efficiency not to use

It allows Uzbekistan to increase its strength in international relations. Stability of rail fares plays a major role in creating confidence in a country's international trade and investment environment. The political and diplomatic environment opens many opportunities for cooperation and integration in this area. The main question now is: "How much should a passenger pay?" As an answer to this question, it is necessary to consider the general level and procedure of tariff revision, as well as the necessity and parameters of tariff differentiation.

Uzbekistan has many tourist attractions that are known around the world. Railway networks are important in opening the way for tourists to the children of the country. Also, the development of cargo and road services related to tourism visits will play important roles in the further development of the tourism industry. Tariff (cost) are determined by the following factors. Number of passengers transported per day, X population of wagons, length of train X , average speed of movement, number of X per day, growth rate of wages of the operating contingent, cost of materials for repairs, service life and depreciation rate. technical means, X wagons, prices of energy resources, etc.

It was not so long ago that the problems of the development of cargo handling terminals, especially automobile and multimodal complexes, were brought to the state level in Uzbekistan. During the period of development of the country before the market economy, the principle (principle) of sending cargo flows in cars (wagons) in batches prevailed in the planning of transport activities, in which the goods were delivered directly to the consumer as much as possible. sent without crushing and









reloading from one mode of transport to another. It was considered that the shipment of goods in small batches is not typical for transport, and the terminal technologies of the delivery of goods are not economically feasible. In addition, the volume of cargo flow in the export-import routes was quite small. Naturally, in such conditions, the cargo processing terminals were mostly at the disposal of public transport companies, and their number was not very large. By the end of 1992, road transport was widely used in our country had several terminal-type objects at his disposal. The quality and services of Uzbekistan's railways must be at a high level. This is critical to improving the quality of the country's transport network, particularly in international trade and attracting strong trusts in logistics. There are many violations in the tariff system, but the main issue of users is the level of costs.

There are examples of using elements of both approaches in the world, often tariffs are indexed taking into account inflation.

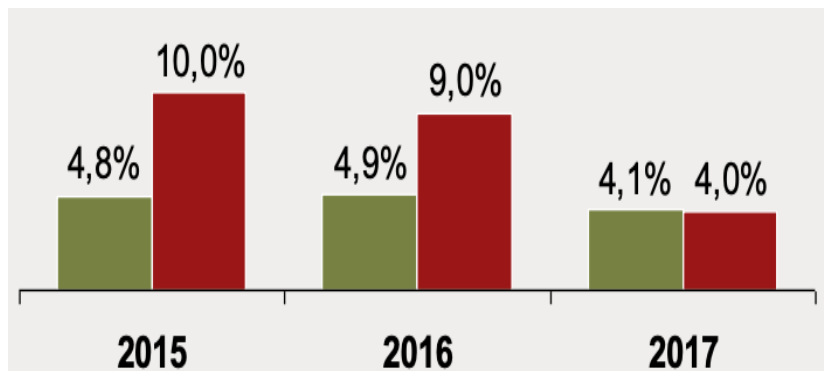
1 - Table

Corrections	Frequency	Reasons for change	In the case of countries
Indexing	Annually or as needed	Overall price growth, revision of cost forecast	
Revision of cargo classes	if necessary	Solvency compliance	
Introduction of special discounts/benefits	if necessary	Adaptation to changes in market conditions answer	
Regular revision of items	Once in five years/every year	Revision of Tariff Objectives	

Volatility and unpredictability of inflation in Russia may prevent long-term indexation of railway tariffs. Past attempts at long-term indexation of rail fares have failed due to volatility in inflation [2].



Tariff indexation, %



1 – diagram

This chart shows the forecast and facts of tariff indexation.

The reasons for the impossibility of implementing the principle of long-term tariffs:- Linking with specific values of inflation forecast for the five-year forecast period (annual indexation according to inflation indicators for the year preceding the relevant year of regulation);- Forecast of actual inflation values significant deviations from their values, including due to insurmountable circumstances;- Determination of tariff indexation values without a possible adjustment mechanism. In addition, the actual increase in the tariff does not always correspond to the indexation:- in 2015, the tariff indexation was 10%, and the coefficient of cargo transportation for export was 13.4%;- all cargoes except coal (1.3 %), which is ~12% of the total indexing (how much you need).

Taking flexibility into account when revising fares can maximize traffic volume while maintaining long-term fare predictability.

With a significant and permanent change in macroeconomic indicators, the tariff corridor includes setting tariffs for a long-term period with the possibility of mid-term revision [3].

TransportationThe level of expenses varies in the regions of the country. Adequate profitability allows the transport structure to maintain the technical level of its resources, create scientific-technical and social development funds, as well as reserves for force majeure. Thus, the operation of the railway. Transport requires the creation of a working reserve, depending on the quality of the excess cargo and warehouse work of the relevant enterprises.

Transportationtariffs affect the location of production, rational use of transport, prices in national economic sectors. Taking into account the great socio-economic



importance of transport tariffs, all countries regulate the prices of some types of transport services, especially in the field of passenger transport [4]. The main types of transport tariffs are related to freight and passenger, baggage and mail transport. In addition, transport structures perform special works and services paid at special rates. With the increase in the transportation distance, the price per ton-kilometer decreases due to the decrease in the costs of initial operations. The established two-part tariffs more accurately reflect socially necessary labor costs, ensure proportional profitability at different distances of transport, simplify the price list for transport works (services) [5].

Passenger fares are divided into long-distance and suburban trips. For long-distance travel in a rigid car with seats, the tariff is taken as a basis, and other amenities are paid additionally. To speed up the sale of tickets, suburban fares are divided into zones (the suburban railway section is divided into zones and fares are charged regardless of the distance traveled within their boundaries), by kilometer (determined by the distance traveled) and general (distance is charged without an insurance fee for zones). Damage caused by passenger transport is 15-20% [6]. Tariffs for cargo transportation and infrastructure services performed by local railways are determined by the single principles of their formation, three main of which are the basis of the price list [7]: 1) the tariff system is based on a two-part model; 2) the main level of tariffs is based on the type of transport is calculated on the basis of the average network value and the necessary profit; 3) the basic level of the tariff is the work paid for additional payments and does not take into account the costs associated with the performance of services [8]. In terms of prospects, in order to further increase the development of Uzbekistan in the field of transport, it is necessary to develop the country's international relations, expand investments, improve quality and services, as well as use new technologies. In this process, in particular, foreign investors and technological cooperation should be widely developed. Compliance and integration of the railway network with international standards is related to important aspects of social and economic development of Uzbekistan. Railway tariffs in Uzbekistan, as in many other countries, face a number of problems and difficulties, and also have perspectives that can be studied in the context of world experience. Here are some of them:

Problems:

1. **Insufficient competition:** In some cases, railway tariffs may suffer from a lack of competition due to the dominance of one railway operator or a limited number of operators. This is inefficient and can lead to high prices.





2. Unbalanced tariffs: Uneven distribution of tariffs between different routes and cargo types can lead to unfairness and inefficient use of resources.

3. Inadequate quality of service: If railway fares are not commensurate with the quality of services provided, this may lead to customer dissatisfaction and reduced demand for rail transport.

Limited Access to Infrastructure: In some cases, access to railway infrastructure may be limited, making competition difficult and reducing market efficiency.

Prospects:

Liberalization and reforms: Many countries around the world are liberalizing their railway networks and reforming their tariff policies to promote competition, increase efficiency and improve service quality.

Infrastructure investment: Development of railway infrastructure and technology can reduce costs and improve transport efficiency, which can ultimately affect fares.

Use of new technologies: Adoption of new technologies such as digitization, automation and electrification can improve efficiency and reduce costs of rail transport.

Integrating transport networks: improving connections between different modes of transport can increase competition and create more opportunities for freight owners. In the context of global experience, Uzbekistan can study different approaches to railway industry reform and tariff management and adapt them to make them competitive, efficient and fair.

Use of automation technologies and information systems in the railway sector. This may be necessary to manage operations efficiently and quickly. Growing investments with experts and personnel in the field. Organization of personnel adapted to economic and technological updates. Application of new temporary new technologies. This is important for improving energy efficiency, optimizing operations and improving service quality. Analyzing prices and tariffs to make them competitive, efficient and fair. Business development by improving additional services and adding convenience to users. Attracting foreign investments to the railway industry of Uzbekistan and starting new projects using foreign loans for economic development. Development of cooperation with international organizations, countries and other organizations. Establishing partnerships for the integration of the transport network and the development of transit commerce. Increase production of products and services in our country. This includes the use of innovative methods to strengthen the economy, develop jobs and increase production. Making public information about tariffs and prices transparent. Disclosure of economic information to users for





collaborative work. Comply with statutory deadlines. Create compliance and fair competition through appropriate laws and regulations. Taking steps to increase environmental sustainability and improve energy efficiency in industry. These factors are critical for reforming the railway industry of Uzbekistan, managing tariffs and making it competitive, efficient and fair.

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