



WAYS TO INCREASE INDUSTRIAL EFFICIENCY IN THE NATIONAL ECONOMY

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Abstract

This article considers the issues of increasing industrial efficiency in the economy. The author analyzed the criteria for assessing the economic efficiency of industrial sectors, methods for optimizing production processes, and factors of efficient use of resources. At the same time, the experiences of developed countries and the industry of Uzbekistan were studied through comparative analysis. The scientific article pays special attention to how the introduction of innovative technologies, digital transformation, and modern management styles in the industrial sector affect efficiency. In the conclusions and proposals, practical recommendations are put forward to increase industrial efficiency in the national economy.

Keywords: Industrial efficiency, economic efficiency, innovations, digital economy, resource use, industrial policy.

Introduction

In today's globalized and competitive environment, every country is striving to modernize its economy, use resources efficiently, and increase production efficiency. In particular, the industrial sector is a key driver of economic growth, playing an important role in producing high-value-added products, expanding export potential, and increasing employment.

In recent years, the country has taken significant steps to strengthen its industrial potential, develop production clusters based on modern technologies, and attract investment. Ensuring economic efficiency in industrial sectors based on the assessment of labor and capital efficiency, technological innovation, energy efficiency, and the dynamics of foreign trade activities is considered a key factor. The level of utilization of existing production potential in the economy indicates that there are still untapped opportunities for increasing industrial efficiency.

There are many works by domestic and foreign scientists on the study of industrial efficiency, each of which approaches this issue from different perspectives.

First of all, the economist Kh.K. Khudoyberganov analyzed the concept of economic efficiency of industry at the macro and micro levels, showing the direct relationship





between resource use and technological innovation [1]. He studied the impact of investment processes in the industrial sector on efficiency indicators.

G.V. Khidoyatov's research on the innovative development of industrial sectors deeply analyzed the impact of digitalization and technological modernization on efficiency. In his work, he also studied ways to increase the energy and resource efficiency of production [2].

The scientific research of the above researchers shows that the efficient use of resources, the activation of investment activities, digitalization and technological modernization are decisive factors in ensuring the competitiveness of industrial sectors. Through innovative approaches, the widespread introduction of energy and resource-saving technologies, it is possible to ensure sustainable development of industry, increase economic efficiency, and ensure sustainable growth of the national economy.

In his research, E.Kh. Makhmudov paid special attention to the impact of strategic directions on the economic efficiency of industry, including budget, tax, monetary, price and exchange rate policies [3], while M.P. Narzikulov based his work on taking structural changes into account when determining the development strategy of industry [4].

D. Mamadjonov noted that "Diversification processes are improved due to the processing of resources, the production of new types of products from them, and the increase in the assortment and nomenclature" [5]. While M.F. Makhmudov The directions of effective use of the production potential of industrial enterprises are based on the influence of material and technical, financial, labor, infrastructure and investment potential factors. The idea of diversification put forward by D. Mamadjonov serves to ensure the expansion of industrial sectors through the processing of resources and the production of new types of products. M.F. Makhmudov scientifically demonstrated the need to coordinate material and technical, financial, labor, infrastructure and investment factors in order to maximize the use of production potential. Therefore, increasing the economic efficiency of industry is an important direction that must be implemented on the basis of a comprehensive approach, in-depth analysis and consistent reforms.

Also, in international literature, in particular, in Michael Porter's work "National Competitive Advantage", industrial efficiency is seen as a key factor determining competition between countries [6]. His "cluster" theory is also becoming increasingly relevant in the conditions of Uzbekistan.

Today, the industrial sector in our national economy is developing rapidly, in particular, during the period 2020–2024, the industry of Uzbekistan demonstrated





stable growth rates. According to the State Statistics Committee, the volume of industrial production increased from 350.2 trillion soums in 2020 to 564.9 trillion soums in 2024, which means an average annual real growth of 12.6%.

During this period, the share of the processing industry in the total industry increased from 62% to 67.8%, while the share of the mining industry decreased relatively. This indicates a trend in the country to diversify its industry and move towards highly processed products.

We can also see the changes in the performance of the industrial sector based on the change in the share of industrial products in the GDP generated in the country (see Table 1).

Table 1 Share of industrial products in GDP

Years	Share of industrial products in GDP	Share of industrial products in GRP in Andijan region
2020-y.	24,8	22,3
2021-y.	25,3	19,9
2022-y.	24,8	23,9
2023-y.	24,7	27,8
2024-y.	25,1	28,8

During 2020–2024, the importance of the industrial sector in the economy of Uzbekistan has been steadily increasing. The share of industrial products in the republic's GDP has increased from 24.8 percent at the beginning of the analysis period to 25.1 percent in 2024. This reflects the intensification of industrialization processes in the country, increased investment in the processing industry and state support measures. The highest indicator was recorded in 2021 (25.3%), after which a certain decrease has been observed in recent years, which was influenced by internal and external economic conditions, changes in raw material markets. The level of utilization of existing production factors and the investment factor had a high impact on the growth of the industry. In particular, labor efficiency in the sector is determined by the ratio of industrial production to the number of employees. By the end of 2024, an average of 1.2 billion rubles per industrial employee soums of products, this indicator increased by 41.5% compared to 2020.

During 2024, 58.7 trillion soums of investments were attracted to the industry, and the average return on investment was 16.3%.

Among the leading industries, the textile industry is the leader in terms of export volume, with products worth 3.2 billion dollars exported at the end of 2024. In this sector, the cluster approach, localization of raw materials, and cooperation with





foreign brands increased efficiency, while the chemical industry increased productivity due to high-tech production (polymers, fertilizers), and the profitability level was 24%.

We can also see the economic results of the industry in detail based on Table 2 below.

Table 2

Export of industrial products of Uzbekistan in 2024

No	Industry Share (%)	Export volume (billion \$)	Share (%)
1	Textiles	3.2	34.7
2	Chemical industry	1.9	20.6
3	Metallurgy	1.5	16.3
4	Food	0.8	8.7
5	Mechanical engineering	0.5	5.4
6	Others	1.3	14.3

Analysis of the export structure of Uzbekistan shows that the main part of the country's exports is made up of the textile (34.7%), chemical industry (20.6%) and metallurgy (16.3%). The high share of these sectors, especially the leading position of the textile sector, indicates the effective use of Uzbekistan's existing raw material potential.

Also, exports of food (8.7%), mechanical engineering (5.4%) and other sectors (14.3%) also occupy a certain significant place in the economy. Despite the relatively low share of these sectors in exports, they have potential for development.

So, in recent years, the efficiency of Uzbekistan's industry has been gradually increasing. This directly affects the country's economic stability, export potential and technological development. In the future, it is necessary to focus on the production of high-value-added products in industrial sectors, increase energy efficiency and ensure the global competitiveness of industry through digital transformation. This requires attention to the following:

1. Increasing value added in industrial sectors, including increasing exports of finished products in textiles, and increasing export earnings through design and brand creation. It is also necessary to expand the production of products that meet international standards.
2. Expanding deep processing in the chemical industry: It is necessary to increase the share of high-value products by introducing modern technologies in the petrochemical and gas-chemical sectors.



3. Industry: It is recommended to expand the geography of exports through deep processing of local products, certification and development of logistics systems.
4. Strategic development of the mechanical engineering sector: Local production of spare parts, attraction of foreign investors and expansion of clustering systems, etc.

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