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WIDE OPPORTUNITIES ARE BEING CREATED FOR BUSINESS ENTITIES IN PUBLIC PROCUREMENTS

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ABSTRACT
This article highlights the opportunities being created in the field of public procurement for business entities, particularly for those employing persons with disabilities, and the reforms being implemented in this area.
KEYWORDS: *Public Procurement, Business Entities, Business Entity Employing Persons With Disabilities, Contract, Electronic Digital Signature, Strategy For Developing The Public Procurement System.*

INTRODUCTION

As we all know, extensive work has been carried out in the field of public procurement in recent years. Conveniences are being created for government customers and business entities, and necessary measures are being taken to ensure openness and transparency in the sector and reduce human involvement through the digitalization of public procurement processes.

On August 30, 2022, the President of the Republic of Uzbekistan issued Decree No. PP-364 "On Measures to Implement the Tasks Defined in the President of the Republic of Uzbekistan's 'Open Dialogue' with Entrepreneurs in 2022." The "Roadmap" approved by this decree defines the necessary measures to create sufficient conditions, infrastructure, and a guaranteed market for entrepreneurs[1].

At the same time, in the "Strategy for Improving and Developing the Public Procurement System for 2025-2027," approved by Resolution No. 865 of the Cabinet of Ministers of the Republic of Uzbekistan dated December 20, 2024, one of the main measures in the implementation of a sustainable public procurement system is defined as the introduction of mechanisms to support the production activities of enterprises that provide employment for young entrepreneurs, women entrepreneurs, as well as socially vulnerable segments of the population - persons with disabilities through the public procurement system.

In this sense, reforms are being carried out aimed at supporting business entities by widely involving them in the public procurement system, and it is necessary to systematically continue these reforms.

LITERATURE REVIEW

File. In his research, N.S. notes that, in addition to direct support for small businesses, the state should also mediate indirect methods of their support, including actively involving them in public procurement. According to O.V. Lokota, E.A. Popova, E.M. Medyakova, A.I. Morozova, today in Russia, legislation on the contract system is a rapidly developing branch of law that allows ensuring the effectiveness of the introduction of innovative and electronic technologies. Modernization of the mechanism for organizing public procurement will ensure the unity of the economic space, expand the opportunities for certain categories of suppliers to participate in procurement, and develop fair competition.

RESEARCH METHODOLOGY

State procurement and relevant legislative acts have been studied, analyzed and proposed for improvement and recommendations have been developed. The implementation of the ideas put forward as a result of the research, the developed proposals and recommendations will serve the further development of the industry.

[1] *Clause 1 of the Resolution of the President of the Republic of Uzbekistan dated August 30, 2022 No. PP-364 "On Measures to Implement the Tasks Defined in the "Open Dialogue" of the President of the Republic of Uzbekistan with Entrepreneurs in 2022".*

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ANALYSIS AND RESULTS

As we all witness, support is being provided to business entities by widely involving them in public procurement, and the competitive environment between them is being strengthened.

As a result of the measures taken, as of January 1, 2025, more than 275 thousand business entities have registered in the electronic public procurement systems. Compared to the indicators of 2021, the following results were achieved. (Fig. 1)

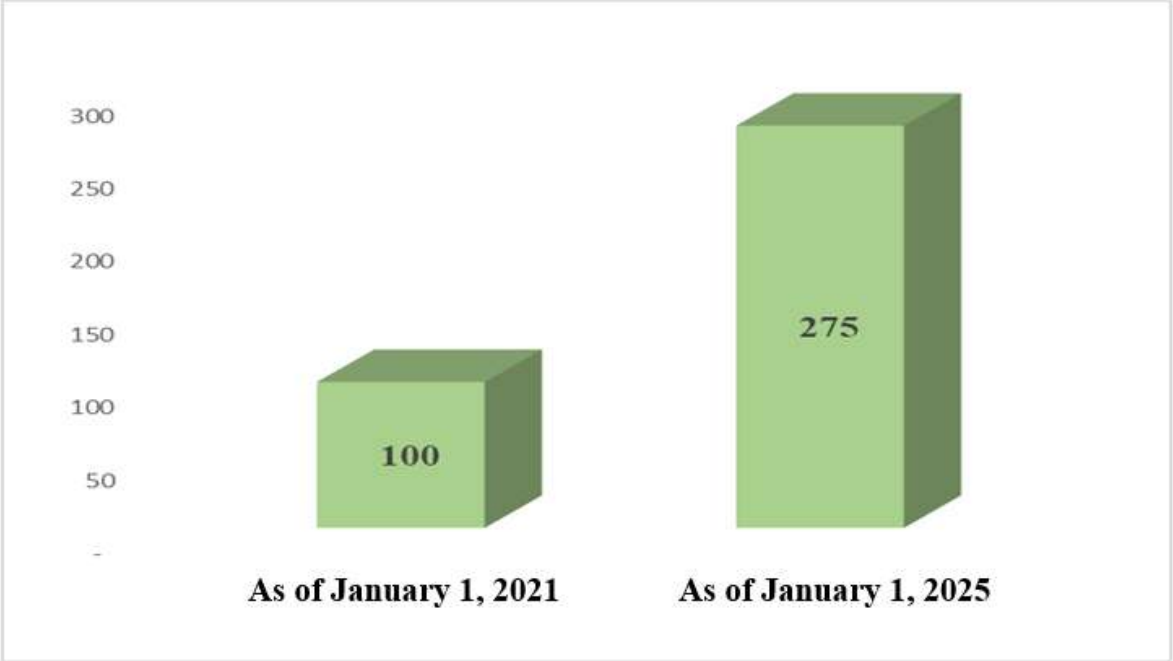


Figure 1. Number of business entities involved in public procurement (thousand)[2]

As can be seen from the data in Figure 1, as a result of the opportunities created for business entities in the field of public procurement, as of January 1, 2025, a sharp increase in the number of business entities involved in public procurement was achieved. That is, 2021

If, as of January 1, 100 thousand business entities were registered on the public procurement portal, then as of January 1, 2025, this figure amounted to 275 thousand or increased by 175.0 thousand or 2.7 times compared to January 1, 2021.

When analyzing the activities of these business entities in public procurement, in 2021, state customers made purchases from these enterprises for a total of 147.4 trillion soums, and as a result of competition, 5.8 trillion soums were saved[3]. In 2024, public procurement worth 248.6 trillion soums was carried out, and as a result of competitive procurement procedures, savings of about 14.0 trillion soums were achieved[4].

At the same time, systemic reforms are being carried out to support business entities that provide employment for persons with disabilities through public procurement.

By the Decree of the President of the Republic of Uzbekistan dated December 21, 2021 No. PP-57, state customers were provided with the opportunity to conclude direct contracts with legal entities and individual entrepreneurs with disabilities registered on the portal of the electronic cooperation exchange, in which persons with disabilities make up at least 50 percent of the total number of employees, who have been working in this organization for at least six months, and whose payroll fund is at least 50 percent of the total payroll fund.[5].

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[2] *Prepared by the author based on data from the Ministry of Economy and Finance.*

[3] *Умаров Ж.Т. "Давлат харидлари соҳасида тадбиркорлик субъектларига кенг имкониятлар яратилмоқда"/ Молиячи маълумотномаси / №12, 2022 у. р. 11-14.*

[4] *Prepared based on data from the Ministry of Economy and Finance.*

[5] *Clause 4 of the Resolution of the President of the Republic of Uzbekistan dated December 21, 2021 No. PP-57 "On Additional Measures for Comprehensive Support, Promotion of Employment, and Further Enhancement of Social Activity of Persons with Disabilities."*

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According to the analysis, in most cases, the share of contracts concluded with state customers remained low due to insufficient information about the products manufactured by enterprises employing persons with disabilities.

In this regard, special attention is paid to the organization of trade exhibitions on a systematic basis in order to familiarize the general public, including state customers, with the products and services provided by business entities employing persons with disabilities.

In particular, at an expanded videoconference meeting chaired by the President of the Republic of Uzbekistan on February 20, 2024, it was decided to take appropriate measures to hold an exhibition of products manufactured by persons with disabilities, to widely involve state customers in it, and to ensure their active participation[6].

At the same time, state customers, based on their needs, are granted the right to conclude contracts during exhibition fairs with legal entities whose sole participants are public associations of persons with disabilities, providing for the guaranteed purchase of products manufactured by them for a period of up to three years[7].

In order to familiarize the general public, including state customers, with the products manufactured and services provided by business entities employing persons with disabilities, and to assist in the sale of their products and services, the National Agency for Social Protection under the President of the Republic of Uzbekistan, together with the relevant ministries and departments, organized a republican trade exhibition "For a Person" in 2024.

Within the framework of the exhibition, contracts worth more than 350 billion soums were signed between ministries, departments, large state enterprises, business entities, and enterprises employing persons with disabilities.[8].

These indicators were compared with the results achieved at the trade fair organized in 2022, which are as follows (Fig. 2).

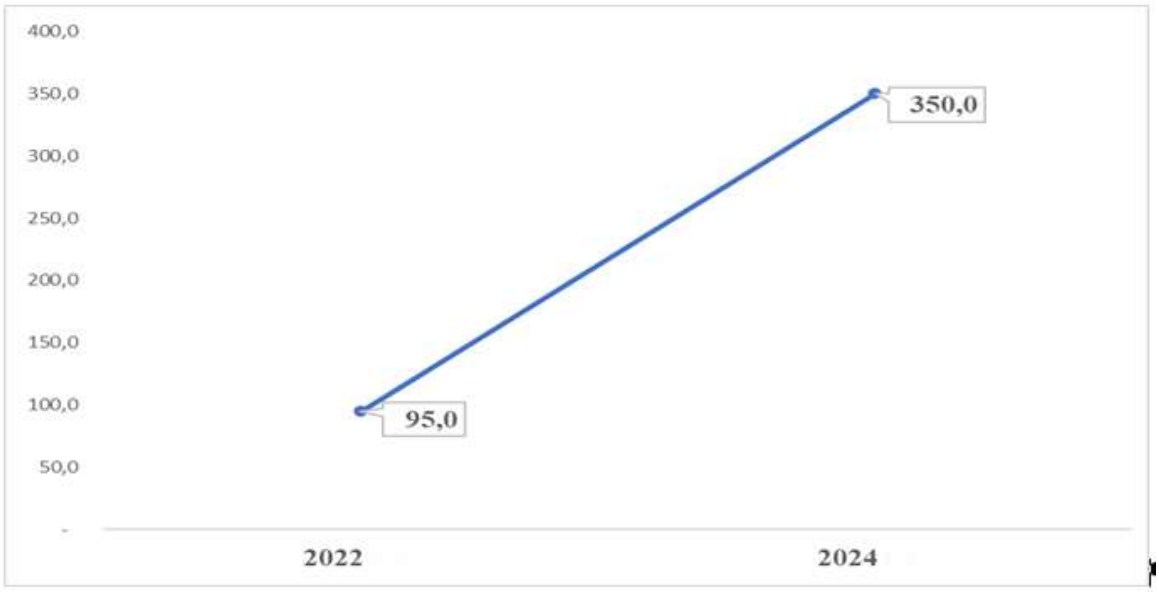


Figure 2. Value of contracts concluded within the framework of the exhibition (in billion soums)[9]

[6] *Clauses 29-30 of Protocol No. 12 of the expanded videoconference meeting chaired by the President of the Republic of Uzbekistan on February 20, 2024.*

[7] *Clause 3 of the Resolution of the President of the Republic of Uzbekistan dated October 12, 2022 No. PP-390 "On Additional Measures of State Support for Organizations Related to Societies of Persons with Disabilities and Assistance in Employment of Persons with Disabilities".*

[8] *Умаров Ж.Т. "Ногиронлиги бўлган шахсларни банд қилган тадбиркорлик субъектларига давлат харидларидаги имкониятлар кенгайтирилмоқда" / Молиячи маълумотномаси / №5, 2024 у. р. 24-27.*

[9] Prepared by the author based on data from the National Agency for Social Protection under the President of the Republic of Uzbekistan and the Ministry of Economy and Finance.

As can be seen from the data in Figure 2, significant results were achieved at the exhibition organized in 2024 compared to 2022.

In 2022, contracts worth 95.0 billion soums were signed, while in 2024, this figure exceeded 350.0 billion soums. This is 255.0 billion soums or 3.7 times more than in 2022.

In order to further support business entities employing persons with disabilities and improve the processes of selling their products to state customers, the Decree of the President of the Republic of Uzbekistan dated May 7, 2024 No. UP-75 "On Amendments and Additions, as well as Recognition as Invalid of Certain Acts of the President of the Republic of Uzbekistan in Connection with the Improvement of Legislation on Social Protection" has been adopted [10].

According to the decree, business entities employing persons with disabilities must comply with the following requirements for concluding direct contracts with state customers:[11]

- ✅ at least 50% of the total number of employees must be persons with disabilities who have been working in this organization for at least six months;
- ✅ the payroll fund for persons with disabilities is at least 50% of the total payroll fund;
- ✅ must be registered on the electronic cooperation portal (cooperation.uz);
- ✅ the production or provision of goods or services purchased by a business entity.

A Unified Register of legal entities and individual entrepreneurs with disabilities, in which at least 50 percent of the total number of employees are persons with disabilities who have been working in this organization for at least six months, and the payroll fund of persons with disabilities is at least 50 percent of the total payroll fund, as well as the goods they produce or services they provide, is maintained on the official website of the Ministry of Employment and Poverty Reduction.[12].

At the same time, it was established that state customers, based on their needs, must purchase goods or services produced or rendered by business entities included in the Register, respectively, on a contractual basis in the amount of at least 10 percent of the volume of the subject of procurement specified in their schedules.

Special attention should be paid to the fact that contracts and additional agreements thereto, the value of which for public procurement does not exceed twenty-five thousand (for budget customers - six thousand) times the basic calculated value, are not subject to comprehensive expert review in the SUE "Center for Comprehensive Expertise of Projects and Import Contracts"13.

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Now, state customers have the opportunity to sign contracts electronically using an electronic digital signature with business entities registered on the electronic cooperation portal and listed in the register for the purchase of goods and services they produce.

[10] ttps://lex.uz/docs/6915940
[11] Clauses 6, 9 and 12 of Appendix No. 1 to the Decree of the President of the Republic of Uzbekistan dated May 7, 2024 No. UP-75.
[12] Appendix No. 1 to the Decree of the President of the Republic of Uzbekistan dated May 7, 2024 No. UP-75. subparagraph "c" of paragraph 12.
[13] Appendix No. 1 to the Decree of the President of the Republic of Uzbekistan dated May 7, 2024 No. UP-75. subparagraph "g" of paragraph 12.
[14] Clause 3 of the Resolution of the President of the Republic of Uzbekistan dated September 27, 2018 No. PP-3953 "On Measures for the Implementation of the Law of the Republic of Uzbekistan "On Public Procurement"

For this purpose, state customers and business entities can conclude contracts using an electronic digital signature by accessing their personal accounts on the electronic cooperation portal (new.cooperation.uz).

From this point of view, one of the urgent issues is the systematic continuation of the ongoing reforms, the definition of specific directions for the further development of the public procurement system.

CONCLUSION AND RECOMMENDATIONS

In order to support business entities through public procurement, further increase the competitive environment between them, ultimately develop domestic production, and thereby transform them into a competitive national brand in foreign markets, it is proposed to implement the following reforms:

promotion and encouragement of the participation of domestic business entities, in particular domestic manufacturing enterprises, in public procurement of foreign states;

Creation of a competitive environment among enterprises included in the Register of Business Entities Employing Persons with Disabilities, for which:

- creation of a separate trading platform for these enterprises on the cooperation portal;
- the introduction of the automatic formation of contracts by the electronic system based on competition between state customers when making purchases from these enterprises;
- automatic sending and registration of concluded contracts to the Treasury.

Establishment of training of specialists in public procurement in higher educational institutions.

Support for domestic manufacturing enterprises, including small businesses, in the sphere of public procurement will lead to the growth of the country's economy and an increase in the share of national product in the gross domestic product.

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