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ANALYSIS OF THE GROWTH DYNAMICS OF INDUSTRY IN THE KHOREZM REGION AND ITS SOCIAL ASPECTS

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ABSTRACT

This article analyzes the changes implemented in the industrial production sector of the Khorezm region up to 2025 and their outcomes. It examines the achievements attained as a result of reforms aimed at developing the regional industrial sector, identifies existing challenges in industrial development, and evaluates the social impacts of industrial growth on the living standards and social conditions of the population.

KEYWORDS: *Khorezm Region, Industry, Production, Regional Industrial Complex, Foreign Investments, Joint Ventures, Small and Medium-Sized Businesses, Social Conditions, Living Standards.*

INTRODUCTION

The level of development of the industrial potential of the Khorezm region has been steadily increasing, placing it among the dynamically developing regions. The industrial sector of the region is primarily dominated by the primary processing of agricultural raw materials, particularly the cotton ginning industry.

The level of industrial production per capita in the Khorezm region is higher than that of the Republic of Karakalpakstan and Surkhandarya region. Since 2000, industrial output per capita has shown a noticeable upward trend compared to the national average. Over the past three years, this indicator has continued to grow, and its share within the national industrial output has become increasingly significant.

LITERATURE REVIEW

In analyzing the growth dynamics of industry in the Khorezm region during 2001–2022 and its role in improving the social conditions of the population, statistical data from the Khorezm Regional Department of Statistics covering the period 1991–2023 served as the primary source. Current statistical reports for the region were analyzed from a social perspective [1;2;3]. Additionally, relevant data were obtained from archival documents of the regional administration [4].

Furthermore, the development processes of the industrial sector across the districts of the Khorezm region have been widely covered by mass media. Accordingly, this article also draws upon data from regional and national newspapers, journals, and electronic media sources.

RESEARCH METHODOLOGY

The study employs scientific research methods such as systematization, historical-comparative analysis, generalization of historical data, and the principle of objectivity.

ANALYSIS AND RESULTS

As a result of measures aimed at developing the processing industries, labor productivity in this sector has demonstrated a steady upward trend in recent years. Statistical data indicate that light industry—particularly cotton ginning and flour-grain processing—remains among the leading sectors in terms of labor productivity [2].

According to official statistics, the structure of the region's foreign trade turnover in January–May 2025 was as follows: the total foreign trade turnover reached USD 319.1 million, an increase of USD 2.4 million or 0.8% compared to the same period in 2024. Exports amounted to USD 152.8 million (an increase of 7.0%), while imports totaled USD 166.3 million (a decrease of 4.3%).

According to the National Statistics Committee, the volume of trade services provided nationwide in January–April 2025 reached 47.2 trillion UZS, accounting for 16.3% of total market services [3].

As of June 1, 2025, the number of active enterprises and organizations in the region totaled 25,438. Their distribution by economic activity was as follows: trade – 8,329 enterprises; industry – 3,432; agriculture, forestry, and fisheries – 3,035; accommodation and food services – 1,634; construction – 1,448; transportation and storage – 967; healthcare and social services – 739; information and communication – 409; other sectors – 5,445 [4].

In January–May 2025, the total volume of construction work performed in the region amounted to 3,472.2 billion UZS, distributed across districts with Urgench city accounting for the largest share (597.6 billion UZS), followed by Urgench, Khiva, and Xonqa districts.

The structure of construction work during this period shows that large construction organizations accounted for 13.2%,

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small enterprises and microfirms for 46.8%, and the informal sector for 40.0% [3]. In monetary terms, large enterprises performed construction works worth 458.1 billion UZS, small enterprises and microfirms 1,625.8 billion UZS, and the informal sector 1,388.3 billion UZS [4].

Retail trade activity also expanded significantly. As of June 1, 2025, 5,528 commercial enterprises were operating in the retail trade sector, of which 72 were large enterprises and 5,456 were small enterprises and microfirms [4]. The retail trade turnover in January–May 2025 reached 6,189.8 billion UZS, reflecting an 8.3% increase compared to the same period in 2024 [2;3].

Over the past five years, construction activity in the region has grown substantially. Construction volumes increased from 1.3 trillion UZS in 2021 to 3.5 trillion UZS in 2025 [1;2;3].

In January–May 2025, 130 new family-owned enterprises were established in the region. Their sectoral distribution indicates that trade and accommodation and food services were the leading sectors, followed by industry and agriculture [4].

CONCLUSION AND RECOMMENDATIONS

In conclusion, the industrial sector of the Khorezm region demonstrated consistent growth during the period from 1991 to 2023. However, this growth was uneven across sectors, and in some areas, the rate of economic growth per capita declined.

Based on the analysis, the following conclusions can be drawn:

1. Due to the dominance of agriculture in the regional economy, the Khorezm region is rich in agricultural raw materials. However, the limited availability of natural raw resources has led to industrial specialization primarily in the primary processing of agricultural products, particularly in the light and food industries.
2. Light industry remains one of the traditional and leading sectors of the region, accounting for 40.5% of total industrial production. The rapid development of food processing, construction materials, and wood processing industries has contributed to an increasing share of industry in the Gross Regional Product.
3. The food industry is another key sector of the regional economy. The Khorezm region ranks highly nationwide in the production of sugar and non-alcoholic beverages. Additionally, the region accounts for 8.2% of cotton fiber, 7.9% of vegetable oil, and 6% of flour produced in Uzbekistan. Nevertheless, the regional economy remains predominantly agrarian.

Overall, the development of the industrial sector has had a positive impact on employment, income growth, and living standards. However, further diversification of industry, attraction of foreign investment, and support for high value-added production remain critical for ensuring sustainable socio-economic development in the Khorezm region.

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