



PRIORITY DIRECTIONS FOR SUSTAINABLE GROWTH IN THE PRODUCTION OF BUILDING MATERIALS IN THE REPUBLIC OF UZBEKISTAN

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ANNOTATION

The article analyzes the factors that ensure the effective development of the construction materials industry in the context of diversification and increasing its investment attractiveness. The problems in the industry and the ways of their solution are shown. Recommendations are given on attracting investments for modernization, technological re-equipment of industry enterprises and increasing export potential.

KEY WORDS: *building materials, efficiency, economy, production, industry, diversification, modernization, localization, factor, development, innovation, investment, foreign capital.*

The production of building materials is a priority area of the economy, and the strategy of managing the production of building materials plays an important role in this. Today the building materials industry is one of the most promising and fastest growing sectors of the national economy. It accounts for 65-75% of the total cost of construction work for the entire construction industry. In this connection, the building materials industry directly affects the results of structural changes in the economy and the rate of its growth.

An important factor in the development of the industry was the Decree of the President of the Republic of Uzbekistan dated May 23, 2019 PP-4335 "On additional measures for the accelerated development of the construction materials industry." resources and increasing the export of building materials.¹

As a result of the reforms, new enterprises and new jobs are being created in the Republic, foreign investments are attracted, outdated enterprises are being modernized and reconstructed. At the same time, improving the scientific and practical basis for managing the economic efficiency of enterprises, their competitiveness, meeting market

demand while reducing the cost of production, is undoubtedly one of the important factors in increasing the efficiency of the building materials industry.

The role of the industry in improving the quality of macroeconomic indicators is determined by the importance of renewing fixed assets, modernizing industrial enterprises, building and reconstructing social facilities and housing, and increasing employment.

From year to year, Uzbekistan increases financing for the development of the economic and social sphere, investments in fixed assets are purposefully increasing in the Republic, which, accordingly, along with other positive trends, leads to an increase in the volume of construction work and the production of building materials.

Due to the growing volume of construction work, improved income and living conditions of the population, the demand for building materials in the country is growing. This is facilitated by the implementation of the state program for the large-scale construction of modern private housing according to standard projects.

Over the past four years, more than 140 thousand housing units have been built in the country within the framework of programs, which is 4-5 times higher than the average annual values of housing construction for the previous period. And in the past 2020, according to the state program, about 49.5 thousand houses were built, including more than 15 thousand in rural areas and about 15 thousand in

¹Resolution of the President of the Republic of Uzbekistan dated May 23, 2019, PP-4335 "On additional measures for the accelerated development of the building materials industry."



cities, for which 12 trillion 24 billion soums were spent. In the current year 2021, it is planned to provide housing for 54 thousand families, including building 45 thousand houses under the state mortgage program.²

Due to the urbanization of cities and towns as a result of construction work on a turnkey basis in the construction of private houses and social facilities in the industry, there is an increase in demand for construction materials. So, in 2019, the production of baked bricks increased 2.8 times, fiberglass - 1.8 times, drywall - 2.1 times, decorative ceramic tiles - 4.3 times, wallpaper - 89 times. It can be seen that the increase in the production of building materials proportionally depends on the factor of the increase in the volume of construction of residential buildings and social facilities.

With the emergence of new types of building materials on the world market, the industry pays great attention to the development of production of new types of them using local raw materials and meeting the needs of the domestic market for modern building materials. This clearly leads to a decrease in the cost of products, mainly due to the factor of reducing transport and customs costs.

As a result of the modernization of existing industries and the production of modern competitive types of building materials through the opening of new enterprises, the exported building materials are increasing from year to year. And for this reason, there is a tendency towards a decrease in the import of building materials, and an increase in their export.

So, at the end of 2020, Uzbekistan exported construction materials worth \$ 257.4 million, which is three times more than in 2019 (\$ 85.3 million), and in 2018, products worth only 34.7 million US dollars were exported. According to the results of the 1st quarter of 2021, Uzbekistan exported construction materials for \$ 62.3 million, which is 47% more than forecasted. By the end of the year, exports are expected to reach USD 270 million.³

Kazakhstan (\$ 41 million), Kyrgyzstan (\$ 30.9 million) and Tajikistan (\$ 29 million) and Afghanistan (\$ 11.1 million) are among the largest importing countries of Uzbek building materials. Construction products are also exported to Russia, Turkmenistan, Lithuania, China, Ukraine and Turkey.

The export assortment consists of such building materials as PVC profiles, pipes, fittings and

plastic products, aluminum profiles and products from it, cement, plasterboard, lime, slate, ceramic products, dry building mixtures, sheet glass, wallpaper and others.

In the reporting period, Uzbek building materials were sent for the first time to Azerbaijan (ceramic tiles, wallpaper, fiberglass), Turkey (copper, PVC pipes and fittings) and Russia (thermal insulation materials).⁴

In recent years, Uzbekistan has introduced and mastered new types of modern building and finishing materials that meet international ISO standards for energy efficiency and advanced technologies in construction, such as drywall, dry mixes, modern roofing materials, heat-resistant polymer pipes, ceramic tiles, sandwich panels, basalt fiber and reinforcement, heat-insulating materials and others.

Despite the positive shifts in the construction materials industry of the Republic, in recent years a number of problems have been identified that require urgent solutions, in particular:

- a high level of physical and moral obsolescence of fixed assets at many enterprises of the industry, the presence of energy-intensive technologies and a relatively low level of labor productivity;

- lack of production of energy-saving technologies for the building materials industry in the Republic;

- low investment and innovation activity of enterprises for the production of building materials, products and structures;

- inconsistency of the material and technical base of research and development organizations with modern requirements;

- the absence in most enterprises of an effective system for the use of modern management and marketing methods and human resources, taking into account the requirements of the market, etc.

Purposeful implementation of transformations in the construction industry aimed at the formation of modern management methods, increasing investment attractiveness in the implementation of projects and the introduction of innovations will undoubtedly result from the implementation of these measures.

For the successful and high-quality implementation of the planned tasks to increase the efficiency of production of competitive building materials and in order to further improve the construction industry, ensure the efficiency of the public administration system, progressive implementation in the field of digital technologies, on

²Видеоселекторное совещание Президента Республики Узбекистан, посвященное мерам по развитию жилищного строительства и ипотечного рынка, от 3 марта 2021 года, г. Ташкент.

³<https://kursiv.uz/news/otraslevye-temy/2021-03/eksport-stroymaterialov-iz-uzbekistana-vyros-v-tri-raza>.

⁴<https://kursiv.uz/news/otraslevye-temy/2021-04/obem-eksporta-stroymaterialov-vyros-do-623-mln..>



November 27, 2020, the President of the Republic of Uzbekistan issued a decree for No. UP-6119 "On approval of the strategy of modernization, accelerated and innovative development of the construction industry of the Republic of Uzbekistan for 2021-2025"⁵

This and other similar documents show that the state policy in the field of construction is aimed at increasing the potential of the industry through the formation of modern management methods, the effective use of innovations, investments, labor and material resources in ensuring the successful implementation of programs for the socio-economic development of the country, regions and industry in the whole.

Based on the above, the main factors of economic development and increasing the efficiency of the building materials industry include:

- Improvement of the scientific and practical base for the development of economic efficiency of enterprises in the construction materials industry;
- the impact of the development of the economic and social sphere on the efficiency of enterprises in the construction materials industry;
- Priority of the building materials industry in the national economy due to the need for the production of modern building materials and strengthening the export potential of the industry;
- Influence of the construction materials industry directly on the results of structural changes in the economy and the rate of economic growth of the national economy;
- Building materials - indicators of investment activity, locomotives of investment processes in the economy. The building materials industry determines the potential of the entire building industry;
- The need for modernization and reconstruction of outdated enterprises;
- Increase in the production of competitive building materials from local raw materials;
- Production of modern building materials and strengthening the export potential of the industry;
- Expansion and increase of the range of production of building materials, introduction and development of new modern technologies;
- Purchase of energy and resource-saving high-tech equipment, launch of modern production

⁵Decree of the President of the Republic of Uzbekistan dated November 27, 2020 No. UP-6119 "On approval of the strategy for modernization, accelerated and innovative development of the construction industry of the Republic of Uzbekistan for 2021-2025", Tashkent.

lines, construction of new factories for the production of building materials;

- Purposeful state policy in the field of construction and production of building materials, aimed at increasing the potential and efficiency of the industry, corresponding to the Resolution of the President of the Republic of Uzbekistan on the accelerated development of the construction industry;
- Introduction of new types of modern building materials that meet international ISO standards for energy efficiency and advanced technologies;
- Strengthening the material and technical base of the industry and launching production based on modern advanced technologies, by accelerating innovation;
- Providing the country's construction market with relatively cheap, high-quality modern building materials based on local raw materials, expanding their range, increasing the volume of import-substituting export-oriented competitive products;
- Localization of production and reduction of imports;
- The influence of the building materials industry on the results of structural changes in the economy and the rate of economic growth of the national economy.

Based on the above, we can conclude that the implementation of the planned measures in the industry and the corresponding structural changes are important factors in ensuring the effective development of the construction materials industry, deepening cooperation and integration activities between enterprises, diversifying products, increasing its competitiveness and, most importantly, effective use of economic and investment potential, provision of a decent environment for human life.

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