

Analysis of the main indicators of the development of small business and private entrepreneurship in the Republic of Uzbekistan

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Abstract: The relevance of this article is the importance of the main indicators of the development of small business and private entrepreneurship in the socio-economic development of the country. In order to achieve this goal, the article uses economic statistical and theoretical analysis methods, the need for state support of small business is assessed on a scientific basis, proposals and recommendations are developed.

Key words: small business, private entrepreneurship, development of entrepreneurship, industrial zones

The development of small business and private entrepreneurship in our country has become one of the priorities of state policy. The place and role of business representatives in economic reforms in Uzbekistan is incomparable. In the implementation of economic reforms, a lot of attention is paid to increasing the opportunities for improving the favorable business environment.

Extensive reforms aimed at creating a favorable business environment for doing business in our country, strengthening the guarantees of the rights of business entities, reducing restrictions and administrative obstacles in carrying out foreign currency transactions and export activities, and further improving the tax system are being implemented. This, in turn, serves to a certain extent to eliminate the systemic problems that prevent the employment of the population.

In the development strategy of New Uzbekistan for 2022-2026, a number of tasks for the development of entrepreneurship have been defined. In particular, the goal was set to create conditions for the organization of business activities and the formation of permanent income sources in our country, to increase the share of the private sector in the GDP to 80% and its share in exports to 60%. In particular, in this regard: holding an "Open dialogue" of the President of the Republic of Uzbekistan with entrepreneurs every year, establishing 200 new industrial zones in the regions and developing a system of business incubators, creating more favorable conditions for the development of entrepreneurship in districts with difficult conditions, advanced foreign experience based on the development of factoring practices, reducing the tax burden on business entities from 27.5% of GDP to 25% by 2026, improving the activities of existing structures for supporting

entrepreneurship in the regions, reducing unemployment and poverty, providing free access to the necessary information for business entities to start their activities issues such as reducing state participation in the economy and opening a wide path to the private sector, expanding the introduction of free market principles in economic relations were defined.

In this regard, the development of scientifically based suggestions and recommendations for the development of entrepreneurship in our country, including the improvement of the favorable business environment, is one of the urgent issues of today.

The total number of small business entities registered in the Republic of Uzbekistan as of January 1, 2022 was 383,901, which is a 20.6% increase compared to the same period last year.

Figure 1 shows the number, size and dynamics of economic growth of business entities in the Republic of Uzbekistan.



Figure 1. The number, size and dynamics of economic growth of business entities in the Republic of Uzbekistan

In 2021, 98,886 small enterprises and micro-firms were established in the Republic, which was 6.3 percent compared to the same period last year. The largest number of small enterprises and micro-enterprises are established in trade (34.5 percent), accommodation and catering (9.7 percent) and other sectors.

In 2021, the share of small business in GDP was 54.9 percent (55.7 percent in 2020). Such a change in the composition of GDP is explained by the increase in the share of large enterprises in the economy of our country. The size of the main

indicators of small business and private entrepreneurship in the economic sectors in the Republic of Uzbekistan in 2021 is presented in Table 1.

1-жадвал

The size of the main indicators of small business and private entrepreneurship in economic sectors [1]

Fields	2016	2017	2018	2019	2020	2021
Industry (billion soums)	50654,5	61367,8	87962,0	83344,2	103020,8	121719,2
Construction (billion soums)	19671,0	22469,4	37451,7	53960,9	63866,6	77762,1
Trade (billion soums)	78935,6	92973,0	114896,4	138920,7	164106,1	204787,4
Agriculture (billion soums)	118011,4	152010,5	191759,2	219466,9	253238,2	307280,2
Services (billion soums)	61346,2	69212,7	84433,4	103106,6	114052,7	144812,7

From the data of Table 1, we can see that in 2021, 121719.2 bln. production of industrial products, 77762.1 billion soums. construction works of 204787.4 billion soums, trade turnover of 307280.2 billion soums. production of agricultural products, 144812.7 billion soums. Soum services were performed. These indicators are much higher than in previous years, which indicates that positive changes are taking place in our country in this field.

The development of small business and private entrepreneurship is determined by the number of enterprises operating in the field [2]. The following table shows the main activity indicators of small business and private entrepreneurship in our country in the following years (Table 2).

Table 2

Key performance indicators of small business and private entrepreneurship

Indicator	2017	2018	2019	2020
Total operating enterprises, thousand units	285,5	323,5	398,1	475,2
Including small business enterprises, thousand units	229,7	262,9	334,8	411,2
Share of small business enterprises in total operating enterprises, percentage	80,5	81,3	84,1	86,5
Newly established enterprises, thousand units	41,0	55,0	96,7	95,3
Including small business enterprises, thousand units	38,2	48,9	92,9	93,2
Share of small business enterprises in newly established enterprises, percentage	93,2	88,9	96,1	97,8
The share of small business and private entrepreneurship in the gross domestic product, percentage	63,4	60,4	54,2	53,9

From the data of Table 2, it can be seen that in 2017, a total of 285,500 enterprises were operating in our country, and during the analysis period, their number increased by 1.7 times and reached 475,200 in 2020. Including, the number of operating small business enterprises increased from 229.7 thousand to 411.2 thousand, that is, 1.8 times. The share of small business enterprises in total operating enterprises increased from 80.5 percent in 2017 to 86.5 percent in 2020.

The same positive changes can be observed in the dynamics of newly established enterprises. A total of 41,000 new enterprises were established in our country in 2017, and during the analysis period, their number increased by 2.3 times and reached 95,300 in 2020. Including, the number of newly established small business enterprises increased from 38.2 thousand to 93.2 thousand, i.e. 2.4 times.

The comprehensive measures implemented in our republic to further improve the business environment, to ensure reliable protection of small business and private

entrepreneurship, to provide them with comprehensive support and to eliminate obstacles to their rapid development, during 2017-2020, 288 thousand new small business enterprises (farmers and except farms) allowed to establish. In 2020, the share of small business enterprises in the total number of newly established enterprises increased from 93.2 percent in 2017 reached 97.8 percent. The share of small business and private entrepreneurship in the gross domestic product was 63.4 percent in 2017, and 53.9 percent in 2020.

World experience confirms that the activities of small private enterprises prevent negative situations such as low product quality, unjustified high prices, imposing conditions on consumers. Currently, the number of small enterprises, the number of workers working in them or the average number of workers corresponding to such enterprises, as well as the level of their share in the economy can be considered as an indicator of the economic potential of this country[3]. Small businesses make up the bulk of the German economy, accounting for 99.8 percent of the total number of registered firms, employing about 46 percent of all wage workers. In Italy, for the further development of this sector, for example, the production of poorly performing enterprises is reviewed by special funds and given (sold) to a more capable manager. The former "master" is sent to special training or counseling institutions established with the participation of the state to gain experience. There he is taught the secrets of entrepreneurship. Training and consulting centers do not function only as a commercial organization that implements managers, they also live on the funds of the state, local authorities and the region, as well as businessmen's associations interested in expanding enterprises as a source of increasing the level of employment of the population.

In Japan, there are also laws on the political basis of attitudes towards entrepreneurship, support for the introduction of new technologies, and the management of private entrepreneurship. They have become a driving factor in the development of entrepreneurship[3].

In this country, about 50 legal and regulatory documents and laws are developed per year to support the business sector. Most of them are aimed at reducing bankruptcy and achieving a high result.

In Japan, there are 43 small businesses per thousand people. Usually 22-23 workers work in each such enterprise. This indicates that more than 80.0 percent of the country's workforce is employed in this sector. That is why private entrepreneurship accounts for 40.0% of the country's exports. More than 50.0 percent of the gross national product belongs to the small and medium business sector.

Today, it is important for business entities to correctly calculate taxes,

accurately formulate them in tax reports and submit them on time. However, there are problems in the presented tax reports, such as incorrect determination of the tax rate and tax base, purposeless use of tax benefits, incorrect or incomplete filling in of the details of the enterprise, inaccurate or untimely submission of information from internal and external sources[4].

An analysis of the main indicators of the development of small business and private entrepreneurship in the Republic of Uzbekistan reveals several key trends and factors influencing this sector. As of recent assessments, Uzbekistan has experienced notable growth in its small business sector, marked by an increasing number of registered enterprises and expanding employment opportunities[5].

Key indicators include the number of newly registered small businesses, which has been steadily rising due to governmental reforms aimed at easing registration procedures and providing financial support to entrepreneurs. The legal environment has also evolved, with reforms enhancing the protection of property rights and reducing bureaucratic barriers.

Moreover, there has been a significant expansion in the sectors where small businesses operate, including services, agriculture, and manufacturing. This diversification reflects efforts to reduce dependency on traditional industries and foster innovation and competitiveness.

Challenges remain, however, particularly concerning access to finance for small enterprises, as well as issues related to infrastructure and access to markets, especially in rural areas. The government's initiatives to address these challenges through microcredit programs and regional development policies are crucial in sustaining growth and inclusivity across the country[6].

In conclusion, while Uzbekistan's small business and private entrepreneurship sector shows promising growth, ongoing reforms and targeted policies will be essential to overcome remaining obstacles and further harness the sector's potential for economic development and job creation.

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