

ISSUES OF INCREASING FOOD INDUSTRY COMPETITIVENESS IN UZBEKISTAN

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Abstract— The article discusses the issues of increasing competitiveness and further development of the food industry in Uzbekistan. The author has scientifically proven that in order to increase the competitiveness of the national economy, saturate the domestic market with high-quality consumer goods, and ultimately increase the living standards of the population, deep and consistent structural changes are being made in the economy. In addition, the author describes the current stages of the real sector of the economy, the food industry, the implementation of reforms and the development of its analysis of the main trends.

Index Terms— food industry, competitiveness, entrepreneurship, marketing, industrial transformation, consumer goods production.

1 INTRODUCTION

Liberalization of economy of the Republic of Uzbekistan, deepening of reforms and transition to socially-oriented market relations set new tasks in the field of science and practice in the provision of daily consumer goods. At the same time, one of the urgent problems is the provision of the market with food products, radical change of the organizational and economic basis for the formation and development of various forms of ownership in agriculture.

Based on the aforementioned ideas, one of the most pressing topics today is to provide the population with high quality products through the development of entrepreneurship in the food industry.

At the same time, the new system of management, along with the particular tendency of market entities to develop, especially in the conditions of production and consumption of meat and dairy products, is also developing integration processes, which aim to accelerate interaction among all partners involved in the production of this type of product. [1].

2 LITERATURE REVIEW

Promoting Investment in Industrial Enterprises, Managing and Improving Investment Processes in the Food Industry Well-known economists -. Crockett J.A. [2], Denisov V.P. [4], Alferev V.P., P.P. Michael, E.E. Rumyantseva, S.Satubaldin, A.D. Sheremet, V.V. Bocharev, P.I.Vahrin, V.G. Artemenko, M.V. It is reflected in the scientific researches of Belandir and others.

Some theoretical aspects of investing processes and investment efficiency in industrial enterprises are presented by Uzbek economists M.Mamaev [1], B.Yu.Khodiev [8], Salimov B.T. [3], Gaybullaev R.M. [7], reflected in the research of L.T. Abdusalilova [9]. The above-mentioned economists have focused on this issue in terms of innovation or investment and economic processes related to industrial development.

However, in the country, in particular, it has not been studied and studied as a separate object of the food industry transformation and its competitiveness increase. The above-

mentioned circumstances make it possible to determine the purpose, objectives and scope of the work in question.

3 ANALYSIS AND RESULTS

According to experts, "... the competitive environment in the global agrarian and food markets is increasing every day. This is especially true in the markets of wet and dry fruits, vegetables, canned products, processed fruits and vegetables, vegetable oil, flour and flour products, tea, coffee, citrus fruits, dairy and meat products. At the same time, the demand and sales volume for a particular product is strongly influenced by its appearance, color, size, beautiful packaging, reputation of the manufacturer, the behavior of the seller and the ability to offer the product, advertising and other factors."

The food industry is the industry that produces the same products in any state economy. It includes meat and milk, dairy and fat, oil and fish products, flour, cereals, pasta, canned fruits and vegetables, juices, various drinks, sugar, confectionery, bread and other products. will be Economic literature shows that industrial development and its stabilization directly depend on the level of development of markets in this country or region, ie the level of culture of consumer demand for a particular product. Goods are sold and purchased through the market, and their consumer value is formed. Deepening of this process will lead to the creation of specialized industries that will increase and strengthen mutual trade between them. Food products are, in our opinion, the final or intermediate product of the agro-industrial complex, which is ultimately designed to meet and exchange the individual and society's total nutritional needs.

The formation of the food industry is directly related to its involvement in the creation of the industry, which is seen as a system for the sale of goods by agricultural producers with various forms of ownership. This requires revealing the specifics of its development when examining the development of this food industry. In our opinion, the consumer market of food products may have the following characteristics:

1. The consumer market of the food industry combines not only all of its own products, but also a portion of the

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population's daily needs.

2. Consumer market of the food industry is not directly related to the functional areas of the agro-industrial complex, which includes both integrated and complementary industries, but provides a wide range of consumer goods and services to meet the needs of the population. specialized areas.

3. One of the main features of the food industry is the complexity of the final product. One of the main reasons for this is due to the technological implications of food raw materials and the level of product preparation for direct consumption.

4. From the production point of view, one of the distinctive features of the food industry is the maximum convergence of raw materials for final consumption, as well as the delivery of products and services to the consumer's own consumption.

5. Continuous availability and improvement of the system of distribution and consumption of products in the food industry market (wholesale markets, manufacturers and suppliers, retail, public catering, etc.).

6. The consumer market of the food industry is not only economical but also socially important. Because of its constant human demand for food, it is an area of paramount importance to society with the need to provide the same services to different segments of the population.

7. Consistency of the need for food ensures the need for continuous operation of the consumer food market.

Russian scientist A.L. According to Pustuev, the food commodity market is a "complex system comprised of a wide range of agricultural products, infrastructure and facilities in the capital and commodity sectors that are of interest to society, entrepreneurs and the state. He said. Clearly, AL Pustuev identifies the food industry as an important asset for the national economy and emphasizes the interconnectedness of the interests of society, the state and entrepreneurs.

In the experience of foreign countries (for example in the USA) the "food industry" is studied as a separate branch of the national economy. Organizational, it is owned by the Ministry of Agriculture (Department) but has its own structure and a system of economic indicators. The US food market as a perfect system ("Food System") is a chain that combines "consumer and agriculture" with food industry enterprises. To the food industry manufacturers we can include the following.

The food industry exists in both European and Arab countries as an independent sector of the national economy working to meet the individual needs of the population, which also tends to break away from the agro-industrial sector. Thus, summarizing the views of the food industry described above can be summarized as follows: "The food industry produces agricultural products, suppliers of natural raw materials, as well as food products for domestic and foreign consumers. is a

system consisting of mining companies".

The scientific literature provides many definitions for the agrarian market and a number of recommendations for creating the necessary conditions for its functioning. In particular, a comprehensive understanding of the agrarian market is set out in the "Methodological Guidelines for State Agrarian Regulation by the State" which, according to this methodology, provides the agricultural market with specialized products for agricultural and processing industries. combines output and service tools. In addition, it is related to the sale of a number of other national agricultural products (chemical, machine building and construction materials, etc.). V.A. Klyukach gives a complete description of the agrarian market infrastructure. According to him, "agrarian market is a complex of consumer markets, markets of means of production, labor market, credit and financial markets and innovative and information structures". When comparing the definitions of the agrarian market, it is necessary to take into account one of its important aspects. That is, agriculture is the central link in the agro-industrial complex. At the same time, it is necessary to consider not only the economic interests of agricultural producers, but also the market prices for products, logistics, modern technologies and services in ensuring price parity by sectors of the economy. This indicates that the agrarian market is also a medium of communication and serves as an intermediary. Therefore, the notion of agrarian market can be understood as the sum of broad socio-economic relations not only in the production and sale of agricultural products, but also in the distribution of income. In this sense, the agrarian market as a whole food production chain represents a set of market relations related to the following three main activities:

- raw material extraction and storage industries;
- as raw materials processing and manufacturing industries;
- as a network of finished products.

Finished goods sold in the agrarian market include material and technical resources for agriculture, semi-finished and ready-to-use consumer goods obtained through processing of raw materials. The food market is one of the main components of the country's market infrastructure. There must be the necessary conditions for normal functioning of this joint. In this regard, economist I.Ivatov said that "the farmer's market is especially important in meeting the demand of the population for agricultural products, which is an important component of consumer goods and primarily food products."

In our research, we do not consider the food industry as part of "agriculture" or "consumer goods". In other words, "the food industry is a separate sector of the national economy. It is an independent system of agricultural products processing, a set of structures for the production, storage and shipment of

agricultural products."

At present, the level of development of the food industry in the country and its position in the national economy are rapidly changing. Therefore, when assessing the level of development of the food industry in Uzbekistan, we first look at the industry structure of the industry and then analyze the statistics in the manufacturing sector. At the same time, we characterize the level of development based on the dynamics of indicators that reflect economic growth across commodity groups.

At the national level, large-scale work should be done to further increase the share of the food business, improve the quality of products and meet the growing needs of the population.

On the subject of our analysis, we have tried to analyze the activities of the food industry in the case of Andijan region, which is demographically densely populated but with limited access to irrigated land. According to statistics, in 2008 the ratio was low. In other words, the share of food industry in the total volume of industrial production decreased from 20.8% to 4.3% in the period from 1999 to 2012. This is due to the fact that in recent years, machine-building is the leading industry in the industrial sector, its share has been declining, although its share has been increasing year after year, and as a result, the number of other sectors, including the food industry, has increased.

Since 2004 a number of joint stock companies producing foodstuffs have become small enterprises. As a result, non-state sector output increased by 4.1% (Table 1).

Table 1.

Share of food industry production in Andijan region in non-state sector (percentage) [11].

Indicators	Years		2013 compared to 2003 (+;-)
	2003	2013	
The volume of food industry production	100	100	X
Including:			
In the public sector	4,5	0,4	-4,1
In the non-state sector	95,5	99,6	+4,1
Including:			
Joint-stock companies	79,5	63,8	-15,7
Joint ventures	7,0	0,7	-6,3
Small businesses	3,3	10,3	+7,0
Microfirms	1,5	3,0	+1,5
Household employees	2,0	5,0	+3,0
Individuals and	2,2	15,8	+13,6

licensees			
Auxiliary farms	-	1,0	+1,0

The share of the food industry in Andijan increased from 95.5% to 99.6% between 2003 and 2013, due to changes in the restructuring of the enterprises.

While the output of small businesses in the food industry increased from 3.3 percent to 10.3 percent between 2003 and 2013, growth rates were much higher between 2004 and 2005, at 8.2 percent and 9.1 percent. Microfirms production increased from 2003 to 2013, but increased from 1.5% in 2003 to 2.5% in 2005. However, since 2006 it has declined sharply, reaching 1.7% in 2008 and 3.0% in 2013.

In general, the volume of food production in the region has increased due to the non-state sector. The share of joint stock companies in 2013 was 63.8%, joint ventures - 0.7%, small enterprises - 10.3%, micro firms - 3.0%. The unevenness and variability of production volumes at different enterprises between 2003 and 2013 are related to the increasing number of individual and unlicensed employees in the sector and an increase in the amount of food produced by them.

In addition, there is a growing number of bakers, bakers, confectioners, meat, dairy and other retailers, and many of them are individual entrepreneurs. This indicates that small business and private entrepreneurship in the food industry are also developing in the regions of the country. But at the same time, there are a number of problems in the development of this sector, which are of particular relevance today.

Analysis of entrepreneurial activity in the regional food industry revealed the following trends:

- the share of small businesses operating in the regional food industry has increased. This was due to the fact that 92.8% of total number of small enterprises operated in 2004, compared to 99.3% in 2013;

- the largest share of small businesses operating in the regional food industry is in agriculture (23.4%), trade and catering (21.2%), and other industries (55.4%);

- Decrease in the share of food imports in the foreign trade turnover of the region led to an increase in the share of exports of private entrepreneurial products from 6.3% in 2010 to 7.4% in 2013, ie by 1.1%.

Significantly expanded the range of products of the food industry. For example, oil mills produce and process an average of 95,000 tonnes of raw materials a year, thanks to the harvest from the land allocated for the production of oilseed crops such as soybeans, safflower and sunflower. The range of bread and bakery products has also increased. Currently, the enterprises of our country produce over 300 types of bread. Food industry enterprises produce more than 3,000 items of various types of food and the assortment of food products is enriched with 80 new names every year.

In order to ensure the quality of the manufactured products, ISO-9001 and ISO-22000 international quality standards have been introduced at 363 food industry enterprises.

Measures are being taken to ensure the sustainable

development of local food and raw materials, to bring them to the market in an assortment of safe foods and consumption patterns. These measures will help to improve food security in the country.

Consumption of foodstuffs in Uzbekistan is comparable to minimum standards. For example, the annual consumption of meat and meat products is \$ 1.2 million. tons, however, the industry is 1.9 million tonnes a year. tons. Consumption of milk and dairy products in 2015 was 4.8 million. tons. The share of the food industry in the total volume of industrial production of the country is also increasing. If in 2011 this figure was 12.6% compared to 17.1% in 2014, in 2015 it reached 18.2%.

Measures taken to stimulate and support the modernization and diversification of production in the real sector have facilitated the growth of food production. In 2015, the total volume of production in the food industry amounted to 16,729.2 billion. The growth rate made up 114.4%.

Compared to 2014 production of sugar increased by 23.7%, fruits and vegetables - by 17.9%, meat and milk - by 5.7%, butter and fat - by 3.7%.

During the reporting period, compared to the same period of the last year, the largest enterprises of the sector increased production by the following types of products: canned meat - by 8.0 times, canned meat and vegetable - by 2.0 times, molasses - by 40.9%. margarine and spreads - 16.5%, marmalade, jelly - 20.2%, confectionery products - 17.8%, sugar - 16.3%, other unprocessed bread products - 14.0%, processed liquid milk - 11.4%, butter - 7.9%, wheat bread - 6.3%.

Production of alcoholic beverages increased by 113.4% and beer by 105.3%.

In the structure of foodstuff production the largest share falls on enterprises of Tashkent city (22.2% of the total volume), Tashkent (18.2%), Samarkand (13.4%) and Fergana (6.5%) regions. .

Table 2.

Dynamics of production of basic types of food, in percent compared to the previous year [11]

Product Type	2010 y.	2011 y.	2012 y.	2013 y.	2014 y.
Meat and meat products	96,5	102,3	108,7	103,6	107,5
Milk and dairy products	101,0	101,3	102,5	112,1	104,9
Bread and bakery products	103,9	118,6	98,1	102,4	99,7
Fish products	118,4	107,9	75,6	101,1	104,3

Small businesses provided an increase in production by 14.3% compared to the same period of 2014 and their share in

the total volume of the food industry was 69.0%.

In 2015, 1501 food industry enterprises were established in the country.

The Association of Food Industry Enterprises in Uzbekistan has more than one hundred enterprises supplying the population with industrial products, consumer goods, vegetable oil, margarine, mayonnaise, sugar and other products. Some of their products are exported.

At the same time, the enterprises of the sector continue to work on deepening economic reforms in the sector, expanding the range of food products and saturating the domestic market with high quality domestic products. Realization of investment projects on modernization, technical and technological renovation of production is an important factor in this direction.

The total volume of investments into the food industry in Uzbekistan in 2008-2014 was US \$ 900 million. dollars. 400 million. tons of new products were created and 45,000 new jobs were created.

In 2015, over 1,660 investment projects were implemented to develop the food industry in the regions. In the Republic of Karakalpakstan and regions 21,500 farms were transformed into diversified farms, intensive and local gardens were established, meat, milk and fruit and vegetable processing enterprises increased. Livestock, poultry, fishery, beekeeping and service services have been developed. As a result, 96,200 new jobs were created.

Further promotion of intensive production, efficient use of land and expansion of production of high value-added products based on local raw materials will play an important role in furthering these successes.

Uzbekistan's food sector reforms are widely recognized by the international community. In particular, in the framework of the 39th session of the Food and Agriculture Organization (FAO), Uzbekistan was awarded the 2015 Millennium Development Goals (Food Entrepreneurship).

Uzbekistan also ranks 9th in the new food security rating of the British Economist based on the results of 2015 [2]. There are 109 countries in the ranking. Uzbekistan is 64th in the ranking and improved by 9 points last year.

The Global Food Security Index is published by The Economist Intelligence Unit (UK) with the help of the transnational company Dupon. The research has been conducted since 2012. To date, this index represents the most complete form of indicators for the state of food security in different countries.

All countries are evaluated in three categories: food availability and consumption, their availability and adequacy, food quality and security. Each of these criteria included 28 different indicators and their value was measured over a two-year period.

According to the data, Uzbekistan received the highest scores on these criteria. Researchers estimate that food in Uzbekistan is so high that it can consume 39 kilocalories per day.

Data from international organizations and national institutions were used for the calculation. The high position of the state in the rating indicates its high level of food security.

The United States ranked 1st in the 2015 rankings. Singapore, Ireland, Austria, Netherlands, Switzerland, Canada, Germany and Australia are in the top ten.

Another example, in September 2015, was published an article on India's information and analytical portal Diplomindia.com on the progress made in agriculture in our country [10].

The article notes that Uzbekistan currently produces about 17 million tons of food per year. Nearly 300 kg of vegetables, 75 kg of potatoes and 44 kg of grapes are consumed per capita. This indicator is three times more than the optimal consumption norms. The article notes that Uzbekistan currently supplies more than 180 types of fruits and vegetables to 80 countries.

To date, food-processing enterprises are faced with the task of improving the quality of production and new standards of management, the introduction of modern technologies. Their introduction will allow to increase the capacity of the enterprises to a new level, to improve the quality and range of products. In addition, preparation of enterprises for certification under new rules, retraining of personnel, establishment of special repair teams and other issues are of great importance.

For this purpose "Uzozikovatsanoatholding" Holding Company was established on the basis of the Association of Food Industry Enterprises of Uzbekistan, which was closed down [3].

According to the Decree of the President of the Republic of Uzbekistan dated February 18, 2016, the holding includes 176 enterprises in the form of joint-stock companies for production of food, oil and fat and dairy products and limited liability companies. The holding's charter capital is formed by the transfer of the state-owned block of shares in the statutory funds of enterprises that are part of the liquidation association.

According to the resolution, the new holding company may join the voluntary grocery business as a member.

The Fund for the Development, Reconstruction and Modernization of Food Industry will be established on the basis of the Holding.

It is envisaged to implement 391 investment projects in the food industry in 2015-2019, build more than 2,000 modern cooling chambers with a storage capacity of at least 1 million 300 thousand tons of fruits and vegetables, and increase the total storage capacity to 2 million tons.

As a result of these measures, further strengthening of food security and self-sufficiency of the main types of food products in 2015-2019 will be ensured, as well as a significant increase in exports of these products, which are in high demand in foreign markets.

In general, during the years of independence in our country, large-scale measures have been taken to ensure the domestic consumer market and the population, especially in the winter-spring season, to increase the volume of exports of fruits and vegetables, including trade networks in remote areas. - A great deal of attention was paid to the uninterrupted supply of foodstuffs.

4 Conclusion

In summary, the factors that have positively influenced the development of the food industry in recent years are:

- increasing the share of the national market in the global food market based on international quality management

standards;

- development of cooperation with international financial institutions and investors in the implementation of projects to attract modern agricultural technologies;

- increasing the productivity of fruit and vegetable crops and grapes, improving the infrastructure and logistics systems;

- to take necessary additional measures to expand food production, attract foreign investment into the sector, introduce high-tech equipment, increase export potential, and more.

It is desirable to continue the measures being implemented in Uzbekistan on the economic reforms, food security, in particular through the radical reform of agriculture and the development of the food industry in the following areas:

- introduction of modern technologies, new standards of quality management for enterprises to prepare foodstuffs according to the requirements of the world market;

- Creation of trade logistics centers;

- Creation of new enterprises for the production of semi-finished and ready-made products, bottles, packaging materials;

- expansion of vacuum packaging method of packaging in international bottles, etc.

This, in turn, as an integral part of socio-economic development, will provide all the necessary conditions for ensuring food security, accelerated development of the agro-industrial complex with great production potential, and thus guaranteeing the prosperity and stability of the country.

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