

# TRENDS IN ECONOMIC GROWTH AND DEVELOPMENT OF INDUSTRIAL SECTORS IN NAVOI REGION

Savrieva Madina Khakimovna  
Navoi Innovation University  
independent researcher

**Abstract:** *The article examines the trends in economic growth and development of industrial sectors in the Navoi region. In addition, the Navoi region is one of the most industrialized regions. The annual volume of industrial production here is more than 80 trillion soums (\$ 5.7 billion). Among the “drivers” of the region's economy are mining, chemical industry, construction materials industry and textile production. The importance of studying this topic is due to the significant impact that large companies have on the regional economy, including through job creation, increased tax revenues to budgets at all levels and the development of social infrastructure.*

*Large monopoly enterprises create jobs, increase tax revenues, invest in infrastructure and contribute to the development of the local manufacturing complex. However, it is also necessary to take into account the risks associated with dependence on one industry and strive to diversify the economy to reduce vulnerability to global economic changes.*

**Key concepts:** *monopoly enterprises, industrial sectors, economic development of the territory, employment, industrial complex, socio-ecological-economic system of the region, regional economic system, level of industrial development of the region, chemical industry, mining industry, mechanical engineering industry, growth of industrial production, volume of production.*

**Relevance of the study.** In modern economic science, the issue of the influence of large enterprises on the development of territories is particularly relevant. The importance of studying this topic is due to the significant influence that large companies have on the economy of regions, including through the creation of jobs, an increase in tax revenues to budgets at all levels and the development of social infrastructure. In this article, we will consider the Navoi Mining and Metallurgical Plant (NMMC) as an example of the influence of a large enterprise on the economic development of a territory. The study is aimed at analyzing the economic, social and environmental aspects of the company's activities, as well as its contribution to the development of the region.

**Introduction.** Industry is one of the decisive factors in the sustainable development of the socio-ecological-economic system of the region. The social subsystem of the region has the following relationship with the level of industrial development. The level of industrial development determines the number of jobs, the number of employees, the level of wages and the level of unemployment. Secondary factors are the amount of taxes levied on the working-age population, filling the budget, and their size determines the level of social protection of the

population and the consumption of material goods and services. In order to expand the production of finished competitive products through the accelerated development of high-tech areas of industry in the country, the widespread attraction of private investment, increasing the income of the population by creating new production capacities in the regions, as well as the introduction of a management system based on advanced international standards in large industrial sectors:

- implementation of a unified industrial policy and introduction of modern mechanisms for the development of its industries;
- determination of areas that stimulate industrial development taking into account the availability of natural raw materials, labor resources and the "relative advantages" of regions, as well as coordination of their implementation;
- development of basic industries, including oil and gas, energy, chemical, mining, mechanical engineering industries, increasing their competitiveness, implementing diversification, developing strategies and programs for their reform;
- ensuring proportional distribution of resources across industries and regions, as well as balanced development of infrastructure, etc.[1]

The decree "On the Strategy of Actions for Further Development of the Republic of Uzbekistan" adopted by the President of the Republic of Uzbekistan SH. strategy" [2], paragraph 3.2 is called "Deepening structural changes, increasing its competitiveness due to the modernization and diversification of the leading sectors of the national economy" and "creating an effective competitive environment for economic sectors and providing products and services step-by-step reduction of monopoly in display markets; In principle, the tasks of mastering the production of new types of products and technologies, mainly ensuring the competitiveness of national goods in the domestic and foreign markets. The optimal directions of this decree were developed and projects were drawn up.

The level of industrial development has the following impact on the ecological subsystem of the region - it determines the level of environmental pollution, the level of use of natural resources in production activities, the level of negative impact on the environment [3].

The regional economic system and level of development are associated with the production activities of monopoly enterprises, which largely determines the economic potential of the region, the volume and efficiency of production as a whole, the state of regional markets, investment activity and financial self-sufficiency of the region. Various types of industrial activity and their geo-ecological consequences can be expressed in the form of an industrial-ecological pyramid. It is known that about 98% of the raw materials mined at this stage go to waste in the form of waste rock, low-concentration ore, soil, non-standard wood, etc. Only 2% of the raw materials reach the next level, which can be called the level of raw material processing. As a result, intermediate products are obtained, for example, iron, rolled products [4].

Industry is the most important consumer of natural resources (metallic and non-metallic ores, agricultural products, various types of energy). And the results

of production processes are the need for planned or unexpected emissions of harmful gases, solid waste and various waste liquids. This can happen during production or later, during the use of the product. Some waste and industrial products are very toxic and can cause serious illness.

From here, we can make a theoretical assumption, and only then check it with practical research, which means that the development of industry affects the growth of the gross regional product, its increase leads to an increase in the intensity of the use of natural resources; waste and an increase in harmful waste from industrial activities, as well as a decrease in the well-being and standard of living of the region's population.

The growth of the country's economy depends on the rate of growth of industrial production, which means that the country will be able to produce diverse and complex industrial products, its level of well-being and further development of the country's economy will be higher.

**The purpose of the study.** The purpose of this study is a comprehensive analysis of the impact of the activities of a large industrial enterprise, the Navoi Mining and Metallurgical Plant (NGMK), on the economic development of the Navoi region. The main objective is to identify and assess the economic, social and environmental impact of the enterprise at the regional level. The study is expected to examine such aspects as the company's contribution to the formation of the regional gross product, job creation, investment in social and infrastructure development, and to assess the impact of its activities on the environmental situation in the region.

Particular attention will be paid to the analysis of tax deductions and their role in the regional budget. The study involves the use of complex methods of economic analysis, including statistical data processing, analysis of company reporting and regional economic information. The results of the work can be used to develop recommendations for optimizing interaction between large enterprises and regional authorities for the purpose of sustainable economic development of the territories.

**Material and methods of the research.** In the framework of this study, aimed at analyzing the impact of the activities of the Navoi Mining and Metallurgical Plant (NMMC) on the economic development of the Navoi region, various methodological approaches and data sources are used.

Statistical data reflecting the economic state of the Navoi region are used as the main materials for the analysis.

The research methods are: the method of theoretical and practical analysis, the method of comparative analysis.

**Analysis of the study.** In recent years, a number of positive and effective measures have been taken in the Navoi region in terms of accelerated industrial development, localization of production, expansion of cooperation ties in industry, and optimization of imports. Today, about 3.600 industrial enterprises and more than 200 enterprises with foreign investment operate effectively in the region. The Navoi region is a major industrial center of the republic as a whole. The region is

home to production of non-ferrous metals, cement, chemicals and other industrial goods.

Such large industrial enterprises as Navoi Mining and Metallurgical Plant (NMMC), OJSC NavoiyAzot, OJSC QizilqumSement, AmantaytauGoldFilds, JSC Gozg'onMarmar and other industrial facilities make up the bulk of the entire production economic indicator of the region. Also, measures are being taken in the region to further localize production. Thus, the production of bentonite powder has been established in the Bentonit joint venture, basalt thread in the Tizol-N private enterprise, glugitsira in the Avitsenna industrial company, phosconcentrate in the NMMC, the Nur Navoi Solar solar photovoltaic station and others.

According to the results of January-March 2023, the gross added value of industry in the Navoi region amounted to 11,430.4 billion soums and, compared to January-March 2022, increased by 1.3%, and compared to January-March 2019 by 32.8%. In January-September 2023, industrial products were produced in the amount of 73 trillion soums, the growth rate was 105.8%, the share in the republic was 16%.

**Table 1**

**Share of the volume of industrial production in the region (in percent) [5]**

<b>Regional</b>	<b>2020 y</b>	<b>2021 y</b>	<b>2022 y</b>	<b>2023 y</b>	<b>January-September 2024</b>
<b>Navoi region</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>
Navoi city	84,5	84,8	84,7	84,8	83,8
Zarafshon city	0,5	0,5	0,4	0,5	0,6
Gozgon city		0,1	0,1	0,1	0,1
<i>including:</i>					
Karmana district	10,7	10,0	9,7	9,3	8,6
Conimex district	0,2	0,2	0,7	0,7	0,6
Kyziltepa district	1,7	1,0	1,9	1,2	1,1
Navbahor district	0,8	0,9	0,9	1,0	0,9
Nurota district	0,4	0,3	0,4	0,4	0,4
Tomdi district	0,1	0,1	0,1	0,1	0,1
Uzgoduk district	0,3	0,3	0,4	0,4	0,4

Khatirchi district	0,9	1,8	0,7	1,5	1,5
--------------------	-----	-----	-----	-----	-----

The city of Navoi (83.8%), Karmana (8.6%), Kyzyltepa (1.1%), Navbahor (0.9%) and Khatirchi (1.5%) districts contribute a high share to the total industrial production of the region.

**Table 2**

**Industrial production per capita in districts (thousand soums) [5]**

	2020 y	2021 y	2022 y	2023 y	January-September 2024
<b>Navoi region</b>	<b>64 737,5</b>	<b>71 925,7</b>	<b>80 786,1</b>	<b>95 593,6</b>	<b>94 276,4</b>
Navoi city	377 957,7	419 769,1	466 327,8	544 734,7	523 766,7
Zarafshon city	3 741,8	4 288,0	4 219,7	6 258,4	7 157,9
Gozgon city		6 385,3	8 405,8	14 746,5	13 684,6
<i>including:</i>					
Karmana district	54 777,0	56 559,4	60 963,8	68 731,2	62 960,7
Conimex district	3 844,1	3 162,7	16 353,4	19 569,6	16 837,1
Kyziltepa district	7 400,8	4 769,8	10 361,7	7 386,8	7 069,2
Navbahor district	4 398,9	5 995,8	6 794,9	8 145,6	7 960,8
Nurota district	2 840,8	3 031,0	3 466,7	4 550,8	4 227,6
Tomdi district	2 501,8	3 027,7	3 019,9	4 037,3	3 962,3
Uzguduk district	4 697,9	5 384,7	7 939,5	9 847,8	9 882,9
Khatirchi district	2 862,7	6 618,8	2 886,7	7 460,4	6 979,0

High rates of industrial production per capita in the central territories of the region are the city of Navoi (523,766.7 million soums), Karmana (62,960.7 million soums), Konimekh (16,837.1 million soums), Gozgan (13,684.6 million soums). The volume of products manufactured by the mining industry and open-pit mining

enterprises in January-September 2023 amounted to 9 billion 029.3 billion soums or 12.4% of the total volume of industrial products manufactured.

The volume of products manufactured by industrial enterprises during the reporting period amounted to 59.1 trillion soums or 80.9% of the total volume of industrial products.

**Table 3**

**Key indicators of regional industry [5]**

<b>Indicators</b>	<b>2020 y</b>	<b>2021 y</b>	<b>2022 y</b>	<b>2023 y</b>	<b>January-September 2024</b>
Volume of industrial output, billion soums	65 084,9	73 633,5	84 393,7	101 841,9	102 069,1
Growth rate of industrial production, as a percentage of the previous year	109,1	107,0	106,1	107,2	107,8
including:					
Mining industry and exploitation of open pits, billion rubles soums	6 152,1	9 520,2	11 742,0	12 041,0	12 429,3
Metallurgical industry, billion soums	44 282,0	44 942,9	50 607,2	62 856,0	65 875,2

According to the results of January-September 2023, the share of the metallurgical industry in the industry was 75.4%, an increase of 6.9% compared to the corresponding period of the previous year, the share of the food industry - 3.0% compared to the previous year increased by 13.3%, the share of textile products was 2.1% and increased by 15.2% compared to last year.

The production of consumer goods per capita in the region is 3,946,000 soums in the Karmana district, 3,305,200 soums in the city of Navoi, 2,667,500 soums in Kyzyltepa, 2,667,500 soums in the Navbahor districts amounted to 2,636.5 thousand soums and in the city of Zarafshan - 2,376. 0 thousand soums.

The largest share of production of consumer goods in the region was 18.6% in the Karmaninsky district, 18.0% in the city of Navoi, 15.6% in the Khatyrchi district and 14.7% in the Kyzyltepa district.

**Results of the study.** In the modern economy, large enterprises play a key role in the development of territories, exerting a multifaceted influence on local economies and social structures. One of the main aspects of this influence is the creation of jobs, which helps to reduce unemployment and increase incomes of the population. In addition, large companies make a significant contribution to the economic growth of the region both directly and indirectly, stimulating the development of related industries and small businesses.



An important aspect is also the increase in tax revenues to local and state budgets, which allows funding public projects and improving infrastructure. Investments in infrastructure, including roads, transport, education and healthcare, are a key factor in improving the quality of life of the population and the attractiveness of the region for further investment. These factors together emphasize the importance of large enterprises in the economic development of territories.

When studying the impact of industrial production enterprises on the economic development of the Navoi region, it is important to take into account both economic and social aspects.

Such enterprises, including NMMC contribute to the growth of the region's economy through job creation and increased tax revenues, which affects the standard of living of the population and the development of social infrastructure. However, it is also necessary to consider the environmental impact of the plant's activities and look for ways to minimize the negative impact on the environment. An integrated approach is important when assessing the impact of NMMC on the development of the territory and identifying potential areas for improvement and development.

An economy based on a monoculture, such as the heavy dependence on the industrial sector in the Navoi region, may face serious risks. This is due to the fact that global economic changes, such as fluctuations in prices for mining and metallurgical products, can significantly affect the economy of the region as a whole.

If prices for mining and metallurgical products fall, this can lead to a decrease in export revenues, a decrease in tax revenues and a reduction in investment in the industry. As a result, a region that is heavily dependent on the mining industry may face economic difficulties, such as increased unemployment and a decrease in the overall standard of living of the region's population.

This situation requires the use of diversification methods for the stability of the region's economy. The development of alternative industries will help reduce dependence on price instability in industrial production. For example, the development of tourism in the region, the agro-industrial sector, renewable energy sources (solar photovoltaic power station built by Masdar from the UAE) [6] and the use of digital technologies in production complexes can be a potential solution. It is also important to implement programs to support the private sector, small and medium businesses, which can create additional jobs and contribute to the economic growth of the region. Strengthening and close integration of these sectors will help mitigate the effects of economic downturns in the industrial sector, including the mining and metallurgical industry, ensuring more stable and sustainable development of the region's economy.

**Conclusions.** The conclusion of the article on the influence of large industrial enterprises on the economic development of the region emphasizes the importance of these companies as the main drivers of economic growth and social progress in the region. Large monopoly enterprises create jobs, increase tax

revenues, invest in infrastructure and contribute to the development of the local industrial complex. However, it is also necessary to take into account the risks associated with dependence on one industry and strive to diversify the economy to reduce vulnerability to global economic changes. The balance between the use of resources of large enterprises and the development of other sectors is a key factor in the sustainable economic development of territories.

#### **References**

1. Decree of the President of the Republic of Uzbekistan, On additional measures for the accelerated development of industry and its basic sectors, dated 12.10.2023 No. UP-169.
2. Decree of the President of the Republic of Uzbekistan dated February 7, 2017 No. PF 4947 "On the Strategy of Actions in the five priority areas of development of the Republic of Uzbekistan in 2017-2021".
3. E.E. Kononova. Assessment of the impact of industrial development on the socio-ecological-economic characteristics of the region. <https://cyberleninka.ru>
4. Golubev G.N. Geocology: textbook [Electronic resource]. Access mode: <http://ugrafmsh.ru>.
5. Stat.uz. <https://navstat.uz/uz/rasmiy-statistika/industry-2>.
6. <https://www.gazeta.uz/ru/2021/08/27/energy-navoi/>