

Status of Development of the Service Sector in Bukhara Region

D. D. Alimova

Bukhara Institute of Engineering and Technology, Department of Economics and Management Basic Doctoral Student

Abstract: This article analyzes the development of the service sector and its importance in the economy using the example of the Bukhara region. The content of the service and its main characteristics, as well as the development of various types of economic activity in the region - tourism, trade, transport, healthcare, education and other sectors, are highlighted. Measures are being taken to increase the volume of the service sector within the framework of the program for 2022–2026. At the same time, the increase in the share of services in the region's GDP, analytical indicators and future development prospects are shown.

Key words: Service sector, economic activity, Bukhara region, tourism, trade, transport, healthcare, economic development, service market, GDP.



This is an open-access article under the [CC-BY 4.0](https://creativecommons.org/licenses/by/4.0/) license

Introduction

Service is the result of the interaction between the customer and the supplier, as well as the result of the internal activities of the supplier to meet the customer's needs. The requirements for the ordered service should be expressed in specific characteristics that can be quantified and subsequently evaluated. The processes that ensure the provision of the provided service should also be expressed in specific characteristics and affect its performance. All service characteristics can usually be evaluated based on their compliance with the standards established by the service provider. The main elements and processes of the service system are the performer, the consumer, the terms of service, the service process and its result - the service. In addition to these general elements and processes of the service system, it may also include specific elements and processes that are determined by the nature of a particular service system [9]. Currently, there are all types of services, and their number is constantly growing.

These include:

- communication (television, radio, communication, Internet, etc.);
- medical services (consultations, examinations, treatments);
- trade (shops, markets); recreation and travel (hotels, resorts, holiday homes, etc.);

- education and upbringing (schools, kindergartens);
- repair and maintenance (from production equipment to small household appliances);
- transport and all types of transport (sea, land, air); insurance, legal services; banking services (lending, deposits, etc.);
- advertising, etc.

If we pay attention to the analysis of the dynamics of the gross regional product and total services in Bukhara region, the volume of gross regional product in 2019 amounted to 27963.2 billion soums, and in 2023 to 53232.3 billion soums. The volume of services during these periods (2019 - 7826.5 billion soums, 2023 - 19294.1 billion soums) had a stable growth dynamics and increased by 2.5 times. The share of the volume of services produced in the service sector in GRP was 28.0% in 2019, while this figure was 36.2% in 2023. It can be seen that the service sector is a sector with priority developing sectors (Figure 1.1).

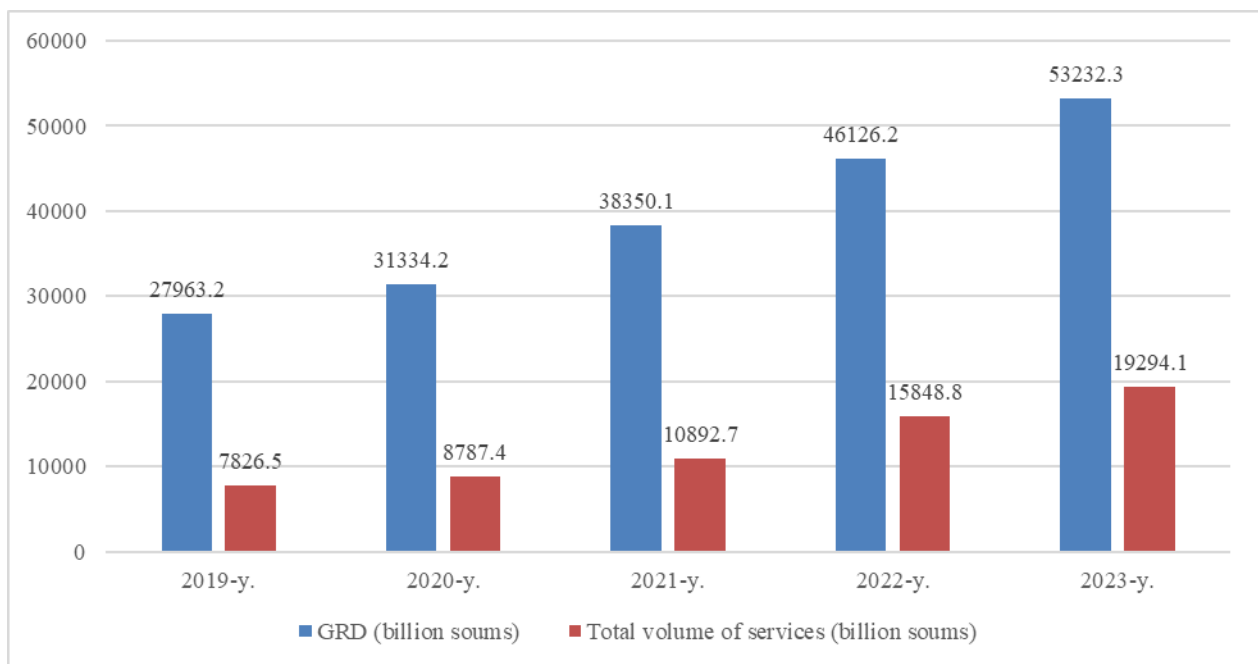


Figure 1.1. Dynamics of gross regional product and total services in Bukhara region.

LITERATURE ANALYSIS AND METHODOLOGY

In recent years, great attention has been paid to the development of the service sector in Uzbekistan. In this direction, sectoral and regional programs have been implemented in the Republic, as a result of which the service sector in 2022 grew by 15.9% compared to the previous year. In order to further develop this sector at the republican and regional levels, the program "On Additional Measures for the Development of the Service Sector" was adopted in 2022-2026, which provides for a 3-fold increase in the volume of services in the coming years.

At the end of 2022, its share in GDP was 41.5 percent, which is 1.9 percentage points higher. Higher than in 2021 (39.6%). The main reason for this is the decrease in the share of agriculture and industry in GDP in 2022. In the territorial structure, the highest share of the service sector in GRP in 2022 was recorded in Tashkent city (56.4 percent). At the same time, relatively high indicators were observed in Fergana (38.6%), Samarkand (37.4%), Namangan (37.4%), Surkhandarya (37.1%), Kashkadarya (34.6%) regions; the lowest in Navoi (12.8%) and Tashkent (24.2%) regions. This is due to the high share of the industrial sector in the GRP of Navoi and Tashkent regions and the location of large industrial enterprises in these regions.

It is worth noting that the trend of increasing the share of services in GRP is observed in 10 regions of the republic (except for Andijan, Bukhara, Syrdarya and Khorezm regions).

The service sector in Bukhara region has been developing significantly in recent years. These changes are mainly observed in the areas of tourism, trade, transport, healthcare and household services.

Currently, the development of the service sector, on the one hand, allows for the deepening of the division of labor and an increase in the level of employment of the population, and on the other hand, creates conditions for increasing the labor potential of society. In the context of the transformation of the economy, the high share of small businesses in the service sector creates flexible mechanisms for creating flexible jobs, increasing the level of employment of the population, and the effective use of labor resources.

Currently, decisions being made on the development of modern service sectors based on measures being taken to support and develop small businesses in the republic and targeted programs are leading to the sustainable development of this sector.

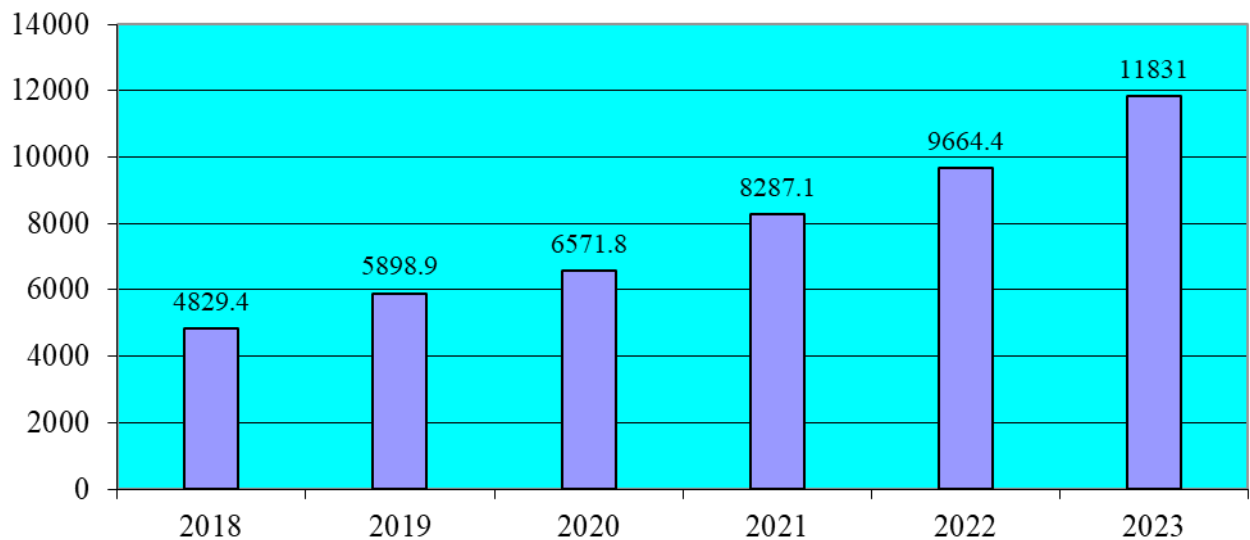


Figure 1.2. Volume of market services provided by small businesses and private entrepreneurship in Bukhara region (billion soums)

RESULTS AND DISCUSSION

The service sector is a part of the economy that consists of a wide range of intangible economic activities, including finance, healthcare, education, hospitality, transportation, telecommunications, information technology, entertainment, etc. Unlike the primary and secondary sectors, which deal with goods, the service sector deals exclusively with services[3].

The service sector is a part of the economy where businesses provide intangible services instead of physical products. It includes a variety of economic activities that are carried out to meet the specific needs of customers. For example, healthcare, banking, education, and restaurants. Unlike industries that produce things or extract raw materials, the service sector is more focused on interaction and support. It is often called the tertiary sector.

The service sector is the provision of services rather than physical products. Here, businesses provide services such as healthcare, education, and banking to meet the needs of the population. The service sector encompasses a wide range of services, from healthcare to restaurants. The main goal of the service sector is to meet the needs of customers and ensure their satisfaction. The

service sector has grown significantly and is a major contributor to GDP and employment worldwide.

Simply put, it is the part of the economy that focuses on helping people and providing services. Whether it is a doctor who cares for patients, a teacher who teaches students, or a bank that offers financial assistance, they all fall under the service sector.

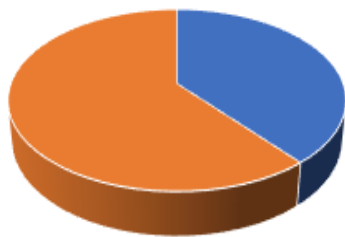
According to the Bukhara Regional Department of Statistics, as of March 1, 2023, information on enterprises and organizations operating in the services sector (excluding farmers and peasant farms) is presented in the diagram below.

Growth chart of enterprises and organizations operating in the services sector as of March 1, 2023-2024

Share of enterprises and organizations in the service sector

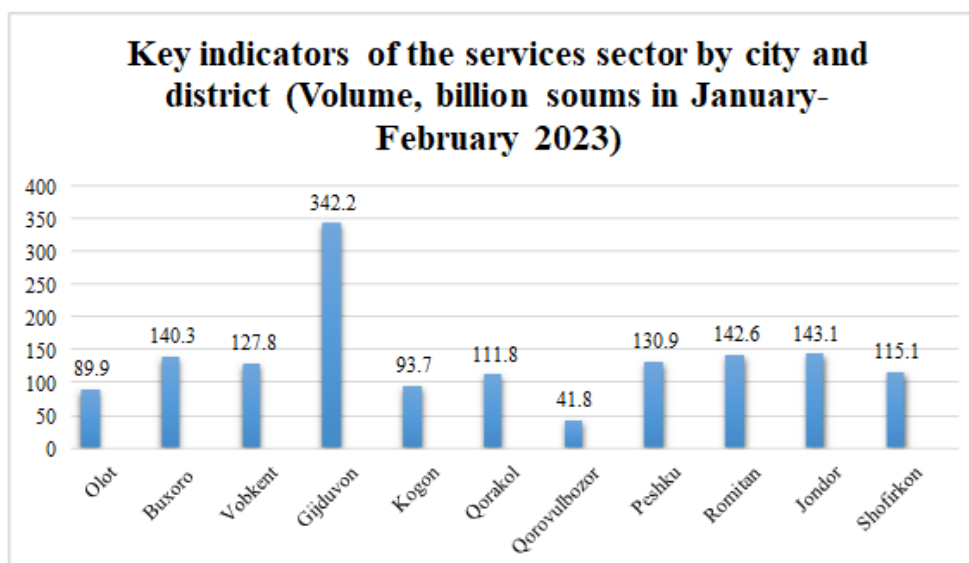
Growth rate compared to the same period last year

The services market represents economic relations between buyers and sellers [6]. It consists of tangible and intangible services. Tangible services are aimed at satisfying the consumer's household and material needs. These include maintaining, restoring or changing the consumer properties of the product or producing new goods according to the buyer's order. This also includes the transportation of goods. Intangible services do not imply the presence of a "material"



- Markets are a system that connects supply and demand, helping to develop the movement of material wealth, ensure a balanced process of reproduction and improve the quality of life of the population by satisfying its needs. Currently, based on fundamental post-industrial structural changes in the economy [8], a country is competitive in the global economic space only with a
- highly developed service market (for example, medical services) and its structure [5]. The classification and characteristics of services differ depending on the selected criteria. At the same time, it is possible to identify a number of criteria that give a general idea of this type of entrepreneurial activity as a service sector. If we look at the figures for January-February 2023, we can see a significant increase in the main indicators of the service sector in the cities and districts of the Bukhara region.

highly developed service market (for example, medical services) and its structure [5]. The classification and characteristics of services differ depending on the selected criteria. At the same time, it is possible to identify a number of criteria that give a general idea of this type of entrepreneurial activity as a service sector. If we look at the figures for January-February 2023, we can see a significant increase in the main indicators of the service sector in the cities and districts of the Bukhara region.



The service sector is characterized by a high level of individualization, which implies the provision of services to consumers who need them and are directly involved in the service process. Therefore, when carrying out activities in the service sector, a preliminary study of the market is carried out, the identification of market segments where potential consumers of this service are located, and subsequent marketing activities are focused on these target market segments. At the same time, the service market is characterized by a narrower focus on the range of services provided than the goods market, which again corresponds to the concept of targeted marketing [4].

In the economic literature, various classifications of the service sector are presented, which fulfill their scientific tasks in accordance with specific research objectives. At the same time, it should be noted that from a methodological point of view, a clear and complete scientific classification of industries or types of services still does not exist. In world practice, the service sector is classified according to various criteria.

In a market economy, services are the same goods as values created in traditional production, in the material sphere. The services market (tangible and intangible) in Bukhara today provides half of the GDP.

Conclusion

The service sector is showing significant growth rates as an important sector of the economy in the Bukhara region. Tourism, trade, transport and other services are developing in the region, contributing to improving the quality of life of the population. Based on the program adopted in 2022, it is planned to increase the volume of services and further expand their share in the economy. The development of the service sector plays an important role in increasing the competitiveness of the region as a participant in the international tourism and services market.

REFERENCES USED:

1. Balaeva O.N., Predvoditeleva M.D. Xizmat ko'rsatish sohasining jahon iqtisodiyotidagi o'rni // Xizmatlar marketingi. 2010 yil. № 4
2. Volkova A.A. Inqirozdan keyingi davrda xizmat ko'rsatish sohasi korxonalarini faoliyatini rejalashtirish xususiyatlari //Janubi-g'arbiy davlat universiteti yangiliklari. Ser.: Iqtisodiyot. Sotsiologiya. Boshqaruv.2013. No 3.
3. Volkova A.A. Aholiga xizmat ko'rsatish korxonalarini rivojlantirishni boshqarish xususiyatlari // Izvestiya.
4. Makarevich A.N. Xizmat ko'rsatish sohasining shakllanishi va faoliyatining iqtisodiy xususiyatlari uchun zarur shart-sharoitlar //Novgorod davlat universiteti axborotnomasi. 2010. №
5. Buxoro viloyati Davlat statistika boshqarmasi ma'lumotlari asosida hisoblangan.
6. Алексеева П.О. Механизм совершенствования управления предприятиями сферы услуг. / Дисс. канд. экон. наук. – Санкт-Петербург, 2015. 82 с.
7. O'zbekiston Respublikasi Prezidentining 2023 yil 11-sentabrdagi "O'zbekiston - 2030" strategiyasi to'g'risida"gi PF-158-son Farmoni. <https://lex.uz/docs/6600413>
8. Zarikeeva M.M. Servis sohasida innovatsion faoliyatni rivojlantirish va xizmatlar sifatini oshirish tizimini takomillashtirish // diss. iqtisodiyot fanlaridan PhD. – Nukus: 2023. 57-b https://www.buxstat.uz/uploads/press-relizlar/2023/xizmat/xiz_fevral.pdf