Turkish Online Journal of Qualitative Inquiry (TOJQI)
Volume 12, Issue 4, Month 2021: 141-147

Business Development Tendencies Of Cars In The Republic Of Uzbekistan

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Abstract: This article examines the automotive industry's and business's growth patterns in the Republic of Uzbekistan from 2010 to 2020. In terms of production efficiency, it also examines the relationships between car brands and groups.
Key words: Automotive sector, automotive industry, brand, class, model, ranking, place, and diversification are some of the terms used in this article.

Introduction

Accelerating Uzbekistan's socioeconomic growth, deepening structural reforms as priorities for economic liberalization, rising its competitiveness through modernization and diversification of key sectors of the national economy, and maintaining the national economy's balance and stability are all well-known. Increase the share of manufacturing, small business, and private entrepreneurship in the economy, and modernize the public sector, modernize production, technical and technological renewal, continue the policy of stimulating the localization of production and, above all, to replace imports of consumer goods and components, expand inter-sectoral industrial cooperation and the introduction of information and communication technologies in industry, management systems [1].

As a result of reforms in this area, the production of food products, textiles, metallurgy and motor vehicles has emerged as one of the key strategic sectors, with a significant share in comparison with other sectors. As a result of reforms implemented in our country in recent years, we can recognize that the share of these sectors in 2010 reached 60.5% of total industrial output, and by 2020 - 62.9%.

Analysis of the relevant literature

A number of scientific works, including foreign scientists A.I., have been published on the growth of creative activities in the sector of road transport services and the study of the peculiarities of marketing in it. Well-known international scholars such as Y.Shumpeter have studied Ansoff, V. Kingston, D. Benson, P. Drucker, M. Bodmer, and F. Kotler. [2,3,4,5,6,7,8].

On the organization of innovative marketing activities in the CIS countries, AB Sekerin, V. Romanov, AB Titov, T. Sherstobitova and others, specialists in the field of road transport Z.I. Aksenova, V.P. Bychkov, A. Bachurin, I. Demyanovich, VI Tabakov, IA Morozova, LB Mirotin developed scientific and practical recommendations on the organization and management of road transport, the development of transport and logistics services [9,10, 11,12,13,14,15,16,17].

Issues of formation of marketing strategy in industrial enterprises of the republic in the conditions of modernization of economy A. Bekmurodov, G. Akhunova, M. Boltaboev, J. Jalolov, I. Ivatov, D. Muhiddinov, A. Soliev, A. Fattakhov, M. Yusupov, M. Kasimova, Sh.Ergashkhodjaeva [18,19,20,21,22,23,24] and others.

The above-mentioned scientists' and experts' scientific work does not adequately address issues like the creation of creative marketing activities in the road transportation system and the improvement of the scientific and methodological framework for assessing its effectiveness. As a result, this condition necessitates a theoretical and analytical rationale for the decision. Therefore, this situation is economicyot raises the need for a theoretical and methodological justification for the improvement of the road transport system and the automotive business in proportion to the development of the industry.

Research methodology

The methodological basis of the research is based on the legislative and regulatory documents in the field of development of the automotive industry and automotive business, in particular.Decree of the President of the Republic of Uzbekistan No. PF-4947 of February 7, 2017 "On the Action Strategy for the further development of the Republic of Uzbekistan", PQ-3028 of June 1, 2018 "On measures to further develop and improve the

management of the automotive industry in 2017-2021" Resolution No. PQ-1446 of March 6, 2015 "On the program of development and modernization of engineering-communication and road-transport infrastructure for 2015-2019" and December 2, 2017 "On improvement of transport infrastructure and external transportation in 2018-2021" Resolution No. PQ-3422 "On measures to diversify trade routes."

Analysis and results

The automotive industry is one of the most promising sectors in the development of industry of the country. In particular, the automotive business plays a significant role in meeting the demand for cars in the domestic market, reducing the outflow of foreign currency from the country and ensuring a positive balance of payments based on increasing foreign exchange earnings to the state through exports. In addition, the development of the industry will serve to eliminate such important social problems as employment, increase real incomes.

According to our analysis, we can see that the share of industry in the production of vehicles, trailers and semi-trailers in the industrial production of the Republic of Uzbekistan in 2010-2020 fluctuated around 10-14% for 10 years (see Figure 1).

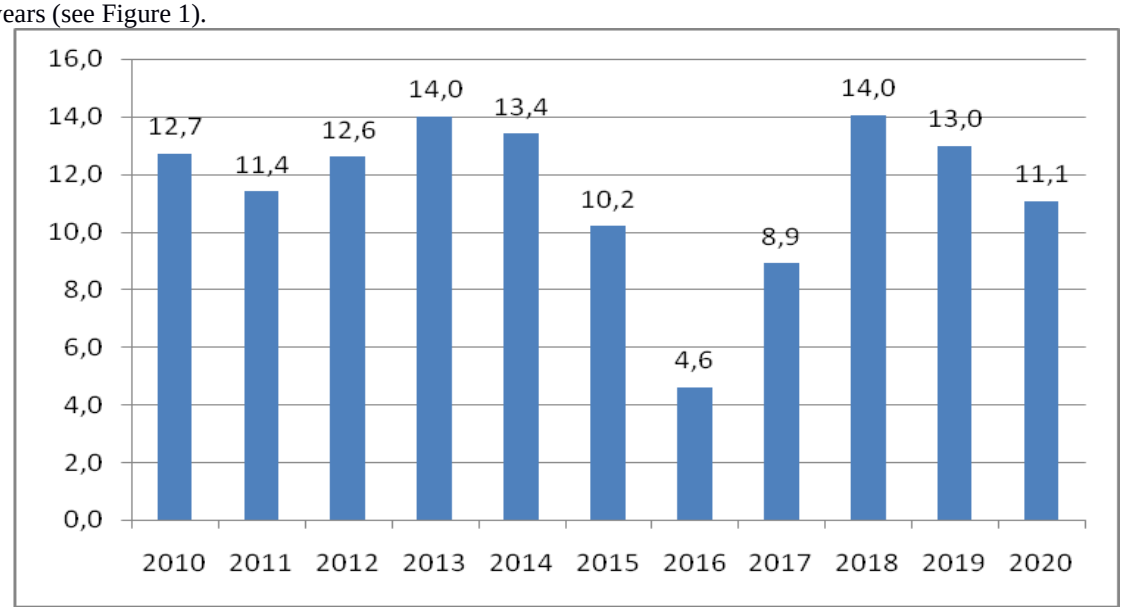

Figure 1. Dynamics of the share of production of vehicles, trailers and semi-trailers in industrial production in the Republic of Uzbekistan in 2010-2020[25]

During this period, the manufacturing industry in nominal terms amounted to 38119.0 billion. The volume of production of vehicles, trailers and semi-trailers increased from 3562.3 billion soums to 33718.9 billion soums. We see that the production of vehicles, trailers and semi-trailers amounted to 2.6 times (Figure 2).

As the most important period in the analyzed period, in 2016 we can see a sharp decline in production in the sector, which amounted to 4.6%. Since 2017, the industry has been growing, and by 2020 the share of the industry in industry was 11.1%.

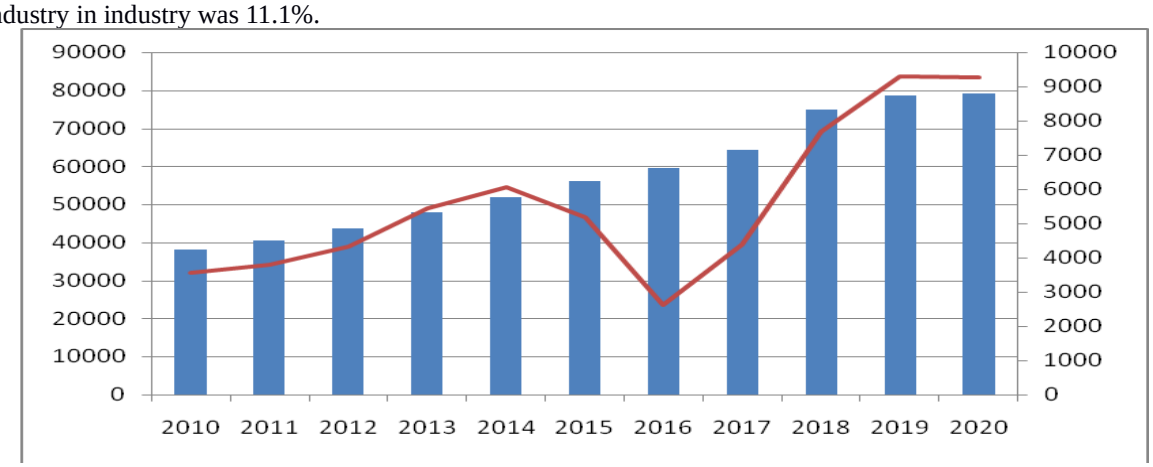

Figure 2. Production of industrial products and vehicles in the Republic of Uzbekistan in 2010-2020 real value growth dynamics[25]

With regard to the analysis of the development of the automotive business in Uzbekistan, it should be noted that the industry used the nominal value of production and real growth rates compared to the previous year. To carry out this analysis, attention was paid to the trends in the development of the automotive industry over the past 4 years and a comparative analysis was performed (Figure 3).

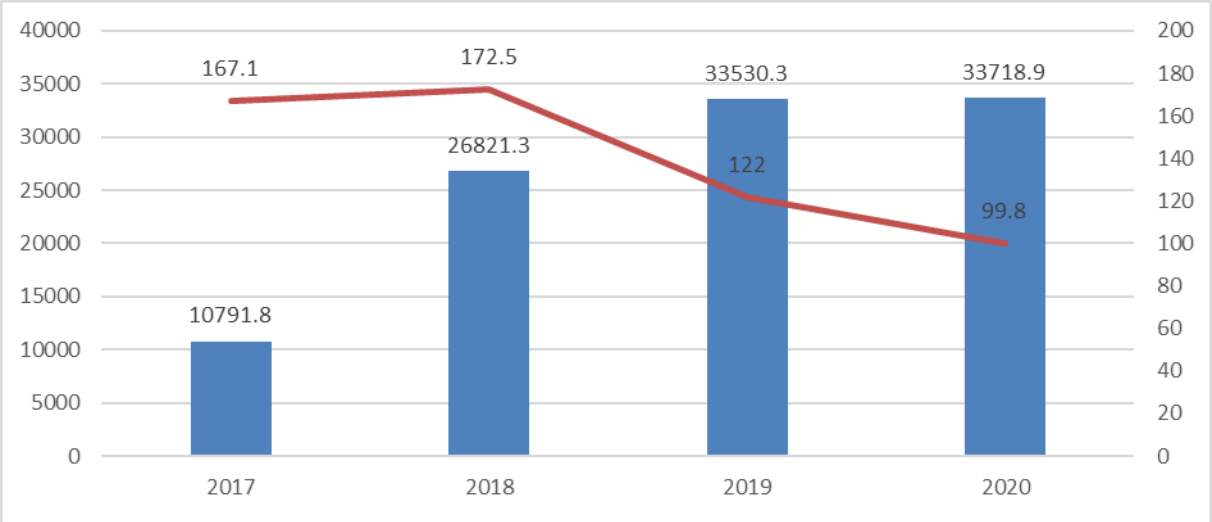

Figure 3. Production volume and growth rates in the automotive business of the Republic of Uzbekistan in 2017-2020[26]

During the analyzed period, the nominal coefficient of economic growth was 3.12 times, while the real value increased by 2.1 times. In order to study the reasons for these results and make a more in-depth analysis, we will look at the production volume in the automotive business in terms of products.

Today, the production of motor vehicles in Uzbekistan is a highly developed sector, and currently the country produces trucks, buses and cars. Analyzing the data in Table 1, focusing on market development over the past 4 years, we can see that passenger car production increased by 99.7% by 2020 compared to 2017, while truck production increased by 10.2% over the same period. we can see that bus production decreased by 39.3%.

Table 1 Distribution of types of vehicles produced in the Republic of Uzbekistan in 2017-2020. [26]

№	Indicators	Unit of measurement	2017	2018	2019	2020 Year	In 2020, the change compared to 2017 is in%
1	Cars	Piece.	140 247	220 667	271 113	280 080	199.7
2	Buses	Piece.	1 057	949	1534	642	60.7
3	Trucks	Piece.	3 778	4 230	5 320	4 163	110.2
4	Total number of vehicles produced	Piece.	145 082	225 846	277 967	284 885	196.4

So, according to our calculations, the share of passenger cars in the car market in the country is high. The share of passenger cars in domestic production in 2017 was 96.7 percent, the share of buses was 0.7 percent, the share of trucks was 2.6 percent. By 2020, the share of cars is 98.3 percent, the share of buses is 0.2 percent, and the share of trucks is 1 percent. , 5 percent.

In the period from 2017 to 2020, which we are analyzing, Uzbekistan produced a total of 10 models of cars of 2 categories, of which 6 CKD and 4 SKD models, which are mainly produced at enterprises located in Khorezm and Andijan regions. It should be noted that the production of the Orlando model, which belongs to the category of SKD models, will stop in 2019, the production of Malibu, Tracker, Captiva by 2020, and the production of the Matiz model, which belongs to the category of CKD models, will stop in 2019.

In Pitnak district of Khorezm region, the Damas model of the CKD series is produced in 3 variants, in Asaka, Andijan region, 4 variants of the Spark, Nexia t-250, 2 variants of the Cobalt and 3 variants of the Lacetti (Gentra) models are being developed.

Spark, Damas, Nexia t-250, Cobalt, Lacetti (Gentra) cars produced in Uzbekistan are the most popular models among the population. At the same time, the production of cars belonging to this class occupies a high share of the car market.

Table 2 Dynamics of production indicators of Uzavtosanoat JSC in the Republic of Uzbekistan in 2017-2020[26]

	Unit of measurement	**2017 y.**	**2018 y.**	**2019 y.**	**2020 y.**	**Growth rate (%)**
Cars:	piese.	140 247	220 667	271 113	280080	99.7
CKD ***models:***	piese.	134 356	206 589	257 231	280080	108.4
Damas and Labo	piese.	27 272	42,000	59 112	60715	122.6
Nexia t - 250	piese.	34 544	59 343	73 151	66402	92.2
Cobalt	piese.	18 014	37 626	56 211	79908	343.6
Lacetti (Gentra)	piese.	19 164	33 314	44 508	50 052	161.2
Spark	piese.	22 360	29 092	24 249	23003	2.9
Matiz	piese.	13 002	5 214	X	X	X
CKD ***The share of models in the total number of cars***	**%**	**95.8**	**93.6**	**94.9**	**100**	
SKD **models:**	piese.	5 891	14 078	13 882	0	X
Malibu	piese.	963	6 624	5 944	X	X
Tracker	piese.		2 189	7 930	X	X
Captiva	piese.	4 540	4 832	8	X	X
Orlando	piese.	388	433	X	X	X
SKD **The share of models in the total number of cars**	**%**	**4.2**	**6.4**	**5.1**	**0**	

The majority of vehicles produced, according to Table 2, are passenger cars, especially CKD models. In addition, since these models account for 100% of passenger cars in recent years, the demand for CKD models was chosen as the subject of our research.

We will consider a brief statistical analysis of the volume of production of passenger cars in our country on the basis of data for the next 4 years. According to the data, in 2017, the number of cars produced in Uzbekistan amounted to 140,247 units, of which 134,356 units, or 95.7% accounted for CKD models. The affordability of these models, as well as their low cost and marketability, ensure that the demand for these models is growing. As a result, by 2020 we can see that all cars produced in Uzbekistan, ie 280,080, belong to this category of models.

In our opinion, the change in demand for cars generated by the population was due to an increase in real incomes of the population, an increase in attention to both quality and technical indicators of car classes, as well as an uneven increase in car prices in 2020 (Table 3).

Table 3. Produced in Uzbekistan in 2020 CKD model car price change dynamics [27]

Variant	**Position**	**Price increased in 2020**	**Price before 2020**	**Change%**	**Average price increase%**
Damas model					
D2	luxury floor	78283000	64696586	121.0	17.7

D11	Wan	75928000	62750539	121.0	
Lb2 (laboratory)	Pickup	79198000	71349654	111.0	
M300 Spark model					
M300M-125	2 POSITION	73477000	66602502	110.3	15.9
m-optimum / plus	2 POSITION	75402000	68070677	110.8	
m300m2 / GC / A-125	3 POSITION A / T	92821000	76745952	120.9	
M-ELEGANT / AT PLUS	3 POSITION A / T	94249000	77591805	121.5	
Nexia t - 250 models					
AV-GS16	2 POSITION	87320000	75930613	115.0	17.2
AV-OPTIMUM PLUS	2 POSITION +	89916000	78189036	115.0	
AV-GX16 / AT	4 POSITION	106429000	89062015	119.5	
AV-ELEGANT / AT PLUS	4 POSITION +	109025000	91320438	119.4	
Cobalt models					
GS / 16MTB	2 POSITION	95768000	87060777	110.0	12.3
GX / 16ATB	4 POSITION	115390000	100777630	114.5	
Lacetti models					
L-COMFORT PLUS	1 POSITION +	115607000	111701316	103.5	3.4
L-COMFORT / G PLUS	1 POSITION GBO +	124445000	120281586	103.5	
L-ELEGANT / AT PLUS	3 POSITION +	138126000	133862552	103.2	

It should be noted that the narrowing of the gap between the prices of CKD models as a result of high increases in the price of consumer and relatively cheap cars led to the formation of demand for a series of models with relatively high technical performance, leading to a change in the share of high demand models (Figure 4).

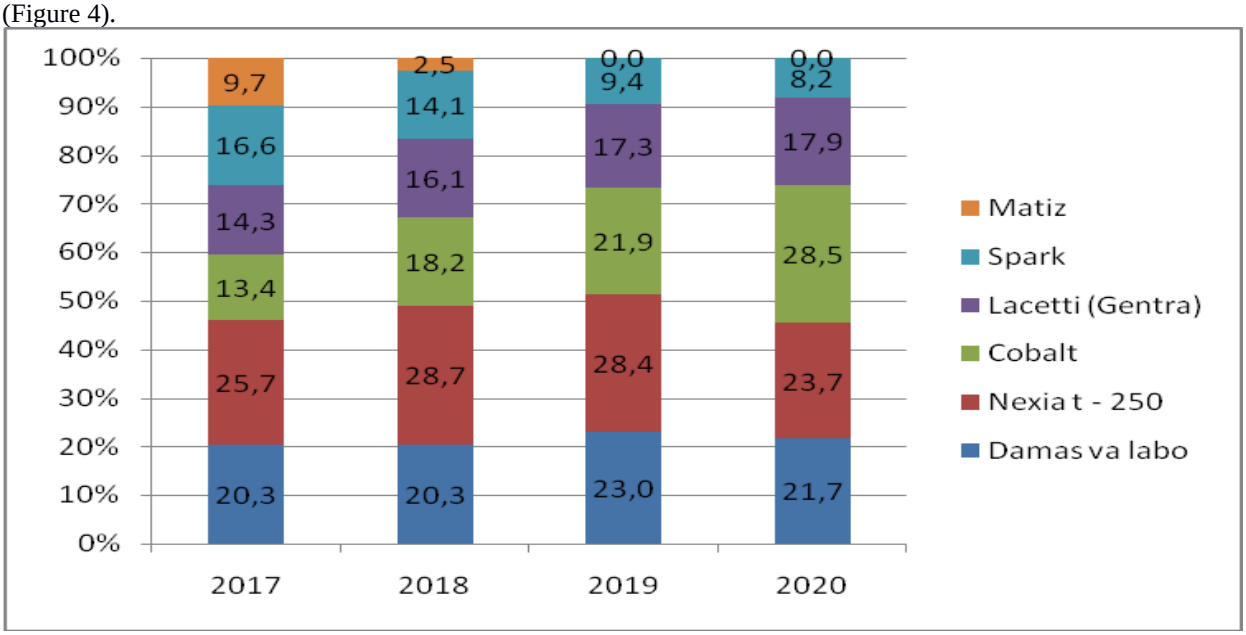

Figure 4. The share of the population in the production of vehicles in high demand in the Republic of Uzbekistan in 2017-2020 [27]

From the data presented in Figure 4, we can see that while the demand for the Cobalt model increased sharply in the next period, its share was 28.5% in 2020 and increased by 2.1 times compared to 2017. It can also be seen that the share of Lacetti (Gentra) model also increased from 14.3% to 17.9%. As a result, demand for the

Spark model more than doubled, while demand for the Nexia t-250 also declined slightly in the passenger car market, from 28.7 percent in 2018 to 23.7 percent by 2020.

The main reasons for these changes were the differential rise in car brand prices in 2020, i.e. Damas, Spark, Nexia t-250 car prices increased by 17.7, 15.9 and 17.2 percent, respectively, while Cobalt model prices increased by an average of 12.3 percent, Lacetti (Gentra) model and prices rose 3.4 percent. As a result, there was a narrowing of the difference between the price of the Lacetti (Gentra) model and the price of the Nexia t-250, leading to a decrease in demand for the Nexia t-250. On the other hand, the narrowing of the price gap between the Spark and Cobalt models has led to a sharp increase in demand for the Cobalt model. This is because both brands are adapted to the incomes of the middle class and the demand for them has changed dramatically.

The relationship between car brands, i.e., how high the effect of a change in demand on one has on demand on another, was examined using a double correlation coefficient (Table 4).

Table 4 Analysis of double correlation coefficients[27]

	Damas	***Nexia t - 250***	***Cobalt***	***Lacetti (Gentra)***	***Spark***	***Matiz***
Damas	1.00					
Nexia t - 250	0.09	1.00				
Cobalt	0.60	-0.42	1.00			
Lacetti (Gentra)	0.73	-0.11	0.95	1.00		
Spark	-0.82	0.23	-0.95	-0.97	1.00	
Matiz	-0.71	-0.12	-0.85	-0.97	0.90	1.00

According to Table 4, there is a high inverse relationship between the change in demand for the Damas model and the demand for the Spark model, i.e., if the demand for the Damas model decreases, the demand for the Spark model increases.

On the other hand, a high inverse correlation was also found between the demand for the Spark model and the demand for the Cobalt model. This, in turn, justifies the conclusions made about the increase in demand for the Cobalt model as a result of the decrease in demand due to the increase in the price of the Spark model. A similar link can be observed between the Spark and Lacetti (Gentra) brands. There is a weak inverse correlation between the demand for the Nexia t-250 and the demand for the Lacetti (Gentra) model.

Conclusions and suggestions

In summary, in the next period, the growth rate of production volume in the automotive market has been declining, and by 2020, the physical volume index was 99.8% compared to the previous year. In addition, the stratified increase in car prices is leading to a change in the share of brands in production. This is because the narrowing of the price gap between these models is leading to an increase in demand among the population for vehicles with relatively high capacity, namely the Cobalt and Lacetti (Gentra) models.

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