



DEVELOPMENT OF CONSUMER GOODS MARKET IN UZBEKISTAN

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ANNOTATION

The article examines the consumer product market, its main features and development factors. Analyzing statistically the state of the consumer market of the Republic of Uzbekistan, studied the main problems. Based on the results of the evaluation of the development trend of the consumer market, scientific proposals and practical recommendations for its development have been developed.

Keywords: *Consumer Goods, Consumer Goods Market, Competition, Situation, Food, Non-Food, Population Income, Consumption, Retail, Production of Consumer Goods.*

INTRODUCTION

In his address to the Oliy Majlis, President of the Republic of Uzbekistan Shavkat Mirziyoev said that "it is very important to form a state program of modernization of the state, to train new generation of cadres, effectively using innovation and investments. This requires a strong national idea and a national program for technological development of Uzbekistan and modernization of the domestic market. This program should allow Uzbekistan to become one of the most developed countries in the world.

One of the most important areas is the need to fully reconsider the volume of production and pricing practices and to introduce market principles "[1]. In addressing the priorities set out in the petition, we have to regulate the consumer goods market in our cities and villages, carry out consistent reforms aimed at ensuring market power, and develop targeted marketing strategies in this regard.

Consumer Goods Market - is a complex of transactions for the purchase and sale of basic and essential products to meet the individual needs and livelihoods of the population. The Consumer Goods Market is further divided into many specialized markets: food, clothing, household, cultural goods and more. Consumer goods are the material and technical basis of the market: wholesale markets, supermarkets, farmers' markets, shops and all retail outlets.

The Consumer Goods Market is a prime market for the well-being of the people. All other markets are a key factor in ensuring that the consumer market is balanced by supply and demand [2].

The study of the consumer goods market is first of all reflected in the demand of the population for the corresponding goods. [3].

Capacity of Consumer Goods Market - volume is determined by the indicator of retail turnover (sales) by district, city, region and country. From the first days of independence, Uzbekistan has been committed to the development of the consumer goods market, the introduction of modern methods of retail sales, the creation of equal conditions for legal and natural persons in the retail sector, the regulation of trading activities in the markets, and the protection of the rights and interests of citizens, defining strategies.

Taking into account the above, one of the most important issues is the analysis of the state of the consumer goods market and the determination of its future changes.

LITERATURE REVIEW

To date, there is no universal understanding of the "consumer market". In modern foreign and domestic literature, the concept of "consumer market" is often interpreted as an economic category [4] [5] [6]. While some authors equate the "consumer market" with commodity circulation [7] [8], others consider it as a relationship between the production and sale of consumer goods [9], [10] and a number of scholars consider the economic implications of commodity-related processes in production and turnover. [11] [12] [13].

In particular, According to I.K. Belyaevsky, the consumer market is a market that includes food and non-food products [14]. B.A. Rayzberg defines it as: "The relationship between the seller and the buyer on the basis of the sale" [15].

Famous American economist As Kotler explains, "the consumer market is the individual and the households that buy goods and services, with a particular focus on the buyer" [16]¹.

The study features and main advantages of the consumer goods market are explained by the following: [11] [17] [18]:

- the consumer market contributes significantly to the economic development of the city, region, country and is the source of tax revenues to budgets at all levels;

- are highly susceptible to interregional goods flow, labor migration, and capital movements;

- There are strategic products that have an impact on the socio-economic situation in the country;

- development of economic development strategies of retail trade companies, organizations providing transportation and storage of goods, which are the main subjects of the consumer goods market;

- differentiation of the population of the country and its high differentiation, strong stratification, maintenance of the existing social status and so on.

¹ Котлер Ф. Основы маркетинга. Краткий курс. – М.: Вильямс, 2003. – 356 с.

In general, it will create conditions for the development of a healthy competitive environment in the commodity market by regulating and improving the consumer goods market, increasing the efficiency of business entities, and ensuring the competitiveness of the products.

RESEARCH METHODOLOGY

It requires constant analysis of the consumer goods market and changes in its conjuncture. A set of economic conditions that reflect the opportunities for the sale of goods over a certain period, is the market situation [2].

In determining the level of development of the consumer goods market, the macroeconomic indicator is mainly used by the retail trade turnover of the country, consumption expenditures of the population, consumer goods production and consumer price index and a number of other indicators.

Consumer goods market dynamics and supply indexes are mainly evaluated based on the following indicators: consumer goods retail turnover, consumer goods production, export of consumer goods, imports, commodities and per capita changes.

In our opinion, the analysis of retail trade turnover and its composition is also one of the most important sources when evaluating the development of the consumer goods market.

Taking into account the above, we will focus on the development of the consumer goods market using the methods of statistical analysis and balance analysis based on statistical data of the State Statistics Committee of the Republic of Uzbekistan for 2005-2017.

ANALYSIS AND RESULTS

The growth of the population's income is one of the key indicators of the development of the consumer goods market. According to the State Statistics Committee of the Republic of Uzbekistan, per capita income in real terms in 2017 increased by 13.2 times compared to 2000. Consistent with the increase in the income of the population, there was an increase in consumer expenses, while the share of foodstuffs in its structure decreased by 14.2 units compared to 2000, while the cost of non-food items increased by 7.0 units².

In assessing the development of the consumer goods market, the main emphasis can be made on the calculation of the total share of consumer goods in the income of the population. The share of expenditures on consumer goods in total revenues for the period 2005-2017 has a tendency to increase (Table 1).

² Ўзбекистон республикаси Давлат статистика қўмитаси. Ўзбекистон Республикасида аҳоли турмуш даражаси ва фаровонлигининг ривожланиш таҳлили. <https://stat.uz/uploads/docs/tur-dar-17uz1.pdf>

Table 1
Consumer Expenditures in the Income of the Republic of Uzbekistan³

Indicators	2005 y	2010 y	2015 y	2016 y	2017 y
Income per capita *, thous	373,9	1801,2	4256,3	4802,6	5798,0
Average Consumption Per capita **, thous	226,1	890,4	3967,7	4662,0	5479,2
Consumer expenditures in the income of the population, %	60,5	49,4	93,2	97,1	94,5

* Population incomes by 2009 were calculated by dividing the total income of the population for 2010-2017 by the number of population in the corresponding period.

** State Committee on Statistics of the Republic of Uzbekistan is calculated annually by multiplying the average monthly per capita expenditures in the Republic of Uzbekistan by the number of months.

According to Table 1, the share of expenditure on consumer goods in total incomes in 2005 tended to decrease during 2010, while in 2010-2017 there was a tendency for growth. In 2016, about 97.1% of the total income of the population was spent exclusively on consumer goods, while in 2017 this trend was positive and decreased by 2.6 units.

In 2016, the share of foodstuffs in the retail trade turnover of the Republic of Uzbekistan was 48.5%, non-food products - 51.5%, and in 2000 these figures were 60.5% and 39.5% respectively⁴.

Table 2
Share of retail trade in the Republic of Uzbekistan in terms of consumption expenditures of the population⁵

Indicators	2005 y	2010 y	2015 y	2016 y.	2017 y.
Average Consumption Per capita *, thous	226,1	890,4	3967,7	4662,0	5479,2
Per capita retail turnover *, thous	214,3	781,1	2294,6	2789,3	3292,8
Share of retail trade in consumer expenses, %	94,8	87,7	57,8	59,8	60,1

* Population incomes by 2009 were calculated by dividing the total income of the population for 2010-2017 by the number of population in the corresponding period.

** Including catering establishments.

³ Ўзбекистон Республикаси давлат статистика қўмитаси маълумотлари.

⁴ O`zbekiston respublikasida ichki savdo statistikasi. <https://stat.uz/uz/432-analiticheskie-materialy-uz/2026-ichki-savdo-statistikasi>

⁵ Ўзбекистон Республикаси давлат статистика қўмитаси маълумотлари

According to Table 2, in 2005, 94.8% of the average per capita consumption expenditures were met by retail businesses, and by 2017 this figure was 60.1%. From this case it is clear that the level of provision of the population of retail trade consumer goods with consumer goods has been decreasing for years. Today there are more than 34,400 retail businesses operating in the country, with a turnover of more than 1 billion sums at 3,850 enterprises. However, analysis shows that major retailers still have a tendency to decline in trade, including their share in 2000 was 25.4%, and in 2005 it was 11.8%, and in 2016 it was 10.4%⁶. According to the analysis, in 2016 the number of eggs increased by 19.3 times, confectionery products by 8.2 times, milk and dairy products by 4.6 times, vegetable oil by 2.9 times, meat and meat products by 2.7 times. The main source of supply in the consumer goods market is the volume and structure of consumer goods production in the country. Increased production of finished products at the deep processing of local raw materials, expanding the range of finished products, and increasing the share of consumer goods in the total industrial output. If in 2010 the share of consumer goods in industrial production was 35.9%, in 2017 this figure was 38.9%. In 2017, the share of non-food products in the structure of consumer goods in the country increased by 54.8%. However, the level of provision of the population with consumer goods in the country remains low.

Table 3
Production of consumer goods in the Republic of Uzbekistan its consumption

Indicators	2005 y	2010 y	2015 y	2016 y	2017 y
Average Consumption Per capita *, thous	226,1	890,4	3967,7	4662,0	5479,2
Production of consumer goods per capita, thous	106,5	488,7	1356,6	1528,2	1748,4
Share of consumer goods in consumer costs, %	47,1	54,9	34,2	32,8	31,9

According to Table 3, consumer goods production accounted for 47.1% of total consumer expenditures in 2005, up 54.9% by 2010. However, there has been a negative trend since 2010, with 31.9 per cent of the total consumption in 2017 compared to 31.9 per cent of consumer goods produced locally.

From the above analysis it is obvious that the development of consumer goods market in the Republic after 2010 is still negative. This situation may also lead to negative changes in the basic trends, introduced by the State Statistics Committee of the Republic of Uzbekistan since 2009, in the calculation of consumer expenditures.

CONCLUSIONS AND SUGGESTIONS

⁶ <https://stat.uz/uz/statinfo/432-analiticheskie-materialy-uz/2026-ichki-savdo-statistikasi>

Insufficient attention is paid to the development of effective marketing strategies in the country as a necessary measure for the development of the consumer goods market. At the same time, the legislative basis for the rapid development and regulation of retail networks in the country has not been developed.

It is desirable to establish a system for the development of the consumer goods market in the country based on effective marketing tools, to assess the market conditions, and to provide information services to businesses on the consumer market.

Analysis shows that the large-scale growth of retail businesses is one of the main features of the consumer market. And the growth of retail businesses is the main criterion for providing modern retail services to the population. These circumstances lead to the need to increase the number of large supermarkets in the provinces and the distribution of retail outlets by districts and villages. This will allow to provide the population with consumer goods more effectively and further increase the trade culture.

It requires a comprehensive approach, ranging from the sale of commercial facilities in the region to the support of entrepreneurs operating in organized trade and the creation of the necessary infrastructure. This requires the establishment of a modern trade association of local businessmen and the formation of this association as a link between entrepreneurs and local authorities. Generally, it is possible to achieve the development of the consumer goods market by regulating retail trade in the country by the representative offices of consumer rights bodies.

The development of consumer goods market should be developed through the development of a special regional program for the development of organized trade at the national and regional levels. In this program, we believe that the creation of integrated trading (banking, finance, tax, cadastre, leasing and insurance services) and additional opportunities for businessmen involved in organized trade is essential to the development of their business.

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