

8-1-2021

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### Recommended Citation

Arslanbekov, S.M. (2021) "WAYS OF DEVELOPMENT OF INVESTMENT ACTIVITIES OF THE RAILWAY TRANSPORT SECTOR IN UZBEKISTAN," *Economics and Innovative Technologies*: Vol. 2021 : No. 4 , Article 1.

Available at: <https://uzjournals.edu.uz/iqtisodiyot/vol2021/iss4/1>

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**WAYS OF DEVELOPMENT OF INVESTMENT ACTIVITIES OF THE RAILWAY  
TRANSPORT SECTOR IN UZBEKISTAN**

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**Abstract.** The article examines the need to develop investment activities in the field of railway transport, the possibility of attracting investments in the transport network of railway transport and determining their effectiveness, analyzes the existing problems in the railway transport system, as well as the delivery of goods and ways to solve them.

**Keywords:** investment activity, transit potential of the country, product exports, financial and economic efficiency, optimal routes, integration process, transport and logistics infrastructure, “door to door”, hierarchical system, positive efficiency, effective management.

**Introduction.**

Research on foreign experience in stimulating the socio-economic development of the economy in our country, shows, that countries at different stages of their development rely on the selection of specific priority sectors in which investments are directed and various benefits exist.

In recent years, systemic reforms have been carried out in such areas as reducing the state monopoly in the transport sector, introducing modern corporate governance principles in the industry and enterprises, public-private partners, digitalization, new initiatives to expand foreign trade, expanding membership in international transport logistics systems.

In his Speech to the Oliy Majlis, President Mirziyoyev said, “Foreign direct investment in 2019 amounted to \$ 4.2 billion, and in 2018 it increased by \$ 3.1 billion or 3.7 times. The share of investments in the gross domestic product reached 37%. The state-cyclical partnership mechanisms, which are one of the most effective means of attracting investment, should be widely applied in areas such as transport and energy.”

Some work is being done to increase investment attractiveness in the transport sector, expand the number of investors, and implement mutually beneficial cooperation with foreign partners.

The main objectives of investment policy:

- creation of an attractive and free investment environment;
- increase capital investment;
- human capital development;
- creation of a competitive economy, diversification of the economy.

In particular, Uzbekistan ranked 99th in the World Bank's Logistics Efficiency Index (LPI). The report covers 168 countries and measures the efficiency of supply chains that allow local companies to enter national and international markets. The LPI also focuses on emerging issues such as the sustainability of supply chains, its impact on the environment, and the need for skilled workers. If we look at the components of the index, according to the customs regulations of Uzbekistan 140, infrastructure 77th place in terms of cargo and 120th place in terms of international cargo. It ranked 88th in terms of logistics quality, 90th in terms of tracking capabilities, and 91st in terms of delivery times.

### **Analysis and Results.**

Currently, active and drastic measures are being taken to remove barriers to integration into the world community. Improving the country's image in the international arena is one of the key issues in developing models of trade, economy, investment and social development, strengthening ties with leading international think tanks and business associations around the world.

It contributes to the development of investment activity and financial and economic efficiency of the transport system, as well as to the development of other sectors of the economy. In this regard, the transport system plays a key role in stabilizing the country's economy. According to international experience, the effective development of the transport network will increase the export of products.

In this regard, the transportation of goods on international routes on optimal routes requires the use of modern types of cargo transportation and the effective use of logistics potential.

Today, the share of the transport sector in the country's GDP is 11%. This, in turn, shows its large network, an infrastructure sector that has a high impact on the development of other sectors. The leading position in the transport system of the country is the development of investment activities in railway transport, which currently accounts for 93% of total transit cargo and 98% of passengers corresponds to the contribution of [1]. Extensive and targeted program measures are being taken to accelerate the qualitative development of the transport and logistics sectors as an important sector of the country's economy and an important factor in the integration of the national economy with the world economy.

**Table 1.**

### **The main indicators of JSC "Uzbekistan Railways"**

| <b>Indicators</b>            | <b>2010</b> | <b>2011</b> | <b>2012</b> | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Total income (billion soums) | 2 298,5     | 2 497,5     | 3 365,7     | 3 743,1     | 2 799,9     | 6 449,3     | 8 015,8     | 13557,8     | 11 320,4    | 8903,4      |

|  |       |       |       |        |        |        |        |        |         |        |
|--|-------|-------|-------|--------|--------|--------|--------|--------|---------|--------|
| Gross income for the base year,%   | 125,8 | 108,7 | 134,8 | 111,2  | 74,8   | 230,3  | 124,3  | 169,1  | 83,5    | 78,6   |
| Investments in the fixed capital of JSC "Uzbekistan Railways", billion soums | 658,3 | 784,4 | 874,5 | 1088,8 | 1755,7 | 1460,0 | 2660,6 | 3843,8 | 5142,8  | 4987,5 |
| Total investment compared to base year,%                                     | 161,2 | 119,2 | 111,5 | 124,5  | 161,2  | 83,2   | 182,2  | 144,5  | 133,8   | 97,0   |
| Additional increase in income, in billion soums                              | 470,9 | 199,0 | 868,2 | 377,4  | -943,2 | 3649,3 | 1566,6 | 5542,0 | -2237,4 | -2417  |
| Additional investment growth, (billion soums)                                | 249,9 | 126,1 | 90,1  | 214,4  | 666,9  | -295,7 | 1200,6 | 1183,2 | 1299,0  | -155,3 |
| Average annual volume of investments, billion soums                          | 463,6 | 617   | 772,4 | 915,9  | 1239,7 | 1434,9 | 1958,8 | 2654,8 | 3882,4  | 4658   |

The table shows the main financial and investment indicators of investment activities in the railway transport network and directions for the implementation of investment activities.

In this regard, the launch of the Khairaton-Mazar-i-Sharif and Angren-Pop railways and the establishment of logistics centers in the country have led not only to an increase in domestic traffic, but also to the improvement of transit opportunities in Uzbekistan. 2017–2021

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In the Action Strategy for 2017–2021 the five priority areas of development of the Republic of Uzbekistan, the decrees "On increasing the level of competition among national transport and logistics companies" [2] and PF-5647 dated February 1, 2019 "On measures to radically improve public administration in transport" This research will to some extent serve in the implementation of the tasks set out in other regulations in this area.

The state and development of the transport system is very important for the Republic of Uzbekistan, as it, along with other infrastructure sectors, provides the basic conditions for the activities of society, serves as an important element in achieving socio-economic and foreign policy goals.

It is a necessary condition for ensuring a single economic space of the Republic of Uzbekistan, further development of various industries and agriculture in its territory, improving the living standards and living conditions of the population, increasing the mobilization of citizens of Uzbekistan.

Therefore, the study of the performance of the railway transport system, the stages of development of transport and logistics infrastructure, as well as the development of recommendations to address the existing problems in the system is one of the key issues today. Table 2 provides data on freight turnover and freight volumes by modes of transport in 2012-2019.

**Freight turnover and transportation by modes of transport in 2012-2019 [3]**

| Types of transport            | 2012          |             | 2013          |             | 2014          |             | 2015          |             | 2016        |             | 2017          |             | 2018         |             | 2019     |          |
|-------------------------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|-------------|-------------|---------------|-------------|--------------|-------------|----------|----------|
|                               | mln. t        | bln. t-km.  | Mln. t        | Bln. t-km.  | mln. t        | bln. t-km.  | mln. t        | bln. t-km.  | mln. t      | bln. t-km.  | mln. t        | bln. t-km.  | mln. t       | bln. t-km.  | ml       | bln t-   |
| <b>Including by transport</b> |               |             |               |             |               |             |               |             |             |             |               |             |              |             |          |          |
| <b>Railway</b>                | 61,5          | 22,7        | 63,7          | 22,8        | 65,7          | 22,9        | 67,2          | 22,9        | 67,6        | 23          | 68,1          | 22,9        | 68,4         | 23,1        | 7        | 2        |
| <b>Car</b>                    | 1203,2        | 27,5        | 1258,3        | 29,2        | 1327,4        | 31,5        | 1399,8        | 33,9        | 1473,7      | 13,3        | 1013,1        | 13,9        | 1015,5       | 14,1        | 11       | 15,9     |
| <b>Pipe</b>                   | 64,5          | 33,0        | 65,0          | 31,5        | 65,8          | 31,2        | 60,0          | 30,0        | 62,2        | 28,9        | 30,2          | 65,1        | 31,2         | 65,9        | 7        | 3        |
| <b>Air transport</b>          | 24,0          | 121,9       | 22,2          | 116,3       | 23,0          | 125,1       | 24,6          | 131         | 26,5        | 132,2       | 156,9         | 26,4        | 157,2        | 27,1        | 10,      | 59       |
| <b>Total</b>                  | <b>1329,3</b> | <b>83,4</b> | <b>1387,1</b> | <b>83,7</b> | <b>1458,9</b> | <b>85,7</b> | <b>1527,0</b> | <b>86,9</b> | <b>1603</b> | <b>88,0</b> | <b>1146,2</b> | <b>66,9</b> | <b>115,2</b> | <b>67,1</b> | <b>1</b> | <b>1</b> |

Assess the role of the railway network in the country's economy, identify prospects and trends in the development of the sector, conduct research on forecasting, material and technical resources, labor and financial development with a direct impact on the medium and long-term strategy of the railway network; serves as a basis for identifying the existing need and developing its long-term strategy

During 2012-2019, we can see that the total volume of freight traffic by rail increased by 1.6 times compared to 2000, and the total volume of passenger traffic increased by 1.8 times. In general, in 2019, 131.4 million tons will be transported by rail. The fact that this sector is developing from year to year in our country. As a result of the implementation of the prescribed measures,

In 2017, the volume of freight increased by 42% compared to 2012, including 44% for road transport and 73% for air transport. The total freight turnover in 2017 amounted to 66.9 million ton-km. The highest share in total freight turnover falls on road transport (40.11%), pipeline transport (34.96%) and railway transport (25.5%) [4]

If we analyze the existing internal competition between the modes of transport in the country, the highest share in terms of freight volume falls on road transport. In the market of transport services, road transport is characterized by mobility, high-speed loading and door-to-door delivery, timely delivery, relative simplicity of the transportation process, and the advantage of transporting small volumes of cargo over short distances [5]. However, at the same time, it can be seen that the volume of freight traffic by rail is declining from year to year.

It should be noted that one of the main shortcomings of rail transport is the inability to provide services at the level of road transport in the delivery of goods to the final destination, ie to the consumer. But as noted above, there is not yet a type of transport that can compete with it in delivering large volumes of cargo to long-distance destinations at relatively low prices.

Taking into account the special role of railway transport in ensuring socio-economic stability and economic growth, one of the priorities is to ensure the continuous, safe and efficient operation of the network in accordance with the principles of the Government of the Republic of Uzbekistan, regional and local authorities, enterprises and railway transport enterprises.

Given the growing role of Uzbekistan in the context of globalization, the country's railway network is an important political and geoeconomic resource of the country. In our opinion, in the near future the supply of international transit and export-import cargo along the railway should be considered as an element of further involvement of the country, mainly in world economic relations, in terms of implementation of national projects for modernization of economic and social life.

### **Conclusions and Recommendations.**

In the transport network, railway transport is a unique system, and when we study the issues of effective management of its activities, we have a hierarchical view of the problems in the network. It is known that according to the law of hierarchy, each stage in the system acts as a governing and controlled entity with its subordinates and superiors

Recognizing that a hierarchical approach is also the most optimal option for the effective organization of transport system management, scientific research in this area is gaining relevance today.

In terms of the performance of a specific task at each stage in a hierarchical system, it is natural that there should be functional and structural differentiation. The system has a hierarchical structure in terms of the volume of data received, processed and used.

Existing problems in the railway transport system are among the factors hindering the growth of the country's economy. Therefore, it is advisable to consider these issues separately:

- to fully meet the growing needs in line with the expansion of the economy and the growing population;
- development of investment activity in the railway network;
- providing high quality services to meet the needs of consumers;
- development of measures to minimize transportation costs in the cost of production;
- Achieving high efficiency of the transport system.

The interaction between the participants in the market of railway transport leads to a decrease in economic and technological efficiency, which in turn increases the cost of freight transportation by rail across the network;

- Facing crises in the economy and the reduction of the established level and amount of payments and tariffs for the use of infrastructure services, may require additional government subsidies;

Improving the system of public administration and discipline, with an increase in regulatory areas and facilities, including the legal use of infrastructure services;

- Mutual division of responsibilities and tasks between the transport companies and infrastructure in terms of technology and operation between the economy and the system of transport safety;

- Improving the efficiency of development of investment activities of the railway transport network in Uzbekistan.

The wide range of transport and logistics services and their wide range of variables in terms of quality, their impact on the competitiveness of services and cost, as well as other factors make it necessary for the company to have a clear, specific strategy in the field of logistics services to consumers requires [7].

To do this, it is necessary to provide electricity to an average of 168 km of railways annually, with an investment of 5.34 billion soums. dollars. 1.2 billion to upgrade locomotives and wagons by 2030 it is necessary to increase the transportation in containers by 25-30% in order to reduce the cost of transportation of goods transported in containers by 10%.

The practical effect of large-scale reforms and investment programs in the transport sector in our country in the near future

We can see that the provision of quality and competitive logistics and transportation services to all sectors of the economy and all segments of the population can make a significant contribution to the dramatic increase in the economic potential of our country.

In general, the above-mentioned problems are integrated to ensure the efficiency of multimodal transport, harmonization of the regulatory and legal framework, technical and technological regulations and standards, logistics centers, transport and forwarding activities in accordance with international standards. organization of information system. Thus, the effective management of the integrated transport and logistics system will lead to the saving of all production and material resources, the acceleration of production, the reduction of transport costs and the development of sectors of the economy.

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