INNOVATIVE POTENTIAL - DRIVING FORCE COMPETITIVENESS OF INDUSTRIAL ENTERPRISES

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Abstract

The article considers industrial production as the basis for various sectors of the economy. Domestic industry is the basis of the national economy, determines its specialization and level of development. In modern conditions, the development of domestic industrial production should ensure a reduction in the share of the extractive sector and an increase in the share of processing industries.

Keywords: production, innovation, industry, national economy, industry.

INTRODUCTION

Industry is the backbone of the economy of any state. The share of industry in the formation of the GDP of a developed state is about 30%. The development of industry has a decisive influence on the course of expanded reproduction, the strengthening of inter-sectoral ties, the creation of new jobs, the dynamics of scientific and technological progress. The overall efficiency of the domestic economy, its socio-economic potential and future prospects largely depend on the level and quality of industrial development. However, despite the fact that the goal of the Strategy for Innovative Development of Uzbekistan until 2030 is the creation and development of technologies that can increase the share of innovative products in the gross domestic product and enter new markets, there is no growth dynamics in the production of innovative products. The issues of formation, assessment and use of the innovative potential of enterprises, determining the directions of their further innovative development deserve special attention in the management of innovative activities. Few domestic industrial enterprises have a strong innovation potential, but even fewer of them are able to effectively manage it, which cannot but affect the effectiveness of innovation. In modern conditions, the problem under consideration is acquiring more and more practical importance and the economic and technological security of the state depends on its operational solution.

RESEARCH METHODOLOGY

The theoretical and methodological basis of the study was the provisions of fundamental and applied works of leading Russian and foreign scientists, set out in the works on industrial management, innovation, innovative potential, strategic management, innovative marketing. Theoretical and methodological issues of innovation in the context of increasing the competitiveness of domestic enterprises are reflected in the works of Aganbegyan A.G., Anshin V.M., Bandurin A.V., Zheltenkov A.V., Ilyenkova S.D., Kazantsev A.K., Kokhno P.A., Lyasnikova N.V., Marshavina L.Ya., Mindeli I.E., Moshina A.Yu., Slepova V.A. Well-known foreign scientists who dealt with the problems of innovative development are J. Schumpeter, E. Deming, P. Drucker, B. Twiss, B. Santo. The tools for managing the innovative activity of industrial enterprises and the resources necessary
for the scientific and technological development of economic systems are investigated in the works of A.D. Bobryshev, E. B. Goncharova, E. M. Dronenko, A. Z. Gusov, G. Zhitsa, Lyapina S.Yu., Mingaleva Zh.A., Tursunkhodzhaeva M.L., Sokolova L.A., Makhmudova N.M., Abdullaeva M.N., Khashimova N.A..

The works of such scientists as: Amosyonok E.P., Bazhanov V.A., Bendikov M.A., Valdaitsev S.V., Voronov D.S., Golubev are devoted to the problems of the influence of innovation activity on the competitiveness of industrial enterprises and the issues of forecasting competitiveness. S.S., Gribov V.D., Egorshin A.P.

The issues of managing innovation and innovative potential are considered in the works of: Akhmetova L.A., Barancheeva V.P., Ivasenko A.G., Korobeinikova O.P., Korshunova I.A., Kosolapova O.V., Lapina E.V., Popova V.L., Surina A.V., Trifilova A.A., Yakovets Yu.V..

RESEARCH RESULTS

Modern industrial production is the main sector of the economy and plays a key role in the development of scientific and technological progress. Industry stimulates the development of innovative activities and is a growth multiplier for the entire economy. According to world statistics, it is industrial production that provides the greatest increase in value added in comparison with other sectors of the economy [8, p. 18]. The defense capability of the state, its economic security, the growth of the gross national product, the creation of jobs, the living standard of the population directly depend on the degree of industrial development.

Like other countries, domestic industry is the basis of the economy, determines its specialization and level of development. Industrial production in Uzbekistan is represented by a wide range of different industries, the dominant position among which is occupied by the extraction of raw materials and the production of energy.

These industries are represented by well-developed oil and gas production enterprises, as well as a powerful electric power industry, which includes, among other things, nuclear industry enterprises. For this situation, there are the following explanations:

Abundance of natural resources, in particular oil and gas. Currently, the fuel and energy complex, producing 10-11% of the world's primary energy, is a key sector for the entire domestic industry.

![Graph](https://stat.uz/uploads/docs/sanoat_ru_yanvar.pdf)

**Fig. 1. Volume of production by main types of economic activity, billion soums, IFO %**

According to preliminary data, in January 2020, enterprises of the republic produced industrial products worth $ 27.9 trillion. soums, the index of physical volume * of industrial

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1 Source: compiled by the author based on data [https://stat.uz/uploads/docs/sanoat_ru_yanvar.pdf](https://stat.uz/uploads/docs/sanoat_ru_yanvar.pdf)

2 The index of the physical volume of industrial production is a relative indicator characterizing the change in the mass of products (works, services) in the compared periods.
production for the same period in 2019 amounted to 104.4%. In the structure of production, the largest share falls on manufacturing enterprises (75.7%).

Among the processing branches of the domestic industry, the largest specific weight is chemical and metallurgical production. Despite the fact that metallurgical and chemical enterprises produce large volumes of products, they mainly carry out only primary processing of resources. In addition, the main consumers of the products of these industries are also foreign partners [7].

The products of the rest of the main processing and processing industries of the Russian industry do not compete with the leading manufacturers in the world market and are focused on the domestic market.

The most typical example of the manufacturing sector of the economy is machine-building enterprises, whose products do not differ in a high technical and quality level and are unable to compete with the products of developed countries.

The strategy of actions in five priority areas of development of the Republic of Uzbekistan in 2017-2021 provides for increasing the competitiveness of the national economy by deepening structural reforms, modernizing and diversifying its leading industries, continuing institutional and structural reforms aimed at reducing the presence of the state in the economy. How the tasks in the field of industrial production are being solved.

As part of the implementation of the Action Strategy for 2017-2021 for the development of industry, the process of reducing the level of state participation in industry is being carried out, new production facilities are being commissioned, the process of renovation and technological reequipment of industrial enterprises is underway. Qualitative changes are observed in the main indicators of industrial development. Share of industry in GDP from 2016 to 2018 increased from 18.1% to 23.3% (after revising the structure of GDP).

Industrial growth rates in 2017-2018 remained high: growth by 8% in 2017 and by 16.6% in 2018. Particularly high growth rates are observed in the mining industry - in 2018 by 32.4% (while in 2016 only by 1%); in the manufacturing industry, the growth rate increased from 6.4% in 2016 to 15.6% in 2018. In the sector of water supply, sewerage, waste collection and disposal, an acceleration in production is also noted from 12.3% in 2016 to 19.7% in 2018. In electricity, gas, steam and air conditioning, on the contrary, growth in 2018 amounted to only 4.1% against 9.8% in 2016, and in 2017 there was a decrease by 3.3%.

Significant changes have taken place in the structure of industry in recent years. The mining industry increased its share in total industry from 9.6% in 2016 to 12.4% in 2018. The share of the electricity, gas, steam and air conditioning sector decreased from 9.4% in 2016 to 6.2% in 2018. The share of the manufacturing industry actually remained unchanged, occupying 80.6%.

In the first half of 2019, the industrial sector accounted for 50.7% of total investment. Most, or 28% of the total investment, was in the manufacturing industry, 14.2% in electricity, gas, steam and air conditioning, 7.4% in the mining industry and 1.1% in the water sector. Sewerage, collection and disposal. Investment in industry as a percentage of GDP increased from 11% in 2017 to 19.5% in the first half of 2019.3

3 https://review.uz/post/promiyshlenniye-prioritetiy
CONCLUSIONS

The research results showed that despite the serious efforts made by the country to develop innovative activities, the level of innovative activity of domestic enterprises over the past few years leaves much to be desired. This happens not only because the regulatory framework does not fully meet the needs of innovation and insufficient funds are allocated for the creation and implementation of innovations. To a greater extent, this is a consequence of the fact that the issues of methodology for managing innovative activities, and, in particular, the issue of managing the innovative potential of an enterprise, remain not fully understood. For the successful innovative activity of industrial enterprises, it is necessary to identify and use all the factors that can have a positive impact on improving the efficiency of innovation potential management. The innovative potential of an enterprise is a combination of its individual elements. It consists of intellectual potential, and also includes personnel, material and technical, market and financial elements. The innovative activity and competitiveness of domestic enterprises largely depend on the level of development and the state of the innovative potential of the enterprise.

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