

THE ROLE OF PUBLIC ADMINISTRATION IN REGULATING THE CONSTRUCTION MATERIALS MARKET OF UZBEKISTAN

Abdiganieva Sitorabonu Murodulla qizi
Associate Professor at ISFT University

Abstract

The economic liberalization policy pursued in our country serves to implement market principles for the formation of the construction materials market. At the same time, the state uses various forms of state control and regulation. The state must intervene in the regulation of the construction materials market in order to integrate public and personal interests, to develop greater proportions in the economy between savings, consumption and investment based on forecasting, planning strategy, budget financing, tax and other measures.

Introduction

In recent years, the volume of construction work in the Republic of Uzbekistan has increased significantly. We see all this in real time everywhere: residential complexes and highways, industrial giants and social facilities - work is underway everywhere, transforming Uzbekistan into a more modern and developed country before our eyes.

Resolution of the President of the Republic of Uzbekistan dated November 14, 2018 "On additional measures of the President of the Republic of Uzbekistan to improve state regulation of the construction industry" No. PF-5577 - to improve state regulation of the construction industry, create favorable conditions for attracting investment. Particular attention is paid to improving the efficiency of the system of professional training, retraining and advanced training of network personnel¹

After our republic gained independence, the construction industry began to develop rapidly. The quality of the product improved, its diversity increased, and new technological methods were introduced, fully mechanized and automated technological complexes were introduced and put into operation. Economic reforms require a radical reform of the principles of economic management, the production of building materials and the simultaneous reorganization of the raw material supply system in the construction system. The development of existing capital construction in our country requires a review and amendment of the principles of management, organization and financing of the production complex of building materials.²

Construction is a separate independent branch of the country's economy, which is intended for the commissioning of new, as well as the reconstruction, expansion, repair and technical

¹Decree of the President of the Republic of Uzbekistan dated November 14, 2018 No. PF-5577 "On the further development of the knowledge and innovation system in agriculture and the provision of modern services"

²Kasimov E., Construction materials: a textbook for students of higher educational institutions. - T.: "Trud", 2004, -4 p.

re-equipment of existing production and non-production facilities. The decisive role of the construction industry is to create conditions for the rapid development of the country's economy.³

A study of the construction market shows that the components of this market are:

- construction market (housing, commercial real estate, industrial facilities);
- the market of building materials, products and structures, that is, it is called the market of building materials;
- repair and construction works market⁴

The development of building materials, products and the building market is influenced by the dynamics of the building market. The market for repair and construction works is close to the building materials market. For sustainable development of the industry, it is necessary to conduct marketing research, determine demand, needs, opportunities and market participants. One of the scientists of our country E. According to Kasimov, "The most important tasks of the building materials industry are the widespread use of local raw materials, the development of production, improving its quality and reducing the cost of construction, as well as replacing outdated machines and equipment with modern technologies."⁵

At present, with the growth of our country's economic potential, much attention is paid to the construction industry and construction materials. Modern construction is characterized by a highly developed scientific and technical base, which ensures rapid growth in the introduction of new effective construction materials. This significantly facilitates and improves working conditions, reduces its costs and makes products cheaper. The wider the range, the lower the quality and price of construction materials, the more successful the construction.

From a technical and economic point of view, construction as a branch of material production differs significantly from other branches of the national economy. These are the characteristics of construction products, conditions for investing funds, their development, organization of construction and management methods, features of construction technology, development of the construction materials market.

The difference in the quality of construction products as a commodity and all types of mass and serial production requires a different approach to the study of market problems.

In this case, competition between enterprises is considered not for the products manufactured by construction, design, and manufacturing enterprises, but for construction products (finished buildings and structures for housing, civil, or industrial purposes, building structures, and building materials), guarantees, consultations, financing, additional services in the form of communicating characteristics of interest to the consumer (ecologically clean

³Stepanov I.S. Economics of construction: Textbook. — 3rd ed., add. and processed - M.: Yurayt-Izdat 2007. 620 p.

⁴A. Dikamova, N. A. Khalzova, (Pacific National University, Khabarovsk). Segmentation of the construction materials market. Electronic scientific publication "Scientific Notes of PNU" 2015, Vol. 6, No. 1, p. 315.

⁵Kasimov E., Construction materials: a textbook for students of higher educational institutions. - T.: "Trud", 2004, -4 p.

zones, a prestigious area allows you to build a facility with the same costs and receive a higher profit).

Therefore, it is necessary to clarify the opinion that the activities of economic entities in commodity markets are regulated, taxed, the price is determined by relevant legal documents, and the participation of the state in economic entities is ensured.

The Ministry of Investment, Industry and Trade is authorized to regulate the consumption of centralized resources of natural gas, electricity and fuels and lubricants by enterprises producing construction materials by setting limits.

Regulation of competition in the construction materials markets of Uzbekistan is carried out in accordance with the Law of the Republic of Uzbekistan "On the restriction of monopolistic activity and competition in commodity markets".⁶

In our country, free contract prices are applied to all production and technical purposes and consumer goods, as well as construction materials. The increase or decrease of free prices by these entities is carried out at their discretion in connection with changes in the market situation, supply and demand.

Decree of the President of the Republic of Uzbekistan dated May 23, 2019 No. PQ-4335 "On the accelerated development of the building materials industry".

According to the Resolution on Additional Measures, our republic is carrying out systematic work to ensure stable growth in the production and export of competitive products, as well as deepening structural changes in the building materials industry aimed at modernizing enterprises and technical and technological renewal.

The objectives are to create favorable conditions for rapid development and diversification of the network, attract investment in the processing of local minerals and increase the volume of exports of construction materials.⁷

The legal basis for price regulation is the Resolution of the Cabinet of Ministers of March 31, 1997 No. 165 "On measures to implement the Law of the Republic of Uzbekistan on limiting competition and monopolistic activity in commodity markets."

The Decree of the President of the Republic of Uzbekistan No. PQ-139 dated February 21, 2022 also states that "Until January 1, 2024, the Export Promotion Agency will allow local exporting enterprises (their authorized representatives) to transport construction materials to all countries, including border countries, by road, rail and air. Subsidies will be provided to compensate up to 50 percent of the costs."⁸. - this is the goal.

In order to increase the export potential and stimulate the production of export-oriented construction products, the sale of monopoly products outside the republic by economic entities is carried out at contractual (free) prices, which may differ from the announced ones.

⁶Law of the Republic of Uzbekistan "On the restriction of monopolistic activity and competition in commodity markets". 355 dated 27.12.1996 - No. I.

⁷Resolution of the President of the Republic of Uzbekistan dated May 23, 2019 No. PQ-4335 "On additional measures for the accelerated development of the building materials industry". <https://lex.uz/ru/docs/4351738>

⁸Resolution of the President of the Republic of Uzbekistan dated February 21, 2022 No. PP-139 "On additional measures to support housing construction and the building materials industry"

In certain cases, the state, by its decision, may introduce additional regulation of prices for certain types of products. In order to prevent the rise in the cost of construction of projects financed from budgetary funds, Resolution of the Cabinet of Ministers No. 305 of August 5, 2000 introduced a limit on the reduction of the size of intermediaries' markups in the supply of products to construction projects in the amount of 20%. In order to prevent the rise in the cost of construction of projects financed from budgetary funds, Resolution of the Cabinet of Ministers No. 305 of August 5, 2000 introduced a 20-percent price limit, applied in order to reduce the number of intermediaries in delivery. Existing price regulation methods are ineffective in preventing unjustified price increases, since they are based on an expensive pricing mechanism.

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