

# Organizational and Economic Mechanisms for The Strategic Development of Enterprises of the Chemical Industry: In Case of Uzbekistan

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**Abstract-** The article analyzes the organizational and economic mechanisms of strategic development of chemical industry enterprises. In this study, the methods and mechanisms necessary to increase the financial and production efficiency of chemical industry enterprises, to ensure competitiveness and to ensure sustainable development are considered. The article focuses on such important directions as innovative and technological modernization, financial and economic stability, effective use of resources, cooperation and investment attraction.

**Keywords:** Financial and economic stability, chemical industry, economic security, chemical industry products, competitiveness.

## 1. INTRODUCTION

A significant decrease in investments in the global chemical industry directly affects the volume of extraction at new fields. Experts in the chemical industry note that the demand for oil and gas is higher than annual forecasts, which leads to a reduction in commodity reserves and a decrease in oil and gas reserves. Thus, the commissioning of new fields through geological exploration in countries such as the USA, China, Russia and Kazakhstan is of great importance. In developed countries, special attention is paid to the widespread use of resource and energy-saving technologies in the chemical industry, reducing geological exploration costs, expanding the product range and reducing production costs. Also, in order to form a modern national chemical industry, large-scale scientific research is being conducted to create an institutional, legal and investment environment, provide economic incentives for chemical enterprises, modernize the industry and widely introduce market mechanisms. Today, ensuring the economic sustainability of the chemical industry based on modern approaches is one of the most relevant research areas. [20]

A wide range of measures are being implemented in the national economy, in particular, to increase the global competitiveness of chemical industry enterprises. In this process, the state is implementing a number of economic, technical and institutional changes, the main goal of which is to modernize the chemical industry, use new technologies and increase the competitiveness of products. In addition, cooperation between the public and private sectors is being strengthened, and initiatives are being implemented to attract new investments. The Development Strategy of New Uzbekistan for 2022–2026, which is aimed at creating the necessary political-legal, socio-economic and scientific-educational foundations for the reforms being implemented in our country, sets the tasks of “...developing the national economy, ensuring its growth rates at the level of modern requirements”. [1]

These measures, in turn, are aimed at increasing economic efficiency and ensuring economic stability, which will help the national chemical industry compete successfully in the global market.

## 2. LITRATURE REVIEW

The issues of ensuring the financial and economic stability of the economy have been widely studied by foreign scientists. In particular, such scientists as Shameli-Sendy [2], D.G. Baur [3], N.N. Schulze, Y.M. Sulezhanova [4], R. Persiun [5], A. Stratan and E.V. Budumzhan [6] have scientifically analyzed these issues in their works. From the CIS countries, the studies of E.V. Makarova [7], S.N. Bobylev [8], S.N. Kukushkin, N.A. Lvova [9], A.P. Dobrovinsky [10], A.B. Lachikhina [11] and A.A. Petrakov paid special attention to the macroeconomic aspects of ensuring financial and economic stability.

In Uzbekistan, the theoretical and methodological foundations of enterprise development were developed by local economists. In this regard, there are important works in the works of such scientists as N.M. Makhmudov [12], M.A. Ikramov [13], A.U. Burkhanov [15], E.Kh. Makhmudov [16], Nurimbetov R. [14], Sh.N. Muratova [17], A.M. Kadyrov [18], Z.N. Kurbanov [19] and F.I. Isaev.

At the same time, the scientific research of the above authors did not pay sufficient attention to the organizational

and economic mechanisms of strategic development of chemical industry enterprises. Therefore, a deeper study of the issue of further development of chemical industry enterprises, which is one of the strategic sectors of the economy, is a relevant and important issue today.

### 3. RESEARCH METHODOLOGY

The article uses various research methods, including scientific observation, a systematic approach and econometric modeling. Having analyzed existing methods and approaches in the world, a new methodology for assessing the level of economic sustainability of chemical industry enterprises, taking into account the specific characteristics of their activities, is proposed. This methodology should allow chemical industry enterprises to achieve a high level of economic sustainability by ensuring the compatibility of financial, production, technological, marketing and organizational criteria.

### 4. ANALYSIS AND RESULTS

The assessment of the financial and economic stability of chemical industry enterprises should be carried out taking into account the specific characteristics of each sector, using average geometric indicators across sectors. This is because each sector is affected by external and internal factors in its own way, which creates uncertainties in the implementation of mathematical calculations. When assessing the economic stability of chemical industry enterprises, it is necessary to use expert assessment methods as little as possible, which is due, firstly, to the uncertainties in the indicators obtained through surveys, and secondly, to the limited ability to find and select experienced experts.[4]

Entrepreneurship in the mining industry and open pit mining is relatively rare and poorly developed. The number of entities, which was 1,171 in 2015, increased to 3,501 in 2024. This is due to the complexity of production and the impact of difficult conditions on the mining industry.

Table 1: Number of registered small business entities by types of economic activity (annually)

Network and industries	2015	2020	2021	2022	2023	2024
Agriculture, forestry and fishing	19161	43958	48854	57228	62096	65191
Mining and quarrying	1171	2683	2886	3134	3326	3501
Manufacturing	41778	83573	90936	99352	103925	106637
Electricity, gas, steam and air conditioning supply	271	420	434	471	626	761
Water supply; sewage system, waste collection and disposal	998	1246	1292	1483	1612	1757
Construction	23022	42905	45422	48828	52626	53729
Wholesale and retail trade; repair of motor vehicles and motorcycles	65688	139545	165460	193492	219491	234144
Transportation and storage	10189	17953	18867	21469	24473	25576
Accommodation and food services	15460	32323	35261	39372	43388	47323
Information and communication	6991	9877	10824	12510	14581	16204
Financial and insurance activities	4965	3776	3297	3654	4008	4298
Real estate operations	5929	7884	8132	9096	10512	11820
Professional, scientific and technical activities	7826	11850	12983	14394	16196	18045
Administrative and support service activities	6103	13102	13455	15397	17568	19750
Public administration and defence; compulsory social security	36	1	1	1	1	2
Education	5114	4484	6239	7800	9016	9932

Health and social service activities	5897	7813	9087	10313	11417	12326
Arts, entertainment and recreation	1682	3702	4246	4917	5472	5827
Other service activities	3717	9886	11260	13060	14563	14984

The number of entities in the manufacturing industry increased from 41,778 to 106,637 from 2015 to 2024. The continued growth each year is the result of efforts to modernize production, develop new technologies, and increase the competitiveness of the industry.

In the construction sector, the number of entities increased from 23,022 in 2015 to 53,729 by 2024. This growth is associated with the development of the construction sector, infrastructure renewal, and demand for modern building materials.

In the wholesale and retail trade sector, the number of entities increased from 65,688 in 2015 to 234,144 by 2024. The main reason for this is the increase in the standard of living of the population and the growth of consumer trade.

The number of entrepreneurs in the transportation and storage sector increased from 10,189 to 25,576 between 2015 and 2024. This is mainly due to initiatives aimed at developing logistics and transport infrastructure and the mobility needs of the population.

There is also an increase in the catering services sector, with entrepreneurs increasing from 15,460 in 2015 to 47,323 in 2024. This is due to the population's food culture, innovations in restaurants and service provision.

Entrepreneurial activity in the education sector increased from 5,114 in 2015 to 9,932 in 2024. This indicates an increase in the attention paid to educational services.

Health and social services: The number of entrepreneurs increased from 5,897 in 2015 to 12,326 in 2024. This sector is associated with an increase in the importance of public health.

In the provision of other types of services, the number of entrepreneurs increased from 3,717 in 2015 to 14,984 in 2024. This sector is associated with an increase in the demand for various auxiliary services and specialized activities.

Between 2015 and 2024, a significant increase in entrepreneurial activity was observed in many sectors, especially in such sectors as manufacturing, construction, trade and transport. For example, the increase in the number of entrepreneurs in the agriculture, construction and trade sectors can be explained as a result of factors such as increased economic activity in those sectors and investments. The growth of entrepreneurship in sectors such as information and communications, healthcare, and social services is also associated with new technological requirements and the growing demand for improved living conditions.

In contrast to these developments, the number of entrepreneurs in some sectors has decreased or grown at a relatively low rate. For example, in the financial sector and public administration, the number of entrepreneurs is not large, and growth is not very noticeable due to the complexity of entering the market or the requirements for special conditions.

From the above analysis, it can be concluded that the growth of the number of entrepreneurial entities indicates the growth of new opportunities and demands in various sectors of the economy. Growth in sectors such as agriculture, construction, trade, and information indicates increased economic activity in these sectors and the expansion of the market for new products and services. At the same time, low growth in the financial and public administration sectors clearly demonstrates the complexity of these sectors and their dependence on external factors. The growth of entrepreneurial activity implies the modernization of the economy, the introduction of new technologies, and activities in accordance with the needs of the population.

In 2023, it is planned to export products worth a total of \$492.9 million by the republic's chemical industry enterprises. Of this, \$390.6 million will be exported as mineral fertilizers. Accelerating the privatization of large manufacturing enterprises in the chemical industry will make a significant contribution to the development of the chemical industry.[21]

From this point of view, in the future, the development and implementation of modern methods, mechanisms, and levers for the organizational and economic mechanisms of strategic development of chemical industry enterprises will create the basis for ensuring and increasing the economic sustainability of enterprises.

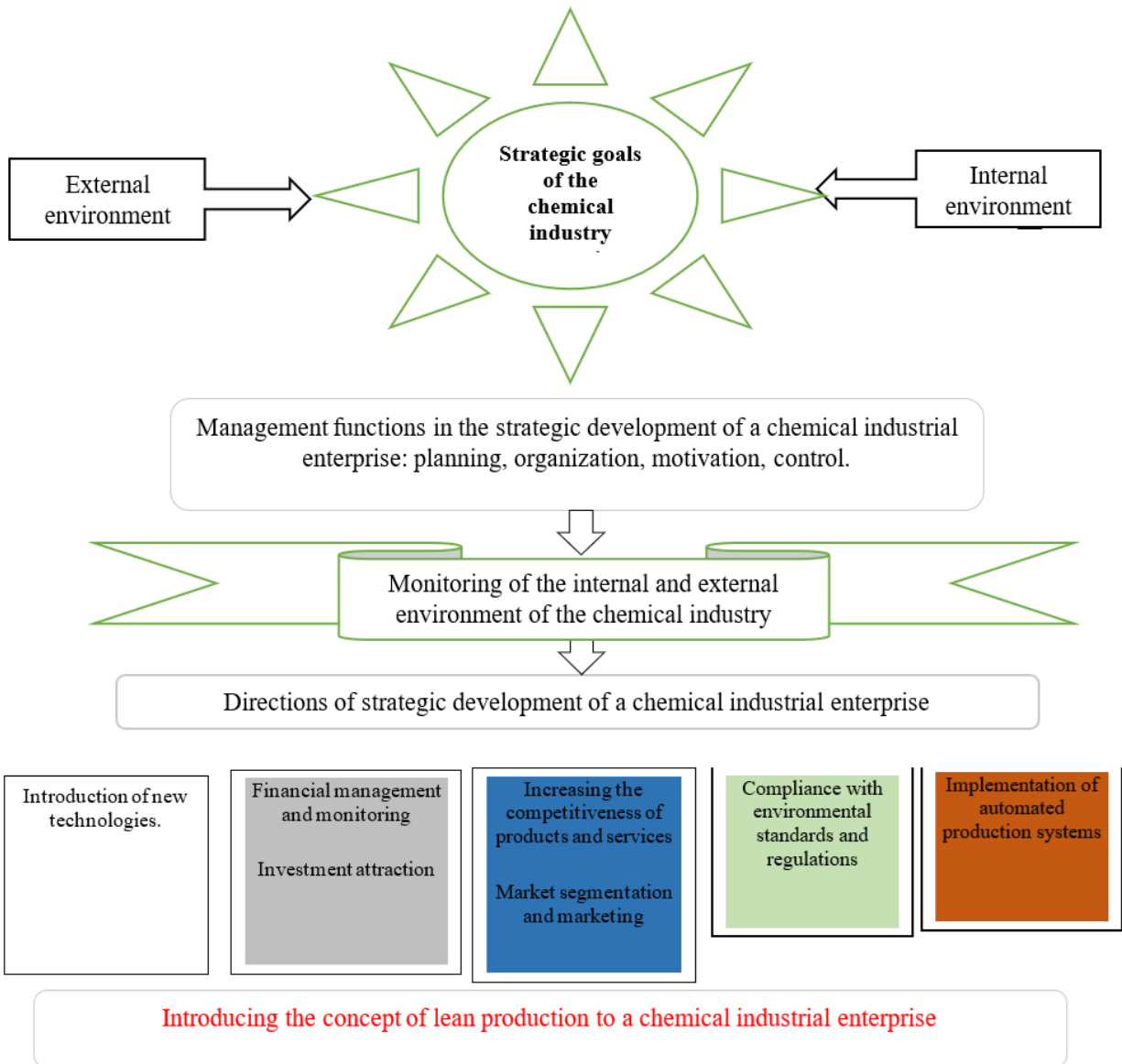


Figure 1. Organizational and economic mechanism of strategic development of chemical industry enterprises

The organizational and economic framework for the strategic development of chemical industry enterprises proposed by the author is divided into two main directions. Firstly, it allows for the introduction of a system for early identification of economic risks and their management. Secondly, it allows for the development of mechanisms that help make rational management decisions, taking into account uncertainties and a changing environment in the activities of chemical industry enterprises. The prospective medium and long-term development of chemical industry production in Uzbekistan is determined by the volume of investments aimed at updating the material and technical base of enterprises and the level of competitiveness of products in domestic and foreign markets. The investment activity of enterprises plays an important role in shaping demand for chemical industry products. The logical result of technological innovations in the chemical industry, in turn, should be aimed at increasing the competitiveness of the industry in domestic and foreign markets.

## 5. CONCLUSIONS

Scientific and comprehensive views on the organizational and economic mechanisms of the development of chemical industry enterprises are based on various studies, strategies and innovative approaches. The introduction of

strong organizational and economic mechanisms is important for the development of the chemical industry, as they ensure the financial stability, competitiveness and long-term prospects of the industry.

When making management decisions, it is necessary to develop strategies aimed at reducing emerging risks. Modernization of chemical industry enterprises, the introduction of updated technologies and innovative processes, ensure the achievement of high efficiency. Investments should also be aimed at organizing new high-tech production.

To increase the competitiveness of chemical industry products, it is important to introduce modern technologies and efficient production systems. Markets are also analyzed comprehensively and strategies are implemented.

Innovative approaches, the development of new technologies and their introduction into production are necessary to increase competitiveness in the chemical industry. It is important to implement technological changes and automation and digitization processes in production.

Increasing management efficiency in enterprises, improving internal work systems and introducing modern management methods. Also, creating mechanisms for managing financial and production indicators at each stage.

Organizational and economic mechanisms of development of chemical industry enterprises should be implemented in various aspects. They are aimed at reducing economic risks, attracting investment, technological innovation and increasing competitiveness. Also, ensuring economic stability and social efficiency are important factors.

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