

Development of services sector is a driving force of post-industrial economies

The important patterns of economic development worldwide is the relationship of economic growth and the increasing role of services in the national economy that finds expression in the increasing share of labor, material and financial resources used in the services sector.

With the continued development of society and productive forces, a certain growth of this sphere is being taken place. There is an increase in employment, technical equipment of labor, and the introduction of advanced technologies.

Currently, the role of services as one of the most important sectors of the economy is great and relevant. In particular, due to the complexity of production, saturation of the market with goods of both daily and individual demand, the rapid growth of scientific and technological progress, which lead to innovations in society.

All this is impossible without the existence of information, financial, transport, insurance and other services. In addition, services are an integral part of the trade in goods (especially technically complex), as the marketing of goods requires an increasingly developed network, which mainly consists of services provided during sales and after-sales services.

Of course, the creation of new enterprises and organizations, as well as the use of innovative technologies and the expansion of the list of services provided by existing enterprises and organizations will continue to increase jobs and improve the welfare of population.

As of September 1, 2019, the total number of operating enterprises and organizations in the Republic has reached 380.9 thousand units in the services sector involved more than 249 thousand units, increased by 20.4 %.

Enterprises and organizations, operating in the services sector
as of 01.09.2019

(excluding farms and dekhkan farms)

42,4

thousand units.

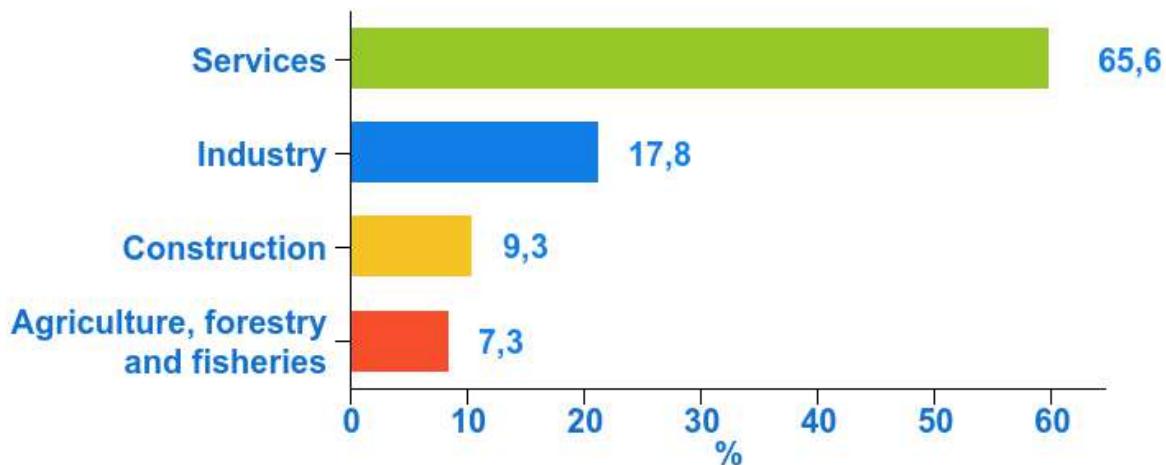


Compared to the same period of last year, the number of operating enterprises and organizations has increased 42.4 thousand units.

The number of enterprises and organizations involved in the services sector accounts for two thirds of its total number, which was 65.6%.

For comparison: during the survey period, the share of enterprises and organizations operating in industry amounted to 17.8%, construction - 9.3%, and only 7.3% in agriculture, forestry and fisheries.

**The structure of existing enterprises and organizations
as of 01.09.2019, %**
(excluding farms and dekhkan farms)



As of 01.09.2019, in the structure of operating enterprises and organizations related to the services sector, its share was predominantly engaged in trading activities (37.3%).

The number of operating enterprises and organizations providing accommodation and food services is 9.6%.

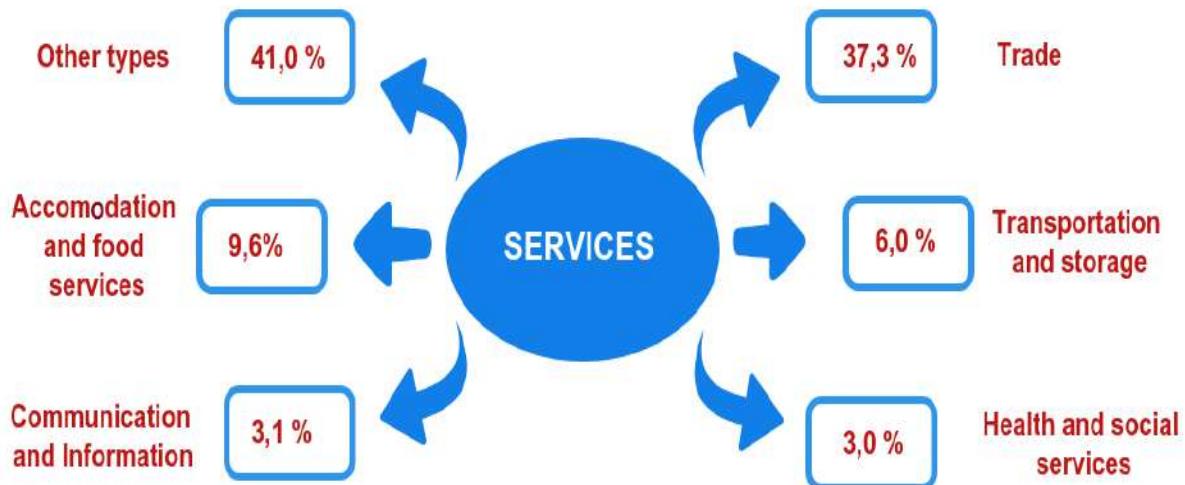
The proportion of operating enterprises and organizations related to transportation and storage and related to the services sector, in its total number reached 6.0%.

The share of existing enterprises and organizations, engaged in information activities and providing communication services, equal to 3.1%.

The proportion of existing enterprises and organizations providing health services, as well as social services, amounted to 3.0%.

**The structure of existing enterprises and organizations
in services sectors by type of economic activity
as of 01.09.2019, %**

(excluding farms and dekhkan farms)



For information: as of 01.09.2018, 207.5 thousand enterprises and organizations operated in the services sector. In overall structure, trade services occupied 33.1%, accommodation and food - 9.1%, transportation and storage - 6.2%, information and communication - 3.3%, health and social services - 3.1%, other types - 45.2 %

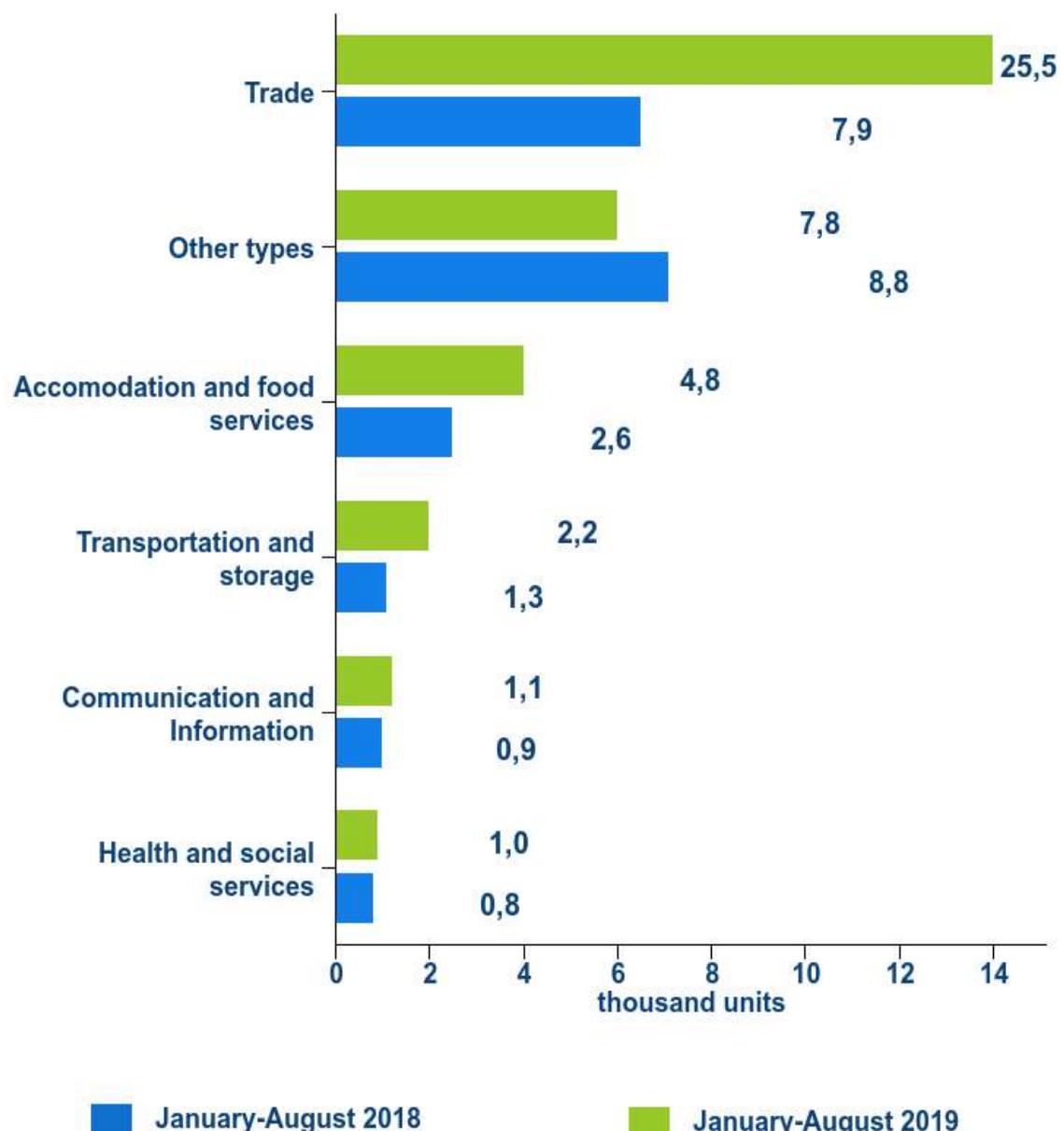
Small businesses make a significant contribution to the development of the services sector in the country, and therefore further state support is needed in the field of stimulating entrepreneurial initiative.

The growth of operating enterprises related to small businesses had a positive impact to increase the total number of operating enterprises and organizations engaged in the services sector. So, compared with the last year, as of 01.09.2019, its number increased by 39.3 thousand units and amounted over 188 thousand units, and increased by 26.4%.

In January-August 2019, the number of newly created enterprises and organizations in the services sector (42.4 thousand units), compared with last year, and increased by 20.1 thousand units.

The number of newly created small enterprises and micro-firms (36.2 thousand units) providing services, increased by 20.4 thousand units.

**Number of newly created enterprises
and organizations engaged in the service sector, thousand units.**



Conducting targeted comprehensive measures to introduce innovative technologies and develop traditional services lead to an increase in the volume of market services.

So, according to preliminary data, the volume of market services provided in January-August 2019 reached 117 527.9 billion soums, the nominal volume of which increased by 23 651.5 billion soums. In comparable terms, over the same period of last year, a growth was 12.9%.



The highest growth rates were noted for financial services (161.7 %), services in the field of architecture, engineering surveys, technical testing and analysis (110.1 %), communication and information (107.7 %), health services (107.6%).

The growth rate of provided market services by type of economic activity for January-August 2019, %



A slight increase was recorded for educational services (3.7%), as well as for rental and hiring services (2.6%).

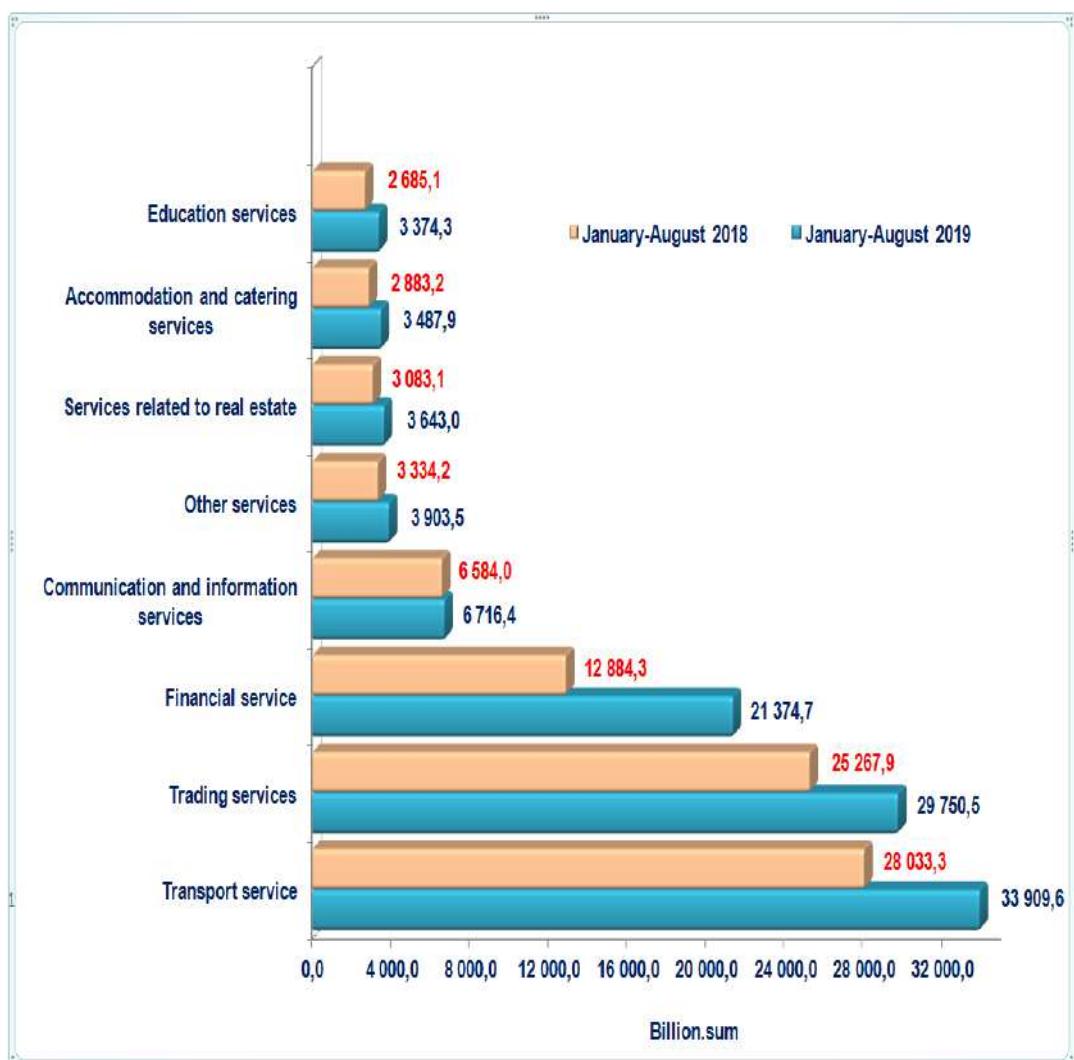
**Key indicators of services by type
of economic activity in January-August 2019**

	Volume, billion soums	Growth rate compared to the previous year, %
Services-total	117 527,9	112,9
of which:		
Communication and information services	6 716,4	107,7
Financial services	21 374,7	161,7
Transport services	33 909,6	105,8
including services of motor transport	15 603,2	102,4
Accommodation and food services	3 487,9	106,2
Trading services	29 750,5	104,1
Services related to real estate	3 643,0	104,2
Education services	3 374,3	103,7
Health services	1 779,3	107,6
Rental and hiring services	2 455,9	102,6
Computer and household goods repair services	1 944,0	104,0
Individual services	2 871,2	104,4
Services in the field of architecture, engineering surveys, technical testing and analysis	2 317,6	110,1
Other services	3 903,5	102,9

Along with the qualitative changes and the deepening of institutional transformations, such services as retail trade, catering and household services have received dynamic development mainly due to the activation of private enterprise.

Of particular importance in the economic policy of the state is the development of modern types of services, for example, such as information and communication types of services (mobile communications, the Internet, digital television, etc.), as well as modern types of financial services (banking, leasing, insurance, audit, consulting, etc.).

Comparison of the prevailing types of services in the overall structure in January-August 2019, %

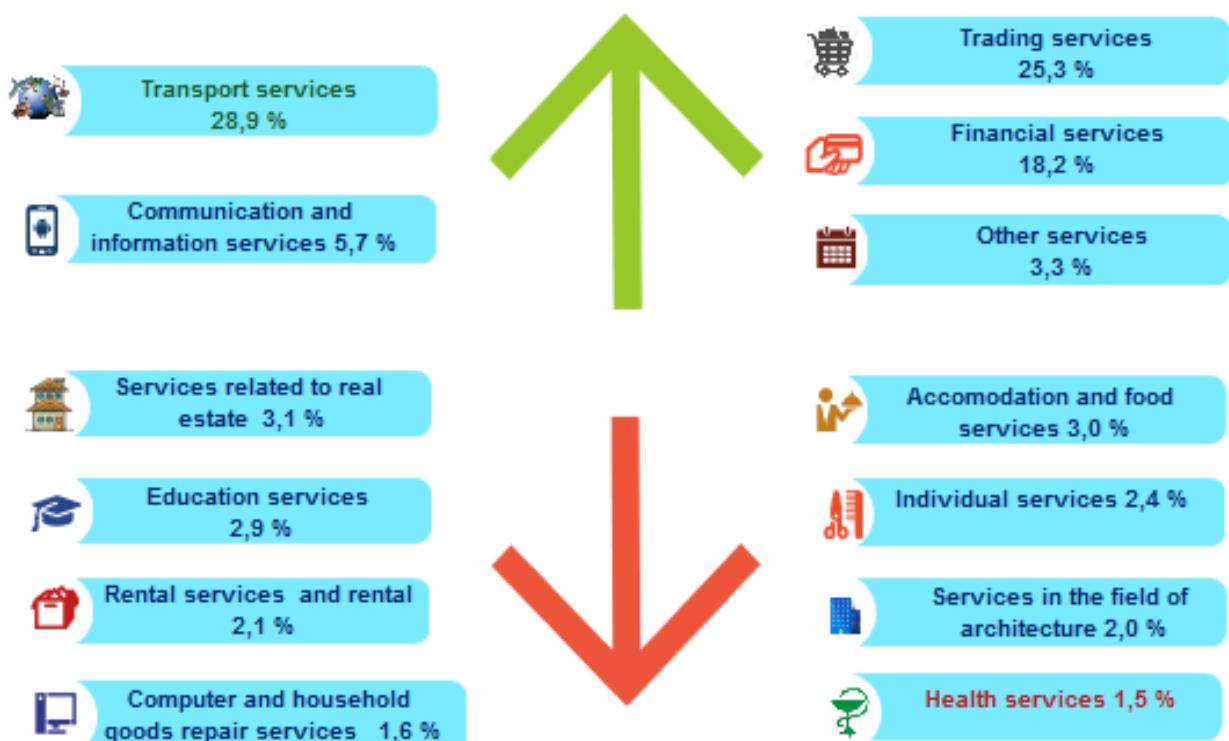


Compared to the same period last year, the volume of transport services increased by 5 876.3 billion soums and was equal to 33 909.6 billion soums.

In addition, the largest volume was recorded for trade services - 29 750.5 billion soums, which increased by 4 482.6 billion soums, as well as for financial services - 21 374.7 billion soums, their volume increased by 8 490, 4 billion soums

In the structure of market services provided by type of economic activity, a significant share is assigned to transport services. So, in January - August 2019, their size amounted to 28.9%. Along with this, the largest share was occupied by trade services (25.3%), financial services (18.2%), communications and information services (5.7%).

Structure of services by type of economic activity for January-August 2019, %

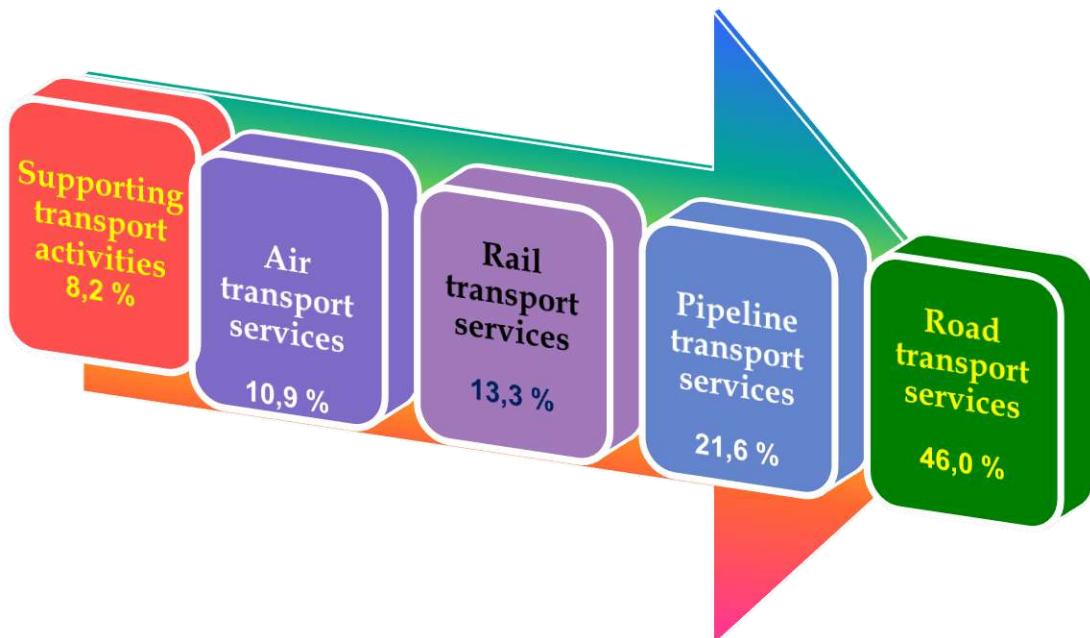


It should be noted that the increase in the volume of transport services is primarily associated with an increase in demand for services for the transportation of goods and passengers, which, in turn, is due to the accelerated growth of tourism activity, the expansion of the trading network, the further implementation of construction projects, reconstruction of buildings and structures, as well as with the development of transport and logistics infrastructure.

The Republic of Uzbekistan is located in the central part of Central Asia and is the only country that has common borders with all countries of the region: it borders with Kazakhstan in the north and northwest, Turkmenistan in the southwest, Afghanistan in the south, and Tajikistan in the south east and Kyrgyzstan - in the east.

At present, our republic has great potential for the development of transport infrastructure and ensuring the country's needs for the movement of both goods and passengers in all directions and all possible modes of transport.

Structure of transport services by modes of transport for January-August 2019, %



Of total volume of transport services, the share of road transport was 46.0%.

The volume of pipeline transportation in transport services was 21.6%. In turn, services provided by rail, in total volume of transport services reached 13.3 %.

The share of services for the transportation of goods and passengers by air was recorded – 10.9 %, and auxiliary transport activities – 8.2 %.

For information: in accordance with the Decree of the President of the Republic of Uzbekistan dated August 10, 2019 №DP-4389 "On additional measures improving tax administration", by the end of this year on the basis of a single interactive information system UzTrans will create an information platform "monitoring of freight traffic".

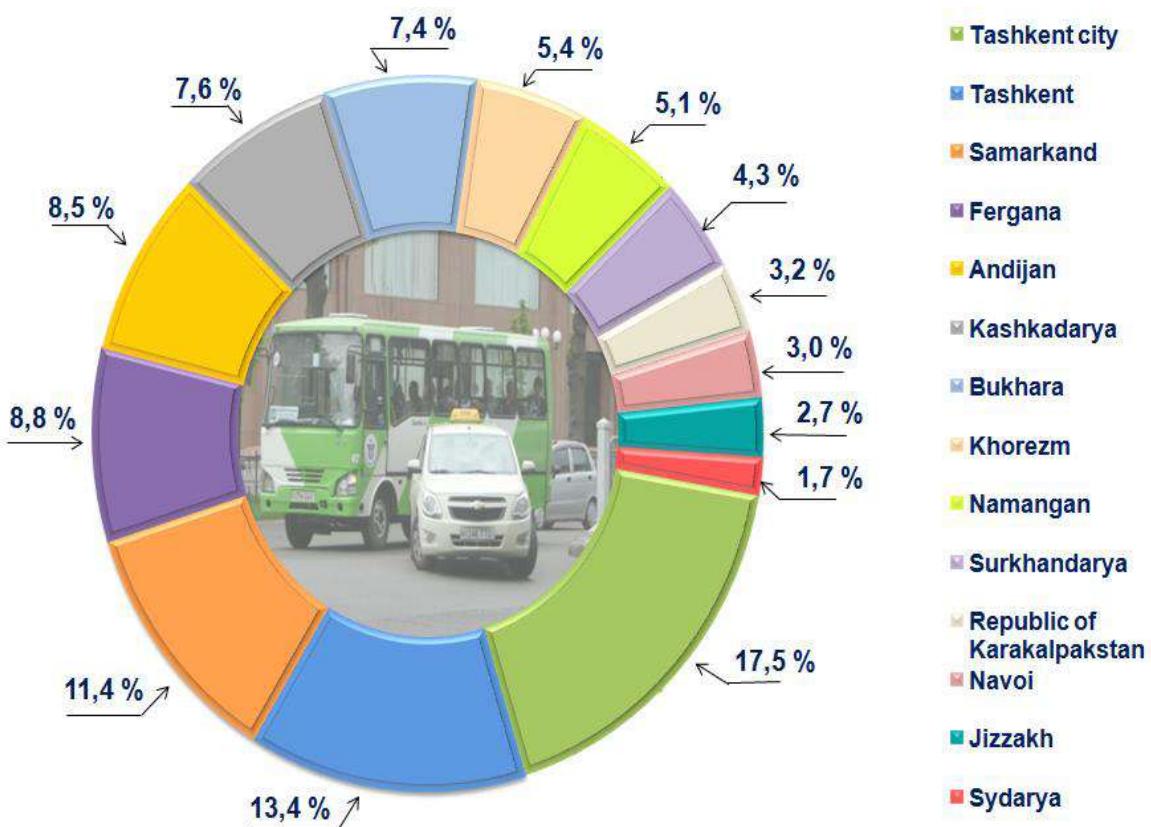
In particular, it will provide registration of accompanying documents of goods by cargo carriers, monitoring of movement of goods by senders of cargo and its recipients in real time.

Therefore, from 1 January 2020 introduced the mandatory registration of carriers of goods on the information platform of the documents accompanying the product (<https://www.spot.uz>).

The largest part of transport services falls on services for the carriage of goods and passengers by road. This type, in comparison with others, is one of the most popular, thanks to the maneuverability and relatively low cost of services.

The largest share falls on Tashkent city (17.5 %), Tashkent (13.4%), Samarkand (11.4%), Fergana (8.8%), Andijan (8.5%), Kashkadarya (7.6%) and Bukhara (7.4%) regions.

**Share of services rendered by road transport in the regions in
January-August 2019 (% of total volume of automobile services)**

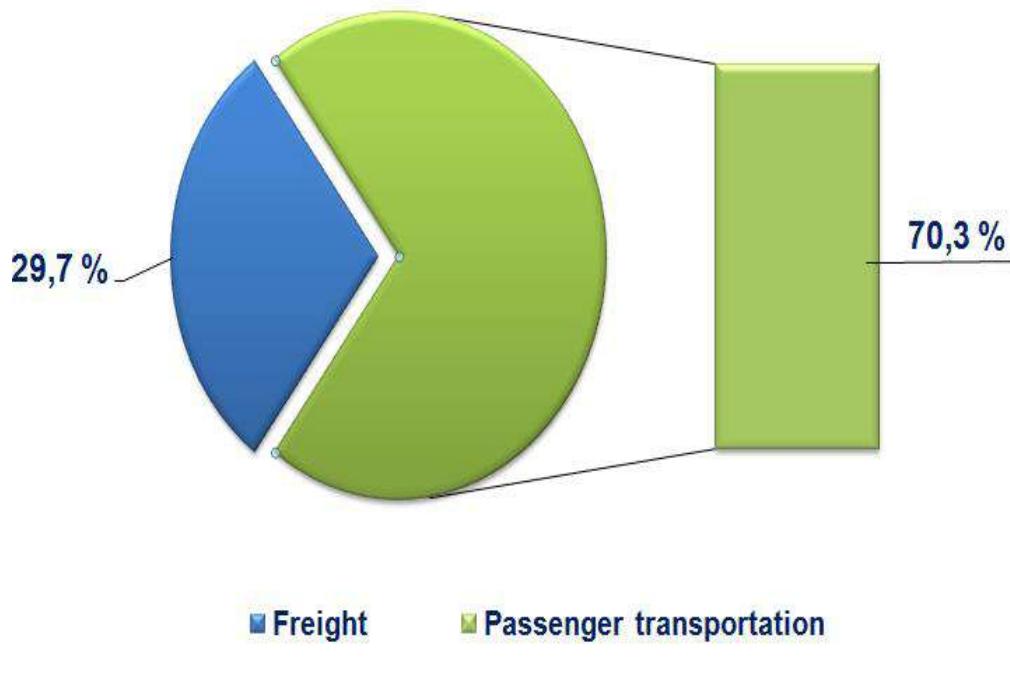


The smallest share in total volume of transport services provided by road transport was noted in Syrdarya (1.7%), Jizzakh (2.7%), Navoi (3.0 %) regions and the Republic of Karakalpakstan (3.2 %).

Transportation of passengers took a significant share in the volume of market services provided by road transport. Thus, in January-August 2019, the share of passenger road transport services reached 70.3 %.

The share of cargo transportation services in total volume of rendered market services of motor transport was 29.7 %.

Structure of services rendered by road transport, by type of transportation in January-August 2019, %



The development of the services sector follows the path of economic decisions.

In particular, in trade for a short time, the number of small and tiny forms of its small retail organization has increased - these are tents, benches, stalls, pavilions of light structures and fair type.

The problem of filling the consumer market was solved through small traders, as soon as possible, and the buyer, as a result of this, got the opportunity to choose a product.

A trade plays an important role in the economic life of each country, which makes the connection between production and consumption, has a significant effect on volume and the structure of production of goods, as well as improving assortment and quality.

In January-August 2019, the share of trade in total volume of provided market services was 25.3 %, which was 29 750,5 billion soums.

Retail trade accounts for almost three-quarters of total volume of trade services, or rather - 66.8 %.

In January-August 2019, the share of services in wholesale trade (except for trade in cars and motorcycles) reached 25.8 %.

Services in wholesale and retail trade in cars and motorcycles, including services for their repair, in total volume of trade services amounted to 7.4%.

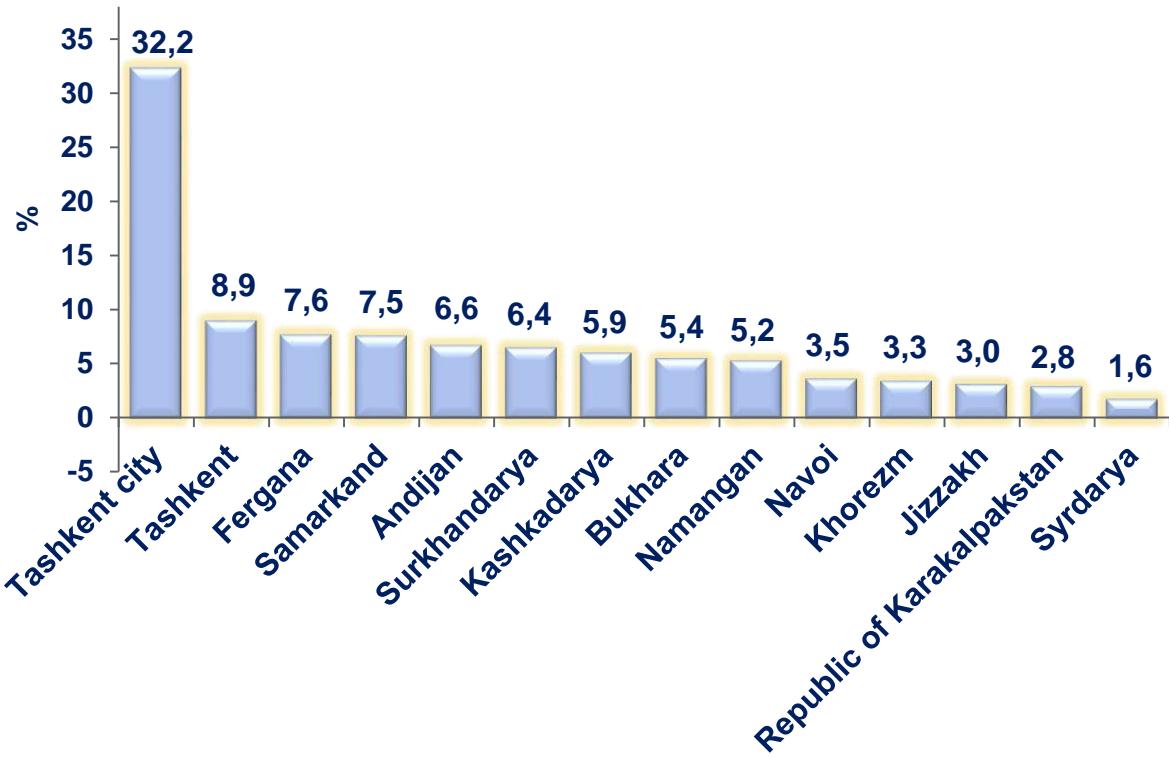
Structure of trade services in January-August 2019, %



Almost a third of total services trade accounts for Tashkent city - 9 583.7 billion soums, or 32.2 %. Also, the largest volume was recorded in Tashkent - 2 660,9 billion soums (8,9 %), Fergana - 2 248.2 billion soums (7.6 %), Samarkand - 2 240,7 billion soums (7.5 percent), Andijan - 1 964,4 billion soums (6,6 %) and Surkhandarya - 1 901,0 billion sums (6,4 %) regions.

The relatively low share of trade services was recorded in Syrdarya (1.6 %), Jizzakh (3.0 %), Khorezm (3.3 %), Navoi (3.5 %) regions and the Republic of Karakalpakstan (2.8 %).

**Share of regions in total volume of trade services
in January-August 2019, %**



In terms of retail trade services, the largest share was recorded in Andijan (83.7%), Kashkadarya (83.0 %) and Bukhara (81.1 %) regions.

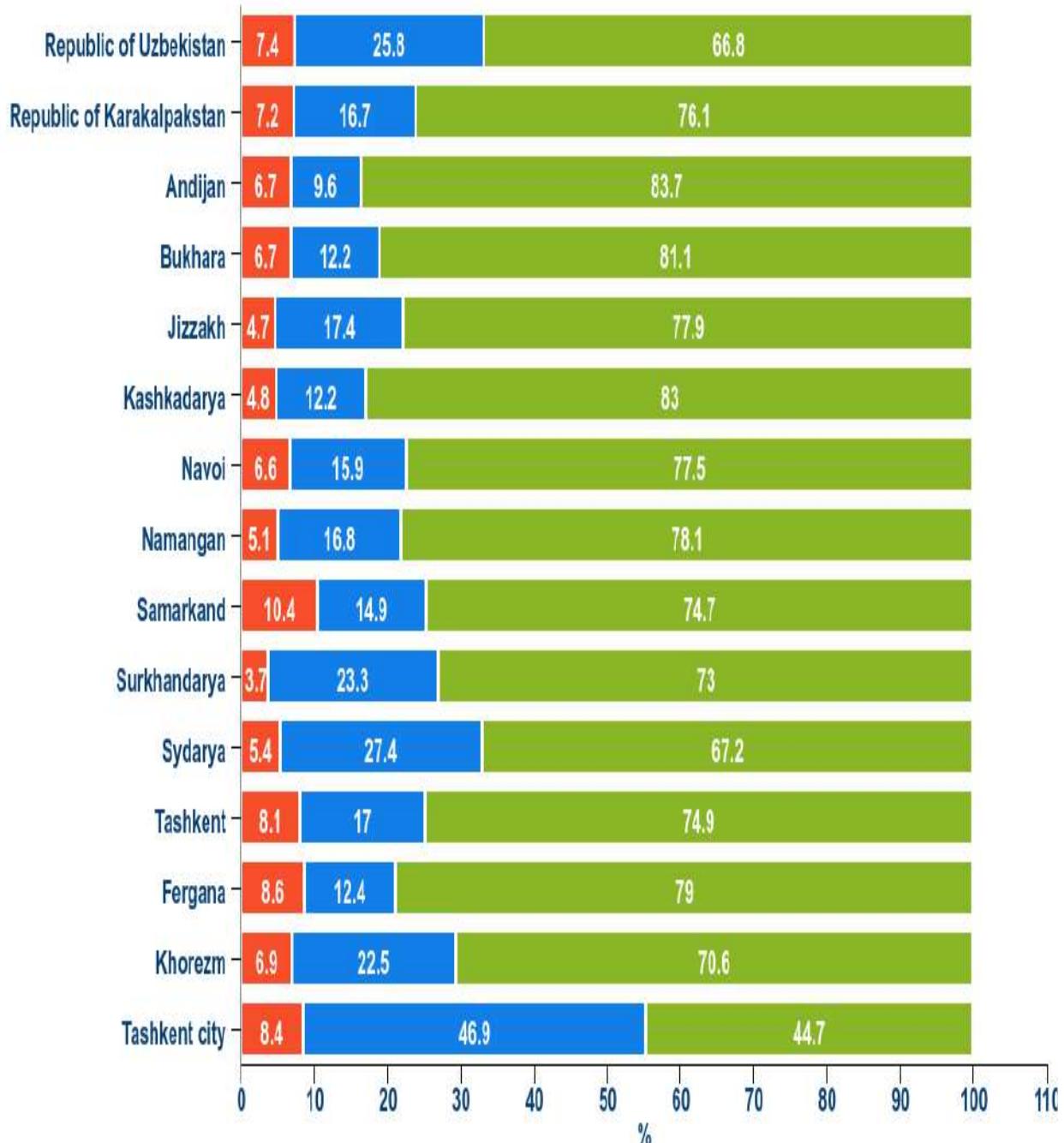
This figure in Tashkent was insignificant. There it was only 44.7%.

However, the share of services in wholesale trade (except for trade in cars and motorcycles) was quite significant in Tashkent city - 46.9 %. The smallest was in Andijan region - 9.6 %.

Relatively high share of wholesale services and retail trade in cars and motorcycles, including repair services, was noted in Samarkand (10,4 %), Fergana (8,6 %), Tashkent (8,1 %) regions, Tashkent (8,4 %) and the Republic of Karakalpakstan (7,2 %).

The lowest share of the same services is recorded in Surkhandarya (3.7 %), Jizzakh (4.7 %), Kashkadarya (4.8 %), Namangan (5.1 %) and Syrdarya (5.4 %) regions.

Structure of trade services by region in
January-August 2019, %



● Wholesale and retail trade of cars and motorbikes, including car and motorcycle repair services
● Wholesale trade services (except for trade in cars and motorcycles) ● Retail services (except the sale of cars and motorcycles)

Currently, the leading positions are occupied not only by constantly updated traditional activities, such as, trade and transport, but also by the fast-growing high-tech business and socio-cultural services.

In January-August 2019, the volume of financial services was equal to 21 374.7 billion soums and, compared to the same period of last year, increased by 8 490.4 billion soums.

**Volume and growth of financial services by regions
in January-August 2019, %**



Compared to January-August 2018, the growth of financial services was observed in Syrdarya (2.2 times), Jizzakh (94.5 %), Namangan (80.6 %), Bukhara (76.0 %), Navoi (75.8 %), regions and the Republic of Karakalpakstan (77.9 %).

Compared to other regions, the growth rate in Tashkent (149.4 %), Kashkadarya (150.4 %) regions and Tashkent city (156.0 %) for the same period were insignificant.

**Structure of financial services by region
in January-August 2019, %**

Financial services - 100,0 %



Share of financial services other than insurance and pensions, accounts for 90.3 % of total financial services.

For information: in accordance with the Decree of the President of the Republic of Uzbekistan from 23.07.2019, №DP-4400 "On measures increasing the availability of microfinance services», August 1, 2019 maximum amount of a microloan was increased to 50 million soums (now – 100 MW), micro-credit to 300 million soums (now – 1 000 MW) and micro-leasing up to 600 million soums (now – 2 000 MW). The term of consideration of applications for licences to carry out activities of microcredit organizations and pawnshops was reduced from 30 to 15 working days.

In addition, microcredit organizations will continue to independently determine the percentage of each trust (blank) credits to its formed statutory Fund, as well as micro-credit organisations established in the form of a JSC can issue corporate bonds and place exclusively among Foreign legal entities. microcredit organizations will be able to participate in the authorized Fund of existing microcredit organizations of Uzbekistan (<https://finance.uz>).

In recent years, there has been an intense saturation of the market with modern information technology and communications.

The use of high-tech innovations in the field of information and communication technologies contributes to the efficiency of management and technological processes at the enterprises, creation of new and the expansion of existing markets for goods and services in various sectors of the economy, which ultimately leads to an improvement in the quality of life of the population.

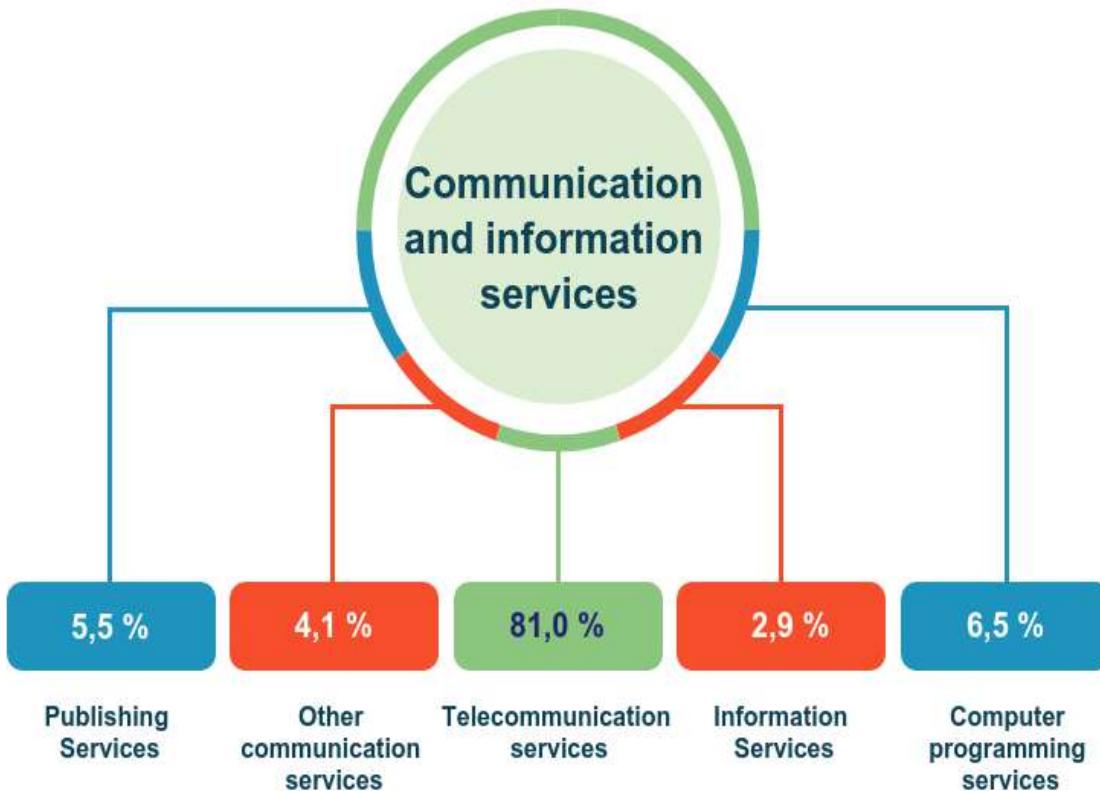
In January-August 2019 the volume of communication services and informatization was equal to 6 716.4 billion soums.

Compared to the same period of last year, the growth of this type of services reached 7.7 %. The share in total volume of market services was 5.7 %.

In the scope of communication and information services, the largest share falls on telecommunication services (wired and mobile services, Internet, satellite services, etc.). Their share was 81.0 %.

It was noted that for the current period publishing services reached 5.5 %, computer programming, consulting and other related services - 6.5 %, services in the field of information – 2.9 %, other services - 4.1% of total volume of communication and information services.

**Structure of communication and information services
in January-August 2019, %**

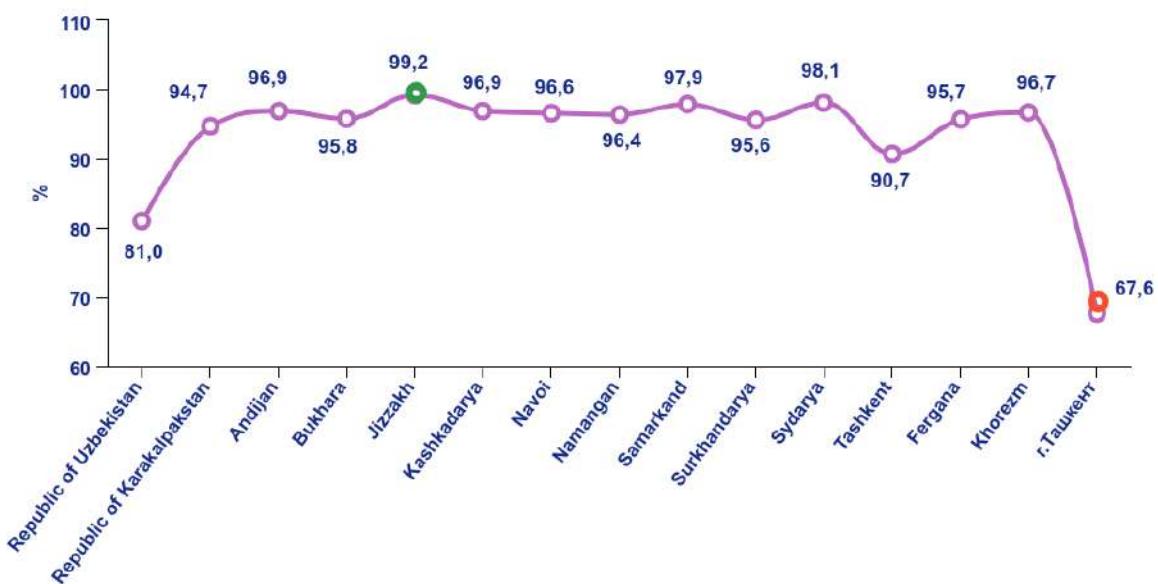


The highest rates of telecommunication services were recorded in Jizzakh (99.1 %), Syrdarya (98.1 %), Samarkand (97.9 %) and Kashkadarya (97.0 %) regions.

Tashkent city is a region with a fairly developed information and communication infrastructure.

Due to the fact that, when comparing with other regions, the highest indicators of computer programming services, consulting and other related services (11.5%), publishing (8.7%), programming and broadcasting (6.1%), information services (4.9%), film, video and television program production services, sound recording and music production services (1.2%), telecommunication services in the structure of services Communications and information took a low proportion in Tashkent city, amounting to 67.6%.

**Share of telecommunication services in total volume of communication and information services by regions
in January-August 2019, %**



As practice shows, the most important condition for building the economy of knowledge and services is a developed system of training and retraining.

Education services

689,2 billion soums

January-August 2018
2
685,1 billion soums

January-August 2019
3 374,3 billion soums

In January-August 2019, the volume of services in the field of education reached 3 374.3 billion soums. Compared to last year, the growth was 3.7 %.

In the course of the ongoing reforms, the country needs high-level specialists in various profile areas. Highly qualified personnel that can become the driving force of an innovative economy.

The priority directions of the Action Strategy for 2017-2021 are the development of the field of education and science, which are as follows:

continuing the course of further improvement of the system of continuous education, increasing the availability of quality educational services, training of highly qualified personnel in accordance with the modern needs of the labor market;

improving the quality and efficiency of higher education institutions through the introduction of international standards of training and evaluation of teaching quality, gradually increasing the quota of admission to higher education institutions;

stimulation of research and innovative activity, creation of effective mechanisms of introduction of scientific and innovative achievements in practice, education at higher educational institutions and research institutes of scientific and experimental specialized laboratories, centers of high technologies and technoparks.

The largest volume of market services in the field of education was recorded in Tashkent city. In January-August 2019, it reached 1413.8 billion soums.

This is due to the fact that in Tashkent city concentrated the largest part of higher education institutions, as well as branches of foreign higher education institutions that provide services on a fee-contract basis.

**Volume of market services rendered in education by regions
in January-August 2019, billion soums**



Sydney	61,0 billion soums
Navoi	78,4 billion soums
Jizzakh	80,0 billion soums
Surkhandarya	113,1 billion soums
Khorezm	126,0 billion soums
Republic of Karakalpakstan	129,4 billion soums
Kashkadarya	131,5 billion soums
Namangan	174,6 billion soums
Tashkent	176,4 billion soums
Andijan	199,1 billion soums
Bukhara	211,0 billion soums
Fergana	224,6 billion soums
Samarkand	255,2 billion soums
Tashkent city	1413,8 billion soums



Compared to January-August 2018, the growth rate of accommodation and food services amounted to 106.2 %, and the volume increased by 604.7 billion soums and reached 3 487.9 billion soums.

Accommodation and food services

January-August 2018

Growth rate -
104,3 %

Volume -
2 883,2 billion
soums

Volume
increase of
604,7
billion soums

January-August 2019

Volume -
2989,4
billion
soums

Growth rate -
106,2 %

Food and beverage services predominate in volume of accommodation and food services – 79.2 %.

Structure of accommodation and food services in January-August 2019, %

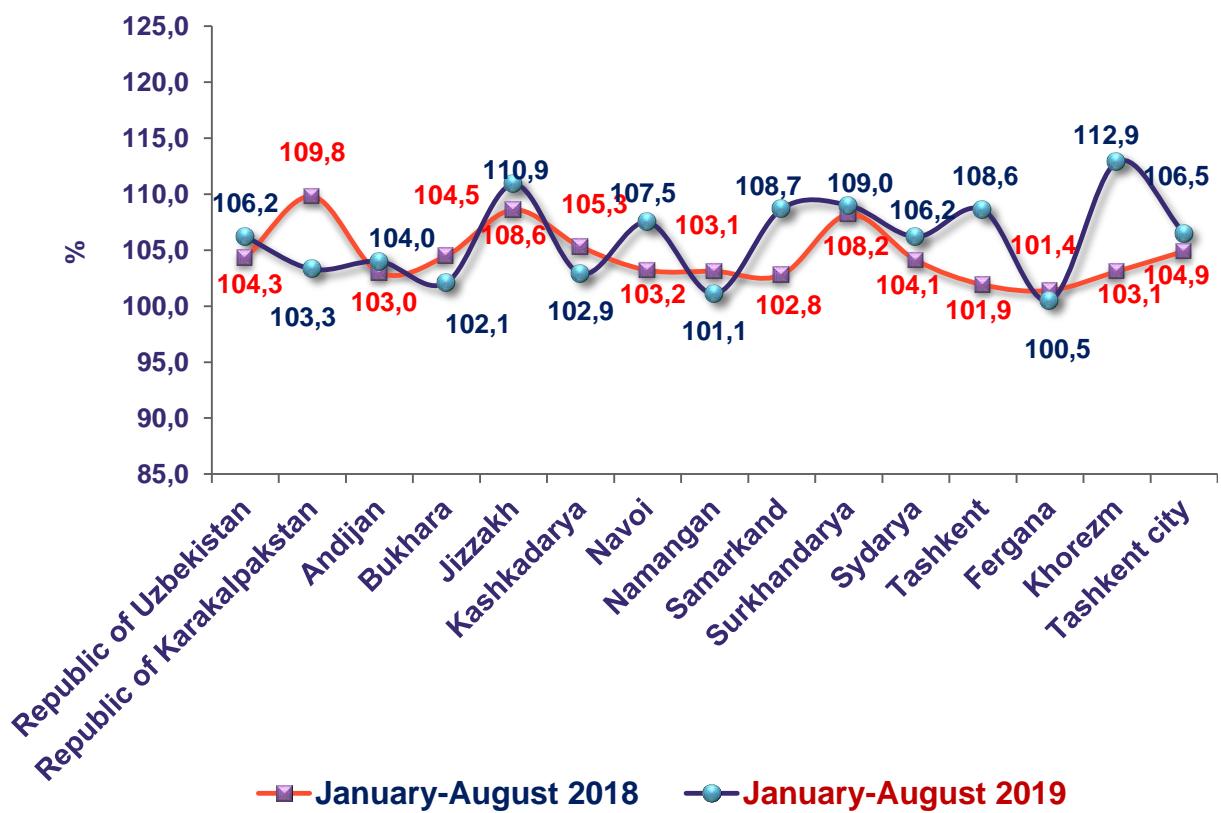


Accommodation services, compared to the previous period (January-August) of this year, increased by 120.8 billion soums, which accounted for 20.8%. The growth of this type of services contributed to the demand of the population for the services of rest centres, children's camps, cottages and other places of recreation.

In Tashkent city recorded the largest volume of services in terms of accommodation and food services – 1 564.1 billion soums, compared to since January-August 2018, there has been an increase of 285.8 billion soums.

The growth in the region was influenced by food and beverage services, its volume increased 206.4 billion soums compared to the period of last year.

**Growth rate of accommodation and food services by regions
in January-August 2019**



The highest growth rates of services for accommodation and food noted in Khorezm region - 112,9 % in comparison with January-August of 2018, the volume increased by 9.8 p. p. Growth was recorded in the Jizzakh - 110,9 % (2.3 p. p.), Tashkent - 108,6 % (6.7 p. p.), Samarkand - 108,7 % (5,9 p. p.) and Surkhandarya - 109,0 % (0.8 p. p.) regions.

The decrease in the volume of accommodation and food services was noted in Bukhara (2.4 p. p.), Kashkadarya (2.4 p. p.), Namangan (2.0 p. p.), Fergana (0.9 p. p.) regions and the Republic of Karakalpakstan (6.5 p. p.).

As part of the implementation of measures reforming the health system, especially primary care, and emergency medical care aimed at improving the availability and quality of medical and social-medical services to population, expanding people's access to high-quality medical services, providing them with specialized and high-tech medical care, in the Republic, the formation of a modern system of medical care to the population has achieved positive results.

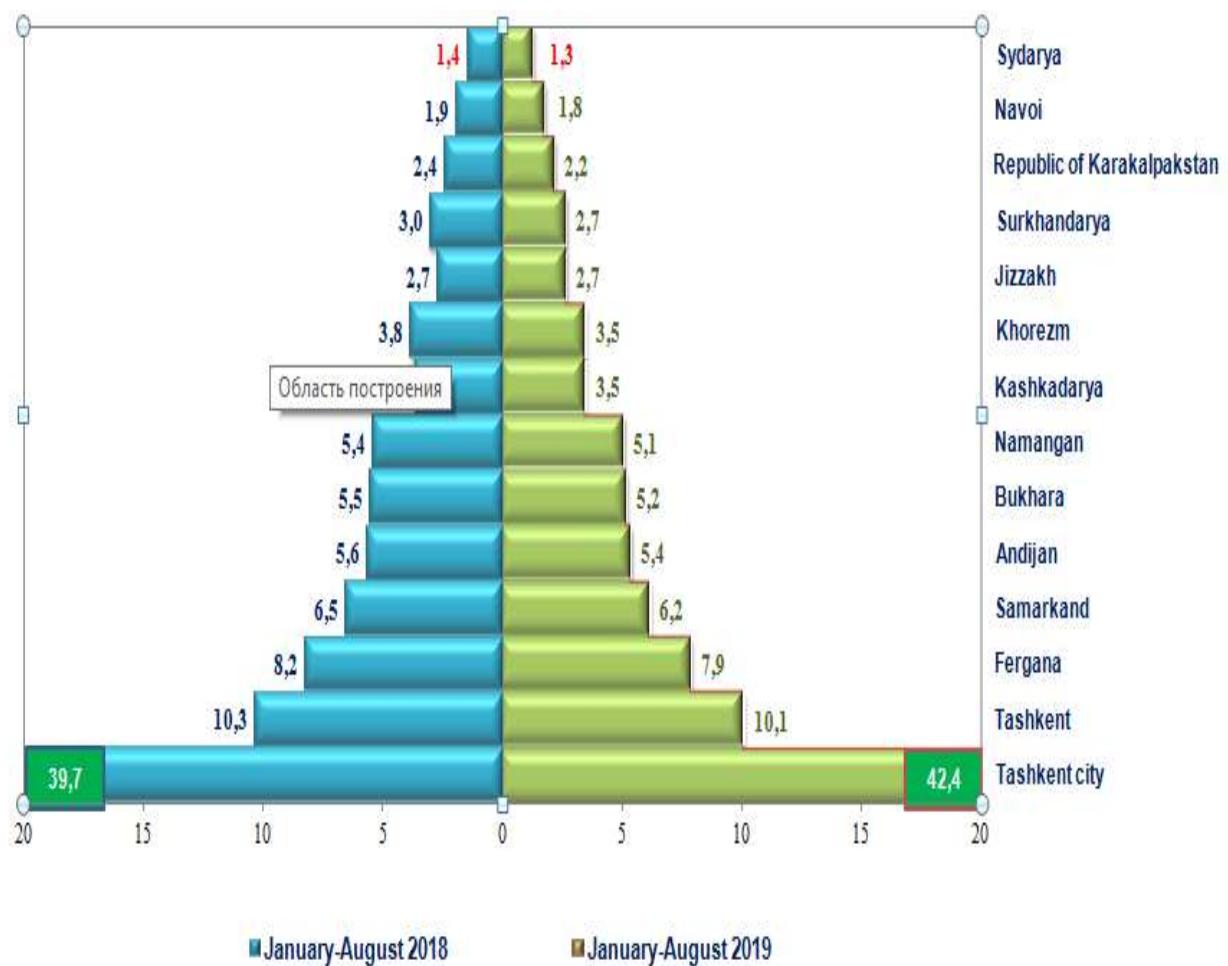
Thus, in January-August 2019, the volume of health services increased by 375.1 billion soums and reached 1 779.3 billion soums. Compared to the same period of last year, the growth rate was 107.6 %.

Tashkent city occupies a leading place among the regions in terms of health services, compared with the same period last year, in the current period the volume increased by 196.9 billion soums. Its share in total volume of provided market services in the health sector amounted to 42.4%.

Along with this, a relatively high proportion was recorded in Tashkent (10.1 %), Fergana (7.9 %), Samarkand (6.2 %), Andijan (5.4 %), Bukhara (5.2 %) and Namangan (5.1 %) regions.

Share of health services in total rendered market services in Syrdarya (1.3 %) and Navoi (1.8 %) regions, as well as in the Republic of Karakalpakstan (2.2 %) in the current period was insignificant.

Comparison of the share of regions in total volume of services
in the health sector by regions, %



The prospects for the socio-economic development of modern Uzbekistan depend on the rational use of all the resources of each economic district and region of the Republic in the national and local interests.

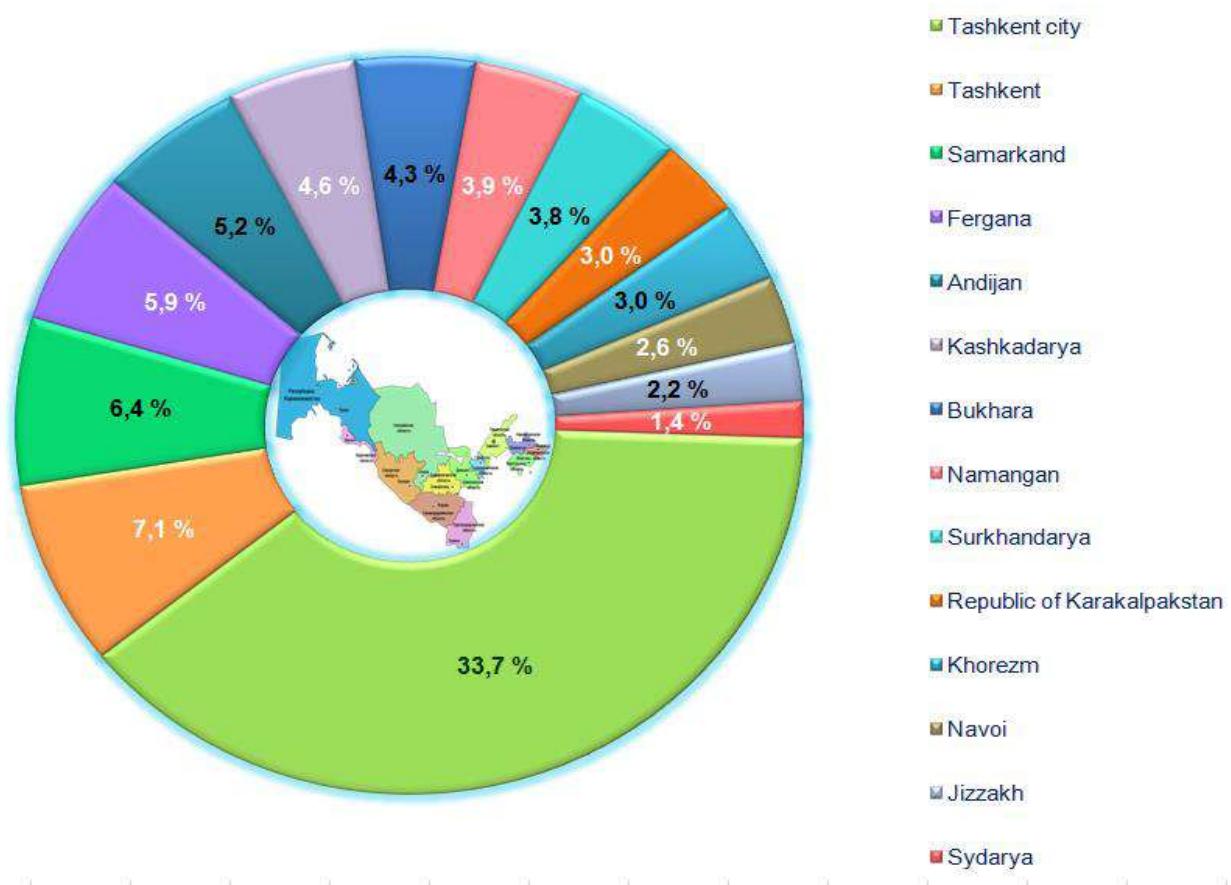
Uzbekistan, occupying a favorable transit economic and geographical position within Central Asia, plays an important role in the integration processes in the region. At the same time, our country has rich natural resources that provide great opportunities for the development of a diversified economy.

The level of development of the services sector provides territorial and social mobility of population, the development of new economic territories, increasing the efficiency of production and consumption of material goods.

The share of Tashkent city in total volume of services is the most significant - 33.7 %. This is due to the fact that real income are higher than in other regions.

In addition, the highest proportion recorded in Tashkent (7.1 %), Samarkand (6.4 %), Fergana (5.9 %) and Andijan (5.2 %) regions.

**Structure of rendered market services by regions
in January-August 2019, %**

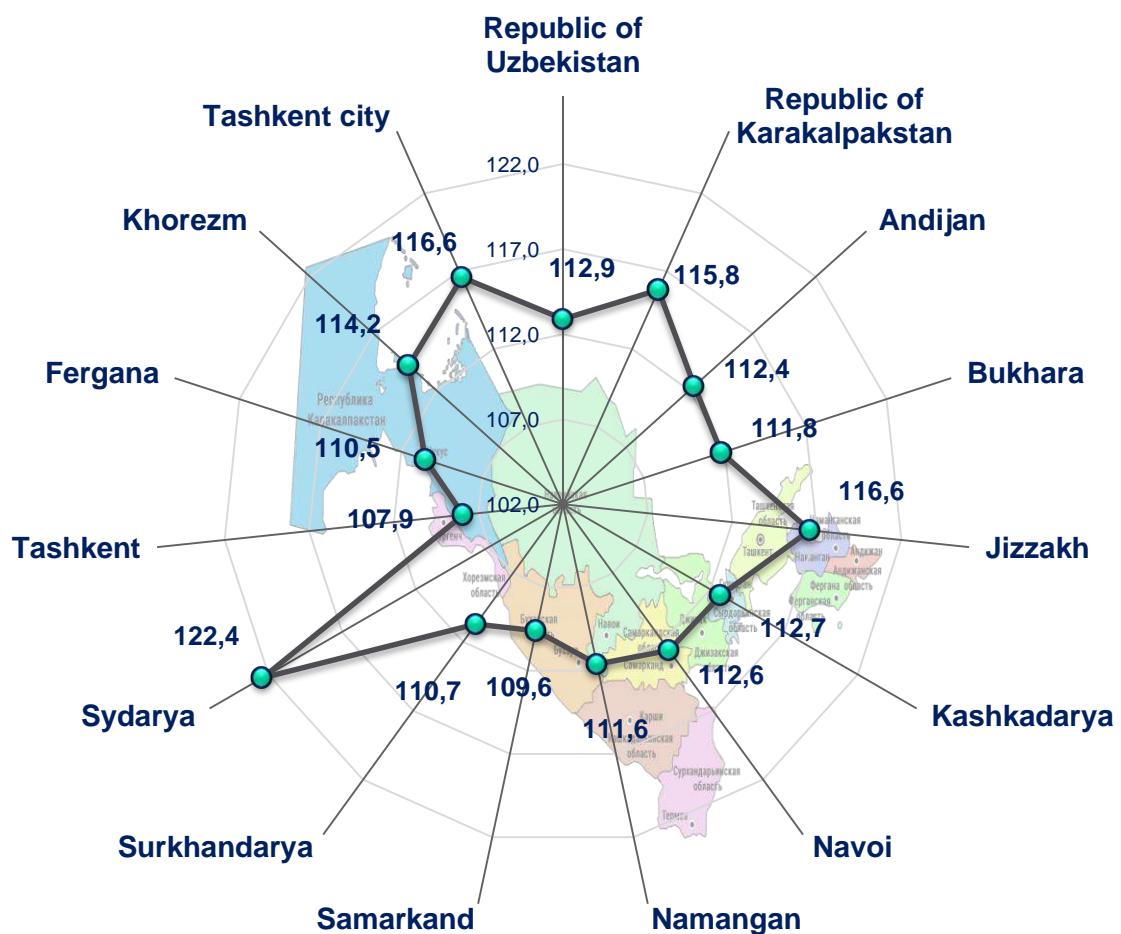


The lowest indicators of the service sector are marked in Syrdarya (1.4 %), Jizzakh (2.2 %), Navoi (2.6 %), Khorezm (3.0 %) regions and the Republic of Karakalpakstan (3.0 %).

During the current period, high growth rates were noted in Syrdarya (122.4 %), Jizzakh (116.6 %), Khorezm (114.2 %) regions, Republic of Karakalpakstan (115.8 %) and Tashkent (116.6 %).

Relatively low growth rates were observed in Tashkent (107.9 %), Samarkand (109.6 %), Fergana (110.5 %) and Surkhandarya (110.7 %) regions.

Growth rates of rendered market services by regions in January-August 2019, %



Key indicators of services by regions

in January-August 2019

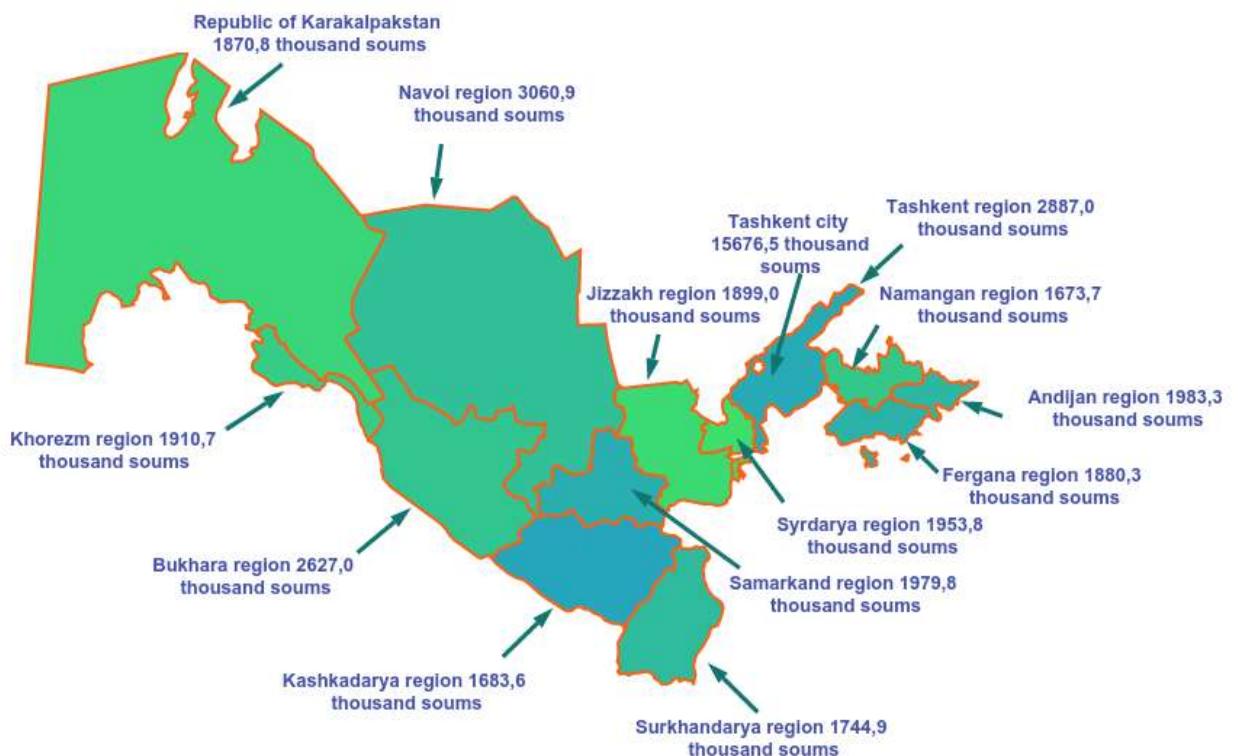
	Volume, billion soums	Growth rate compared to the previous year, %	Per capita volume, thousand soums
Republic of Uzbekistan	117 527,9	112,9	3519,9
Republic of Karakalpakstan	3 509,4	115,8	1870,8
<i>regions:</i>			
Andijan	6 104,1	112,4	1983,3
Bukhara	4 993,2	111,8	2627,0
Jizzakh	2 580,6	116,6	1899,0
Kashkadarya	5 432,4	112,7	1683,6
Navoi	3 008,9	112,6	3060,9
Namangan	4 627,3	111,6	1673,7
Samarkand	7 555,0	109,6	1979,8
Surkhandarya	4 505,7	110,7	1744,9
Syrdarya	1 628,3	122,4	1953,8
Tashkent	8 394,8	107,9	2887,0
Fergana	6 951,7	110,5	1880,3
Khorezm	3 517,7	114,2	1910,7
Tashkent city	39 570,6	116,6	15676,5

Compared with last year, the volume of market services per capita increased by 655.9 thousand soums and was equal to 3 519.9 thousand soums, its growth amounted to 10.9 %.

According to this indicator, Tashkent occupies a leading position. The volume of services per capita was fixed in the equivalent of 15 676,5 thousand sums.

In Namangan (1 673,7 thousand soums), Tashkent (1 683,6 thousand soums) and Surkhandarya (1 744,9 thousand soums) regions, in comparison with other regions, the volume per capita was low.

**Per capita averages by regions January-August 2019,
thousand sums**

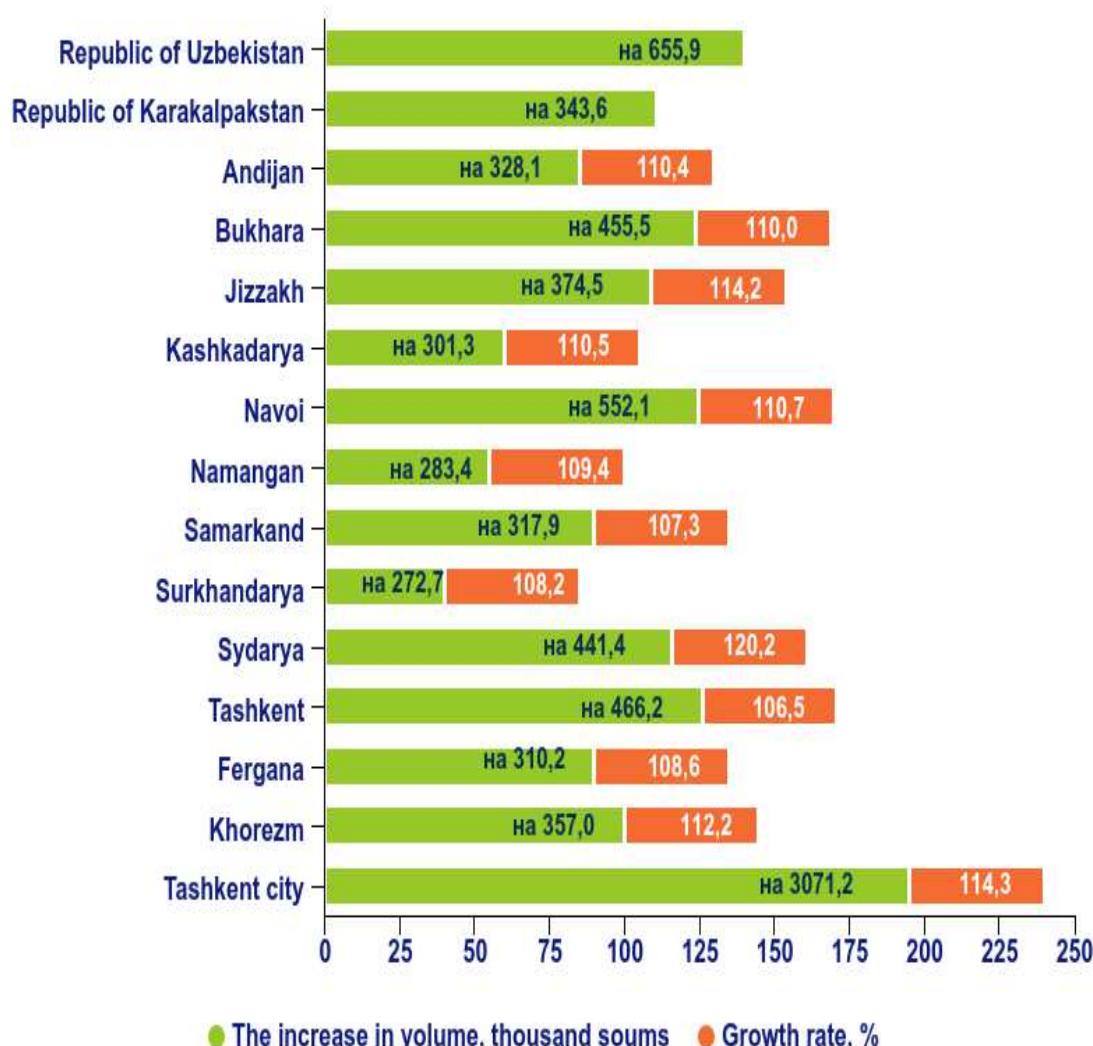


Compared to the previous period (January-July 2019), services per capita increased by 521,5 thousand soums.

In Tashkent, the volume of market services provided per capita, compared to the same period of last year, increased by 3 071,2 thousand soums.

Along with this, in relation to the previous period (January-July 2019), there was an increase in this region 2 466,9 thousand soums.

Increase in volume and growth of services per capita by regions, compared to January-August 2018



The growth of market services per capita was registered in Syrdarya (20.2 %), Jizzakh (14.2 %), Khorezm (12.2 %) regions, the Republic of Karakalpakstan (14.1 %) and Tashkent city(14.3 %).

Low growth rates recorded in Tashkent (106.5%), Samarkand (107.3 %), Surkhandarya (108.2 %), Fergana (108.6 %) and Namangan (109.4 %) regions.

The level of development of the services sector is an indicator of ensuring a decent quality of life of the population, since the determining factor influencing the development of the services market is the growth of real income and living standards of population.

As the formation of our country's post-industrial information society, the role of the services sector will steadily increase, because the needs of population are constantly growing, and diversity is constantly expanding.

Department of services statistics
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