

## The development of the service sector - “circulatory system” of the economy

The service sector occupies a dominant position among the main directions of development of the modern economy.

It is a complex multi-faceted mechanism and is one of the most promising sectors of the modern economy, covering a wide range of activities: from trade and transport to education and insurance. Restaurants and hotels, hairdressing and repair shops, sports clubs and educational institutions, travel companies, auditing and consulting companies, banks, clinics, motels, rest houses - all this relates to the service sector.

The degree of development of the service sector ensures the territorial and social mobility of the population, the development of new economic territories, the increase in production efficiency and the consumption of material goods.

According to preliminary data, the volume of market services rendered in January-June 2019 was equal to 84194.4 billion soums. Its nominal volume increased by 16520.4 billion soums. In comparable equivalent, compared with the same period last year, an increase of 12.7%.



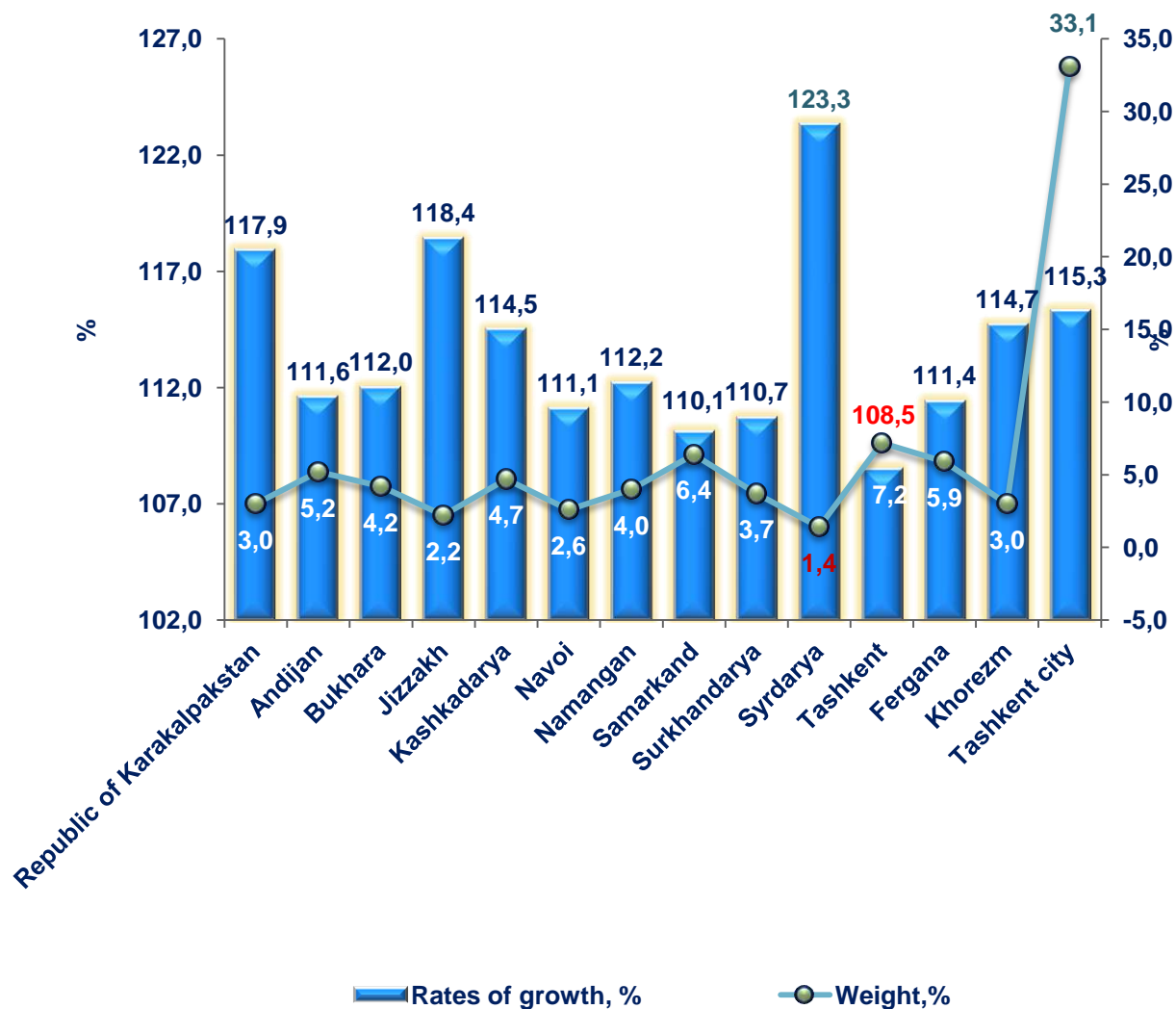
The share of Tashkent in the total volume of services is the most significant - 33.1%. This is explained by the fact that the real incomes of the population are higher here than in other regions.

**Main indicators of production services by region  
in January-June 2019**

	Volume, billion soum	Growth rates over the previous year, %	Volume per capita, thousand soums
<b>Republic of Uzbekistan</b>	<b>84194,4</b>	<b>112,7</b>	<b>2521,6</b>
Republic of Karakalpakstan	2561,9	117,9	1365,7
<i>areas:</i>			
Andijan	4371,1	111,6	1420,2
Bukhara	3559,7	112,0	1872,8
Jizzakh	1848,5	118,4	1360,3
Kashkadarya	3925,9	114,5	1216,7
Navoi	2149,4	111,1	2186,6
Hamangan	3338,9	112,2	1207,7
Samarkand	5442,5	110,1	1426,2
Surkhandarya	3123,4	110,7	1209,6
Syrdarya	1163,1	123,3	1395,5
Tashkent	6046,7	108,5	2079,5
Fergana	4998,6	111,4	1352,0
Khorezm	2514,2	114,7	1365,6
Tashkent city	27846,1	115,3	11031,7

Along with this, the largest share was recorded in Tashkent (7.2%), Samarkand (6.4%), Fergana (5.9%) and Andijan (5.2%) regions.

### Growth rates and the share of market services rendered by region in January-June 2019, %



The lowest indicators of the service sector are found 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, the highest growth rates were noted in Syrdarya (123.3%), Jizzakh (118.4%), Khorezm (114.7%) regions, the Republic of Karakalpakstan (117.9%) and the city of Tashkent (115.3 %).

In January-June 2019, the growth of services in the Syrdarya region was influenced by an increase in the volume of financial services by 2.2 times compared with the same period last year, as well as trade services. Their growth amounted to 10.3% in comparable prices.

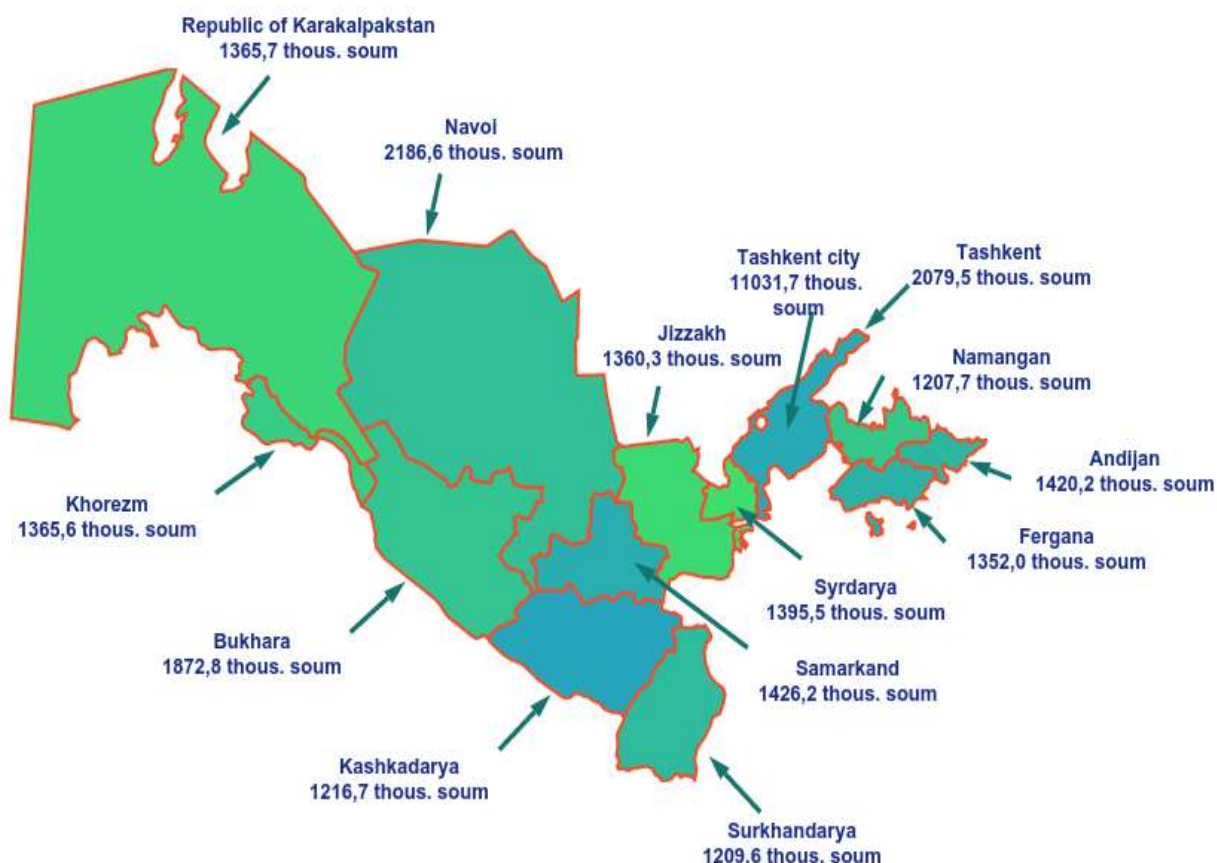
### Indicators of certain types of services that influenced the growth of services in the Syrdarya region



Relatively low growth rates were observed in Tashkent (108.5%), Samarkand (110.1%) and Surkhandarya (110.7%) regions.

Compared to last year, the volume of market services rendered per capita increased by 457.0 thousand soums and was equal to 2521.6 thousand soums, its growth was 10.7%.

### Average per capita indicators by region in January-June 2019, thousand UZS

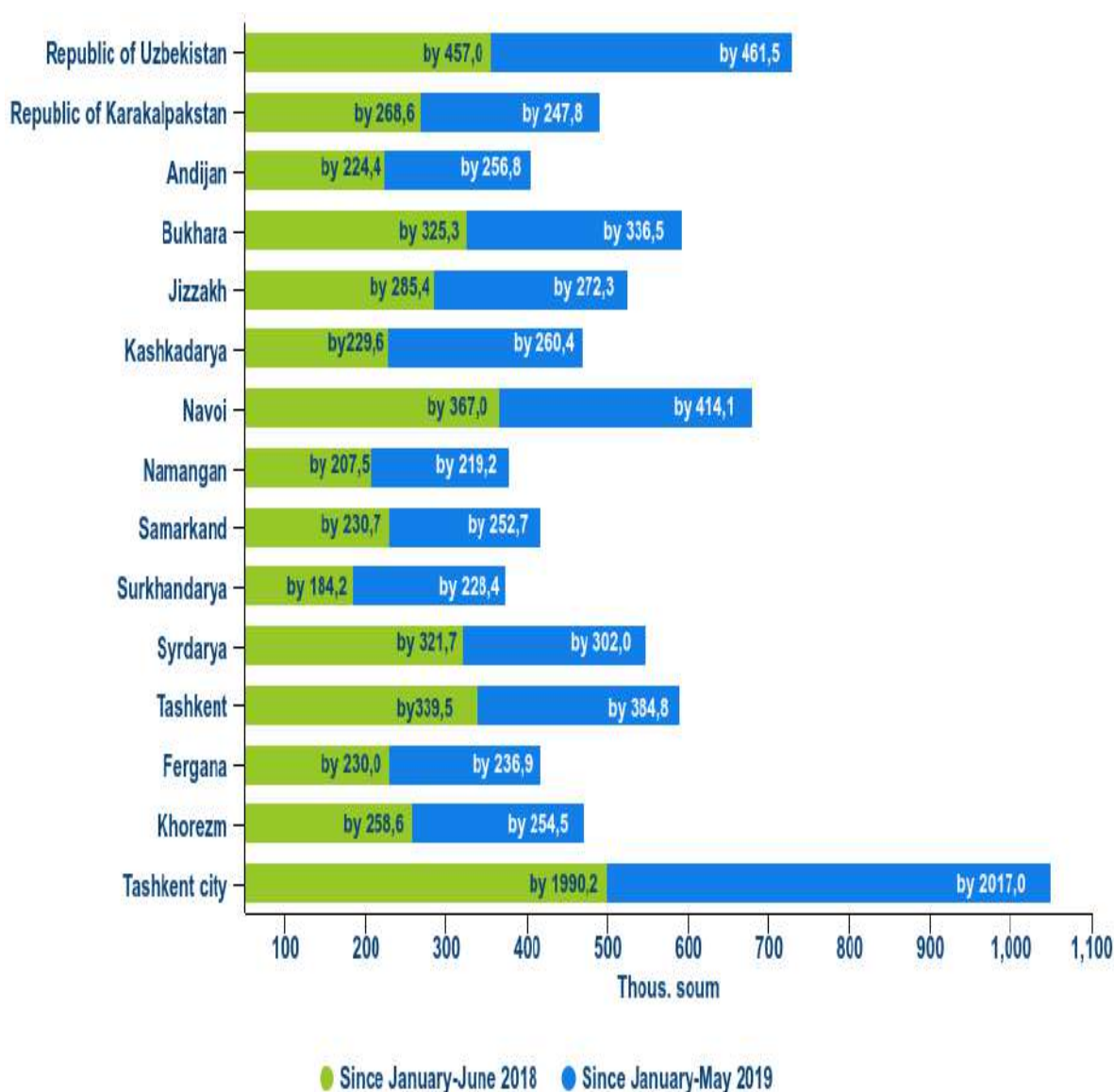


Tashkent holds the leading position in this indicator. Here, the volume of services per capita is fixed in the equivalent of 11031.7 thousand UZS.

In Namangan (1207.7 thousand soums), Surkhandarya (1209.6 thousand soums), Kashkadarya (1216.7 thousand soums) regions per capita was low compared to other regions.

Compared with January-May 2019, the volume of services per capita increased by 461.5 thousand soums.

**Increase in the volume of rendered market services  
per capita by region from January-May 2019 and January-June  
2018, thous. Soums**



In Tashkent, the volume of market services rendered per capita, compared with the same period last year, increased by 1990.2 thousand soums. At the same time, in relation to the previous period, an increase of 2017.0 thousand sums is observed.



Growth in the volume of rendered market services per capita was recorded in Syrdarya (21.1%), Jizzakh (16.0%), Khorezm (12.8%) and Kashkadarya (12.2%) regions, the Republic of Karakalpakstan (16.2%) and Tashkent (13.0%).

**Average per capita indicators (growth rates) by region  
for January-June 2019, %**



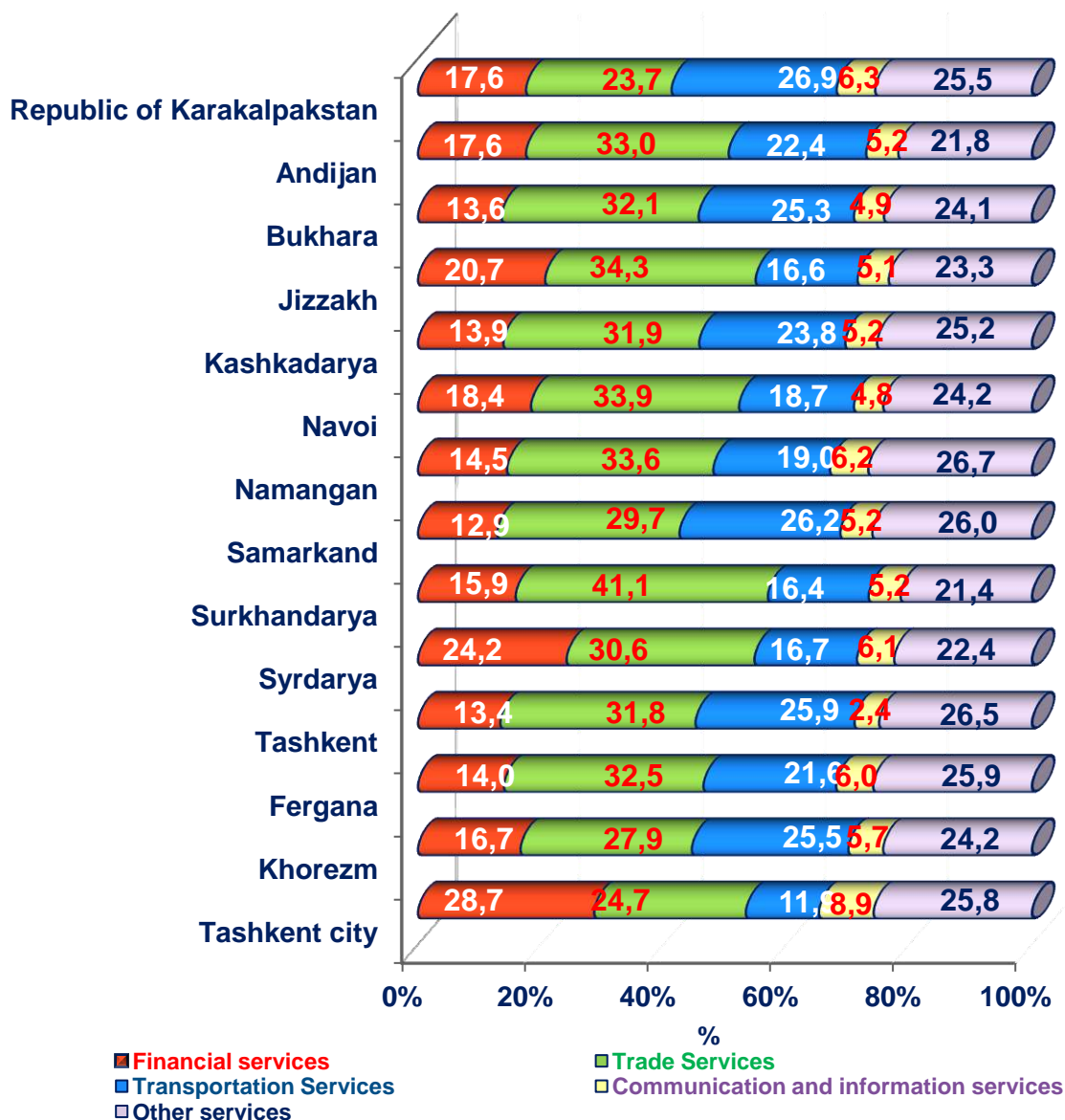
Low growth rates were recorded in Tashkent (107.1%), Samarkand (107.8%), Surkhondaryo (108.3%), Navoi (109.2%), Fergana (109.4%) and Andijan (109.6 %) areas.

A variety of service activities, as well as the interaction between various activities within the service sector, are factors for the accelerated development of this area.

For example, hotel services can not do without catering services, trade and services related to the domestic sphere. In this case, there is a close dependence of one on the other.

The measures taken on balanced stimulation of domestic demand and full support for the development of domestic service providers ensured shifts in the structure of consumer demand for services. The demand for transport and mobile services, for organizing family events and recreation, Internet services, household, medical and educational services has increased.

### Comparison of the prevailing types of services in the general structure by region in January-June 2019, %

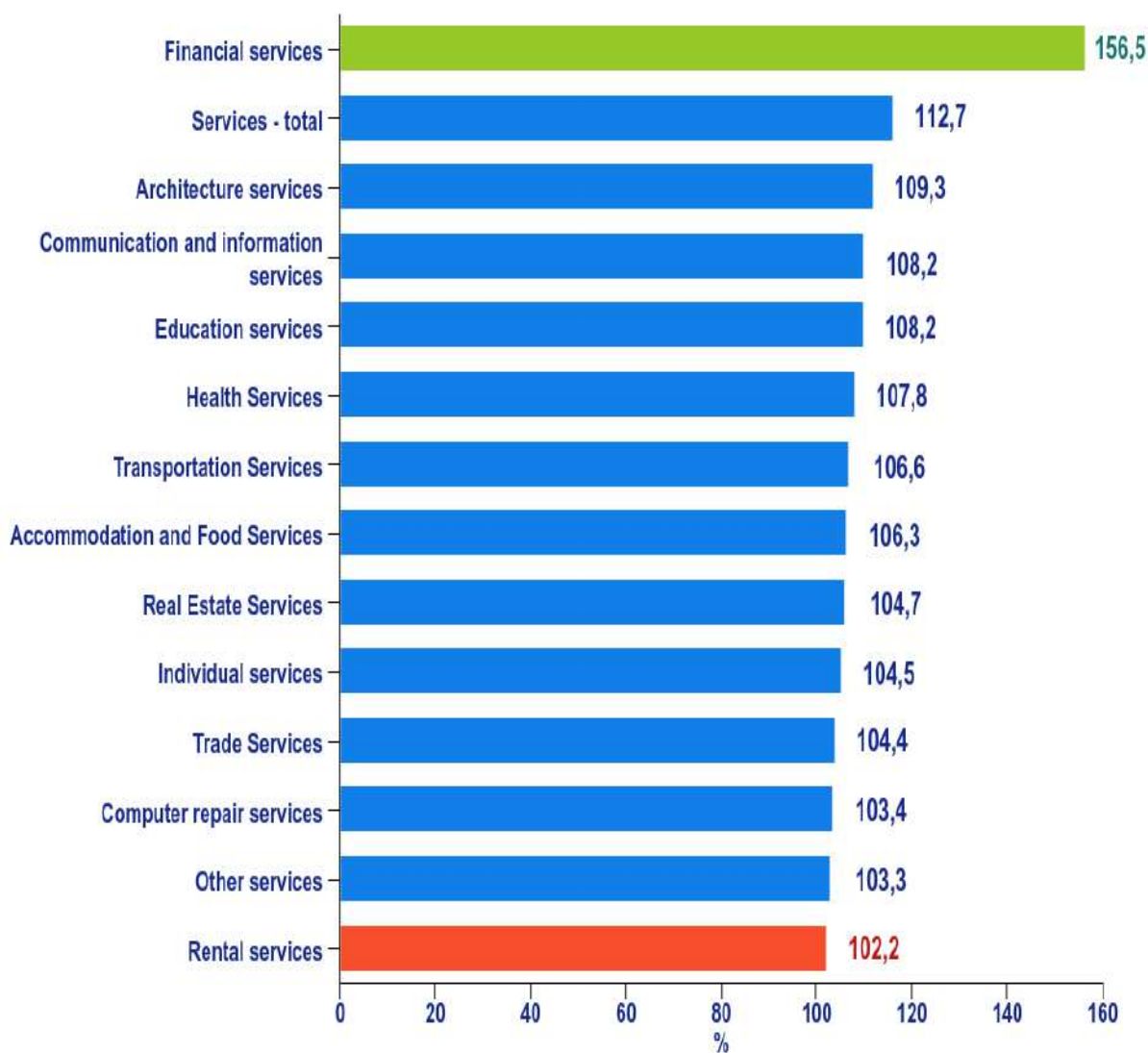




Practically in all regions there is a positive effect on the increase in the volume of market services; an increase in the share in the structure of the services provided such as financial and transport services, trade and communication services, including informatization.

The highest growth rates were recorded in financial services (156.5%), services in the field of architecture, engineering surveys, technical tests and analysis (109.3%), communication and information services (108.2%), services in education (108, 2%) and health (107.8%).

### Growth rates of rendered market services by economic activity in January-June 2019, %



## Main indicators of production of services by types of economic activity for January-June 2019

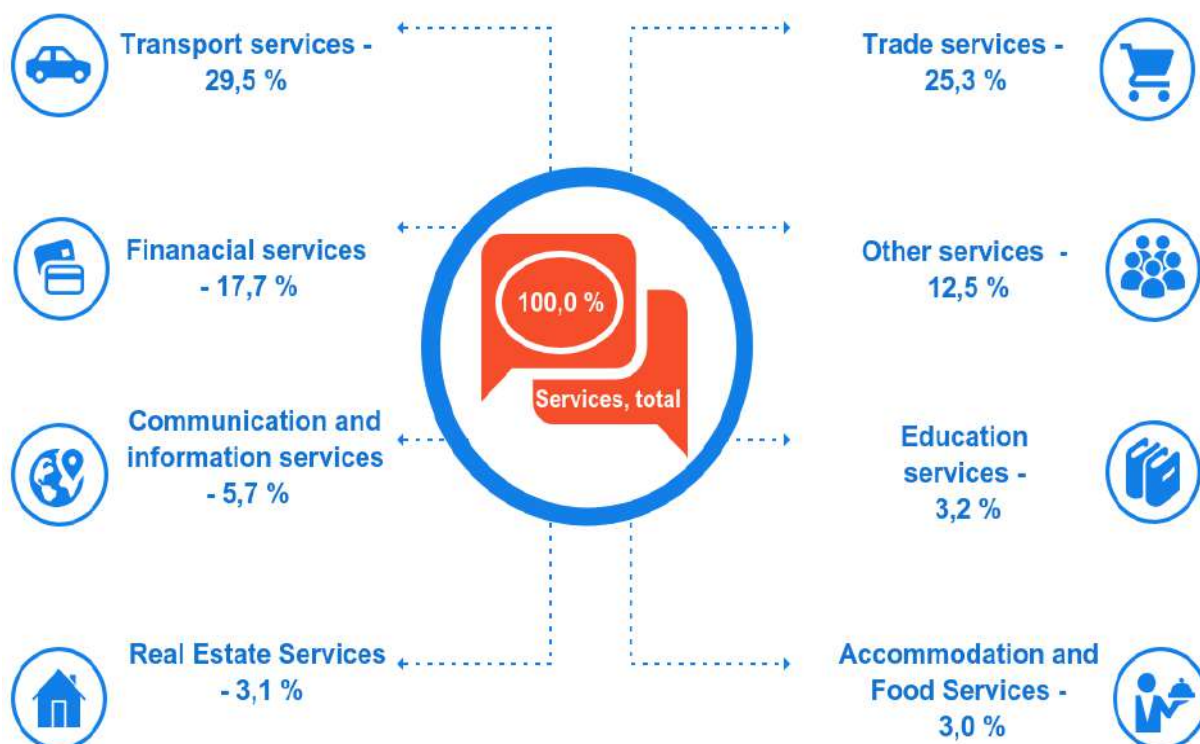
	Volume, billion soum	Growth rates over the previous year, %
<b>Services - total</b>	<b>84194,4</b>	<b>112,7</b>
<i>including:</i>		
Communication and information services	4758,3	108,2
Financial services	14916,7	156,5
Transportation Services	24836,5	106,6
including motor transport services	11242,3	102,8
Accommodation and Food Services	2493,1	106,3
Trade Services	21308,8	104,4
Real Estate Services	2596,9	104,7
Education services	2697,6	108,2
Health Services	1253,7	107,8
Rental and rental services	1694,6	102,2
Repair services for computers and household goods	1386,7	103,4
Individual services	2053,4	104,5
Services in the field of architecture, engineering research, technical testing and analysis	1529,6	109,3
Other services	2668,5	103,3

The lowest growth rates are observed in rental and rental services (102.2%), other services (103.3%), repair services for computers and household goods (103.4%).

The share of transport services in the total volume of rendered market services for the current period was the largest and amounted to 29.5%.

The increase in the volume of transport services is associated with an increase in demand for cargo and passenger transportation services, which, in turn, is due to the accelerated development of tourist activity, expansion of the trading network, further implementation of construction projects, reconstruction of buildings and structures, as well as transport and logistics infrastructure.

### Structure of services by economic activity in January-June 2019, %

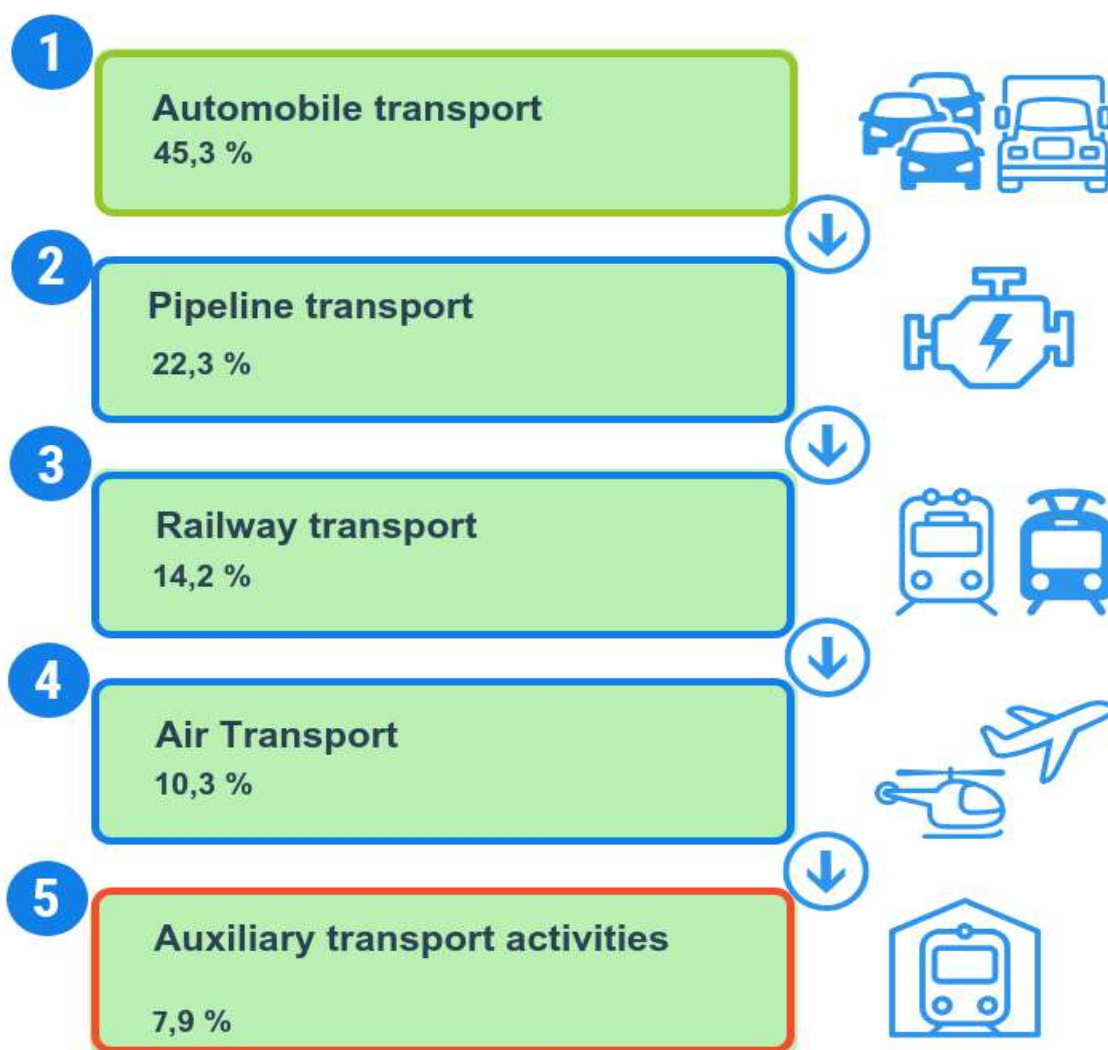


Along with this, the largest share was recorded in trade services (25.3%), financial services (17.7%), communication and information services (5.7%), in education (3.2%), and related to real estate (3.1%).

Transport plays an important role in the life of society, satisfying its needs for transporting passengers and goods, ensuring the territorial and economic unity of the state.

Currently, our republic has great potential for the development of transport infrastructure and the country's needs in moving both cargo and passengers in all directions and all possible modes of transport.

### Structure of transport services by type of transport in January-June 2019, %



The largest part of transport services is accounted for services for the transport of goods and passengers by road. This type of transport, in comparison with others, is one of the most demanded, due to its maneuverability and relatively low cost of the services provided.

Of the total transport services, the share of road transport is 45.3%.

The volume of transportation by pipelines in transport services took 22.3%. In turn, services rendered by rail transport in the total volume of transport services reached 14.2%. The share of cargo and passenger transportation services by air is fixed at 10.3%, and ancillary transport activities - at the level of 7.9%.

***For information:** in accordance with the Decree of the President of the Republic of Uzbekistan dated July 10, 2019 No. PP-4389 “On additional measures to improve tax administration”, by the end of this year, an information platform “Freight traffic monitoring” will be created on the basis of a single interactive information system UzTrans.*

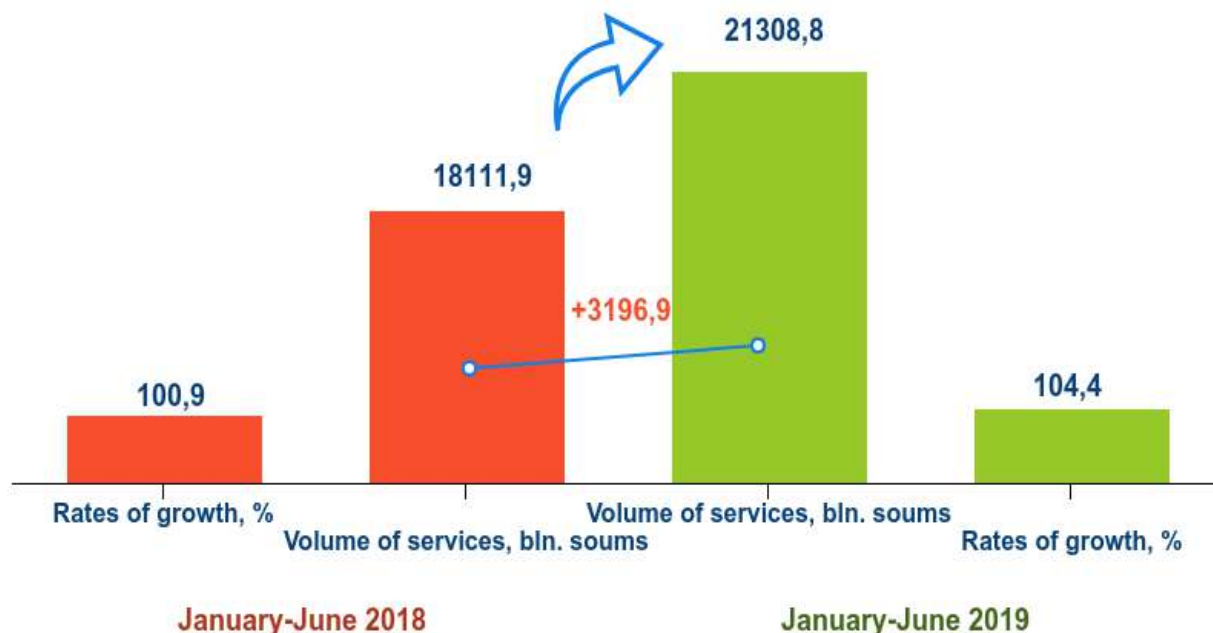
*It will ensure the registration by freight carriers of the accompanying documents of the goods, monitoring the movement of goods by consignors and their recipients in real time.*

*On this basis, from January 1, 2020, the procedure for mandatory registration by carriers of goods on the information platform of accompanying documents for goods (<https://www.spot.uz>) is being introduced.*

Trade is one of the most powerful factors of the historical process. There is no such period in history when it would not have a greater or lesser degree of influence on public life, starting with a modest exchange within the country and ending with a network of complex commercial operations spread all over the world.

Various types of trade relations always respond in one way or another to various aspects of public life.

### Trade Services



In January-June 2019, the share of trade in the total volume of rendered market services amounted to 25.3%, which corresponds to 21308.8 billion soums.

Retail trade accounts for almost three quarters of the total volume of trade services, more precisely, 66.5%.

In January-June 2019, the share of services in wholesale trade (except for trade in cars and motorcycles) reached 26.1%.

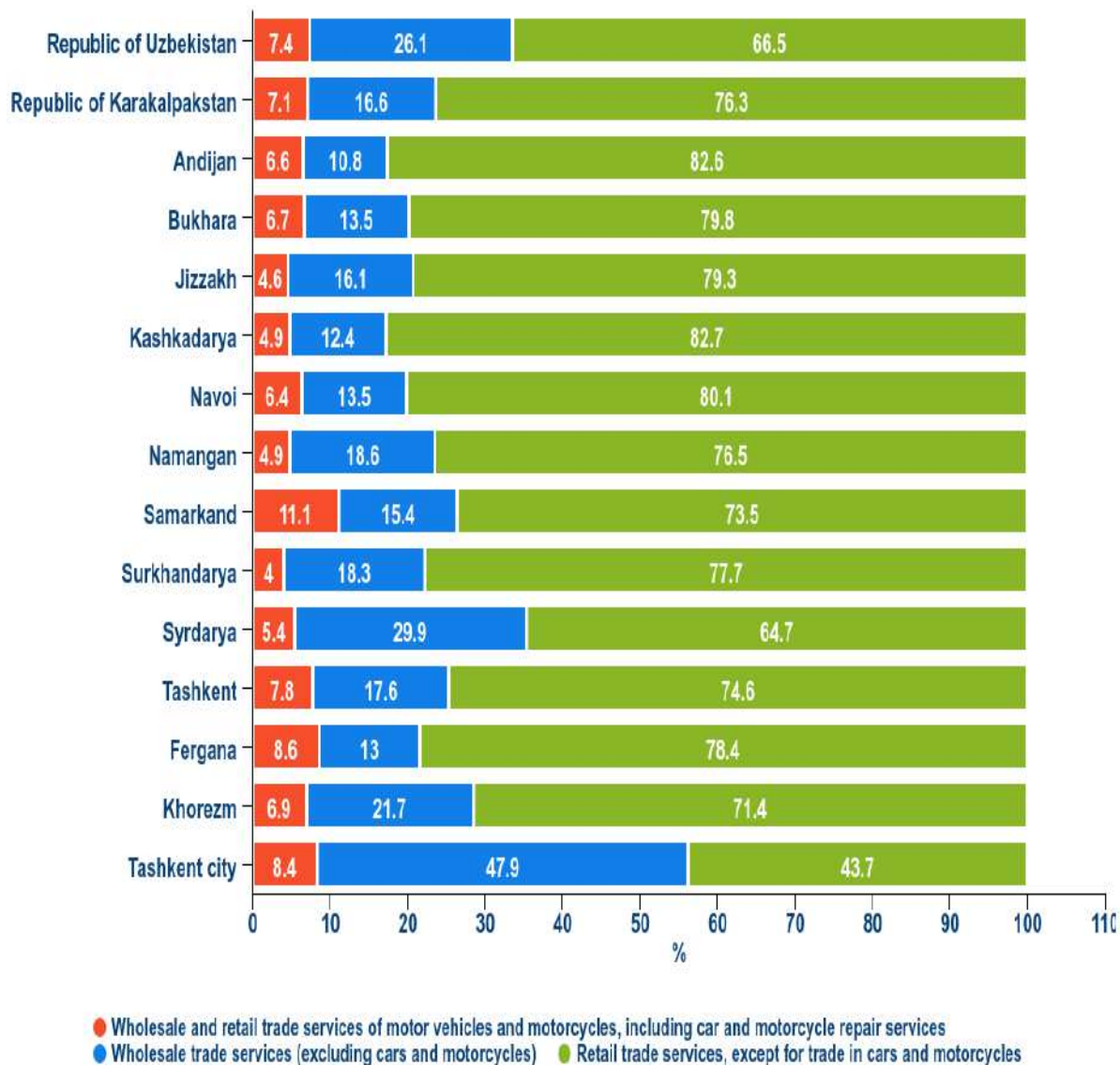
Services in the wholesale and retail trade of motor vehicles and motorcycles, including services for the repair of cars and motorcycles, in the total volume of trade services are 7.4%.

In comparison with other regions, the largest share of retail services is observed in Kashkadarya (82.7%), Andijan (82.6%) and Navoi (80.1%) regions.

This indicator is insignificant in Tashkent. In this region, it was only 43.7%.



### Structure of trade services by regions in January-June 2019, %



However, in Tashkent, there was a fairly weighty share of services for wholesale trade (except for cars and motorcycles) - 47.9%. In the Andijan region, it was the smallest - 10.8%.

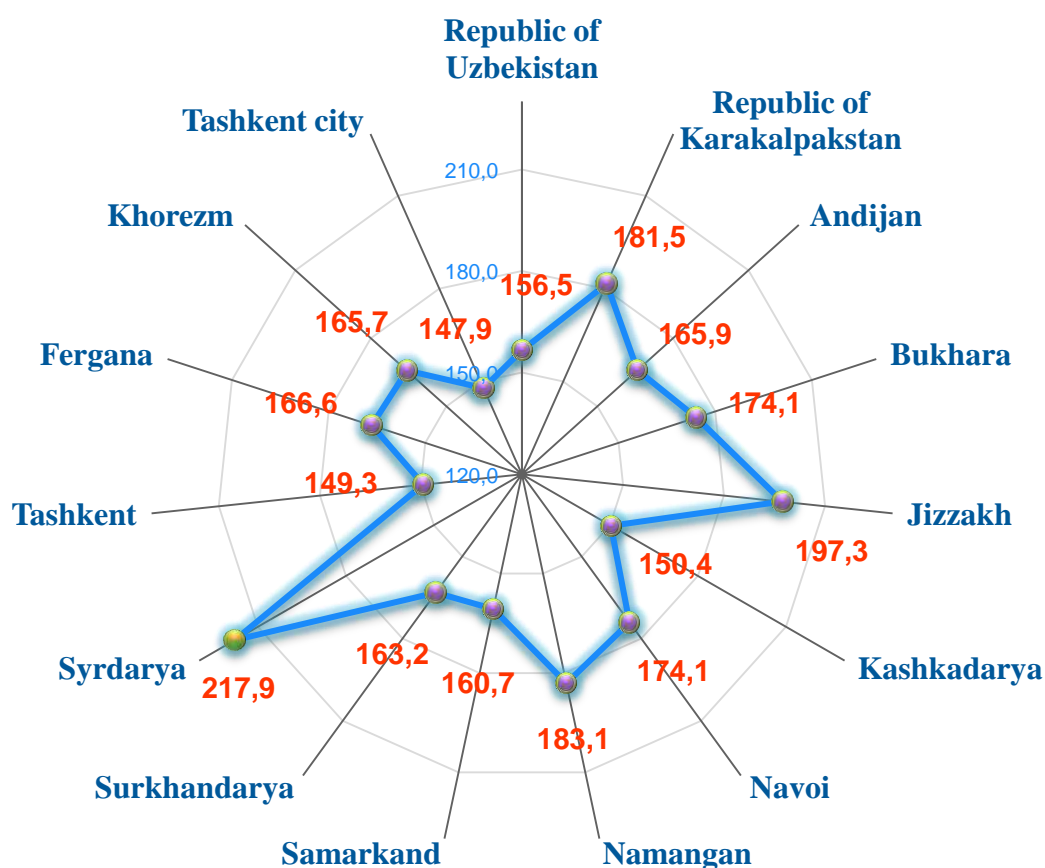
The relatively high share of services in the wholesale and retail trade in motor vehicles and motorcycles, including automobile and motorcycle repair services, was noted in the Fergana (8.6%), Tashkent (7.8%) regions, the city of Tashkent (8.4%) and the Republic of Karakalpakstan (7.1%).

The smallest share of these services was recorded in Surkhandarya (4.0%), Jizzakh (4.6%), Kashkadarya and Namangan (4.9%) regions.

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

In January-June 2019, the volume of financial services was equal to 14916.7 billion soums, compared with the tax period last year, it increased by 5,559.3 billion soums.

### Growth rates of financial services by region in January-June 2019, %

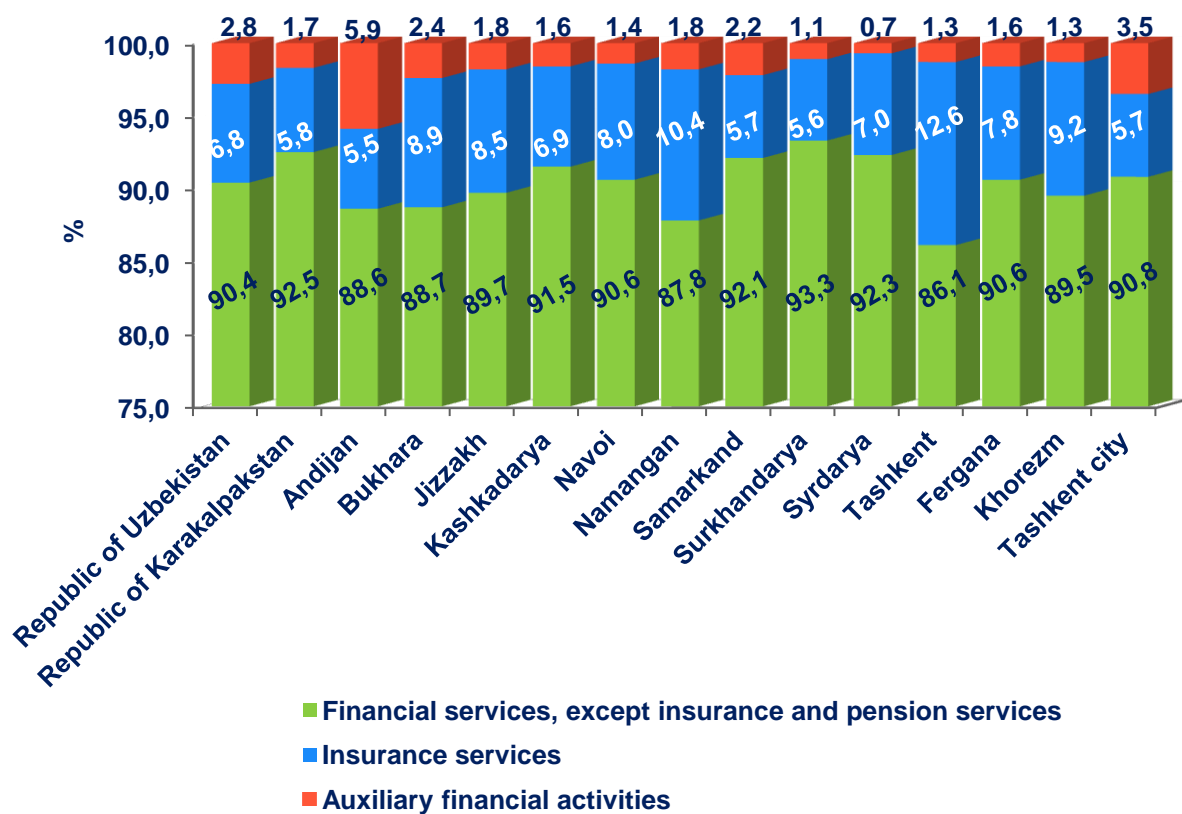


In relation to January-June 2018, the growth of financial services was observed in Syrdarya (2.2 times), Jizzakh (97.3%), Namangan (83.1%), Bukhara and Navoi (74.1%) regions and Republic of Karakalpakstan (81.5%).

Compared with other regions, growth rates in Tashkent (149.3%), Kashkadarya (150.4%) oblasts and Tashkent (147.9%) were insignificant over the same period.

The share of financial services, except for insurance and pensions, is 90.4% of the total financial services.

### Structure of financial services by region in January-June 2019, %



The share of these services is significant in Surkhandarya (93.3%), Syrdarya (92.3%), Kashkadarya (91.5%), Samarkand (92.1%) regions and the Republic of Karakalpakstan (92.5%). The lowest indicator was recorded in the Tashkent region (86.1%).

Among the regions in the structure of financial services, the volume of insurance services prevails in Tashkent (12.6%) and Namangan (10.4%) regions.

The lowest indicator for insurance services was recorded in Andijan (5.5%), Surkhandarya (5.6%), Samarkand (5.7%) regions, the city of Tashkent (5.7%) and the Republic of Karakalpakstan (5.8%) .

***For information:** in the credit rating of international rating agencies Standard & Poor's, Fitch Ratings, Moody's Investors, the position of Uzbekistan in foreign and national currencies is at the level of "BB-" and "B1". This means that the rating outlook is stable and, according to experts of these agencies, the republic will continue to maintain a balance of risks in the near and medium term (<https://ru.tradingeconomics.com>).*

### Credit ratings of neighboring countries

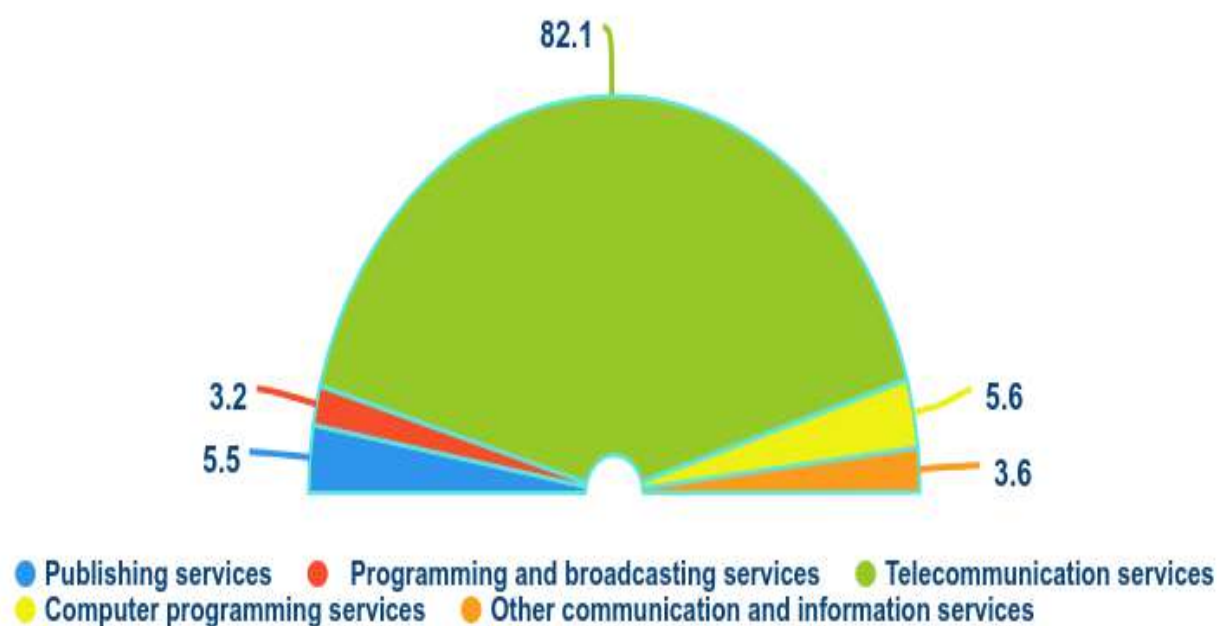
	Standard & Poor's	Fitch Ratings	Moody's Investors
Russia	BBB-	Baa3	BBB- ↑
Kazakhstan	BBB-	Baa3	BBB
Azerbaijan	BB+	Ba2	BB+
Georgia	BB- ↑	Ba2	BB
Belarus	B	B3	B
Uzbekistan	BB-	B1	BB-
Armenia		B1 ↑	B+ ↑
Tajikistan	B-	B3	
Ukraine	B-	Caa1	B-
Kyrgyzstan	NR	B2	

A prerequisite for the conduct of modern business is the use of modern infrastructure. Specialized databases on major markets, online trading, searching for raw materials, components and technologies, advertising and marketing activities, system administration of processes and technologies, as well as maintenance of digital systems are a mandatory attribute of a modern organization.

In January-June 2019, the volume of communication and information services was equal to 4,758.3 billion soums. Compared to the same period last year, the growth of this type of service reached 8.2%. The share in the total volume of rendered market services was 5.7%.

In the volume of communication and information services, the largest share is accounted for by telecommunication services (wired and mobile communication services, the Internet, satellite communications services, etc.). Their share was 82.1%.

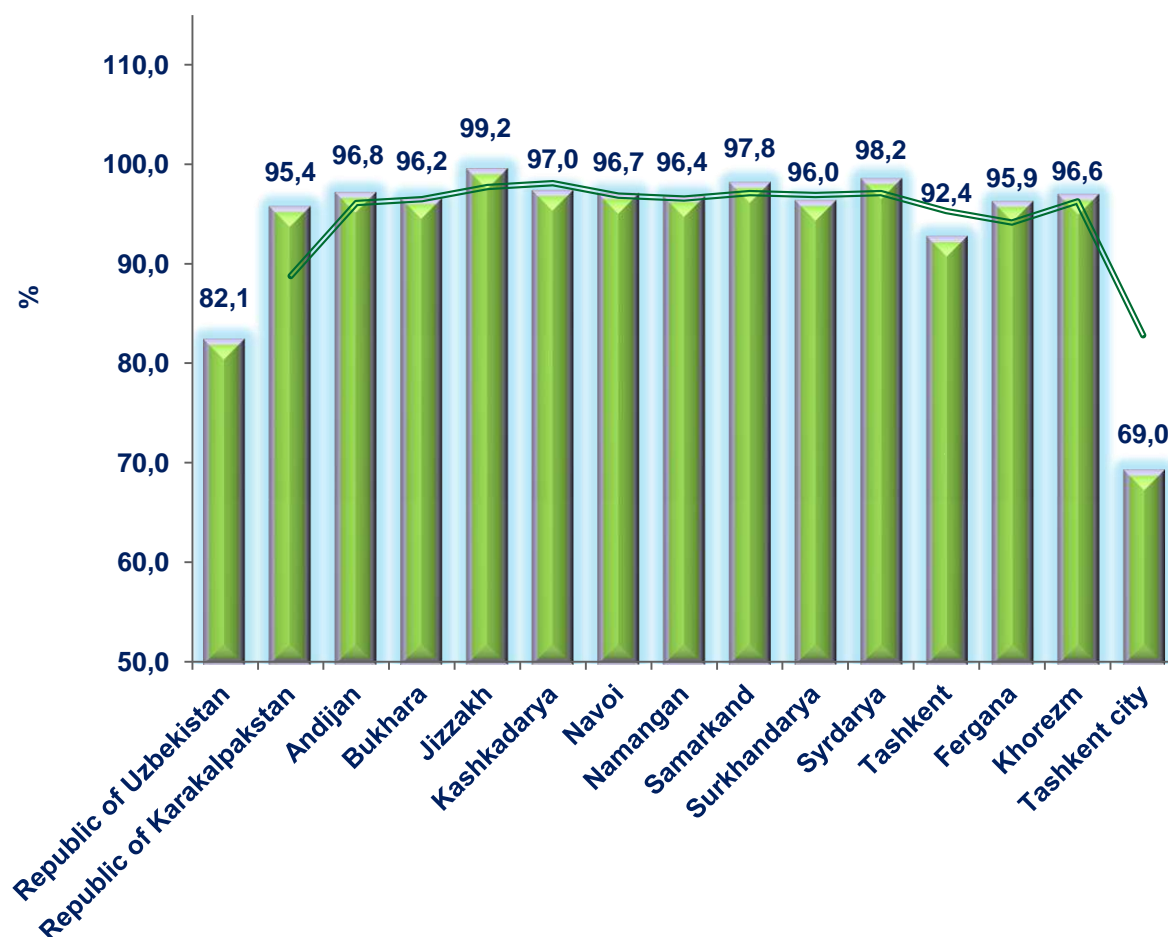
### Structure of communication and information services in January-June 2019,%



During the current period, it was noted that publishing services accounted for 5.5%, computer programming, consulting and other related services — 5.6%, programming and broadcasting — 3.2%, other services — 3.6% of the total communication services and information.

The highest indicators for the provision of telecommunications services were noted in Jizzakh (99.2%), Syrdarya (98.2%), Samarkand (97.8%) and Kashkadarya (97.0%) regions.

**The share of telecommunication services in the total volume of communication and information services by region in January-June 2019, %**



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



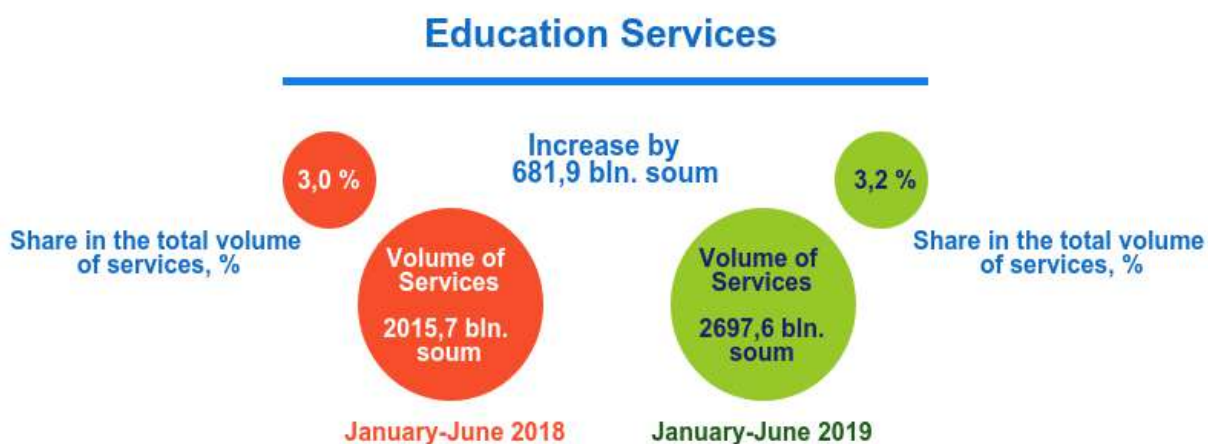
Due to the fact that in comparison with other regions, the highest indicators of computer programming services, consulting and other related services (10.0%), publishing (8.9%), programming and broadcasting (5.8%) are noted here. , information services (5.1%), telecommunications services in the structure of communication and information services took a relatively small share in Tashkent, which amounted to 69.0%.

One of the priorities of the Action Strategy for 2017-2021 is the development of the sphere of education and science, which consists of the following:

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

improving the quality and effectiveness of higher educational institutions through the introduction of international standards for teaching and assessing the quality of teaching, gradually increasing the admission quota to higher educational institutions;

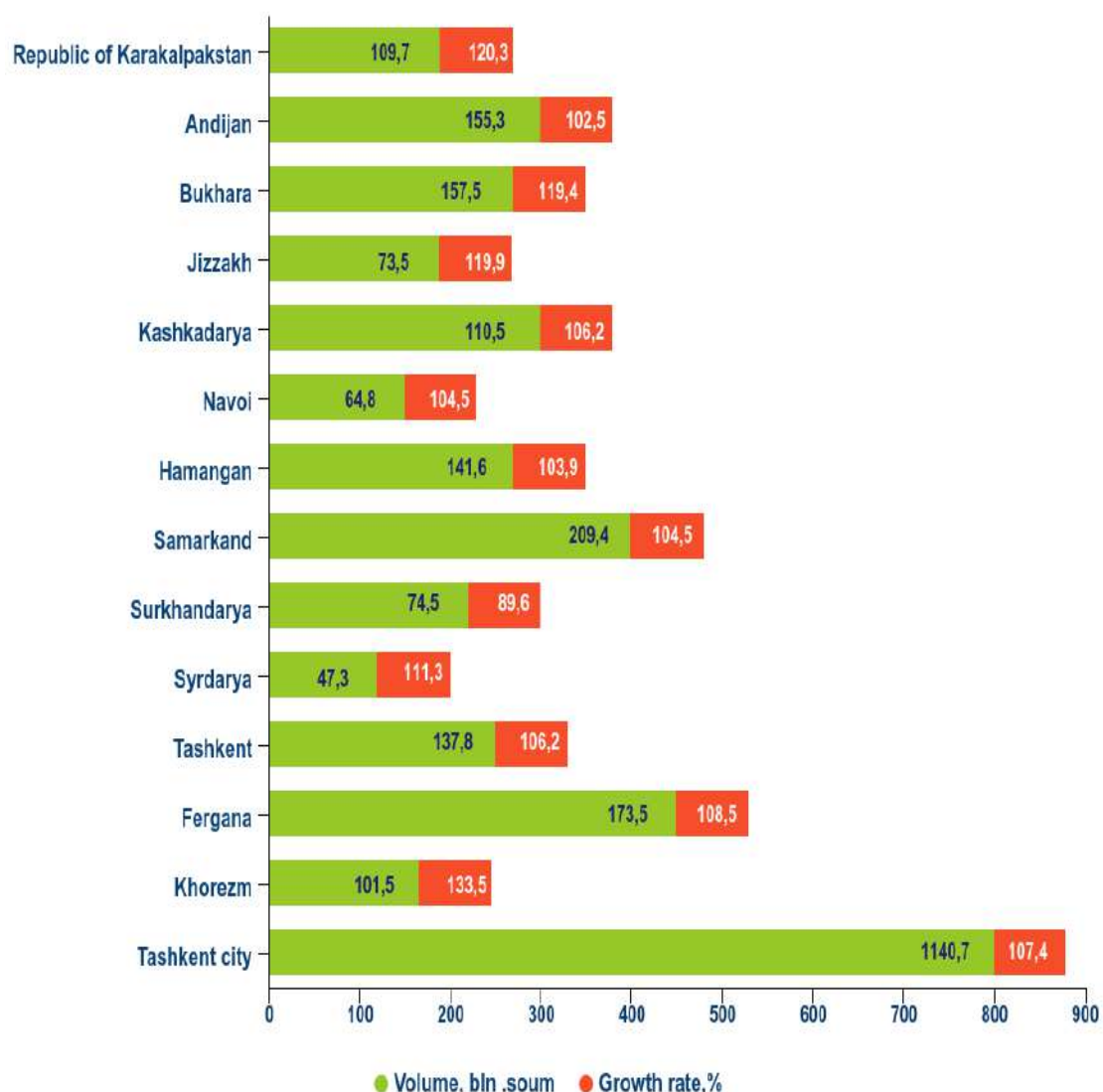
stimulation of research and innovation activities, the creation of effective mechanisms for the implementation of scientific and innovation achievements in practice, education at higher educational institutions and research institutes of research and experimental specialized laboratories, high technology centers and technology parks.



In January-June 2019, the volume of services in the field of education reached 2,697.6 billion soums. Compared with last year, an increase of 8.2%.

The largest volume of rendered market services in the field of education was recorded in Tashkent. In January-June 2019, it reached 1140.7 billion soums. This is explained by the fact that most of the institutions of higher education are concentrated here, as well as branches of foreign higher educational institutions that provide services on a fee-contract basis.

### The volume and growth of services in the field of education in the regions in January-June 2019



High growth rates in educational services were recorded in the Khorezm region - 133.5%.

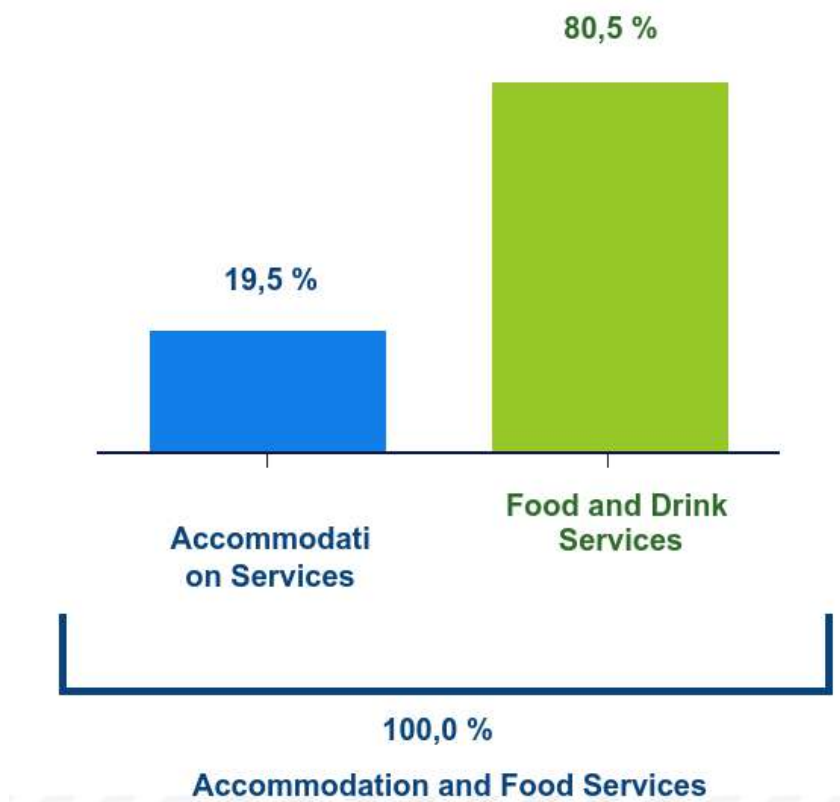
In addition, the highest growth rates for services in the field of education are registered in Jizzakh (119.9%), Bukhara (119.4%), Syrdarya (111.3%) regions and the Republic of Karakalpakstan (120.3%).

The lowest growth rates for January-June 2019 were recorded in the Surkhandarya region - 89.6%.

Compared with January-June 2018, the growth rate of accommodation and food services amounted to 106.3%, while the volume increased by 429.0 billion soums and reached 2493.1 billion soums.

Food and beverage provision services prevail in the volume of accommodation and food services - 80.5%.

### Structure of services for accommodation and meals in January-June 2019,%



Compared with the previous period of the current year, accommodation services increased by 114.9 billion soums, they accounted for 19.5%. The growth of this type of services contributed to the demand of the population for the services of holiday homes, children's camps, cottages and other recreational facilities.

In Tashkent, the largest amount of accommodation and food services was recorded - 1111.2 billion soums, compared with January-June 2018, an increase of 200.2 billion soums is observed here. The growth was influenced by the food and beverage services, their volume increased by 149.7 billion soums compared to the last year.

The smallest amount of accommodation and food services was recorded in the Syrdarya region, equal to 26.8 billion soums, it increased only by 4.1 billion soums.

### Comparison of the volume of services for accommodation and food in the context of regions for January-June 2019, billion soums



As part of the implementation of measures to reform the health care system, especially primary care, emergency and emergency medical care, aimed at improving the accessibility and quality of medical and social and medical services to the population, expanding people's access to high-quality medical services, providing them with specialized and high-tech medical care, in the republic it was possible to achieve positive results in the formation of a modern system of providing medical care to the population.

In January-June 2019, the volume of health services reached 1,253.7 billion soums. Compared with the same period last year, the growth rate was 107.8%.

**Volume and share in the total volume of services  
in the field of health care in the context of regions  
for January-June 2019**



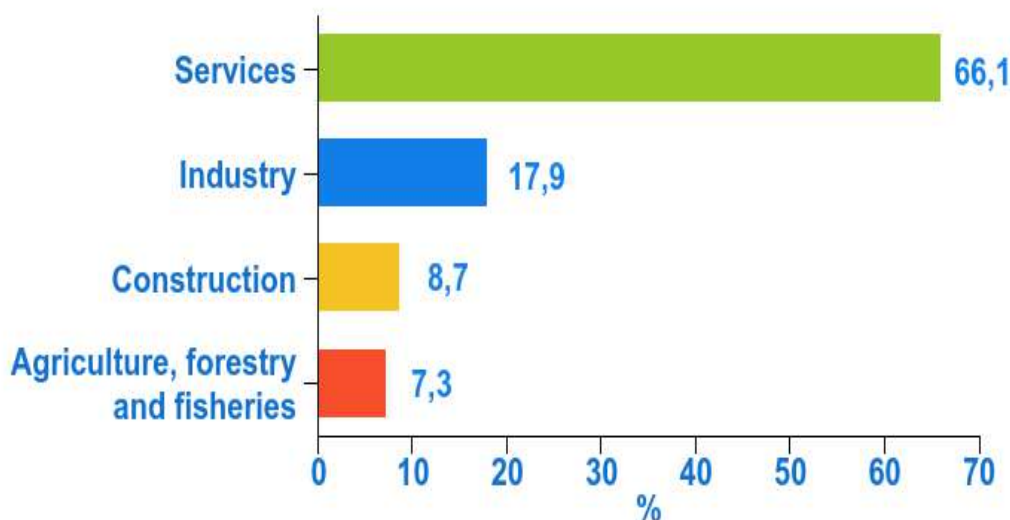
Among the regions in terms of services in the field of health care, Tashkent is the leader. Here in the current period, the volume increased by 139.0 billion soums, compared with the same period last year. Along with this, relatively high volumes were recorded in Tashkent (113.7 billion soums) and Fergana (97.9 billion soums) regions.

The smallest volume of market services rendered in the field of health care services was recorded in Syrdarya (17.4 billion soums) and Navoi (21.5 billion soums) regions, as well as in the Republic of Karakalpakstan (28.3 billion soums).

In the country, the total number of existing enterprises and organizations, as of July 1, 2019, amounted to 371.9 thousand units. The service sector involved 245.9 thousand units, which reached 66.1% of their total. Their growth increased by 20.7%.

### Structure of existing enterprises and organizations as of 01.07.2019,%

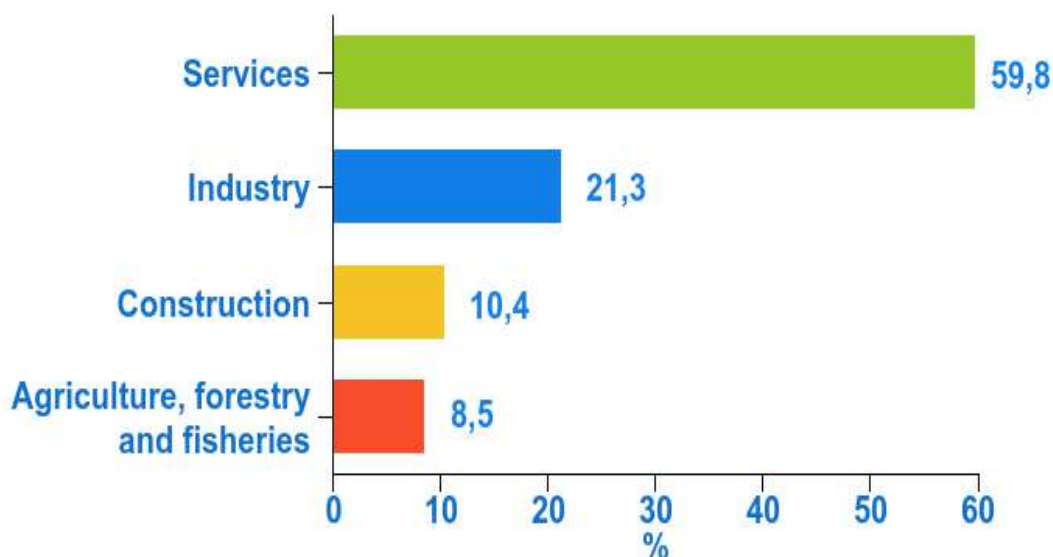
*(without farms and dekhkan farms)*





Of the total number of enterprises and organizations providing services, 185.1 thousand are small businesses. As of July 1, 2019, their share in the total number of operating small enterprises amounted to 59.8%. Their number increased by 38.7 thousand units, an increase of 26.4%.

**Structure of operating small business enterprises  
as of 01.07.2019, %  
(without farmer and dekhkan farms)**



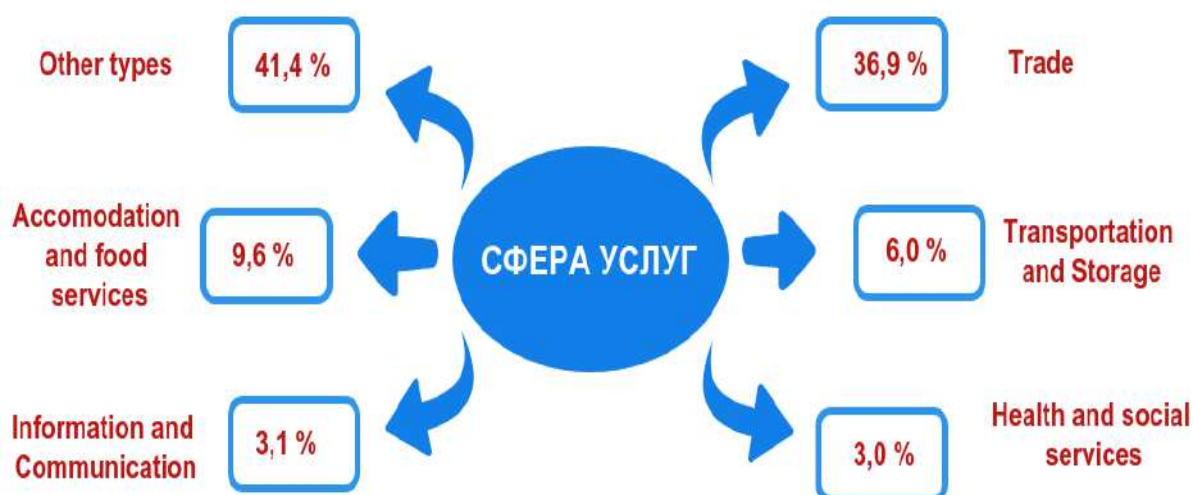
As of July 1, 2019, the share of enterprises and organizations engaged in trading activities (36.9%) prevails in the structure of existing enterprises and organizations related to the services sector.

The share of existing enterprises and organizations that provide accommodation and food services was 9.6%.

The share of existing enterprises and organizations involved in transportation and storage in their total number relating to the services sector reached 6.0%.

## Structure of existing enterprises and organizations in the service sector by economic activity as of 01.07.2019,%

(without farmer and dekhkan farms)



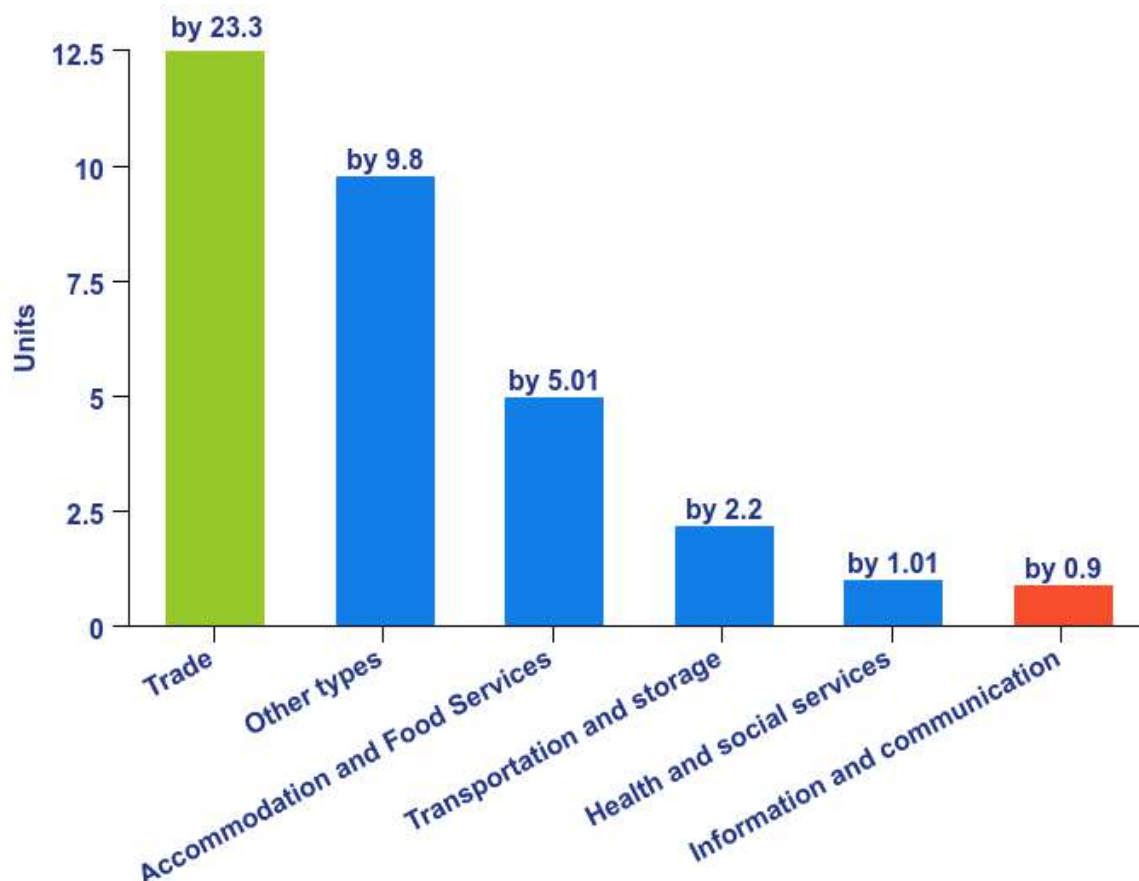
The share of existing enterprises and organizations engaged in information activities and providing communication services is 3.1%.

The share of existing enterprises and organizations providing services in the field of health care, as well as social services, amounted to 3.0%.

**For information:** as of 01.07.2018, 203.7 thousand enterprises and organizations were involved in the service sector. In their overall structure, trade services took 33.1%, accommodation and meals - 9.1%, transportation and storage - 6.2%, information and communication - 3.3%, health care and social services - 3.1% , other species - 45.3%.

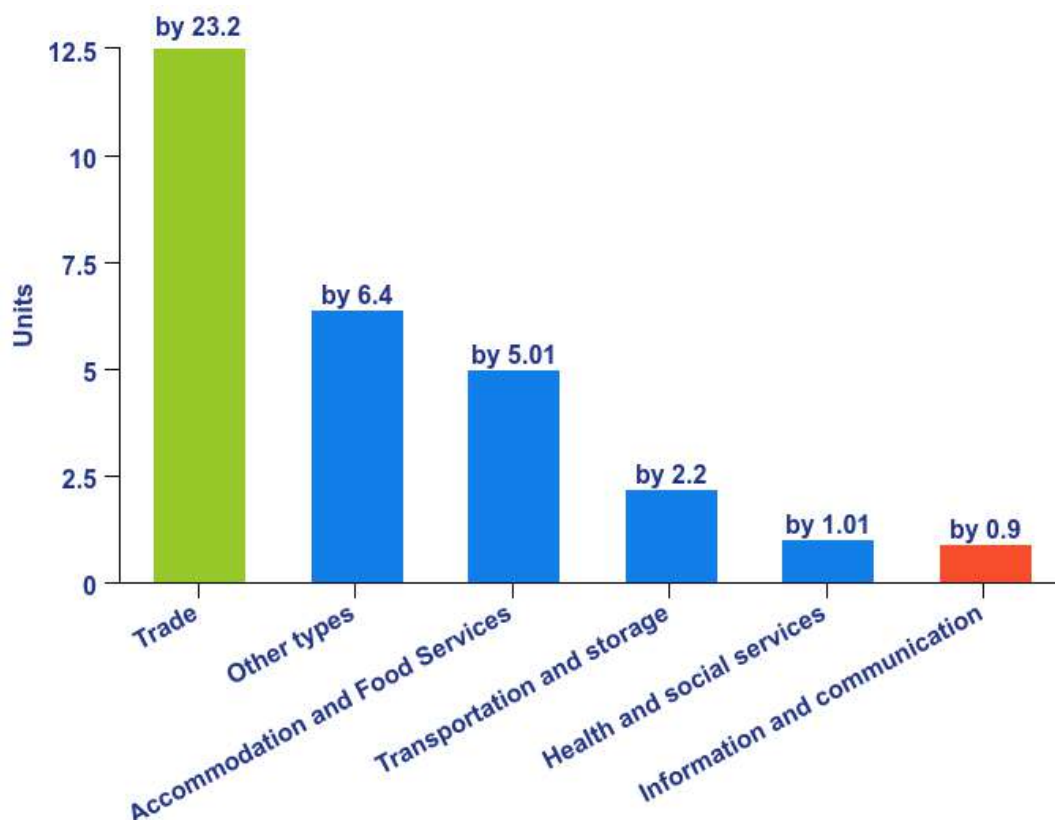
If we compare the number of existing enterprises and organizations in the services sector with the same period last year, then, as of July 1, 2019, it increased by 42.3 thousand units.

**The increase in the number of existing enterprises and organizations in the service sector, as compared with January-June 2018, as of 07/01/2019, thousand units**



The growth of existing enterprises belonging to small businesses has influenced the increase in the total number of existing enterprises and organizations engaged in the service sector. Their number increased by 38.7 thousand units.

**The increase in the number of existing enterprises in the service sector related to small businesses, compared with January-June 2018, as of 07/01/2019, thousand units**



The development of the service sector is one of the most important conditions for the formation of a market economy with a social orientation. The positive results of the market reforms carried out in the country are inextricably linked with the further development of the services sector, increasing its role in solving the most important social and economic tasks of the development of society.

**Department of Service Sphere Statistics**  
**71-230-80-59**