

X. SERVICES

With the development of society, as well as the growth of the productive forces, a certain development of the service sector occurs. There is an increase in employment in this area, an increase in the technical equipment of labor, the introduction of more and more advanced technologies.

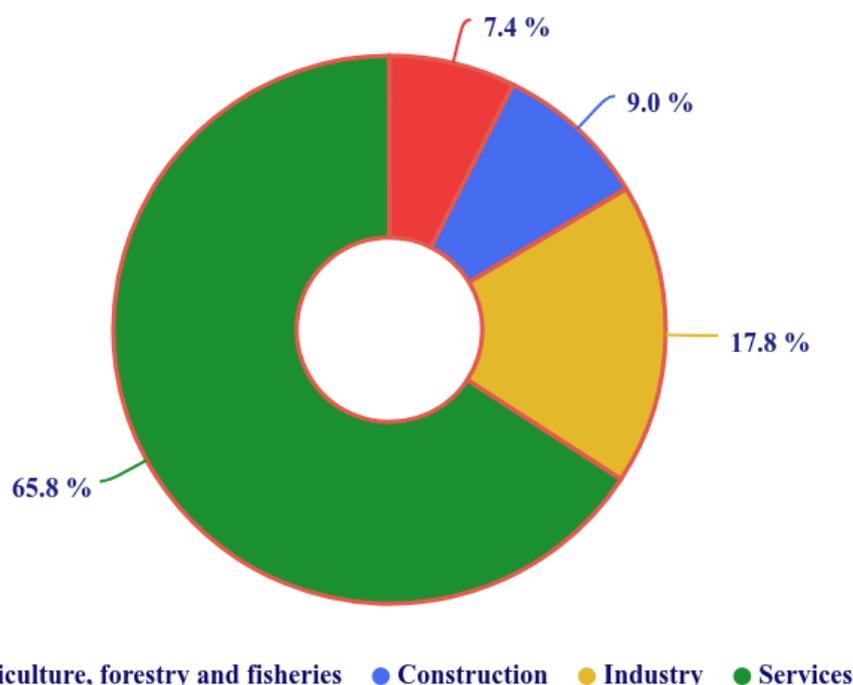
The role of the service sector in the modern economy is due to the fact that the fundamental factors of economic growth are being formed in this sector, namely, new scientific knowledge, intellectual capital, information technologies, financial sector services, consulting, etc.

As of April 1, 2019, about 350.7 thousand operating enterprises and organizations were recorded in the republic. Of these, more than 230 thousand were involved in the services sector. Compared to the same period last year, this figure increased by 17.0%.

The share of existing enterprises and organizations in the service sector in their total number

as of 01.04.2019, %

(without farms and dekhkan farms)



As of April 1, 2019, the share of organizations and enterprises engaged in trading activities (36.2%) prevails in the structure of existing organizations and enterprises in the services sector.

The development of partnerships between countries of near and far abroad, as well as tourism activities has an impact on the increase in the number of existing organizations and enterprises providing services for accommodation and meals. Their share was 9.4%.

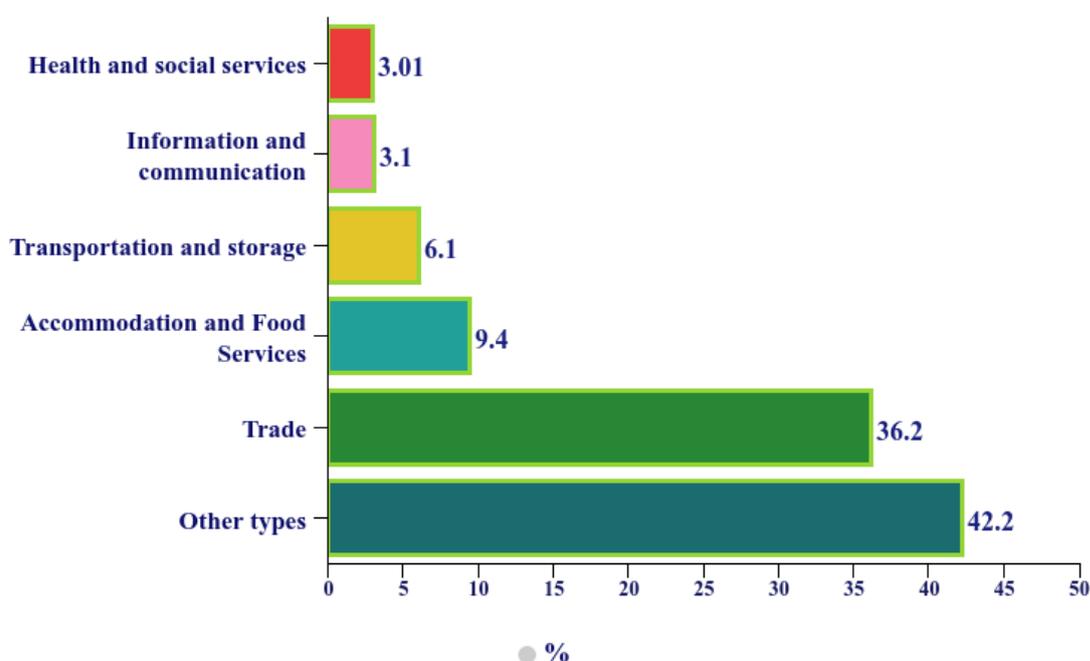
The share of existing organizations and enterprises engaged in transportation and storage in the total number of existing organizations and enterprises belonging to the service sector amounted to 6.1%.

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

Structure of existing enterprises and organizations in the sphere of services by economic activity

as of 01.04.2019, %

(without farms and dekhkan farms)



For information: as of 01/04/2018, 197.4 thousand organizations and enterprises were involved in the service sector.

In the overall structure of the existing organizations and enterprises providing services, the largest part was occupied by trade services (32.6%), accommodation and food services (9.0%), transportation and storage (6.4%), information and communication (3, 3%), healthcare and social services (3.1%).

Compared to last year, the volume of market services rendered in January-March 2019 increased by 7,619.8 billion soums and was equal to 40168.7 billion soums. The growth rate, compared with January-March 2018, amounted to 111.1%.

Production of market services by economic activity
(January-March 2019)

	<i>Bln.soums</i>	<i>Growth rate, %</i>	<i>% of total</i>
Services - total	40168.7	111.1	100.0
<i>including main types:</i>			
communication and information services	2215.7	99.3	5.5
financial services	6759.4	150.7	16.8
transportation services	12041.2	103.8	30.0
including:			
motor transport services	5330.7	101.1	13.3
accommodation and food services	1140.1	103.6	2.8
trade services	10258.2	104.5	25.5
real estate services	1233.2	102.5	3.1
educational services	1600.3	123.2	4.0
health services	563.0	116.0	1.4
rental and rental services	821.4	102.2	2.1
repair services for computers and household goods	671.9	102.9	1.7
individual services	1008.9	103.9	2.5
services in the field of architecture, engineering research, technical testing and analysis	644.0	125.1	1.6
other services	1211.4	102.5	3.0

With the development of market relations, as well as economic and political reforms taking place in our country, there are significant changes in the service sector.

In the reporting period, the highest growth rates were achieved in financial services - 150.7%, services in the field of architecture, engineering surveys, technical tests and analysis - 125.1%, services in education - 123.2%, services in health care - 116.0%.

**Growth rates of rendered market services
by economic activity, %
(January-March 2019)**



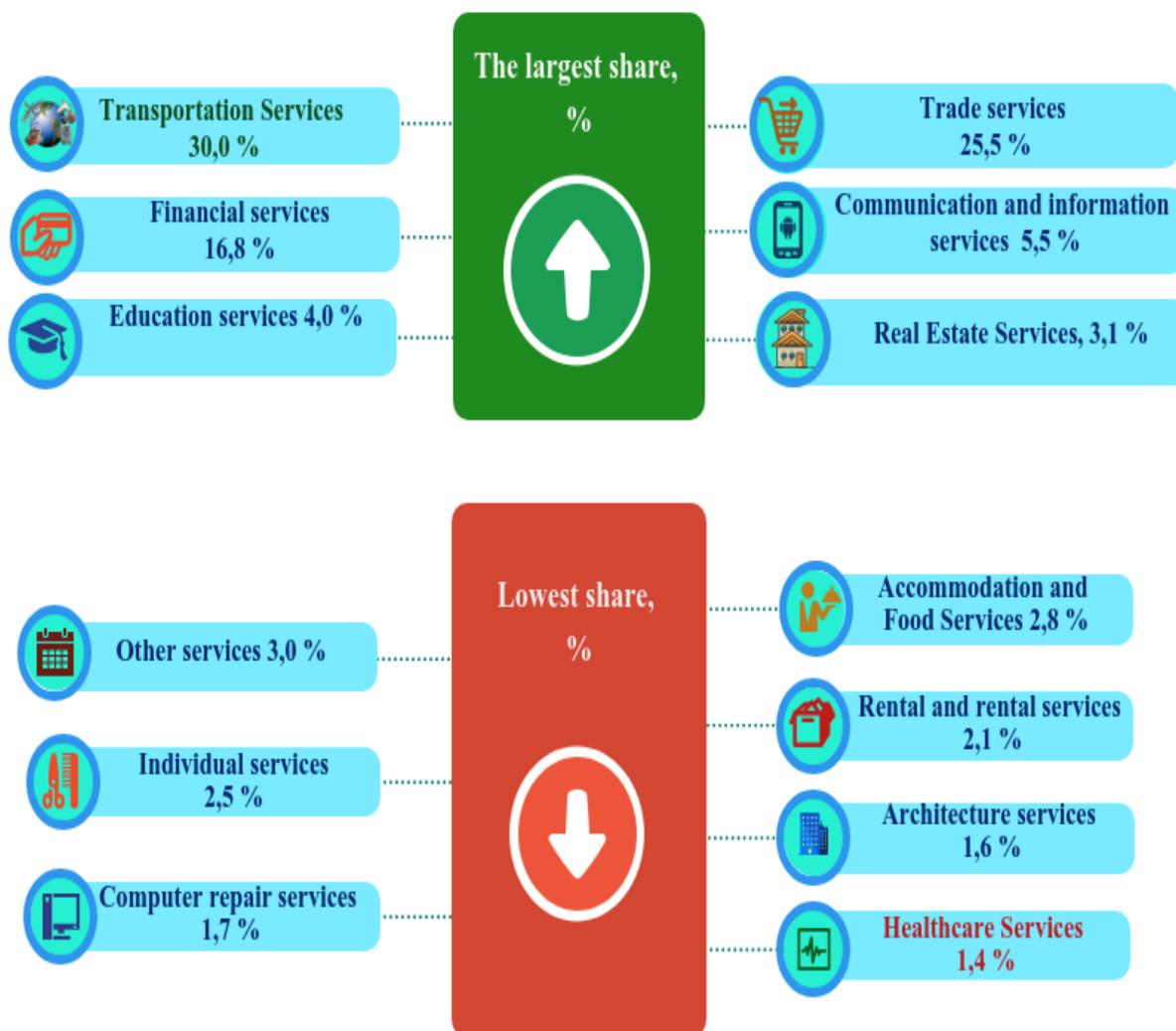
The smallest growth rates are observed in rental and rental services (102.2%) related to real estate (102.5%), as well as services for the repair of computers and household goods (102.9%).

The structure of services is dominated by the share of transport services (30.0%), trade services (25.5%), financial services (16.8%), communication services and information (5.5%).

A low proportion in the total volume of services is occupied by services in the field of architecture, engineering surveys, technical tests and analysis (1.6%), as well as services in the health sector (1.4%).

Structure of services by main types of economic activity

(January-March 2019)



An important role in the economic development of our republic is played by transport. Almost half of the total transport services accounted for services on the carriage of goods and passengers by road.

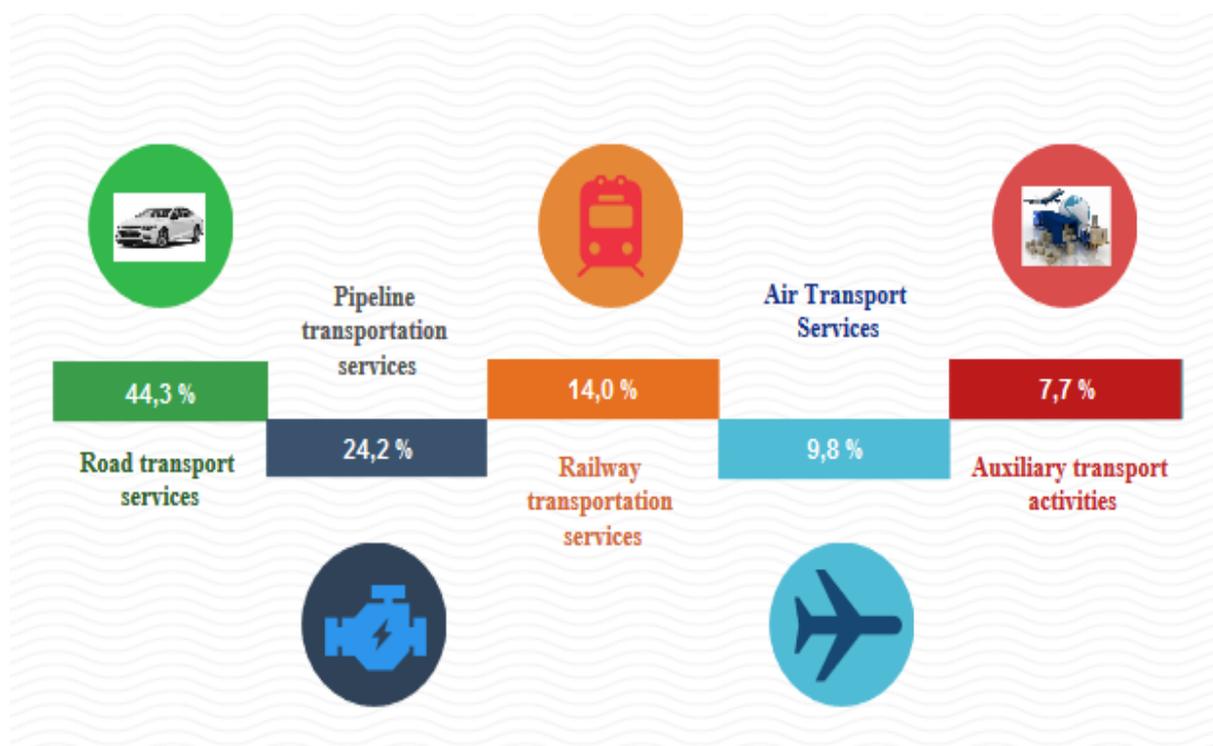
The automobile type of transport, in comparison with its other types, is one of the most demanded due to its maneuverability and the relatively low cost of the services provided. In the total volume of transport services, the share of road transport is 44.3%.

The share of transportation services through pipelines in January-March 2019 amounted to 24.2%. Services rendered by rail transport in total volume of transport services account for 14.0%. The share of freight and passenger transportation by air is 9.8% of the total transport services.

Auxiliary transport activities reached 7.7% of total transport services.

Structure of transport services

(January-March 2019)



For information: according to the World Bank, Uzbekistan ranks 117th in the Logistics Performance Index (LPI) among 167 countries of the world.

In this ranking, the level of development of the infrastructure of Uzbekistan is 2.44, which allowed our country to take 98th place. The timeliness level was estimated as 3.01 (101st place), as well as the quality of logistics and competence as 2.49 (109th place). (<https://lpi.worldbank.org/>)

Currently, the volume of services specifically inherent in a market economy (banking, financial, insurance, real estate, consulting) is significantly increasing.

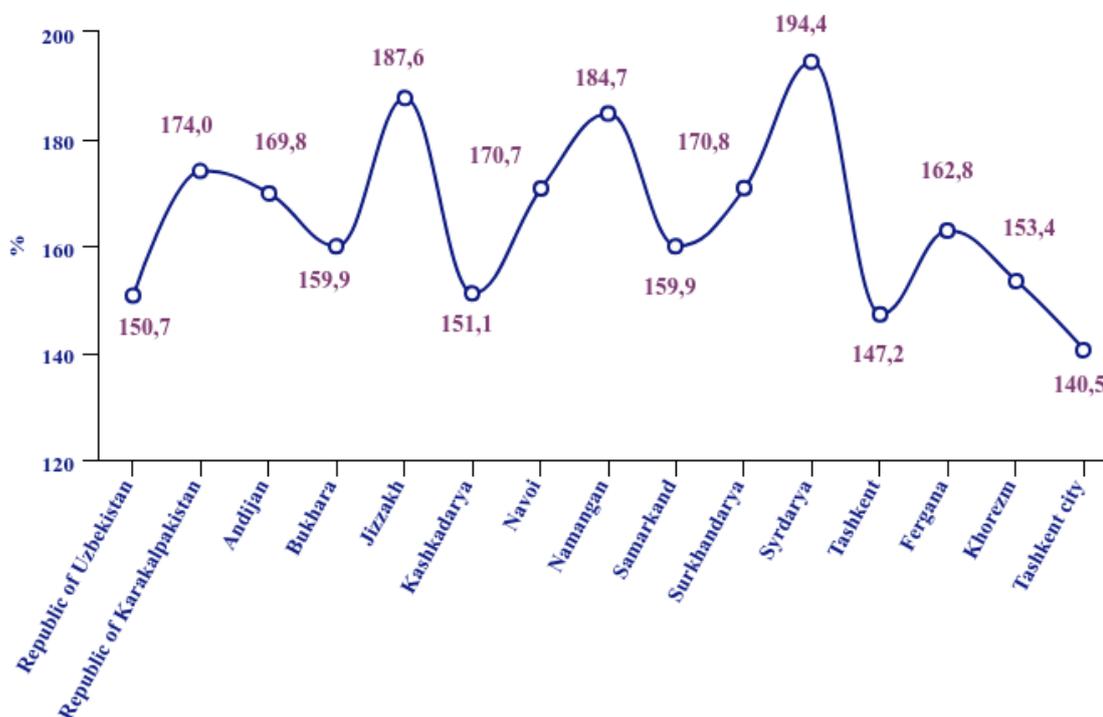
Reforms carried out within the framework of monetary policy liberalization, expansion of lending to promising investment projects, as well as the provision of innovative services by financial organizations have affected the increase in the volume of financial services.

Thus, in January-March 2019, the volume of financial services was equal to 6,759.4 billion soums, compared with the same period last year, the growth rate was 150.7%.

In relation to January-March 2018, the growth of financial services was observed in Syrdarya (194.4%), Jizzakh (187.6%), Namangan (184.7%) regions and the Republic of Karakalpakstan (174.0%).

Growth rates of financial services by regions, %

(January-March 2019)



Compared with other regions, the growth rate of the Tashkent city (140.5%) and the Tashkent region (147.2%) is insignificant.

For information: rating agency Rating-Agentur Expert RA (RAEX-Europe) raised the sovereign state loan rating of Uzbekistan from “B +” (moderately low level of solvency) to “BB-” (sufficient level) in national and foreign currency (<https://raexpert.eu>). According to experts, the increase in the credit ratings of Uzbekistan reflects a steady decline in financial dollarization, as well as the country's successful entry into the international capital market through the issuance of Eurobonds.

Earlier, Fitch Ratings and Standard & Poor's rating agencies (<https://standardandpoors.com>, <https://fitchratings.com>) assigned Uzbekistan a sovereign credit rating. Both agencies assigned a long-term rating of “BB-” and a short-term rating of “B” with a stable outlook.

An important role in the economic life of each country is played by trade, which provides a link between production and consumption, has a significant impact on the volume and structure of production of goods, as well as improving their assortment and quality.

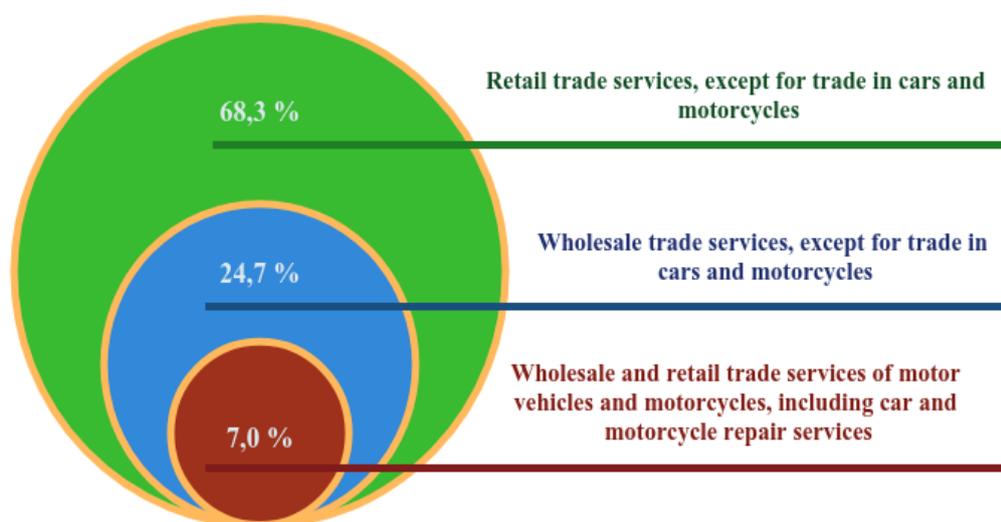
In January-March 2019, the volume of trade services was equal to 10 258.2 billion soums. The share in the total volume of rendered market services was 25.5%.

Compared to the same period last year, the volume of trade services for the period increased by 1 487.3 billion soums.

The structure of trade services is dominated by retail services, except for cars and motorcycles. Their share in January-March 2019 was 68.3%.

The structure of trade services,%

(January-March 2019)



The share of wholesale trade services (except for cars and motorcycles) reached 24.7%.

Services in the wholesale and retail trade of cars and motorcycles, including services for the repair of cars and motorcycles, in the total volume of trade services account for 7.0%.

The development of the education system is one of the most important priorities in Uzbekistan. The cardinal reforms carried out in the field of education primarily favor positive changes in the minds and thinking of people, and contribute to enhancing their spirituality.

In January-March 2019, the volume of services in the field of education reached 1600.3 billion soums. Compared with last year, an increase of 23.2%.

Growth rates of education services by region

(January-March 2019)

Republic of Uzbekistan - 123.2 %	
 Highest raters	 Lowest rates
Bukhara region - 168.4 %	Namangan region - 119.6 %
Khorezm region - 154.6 %	Fergana region - 119.5 %
Syrdarya region - 136.0 %	Samarkand region - 119.3 %
Jizzakh region - 132.7 %	Navoi region - 119.2 %
Republic of Karakalpakstan - 126.1 %	Tashkent region - 117.4 %
Kashkadarya region - 121.9 %	Andijon region - 110.5 %
Tashkent city - 120.8 %	Surkhandarya region - 101.5 %

High rates of growth in services in the field of education were noted in the Bukhara region - 168.4%. In addition, the highest growth rates in services in the field of education are registered in Khorezm (154.6%), Syrdarya (136.0%), Jizzakh (132.7%) regions, the Republic of Karakalpakstan (126.1%) and the Tashkent city (120.8%).

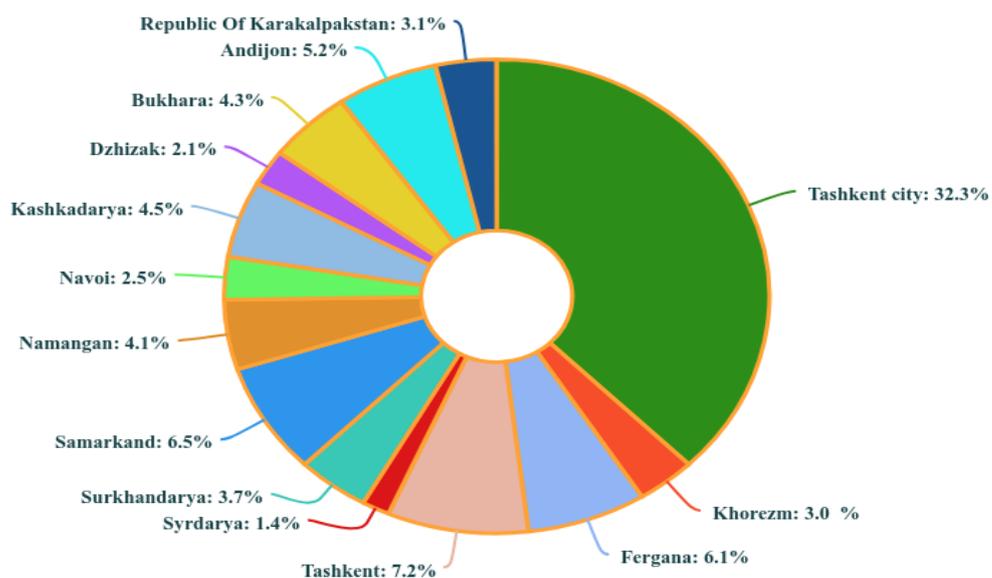
The lowest growth rates were recorded in the Surkhandarya region - 101.5%.

The socio-economic situation of the region reflects the level of development of its productive forces, characterizes the volumes of the gross regional product (GRP) produced, determines the territory's budgetary possibilities and the volume of cash flows, including the development of the services sector.

In the structure of market services rendered by region, the leading position in the republic is occupied by the Tashkent city (32.3%). Along with this, the largest share is observed in such regions as Tashkent (7.2%), Samarkand (6.5%), Fergana (6.1%), Andijan (5.2%) regions.

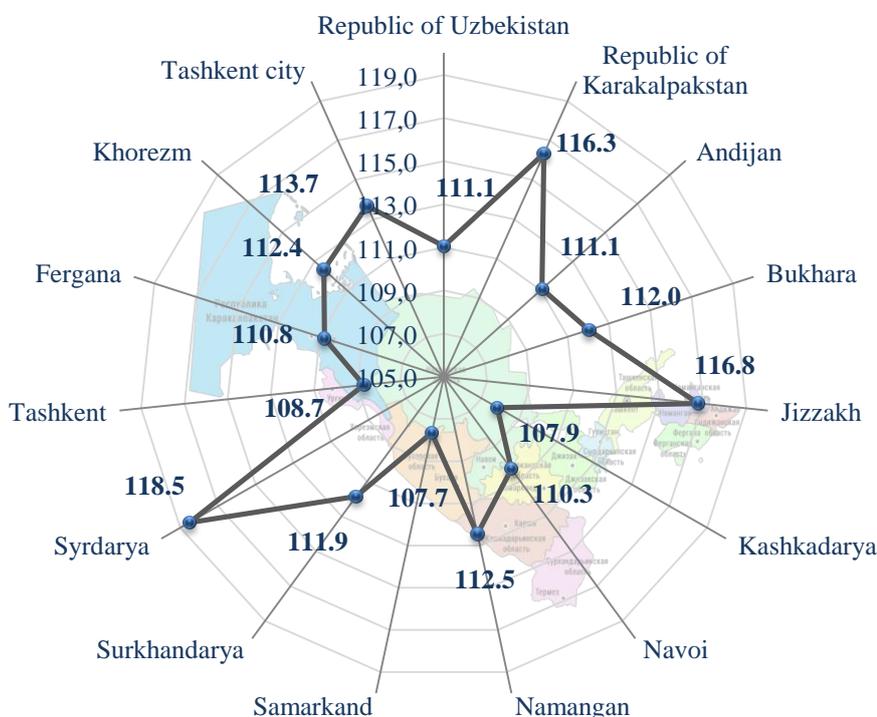
The smallest share in the total volume of services rendered is occupied by such regions as Syrdarya (1.4%), Jizzakh (2.1%), Navoi (2.5%), Khorezm (3.0%) regions and the Republic of Karakalpakstan (3.1%).

The share of regions in total volume of rendered market services
(January-March 2019)



In January-March 2019, compared with January-March 2018, the highest growth rates were noted in Syrdarya (118.5%), Jizzakh (116.8%), Namangan (112.5%) regions, the Republic of Karakalpakstan (116.3%) and the Tashkent city (113.7%).

The growth rate of production services in the regions, %
(January-March 2019)



The lowest growth rates are observed in Samarkand (107.7%), Kashkadarya (107.9%), and Tashkent (108.7%) regions.

Production services by regions
(January-March 2019)

	<i>Total</i>			<i>Per capita</i>	
	<i>Bln.soums</i>	<i>in% the January-March 2018</i>	<i>share of the region in the total volume of services,%</i>	<i>thsd.soums</i>	<i>in% the January-March 2018</i>
Republic of Uzbekistan¹⁾	40168.7	111.1	100.0	1205.7	109.0
Republic of Karakalpakstan	1226.3	116.3	3.1	654.9	114.6
<i>regions:</i>					
Andijan	2091.1	111.1	5.2	680.7	109.1
Bukhara	1724.7	112.0	4.3	909.0	110.3
Jizzakh	849.6	116.8	2.1	626.9	114.4
Kashkadarya	1822.3	107.9	4.5	566.0	105.7
Navoi	1009.0	110.3	2.5	1028.5	108.4
Namangan	1627.1	112.5	4.1	590.0	110.3
Samarkand	2623.8	107.7	6.5	689.3	105.4
Surkhandarya	1482.4	111.9	3.7	575.6	109.4
Syrdarya	543.2	118.5	1.4	653.3	116.5
Tashkent	2903.4	108.7	7.2	1000.2	107.3
Fergana	2444.5	110.8	6.1	662.6	108.9
Khorezm	1197.5	112.4	3.0	651.4	110.5
Tashkent city	12989.9	113.7	32.3	5162.1	111.6

¹⁾ Including unallocated volume by region

Monthly growth of the rendered market services per capita is noted. Compared with January-March 2018, the volume increased by 210.6 thousand soums and was equal to 1205.7 thousand soums. The growth rate was 109.0%.

The range of this indicator among the regions is from 5162.1 thousand soums in Tashkent to 566.0 thousand soums in Kashkadarya region.

**Volume of market services rendered per capita
by region, thousand soums
(January-March 2019)**



According to many international experts, the accelerated development of the service sector is an indispensable condition for the successful completion of the modern structural adjustment of the country's economy.