



## IMPROVING THE MANAGEMENT METHODOLOGY OF LOGISTICS CHAIN ACTIVITY MANAGEMENT IN THE CONSTRUCTION FIELD

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**Abstract.** In our country, optimization of costs and improvement of management processes in the construction industry, including the logistics chain, diversification of enterprises and diversification of production and service processes, increasing the economic potential of enterprises through the full formation of value chains in the industry, thereby ensuring employment, great attention is paid to meeting the needs of the population in construction products and improving their welfare.

**Key words:** construction industry logistics, inter-enterprise coordination, logistics chain management, supply chains, cost chain

### INTRODUCTION

Increasing the functional efficiency of the management processes of construction industry enterprises in the world based on the wide use of internal capabilities, forming new methods and criteria, increasing the level of competitiveness in the logistics chains of the construction industry being created and optimizing the management of industry activities, improving the quality of services offered in the construction industry based on existing needs, management A number of scientific studies are being carried out on improving the efficiency assessment methodology, digitizing the construction industry by creating additional small systems and databases, and improving the system of applying innovative technologies to the production of building materials and the construction of objects. Currently, scientific research is being carried out in priority directions such as digitalization of the construction industry, improvement of the system of integrated development of settlements, creation of new technological types of services in the logistic chains of the construction industry, and increasing their share in the GDP by optimizing costs in the logistic chains. In 2017-2021, the Action Strategy for the further development of the Republic of Uzbekistan defines the priority tasks of "deepening structural changes, increasing its competitiveness due to the modernization and diversification of the leading sectors of the national economy." Ensuring the effective execution of these tasks requires the improvement of the organization and management system of activities formed on the basis of horizontal and vertical integration of management in logistics chains of the construction industry. The successful implementation of the intended tasks





requires the development of measures aimed at improving the management mechanisms and models aimed at ensuring the volume and quality of construction activities, the competitiveness of construction enterprises, and the optimization of costs in logistics chains through the modernization of management processes in the logistics chains of the construction industry.

Some theoretical and practical aspects of development of the construction industry, deepening of market relations in the industry, improvement of management processes in the construction industry were discussed by the economists of our republic M. Sharifho'jaev, Yo. Abdullaev, N.K. Yoldoshev, R.I. Nurimbetov, Sh.N. Zaynutdinov, S. It was reflected in the scientific researches of K. Salaev, B. B. Jumaniyazov, K. S. Tashmukhamedova, U. I. Djumaniyazov, A. Abdullaev, G. Sh. Honkeldieva, A. T. Mirzaev.

In these studies, the development features of the construction industry, the organization of management processes in the industry, the development processes of logistics services in the industry, changes in the construction industry in the context of the digitization of socio-economic systems, and at the same time, the issues of improving the mechanisms for improving the efficiency of the management processes of the construction industry were studied.

## ANALYSIS AND RESULTS

In our republic, under the influence of global changes, the share of the service sector in the gross domestic product has a tendency to grow steadily. The analysis of the dynamic lines reflecting the changes in the composition of the gross domestic product shows that the volume created by the service sector in the period before the pandemic and from 2020 has a regular growth compared to the rest of the branches and sectors of the national economy. Although the volumes created by the construction industry are not included in the service industry according to the national classification, taking into account that the majority of construction-related activities are carried out by service systems, as the main macro-level indicator, the trends of change in the industry are based on the analysis of statistical indicators related to the service industry and its construction activities. tried to evaluate.

Taking into account the considered characteristics and the unique entrepreneurship and consumption characteristics of our country, the share of the service sector in the main macroeconomic indicators has been increasing in Uzbekistan in recent years. The analysis in the process of the research allows to observe that there has been a significant development in the field over the past years in terms of the potential and development of the service sector (Table 1).





**Table 1**

**Changes in some macroeconomic indicators of the Republic of Uzbekistan in 2011-2020 [3] (trillion at the expense of soums)**

Indicators	Years										times in 2020 compared to 2011
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Gross domestic product	97,0	120,2	144,6	177,2	210,2	242,5	302,5	406,7	510,1	580,2	6,0
GDP growth rate, %	107,5	107,1	107,3	106,9	107,2	105,9	104,4	105,4	105,7	101,7	-5,8
Services total	35,2	44,4	55,9	68,0	78,5	97,1	118,8	150,9	193,7	218,9	6,2
Share of services in GDP, %	36,3	36,9	38,7	38,4	37,3	40,0	39,3	37,1	38,0	37,7	1,4
Increase in the volume of services rate, %	117,2	114,7	114,4	114,2	113,4	114,7	110,7	108,9	113,2	103,0	-14,2
Construction works	9,5	11,8	15,2	20,1	25,4	29,4	34,7	51,1	71,2	87,8	9,2
Share of construction work in GDP, %	9,8	9,8	10,5	11,3	12,1	12,1	11,5	12,6	14,0	15,1	5,3
Growth rate of construction works, %	107,8	113,7	117,2	117,6	118,8	107,2	106,0	114,3	122,9	109,5	1,7

It is appropriate to explain the level of development of the national economy by the fact that the macroeconomic indicators of the country have reached a stable growth trend during the period under study. In 2011-2020, we can observe the level of stable development of macroeconomic indicators in our country. In particular, the gross domestic product (GDP) in 2011 was 97.0 trillion. soums, and by 2020 580.2 trillion. amounted to soum. The growth rate has reached 6.0 times compared to the base period of the analyzed years. Using the chain link method of statistical analysis allows us to see more clearly the fluctuations of the country's gross domestic product in certain time intervals of the considered time series. In particular, it shows that the growth rate of the





gross domestic product was stable in 2011-2015, i.e., at a rate of around 7.0%, while in 2016-2019, this indicator was at a growth level of around 4.4-5.9%, and in 2020, reflecting the pandemic conditions, 1 We see that it is .7%.

The volume of all services created in our country in 2011 was 35.2 trillion soums, 218.9 trillion in 2020. consisted of soums and increased by 6.2 times during the period under consideration. The share of the volume of services in the GDP was around 36.3-40.0% during the considered 10-year period, in general, the share of the volume of services in the GDP increased by 1.4% during the past period. The use of the chain link method of statistical analysis allows us to more clearly see the fluctuations of the growth rate of services in certain time intervals of the considered time series. In particular, the statistical analysis of the change in the growth rate of the volume of services from 2011 to 2020 shows that this indicator underwent variable changes under the influence of various factors, while the change trend had a steady downward trend over the past 10 years. The service industry is a complex, comprehensive field that covers a number of areas of economic activity (from trade and transport to education and insurance) and is considered one of the promising sectors of the modern economy. The development of the service sector in our country, together with increasing the employment of the population, creates the basis for the increase of their well-being and the reduction of poverty. Taking this into account, efforts are being made to further develop service activities for the purpose of proportional development of the regions. As mentioned above, the volume of services created by the service sector does not include the volume of construction works in the classification of the national statistical system, construction works are kept as a separate indicator of the gross domestic product based on the criterion of completed works. The statistical analysis of the indicator of the volume of construction work performed at the country level between 2011-2020 shows that the volume of work performed in the field is much higher than the indicator of other sectors and has grown steadily. In particular, the final volume indicator of the industry increased 9.2 times over 10 years, and its share in the gross domestic product increased from 9.8% in 2011 to 15.1% in 2020 due to the growth rate of 6.0-23.0% over the years. and the increase in the considered period was 5.3%.



**Table 2**

**Dynamics and composition of the housing stock in Uzbekistan [2]**

№	Indicators	Unit of measure	Years										(decrease) in 2020 compared
			2011 year	2012 year	2013 year	2014 year	2015 year	2016 year	2017 year	2018 year	2019 year	2020 year	
1	The total area of the housing fund	млн. м <sup>2</sup>	439,5	446,4	457,9	466,2	477,1	490,8	507,5	521,2	536,8	548,9	124,9
2	From this:	млн. м <sup>2</sup>	3,2	3,2	3,3	3,3	3,3	3,3	3,4	3,5	3,5	3,6	112,5
	- state housing fund	%	0,7	0,7	0,7	0,7	0,7	0,7	0,7	0,6	0,7	0,7	0
	share of the total housing fund area	млн. м <sup>2</sup>	434,5	438,2	454,6	462,9	473,8	487,5	504,1	529,8	535,1	542,4	124,8
	- private housing stock	%	98,9	98,2	99,3	99,3	99,3	99,3	99,3	99,4	99,7	98,8	-0,1
3	share of the total housing fund area	м <sup>2</sup>	15,1	15,1	15,1	15,2	15,2	15,4	15,7	15,8	15,9	16,0	105,9

Based on the above analysis, in the research process, it was tried to analyze and compare the changes in the service sector and the volume of construction works in Uzbekistan on the basis of statistical data, and based on the results of the analysis, to isolate the trends related to the development of the service sector and construction works in our country.

In the structural changes that started in 2017 in our country, the construction sector is considered as one of the main "drivers" of development,





and on this basis, it is planned to accelerate economic growth based on the development of the construction sector and related sectors. However, the volume of construction works is determined based on the volume of demand and need for it, according to market laws. Quantitative indicators of the housing fund in our country were analyzed in order to assess the size of this demand. As mentioned above, the volume of construction works at the national level is formed based on the volume of the existing housing stock and the volume of demand for the housing stock (Table 2).

During the years 2011-2020, the total area of the housing fund formed in our country has grown in proportion to the level of stable growth of the population and families. In 2011, the area of the housing stock was 439.5 mln. m<sup>2</sup>, of which 0.7% (3.2 million m<sup>2</sup>) belonged to the state housing fund, 98.9% (434.5 million m<sup>2</sup>) to the private housing fund. In the current year, the level of providing housing to the population was 15.1 m<sup>2</sup>. By 2020, the total area of the housing fund will increase by 24.9% from the figure of 2011 to 548.9 million. reached m<sup>2</sup>. There was no change in the share of the state housing fund in the total indicator (0.7%), while the area of the private housing fund increased by 124.8% compared to the indicator in 2011, but the share in the overall indicator decreased by 0.1%. As a result of the changes in the construction sector during the past 10 years, the level of providing housing to the population increased by 5.9% from the 2011 indicator and made 16.0 m<sup>2</sup>. Although the analysis of general indicators shows that the level of providing housing to the population has improved to a certain extent, it should be noted that in reality the level of satisfaction of the demand of the population and enterprises for new construction facilities is still high.

### **CONCLUSION**

The volume of services created by the service sector in our country does not include the volume of construction works in the classification of the national statistical system, construction works are kept as a separate indicator of the gross domestic product based on the criterion of completed works. The statistical analysis of the indicator of the volume of construction work performed at the country level between 2011-2020 shows that the volume of work performed in the field is much higher than the indicator of other sectors and has grown steadily. In the theoretical analysis of the factors affecting the cost competitiveness of logistics chains of the construction industry and the processes of service quality management, the factors affecting the formation of above-based demand and supply, which create management relations in the





activity from the creation of construction services as an object of the management process to the delivery of construction objects to the consumer, were studied.

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