



IMPACT OF LOGISTICS EFFICIENCY ON THE ECONOMY

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Annotation. In addition to revealing the impact of logistics efficiency on the economy, this article also provides information on the world-class role of the logistics industry of Uzbekistan, why improving the efficiency of logistics is relevant today, and the role of Uzbekistan as a transit state. Further considerations have been made to further improve the economy by improving logistics efficiency.

Keywords: Logistics system, logistics efficiency, protectionism, BRI, transport infrastructure, transport corridors, infrastructure.

Introduction. Logistics helps to optimize the solutions of the company's functional problems: it is a multifaceted activity that requires material, information, financial and service flows. It is a system that combines and coordinates the interaction between supply, production, distribution and sale [1].

In the development of the economy of each country, its logistics system with a blood vessel is very important. The efficient logistics system ensures that goods and services are delivered at favorable conditions and affordable prices for buyers by optimizing the movement of finished products and raw materials in the domestic market, stimulates competition in the market. And in the foreign market, it increases the economic competitiveness of the country and accelerates the process of integration into the world economy. For our developing country, it is much more important to organize an effective logistics system.

The worldwide role of Uzbekistan logistics samadori (LPI). In the logistics efficiency report published by the World Bank in 2018, Uzbekistan ranked 99th out of 160 countries. In the development of the report, such norms as customs efficiency, quality of transport infrastructure, ease of Organization of international transportation, knowledge and potential of specialists in the field, the possibility of



tracking cargo and the level of timely delivery of cargo were taken into account. Unfortunately, the level of LPI of our region is not at a boastful level. In this regard, our Republic ranks second in the region after Kazakhstan. Below you can see the difference between Germany and Uzbekistan, which ranked first in the LPI ranking, by Region [2]:

Looking at the results, it is not difficult to understand that too much work still needs to be done to develop the industry. In this, it is mainly important to increase the efficiency of customs processes on the border and the territory of the country, increase industry professionals, apply an innovative approach to the system.

The impact of logistics efficiency on the economy. Improving the efficiency of logistics is especially relevant in our country, where transport-geographically inconvenient is located and does not have the opportunity to get to sea ports, which are the cheapest type of transport, directly, even through bordering countries.

Agricultural products and raw materials make up a large part of the Republic's exports. They are much cheaper than production products (manufactured goods) in relation to the transport unit (for example, a ton of cotton and a ton of ready-made high-quality textile products). It follows from this that the percentage share of transport costs in the latest prices of our export products is high, and this means that the efficiency of logistics is more important in our economy than in developed countries.

I will cite two very simple examples to explain the efficient logistics system.

Microeconomic example. Imagine that you are engaged in the cultivation of agricultural products in some province. Your customers can be Markets in cities, supermarkets, agricultural products processing enterprises. You will only have a few days before you reach the final buyer for the clean product. During this time, you need to harvest, pack, load on the vehicle and deliver it to the buyer.

The appearance of a problem at some point in the chain can cause a decrease in profit and even the entrepreneur to enter into harm. This can be caused by failure to harvest the mahlusot in time, improper packaging, improper storage, lack/malfunction of the vehicle in time, or inadequate equipment, and many similar problems.

Macroeconomic example. Imagine that you are growing an agricultural product for export and want to bring your product to the Uvropa market, for example, Germany. In this case, first of all, you will calculate the level of demand for this product in Germany, the prices offered, the cost of your product, its export and transport costs. It is the suppliers of European countries such as Spain, Italy, Poland



that deliver this product to Germany that are competitive to you. While the low cost of Labor, the quality of the product, its variety can be the advantages of your product, the high cost of Transportation has a huge impact on the final prices of the product. The cost of transportation of one kg of products from Uzbekistan to Germany in the refrigerator-carport, which is used in the transport of agricultural products, is currently around 40-50 euros cents, if we take into account the fact that the prices in retail for this type of products range from 50-60 cents to 2-3 Euros, we see how much

Why is it relevant today to improve the efficiency of logistics? While some developed nations have been pursuing policies of protectionism in the economy in recent years (such as the current government of the United States), in practice the globalization process in the world economy has not slowed down. Large changes in the world market require that not only Uzbekistan, but the entire region of our country be prepared for the changes that are taking place. Countries such as China, India, whose position in the world community is growing, also have an increasing role in the global economy. The fact that our region is at the center of an important transport corridor that connects Asia with Europe is considered both a challenge and an opportunity for us. Projects such as one Space — One Road [3] together with partners, there will be an opportunity to improve our infrastructure, develop several areas related to transport and logistics, while at the same time being a test for local manufacturers towards increasing competitiveness .

The role of Uzbekistan as a transit state. Our republic has the best transport infrastructure in our region. 42530 km of Highway, 4500 km of railway (150 km every 10000 km) pass through the territory of our state and connect our country to the important transport corridors of the region. As a transit state, it is especially important that Uzbekistan enters the Islamic Republic of Afghanistan (Trans-Afghan International transport karidor) and the possibility of reaching the ports of Bandar Abbas and Chobahor through Afghanistan enters the Republic of Tajikistan. The Andijan - Osh — Saritosh — Irkeshtom — Kashgar corridor, the essence of which is increasing from year to year, is one of the greatest projects in world history and serves to connect China with other regions through roads passing through the territory of our country for a worthy participation in the “One Space — One Road” (Belt and Road Initiative — BRI) [4] proposed by the people's Republic of China. The accession of China to the TIR convention is a sign that our potential as the first transport transit state carried out by road from China to Uzbekistan through Kyrgyzstan is high. Using this potential, we can go through Turkmenistan to Iran and Turkey, to the Caucasus states, to Europe through the states of the customs union.



These opportunities can create thousands of jobs, especially for our economy, in the areas of direct and indirect production, transport, infrastructure, tourism [5].

Conclusion. To improve the economy by improving the efficiency of Logistics, a unified program consisting of individual parts (aircraft carriers, motor carriers, railway carriers, warehouse services) must be developed, merging with industry specialists. The program should be in such areas as training personnel in the field, improving the skills of existing personnel, improving infrastructure. In addition, measures such as increasing the level of IT application in customs services, constant monitoring of processes at Customs and border posts, quick solution of emerging problems by creating an open dialogue with Customs and industry representatives, prevention of their future recurrence should be carried out.

I am sure that the positive changes taking place in our country will also have a positive impact in the logistics and transport sector in the coming days. Because the burden of a growing economy falls primarily on the logistics system. Therefore, increasing the export potential of our country, reducing import costs, minimizing transport costs in the local market and, as a result, further improving the well-being of our people depends precisely on the logistics efficiency.

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