



## WAYS TO INCREASE THE EFFICIENCY OF MANUFACTURING ENTERPRISES WITH NEW INNOVATIONS

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**Annotation.** The article reveals the role of innovations in enhancing the efficiency of manufacturing enterprises and the need to adapt global innovations to local conditions for successful implementation and sustained economic development. Also how adopting new technologies can accelerate economic growth, optimize production costs, and improve competitiveness.

**Keywords:** innovation, efficiency, manufacturing enterprises, economic growth, competitive advantage, innovation strategy, intersectoral integration, cost optimization.

Today, in the era of globalization, we know from the experience of many foreign countries that the use of the latest technologies in any field accelerates the efficiency of that field several times and has a positive effect on the growth of the country's economy. The demand for the introduction of innovations and their creation is based on the decree of the President of the Republic of Uzbekistan of July 6, 2022 "On approval of the innovative development strategy of the Republic of Uzbekistan in 2022-2026" – PF-165<sup>1</sup>, according to paragraph 4.2 the task of increasing the share of innovative active organizations by improving the institutional mechanisms of state support for innovative activities also reflects the great attention to innovations. Starting from 2018, the annual International Week of Innovative Ideas - "Innoweek" gathers foreign innovation and scientific centers, investment funds, technology agencies, technology parks and business incubators at one point on the path to a clear innovation goal. Innovations and the latest technological advancements introduced in each sector and production contribute to rapid economic growth and provide solutions to various economic challenges.

The topic is also relevant in that through the introduction of innovations:

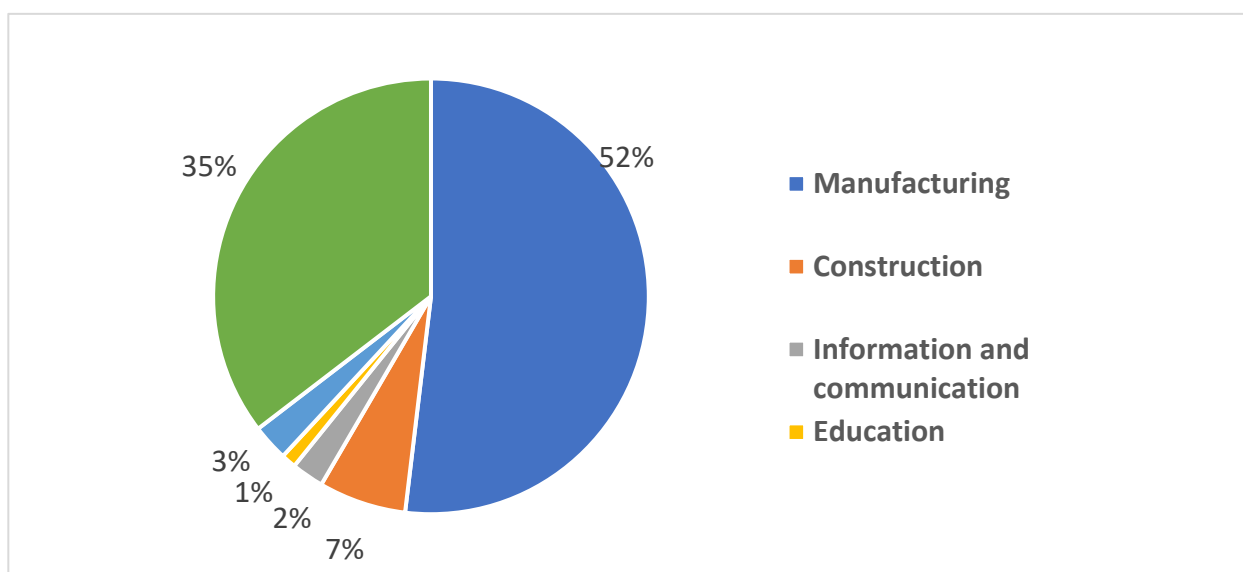
- ✓ to rapidly develop industries that are lagging behind in production and thus to regulate the mechanism of the economy;
- ✓ intersectoral integration;
- ✓ to optimize enterprise costs and saturate the market with quality goods;

<sup>1</sup> <https://lex.uz/docs/-6102462>

✓ it is possible to win over the competition and take a strong position in the market and many other positive results.

As we mentioned above, implementing innovations on a large scale in turn, gives an advantage over competitors. American scientist M. Porter stated that in his researches, the implementation of a small innovation in the process of competition will increase the level of competitiveness several times and will allow the company to take its place in the market.<sup>2</sup> In general, it describes the practice of innovation as the main tool in competitive conditions.

Countries like South Korea and Sweden, which invest heavily in research and development—4.6% and 3.4% of GDP, respectively—experience significant economic growth, with GDP increases of 2.6% and 3.1% in 2022. Their strong focus on innovation and technology, coupled with vibrant start-up ecosystems, positions



**Figure 1. Numer of innovation introduced in Uzbekistan**

them as global leaders in fostering economic advancement. According to the Global Innovation Index (GII), which evaluates the world's innovative property with 80 indicators, Uzbekistan has risen around ten places since 2020, from 96th to 82nd place.<sup>3</sup> In the last ten years, the most innovations in our country were used in 2020, and if we take into account the analysis in the above picture, 51.9% of the share belong to manufacturing.<sup>4</sup> (Fig. 1)

Klassifikator_en	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Republic of Uzbekistan	107,1	107,5	107,1	107,3	106,9	107,2	105,9	104,4	105,6	106,8	101,6	108,0	106,0	106,3

**Figure 2. Growth rates of gross domestic product**

<sup>2</sup> M.porter -What is strategy? *Harvard Business Review*, 61-78p

<sup>3</sup> <https://www.wipo.int/gii-ranking/en/uzbekistan>

<sup>4</sup> Created by the author on the basis of the statistical committee of the Republic of Uzbekistan

Here, according to the Statistics Committee of the Republic of Uzbekistan, the largest increase in the volume of gross domestic product (GDP) occurred in 2020-2021.<sup>5</sup>(Fig. 2) The growth of GDP indicates the economic development of this country. The number of cases in which the interaction of these two indicators can affect the production of innovations in the current year is explained by a sharp difference.

Before implementing innovations in the field of production, it is necessary to collect all the necessary information about this industry and analyze its statistical indicators separately. Because in some cases, the introduction of innovation without fully using the maximum capabilities of the enterprise causes excessive costs, which in turn does not have a negative impact on the profitability indicators of the enterprise. they seek to earn more.

After that, if there is a high level of demand in the production entity, it is necessary to take measures to "localize innovations". Some innovations that have proven themselves in world practice may not be suitable for the territory of Uzbekistan, because the regional environment, social influence and various factors differ from each other. Effective management is organized and production stages are facilitated in a production enterprise that correctly integrates innovations with local practice.

In conclusion, if the priority direction of any developing country is to achieve economic growth, it can be achieved by expanding the promotion of innovations. The introduction of innovation is not merely about adopting new technologies but involves fostering a culture of continuous improvement, research, and development within industries. In order to organize effective management in production enterprises, first of all, it is necessary to optimally use the available resources, such as labor, capital, and raw materials, and then, based on the analytical results of the enterprise, it is necessary to implement the appropriate innovation. This includes evaluating current operational processes, identifying bottlenecks or inefficiencies, and introducing technological solutions that align with business objectives.

Furthermore, this requires a comprehensive approach to the issue of integration of foreign experience and local capabilities. Collaboration with global industry leaders, investment in workforce training, and government support in creating innovation-friendly environments are critical steps in ensuring that innovations not only enhance efficiency but also increase profitability and contribute to the country's overall economic development.

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