

IMPORTANCE OF TRANSPORT SYSTEM IN ECONOMIC DEVELOPMENT

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Abstract:

Transport is an indispensable economic activity for any business. It is an instrumental logistics function related to the delivery of goods from warehouses to required locations. Simply put, transport provides essential services for businesses, connecting supply chain partners, i.e., consumers and suppliers, physically. As a result, transport plays a crucial role in strengthening economic relations between countries.

Keywords: transport, logistics, economic system, transport supply, transport demand, logistics industry, infrastructure, digitalization, industry.

Today, many innovations and changes are taking place in the transport sector. New technologies, growing consumer demands, new business models, and others are present. These changes create new opportunities and risks for the industry. It should be emphasized that by developing transport and logistics, resources can be used effectively, and unnecessary costs can be reduced. Additionally, opportunities are created to improve the quality of products and deliver them to their destinations without any damage.

Transport is the market between transport service providers and users. Well-organized transport markets play an essential role in ensuring the mobility of passengers and freight. In such markets, it is necessary to maintain a balance between transport supply and demand. Activities taking place in various sectors of the economic system should be supported by the transport system. The link between mobility and infrastructure can be examined through the following two concepts:

- **Transport supply:** The capabilities of the transport system and infrastructure available in a given geographical area.
- **Transport demand:** The needs for transport, even if these needs are sometimes partially or fully unmet.

Statistical data shows that growth in various sectors of the transport industry is ongoing. The main share of the logistics and freight transportation market belongs to the transport and logistics sectors. The growth of the transport industry is increasing its competitive strength and further strengthening its contribution to the global economy.

The logistics/freight transportation sector includes land (26%) for passengers, freight transportation (17%), air (14%) for passengers, and rail (4%) (PV, 2019). Technology's share in the travel and logistics market is 12% (PV, 2019).

The digitalization of the transport and logistics industry, in general, is significantly impacting the freight industry. Although many changes are occurring, the global freight volume continues to expand. The air freight sector has also seen growth in recent years, which has accelerated due to express parcels and online shopping.

It is important to understand the distinction between transport and logistics sectors. Transport ensures the movement of goods from one place to another, while logistics encompasses broader operations, including packaging, storage, delivery, handling, and other processes. According to statistical data, 25% to 50% of online shipments are returned, indicating the need to improve the efficiency of the logistics sector.

With the growing demands and expectations of consumers, digital transformation is underway, leading to unprecedented changes in the logistics industry. However, it is difficult to predict how this sector will develop in the coming years.

In Uzbekistan's economy, transport and infrastructure hold significant importance. The implementation of an open economic policy is expanding access to new markets. Uzbekistan aims to diversify its exports, continuing to increase export volumes to Central Asia, Russia, China, European countries, and Turkey. The main export partners of Uzbekistan remain China, Russia, and Turkey. In 2019, Uzbekistan's share of total exports to China was 12%, but in 2020, due to the pandemic, it decreased to 10%. Trade relations with Russia and Turkey also hold significant importance.

One of the key factors indicating the economic development of a country is the volume of imports and exports, and the ability to deliver them quickly and without damage is of crucial importance. Moreover, by expanding transport and logistics sectors, excess costs can be reduced, and the efficiency of the economy can be increased.