



## FOREIGN EXPERIENCE IN IMPROVING THE COMPETITIVENESS OF SERVICE ENTERPRISES

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### ANNOTATION

In this article, the author studies and analyzes the experience of foreign countries in improving the competitiveness of service enterprises and offers suggestions and conclusions on the possibilities of use in Uzbekistan.

**Keywords:** Gross domestic product, service, service, competition, competition theory, competitiveness, competition strategy.

The expansion of the service economy in the world also affects the change in the gross domestic product of countries based on developed market economies. The main criterion is that the share of the service sector in the GDP, which is currently being created to include a particular country in the list of developed countries, is higher than 65%. In economically developed countries, the share of services in the gross domestic product is 65-80% [12], the investment in science and innovation is 3.0% of GDP. In addition, 40.0% of direct investments in the world are in the service sector [13].

The experiences accumulated by foreign scholars from different schools over the decades of the last century reflect a vast repository of theoretical and applied research that has influenced the development of economic thought around the world, and especially in the modern era. This is primarily due to the fact that these practices have been successfully applied and applied in the economic policies of many foreign countries, which are an influential force in the world economic arena. Therefore, the study of the experience of foreign countries, in our opinion, may be strategically necessary to increase the level of competitiveness of domestic enterprises and the country, if it is properly adapted to the conditions of Uzbekistan. We therefore conduct a mega-level analysis based on gross domestic product (GDP) indicators and the competitiveness indicators of a number of developed countries to provide a more accurate view of global trends. To do this, we use the data of the World Economic Forum (JIF, Davos) [7] and the International Institute for Management Development (IMRI, Lozanna) [8].

The increase or decrease in the share of key sectors of the modern world economy is characterized by constant structural changes. The fastest growing sector in the world's leading countries is the tertiary sector. The growth of the share of the tertiary sector (or service sector) in GDP reflects the transition of developed economies to the post-industrial stage and contributes to the stability of the economies of developing countries in the world community. In developed countries such as the United States, the United Kingdom, Germany and Japan, 70% of GDP is accounted for by the production of services, a large share of capital investment, as well as a large volume of various intangible assets.

American scientist M. Porter avoided considering industries that are heavily dependent on natural resources in his study of the competitiveness of countries because he believed that such industries did not form the basis of economic development. In his view, “the heart of the economy is small mobile companies”. Porter also advocates a cluster approach in the economy, arguing that the existence of flexible business structures and the competitiveness of large companies is largely determined by the competitiveness of their economic environment, which allows small and medium-sized businesses to form innovative “growth points” in the cluster [1]. In our view, flexible business structures in this economic system are service enterprises. Service enterprises join the manufacturing process as an intermediate link, accumulating scientific knowledge and best practices in engineering, management, labor organization and other fields, as well as forming an intangible infrastructure that ensures the dissemination of innovations throughout the economy.

In recent years, we have compared the leading countries of the world and their share in the service sector in tabular form (table 1):

**Dynamics of the share of the service sector in GDP in a number of countries in 2014-2019 [11]**

**Table 1**

№	Country	Share of services in GDP (%)					
		2014 y.	2015 y.	2016 y.	2017 y.	2018 y.	2019 y.
1.	United States	78%	77%	77%	77%	78%	78%
2.	United Kingdom	69%	71%	71%	71%	71%	71%
3.	Germany	67%	67%	68%	68%	69%	69%
4.	Japan	70%	69%	69%	68%	69%	69%
5.	Russia	62%	61%	61%	62%	62%	62%

Table 1 shows that the share of the service sector is the largest part of the gross domestic product. There are significant changes in the level of development of the service sector in the group of leading countries of the world, where the gross domestic product is large.

**JIF Country Competitiveness Rating 2019 [7]**

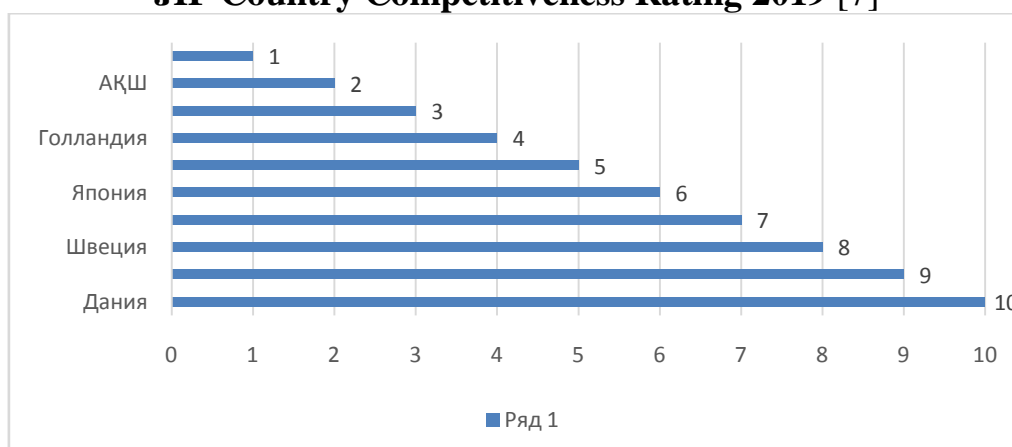


Figure 1. JIF Country Competitiveness Rating 2019

Singapore has become the most competitive economy in the world for the first time since 2010. Singapore's high-growth economy has been driven by its advanced technological infrastructure, healthcare, availability of skilled labor in the labor market, favorable immigration laws, and especially effective ways to set up new service businesses.

The U.S. has been the most competitive country in recent years, and the majority of businesses are in the service sector. The country is the largest trading nation in the world, with trade in finance, real estate and insurance, consulting, information and auditing services developing at a high rate. In addition, other forms of trade in services are developing steadily:

the influx of migrants into the country, the flow of migrants from service providers, service providers in the field of new technologies, business, professional and business services is constantly growing;

the number of consumers of foreign services in education, health, tourism and others is growing [9].

U.S. service businesses often have a small business structure, the emergence of which is largely aided by a economically active population with a high level of education and the subsequent formation of a family business that generates a steady income. These are so-called "living standards" firms that provide a decent standard of living and well-being for certain groups of the population [3]. In America, owners of small and medium-sized firms are sometimes also managers of their enterprises, so they do not always have specialized knowledge, but they have the ability to attract talented workers and delegate authority, which ensures the stability and competitiveness of small and medium firms.

The Hong Kong economy is dominated by the service sector. The service sector is made up of companies of different sizes: domestic and foreign, including transnational corporations (MNCs), and is interested in having many opportunities in the service sector. The main services that have made Hong Kong a major global financial center are financial, insurance, trade, tourism, retail, real estate, transportation and investment services [7].

In the UK, the service sector is the dominant sector of the economy. The most important sectors that have contributed to the development of the sector are tourism, business services, financial and trade services, health and social services [9]. The UK service sector provides employment for the majority of small businesses and accordingly the country's population.

Japan is one of the leading countries in the field of high technology, biomedicine and robotics in the field of scientific research. Banking services, business, household, retail and tourism, transportation and communications play a major role in the Japanese economy [9]. It is closely connected with many medium and small enterprises in the service sector in the country, enterprises in other industries and economic groups.

The most lucrative services for Germany are tourism, banking and financial services. Foreign economic relations play a key role for the economy of this country. Germany is a country with fewer natural resources than other developed countries, and its economic power has come about through closer integration into the world economy due to foreign trade [9]. The country's small and medium-sized businesses are mainly concentrated in the service sector, accounting for almost 50% of all businesses.

Also, the main directions of the service sector in the countries we are studying and analyzing are as follows (table 2):

1. Tourist services.
2. Trade.

3. Technology.
4. Financial services.
5. Educational services.

### The main directions of the service sector in the world

Table 2

№	Tourism	Trade	Technology	Finance	Education
1.	United States	United States	United States	United States	United States
2.	United Kingdom	Germany	Japan	United Kingdom	United Kingdom
3.	Germany	Russia	China	Japan	China
4.	China	China	India	Germany	India

Table 2. The main directions of the service sector in the countries of the world.

Based on foreign experience, we can conclude that we need to pay attention to the need for service enterprises in our country to adopt the experience of developed countries, to move to an innovative stage of development of the country and regions.

Studying and analyzing the priorities, practical and foreign experience and the views of scientists from various schools (Singapore, USA, UK, Germany, Switzerland, Japan, and Russia) to achieve sustainable development of service enterprises in the context of growing importance of post-industrial direction in the economy of our country implementation would be expedient.

Thus, the main services to increase the competitiveness of service enterprises in the country are financial, insurance, trade, tourism, retail, real estate, transport and investment services, as well as highly developed technological infrastructure, skilled labor in the labor market, especially new service enterprises. It is necessary to develop effective methods of organization and an organizational and economic mechanism that will ensure an environment of free competition between them.

Ensuring more sustainable economic growth by creating new vacancies, improving investment, tax, monetary and scientific-technical policies and increasing the competitiveness of service enterprises using new information and communication technologies, qualitative structural changes in the network structure of market services gives This will allow to form a rational structure of production and consumption of services in the country and to further increase the competitiveness of enterprises.

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