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MONITORING INSTRUMENTS FOR THE EFFECTIVENESS OF SMALL-SCALE INDUSTRIAL WASTE

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Annotation: The present situation of monitoring the effectiveness of small industrial zones, indicators for evaluating the efficacy of projects situated in small industrial zones and small industrial zones, and women's effectiveness criteria are discussed in this article.

Keywords: small industrial zone, efficiency, free economic zones industry, income, innovation, entrepreneurship, object, property, capital, cluster

Effective measures have been taken to reform the national economy, liberalize foreign trade, tax and financial policies, support entrepreneurship and ensure the inviolability of private property, organize the deep processing of agricultural products and ensure the rapid development of the regions.

Today, there are 23 free economic zones and 348 small industrial zones in Uzbekistan. 453 projects worth $ 2.6 billion have been implemented in free economic zones and about 36,000 jobs have been created. 1497 projects worth 5 trillion soums have been launched in small industrial zones, which provide employment for more than 36,000 people.

The resolution "On measures to further develop the engineering and communication infrastructure of special economic and small industrial zones" provides for the allocation of 1.6 trillion soums this year to improve the infrastructure of free economic zones and small industrial zones. 584 billion soums will be allocated for the construction of energy, gas, drinking water and sewage networks and roads, 395 billion soums for 145 small industrial zones. 232 billion soums will be allocated for infrastructure projects in 33 underdeveloped districts. 264 billion soums will be allocated for the accelerated development of industry and business. Officials have been instructed to establish strict control over the allocation and targeted use of these funds.

“Entrepreneurs have high hopes that free infrastructure and small industrial zones will solve the difficult infrastructure problem. Therefore, for the first time in the history of Uzbekistan, 1.6 trillion soums were allocated to the zones. These are road infrastructure, electricity, gas and water supply, in general, it is necessary to take measures to address these issues. Of course, it is natural that there is a lack of infrastructure

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in local economic zones. It is necessary to create a separate working group and create a road map for each economic zone. It is necessary to pay attention to quality, quality, once again in all areas, even if we are a month late - there is no answer to the question of what is the volume of imports in 206 districts and cities and what to do about localization, ”said Shavkat Mirziyoyev.

The composition of small industrial zones includes participants engaged in various activities in the field of industries. This, in turn, leads to differences in the production composition of small industrial zones. Therefore, there is a need to assess the financial and economic efficiency of projects included in small industrial zones, as well as the efficiency of small industrial zones. These indicators also play an important role in assessing the status of CSRs and their comparative assessment. Another important aspect of these indicators is that they serve as an information base in determining measures for state regulation and support of CSRs.

Criteria for the effectiveness of CSR include:

• regional efficiency from the establishment of small industrial zones (increase in regional production);

• social efficiency (employment, income);

• financial (receipts to the state, local budgets, payments to various funds);

• environmental efficiency (impact of small industrial zones on the environment).

• Influence on the development of production and service enterprises based on the establishment of cooperative relations with enterprises of the region.

Another indicator of the efficiency of small industrial zones is the efficiency obtained on the basis of the development of cooperative relations between enterprises in the zone (use of one enterprise waste as another raw material), but this effect is difficult to distinguish from the overall effect.

In addition, the small industrial zones themselves create favorable conditions for the effective operation of small businesses. First, the provision of engineering and transport communications in the zone at the expense of the state budget. Second, the production facilities are built to a certain extent. Third, the production area is due to low rents. Fourth, the availability of tax and credit benefits for zone participants. Fifth, the reduction of barriers to starting a business over time, the use of the "Single Window". Sixth, the reduction of project implementation time and construction costs (taking into account the time and cost of construction of infrastructure facilities and production facilities).

Indicators for evaluating the effectiveness of projects located in small industrial zones and small industrial zones:

• Profitability of production costs of a small industrial zone. It represents the gross profit or net profit per sum of the cost incurred to produce the products.

$$P_{u/ч} = \frac{\sum_{i=1}^{n} ЯФ_i}{\sum_{i=n}^{n} C_i} \quad \text{or} \quad P_{u/ч} = \frac{\sum_{i=t}^{\wedge} СФ_i}{\sum_{i=t}^{n} C_i}$$

here: $ЯФ_i$ – i – gross profit of the enterprise; $СФ_i$ – i – net profit of the enterprise, C_i – i – production costs of the enterprise.

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• Return on equity (P_{XK}): used to determine the efficiency of the use of capital invested by the owner of private capital, and this indicator allows to compare with the income that can be obtained when invested in other securities (alternative cost method)

$$P_{xk} = \frac{C\Phi}{XK},$$

here: СФ – net profit; ХК – average annual value of private capital.

In addition, the net present value NPV and the internal normative method of profit (IRR) can be used in the selection of projects for placement in small industrial zones.

Calculating net present value is the basis of the investment decision-making process in a firm [1].

$$\text{NPV} = \sum_{t=1}^{n} \frac{CFi}{(1+k)^t} - \sum_{t=1}^{n} \frac{I_t}{(1+k)^t},$$

participate in the competition on the criteria, if the NPV is ‹0, the project will not be accepted; K is the discount rate; I_t - t – investment in the period;

Net present value plays an important role in comparing alternative projects in the competition for placement of projects in small industrial zones.

An internal normative method of profit. This method is based on the use of the cash discounting principle as a net present value method. It provides information on the value of the discount rate when the net present value of the expected return on the project is equal to the present value of the investment required to carry it out and the internal rate of return on the investment at that discount rate.

The formula for calculating the internal rate of return can be expressed by the following equation:

$$\text{NPV} = \sum_{t=1}^{n} \frac{CF_i}{(1+k)} - I_o = 0,$$

here: K= IRR where IRR is found by solving the above equation. Here, the IRR indicates the upper limit of the bank interest rate on the loan received, and the project is considered effective if the expected outcome of the project is above this interest rate limit.

The above formula can be written in a different way, that is, in a form where practical calculations can be easily performed:

$$\text{IRR} = k_1 + \frac{P(k_2 - k_1)}{P + N},$$

here: P - k_1 net present value at a low interest rate; N - k_2 net present value at a high interest rate; k $_1$ and k_2 differ by one or two points.

1. It is important to identify monitoring indicators for the comparison of small industrial zones and their use in practice.

2. Monitoring indicators are an important information base in the development of measures for government regulation and support of small industrial zones.

[1] Роберт С.Пиндайк, Дэниел Л.Рубинфельц “Микроэкономика”, Калифорний университет, Беркли, пер.с анг., М.: Издательство “Дело”, 2001. 605-610 бетлар.

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3. The system of performance monitoring instruments for small industrial zones can include the following groups of indicators:

1. Indicators of activity and production efficiency:

• production profitability;

• return on total assets;

• turnover ratio of accounts payable;

• Accounts receivable turnover ratio.

2. Indicators of economic development:

• volume of industrial production;

• volume of products sold;

• production capacity index.

3. Indicators for assessing the investment and innovation potential:

• level of innovative activity;

• the share of expenditures on innovative activities in total expenditures;

• cost-effectiveness of innovative activities;

• the share of innovative product in total product.

4. Indicators of resource capacity assessment:

• rate of depreciation of fixed assets;

• renewal rate of fixed assets;

• depreciation rate of fixed assets;

• stock value.

4. Indicators of human resource assessment:

• the share of production staff in the total number of employees;

• labor productivity;

• wage rate.

5. Indicators of the criteria of general comparative analysis of the small industrial zone:

• total land area of the small industrial zone;

• the area of land allocated for production of a small industrial zone and its share in the total land area (useful area);

• income from one hectare (one square meter) of land allocated for the production of a small industrial zone;

• the area of land allocated for the production of a small industrial zone

6. Number of jobs created per 1 hectare (one square meter);

• the area of land allocated for the production of a small industrial zone

Total investment per 1 hectare (one square meter);

• the area of land allocated for the production of a small industrial zone

7. Foreign investment and loans per 1 hectare (one square meter);

• the area of land allocated for the production of a small industrial zone

• Tax revenue to all budgets, funds per 1 hectare.

8. Indicators of the location of small businesses in the small industrial zone:

• land area of a small industrial zone allocated for the placement of small businesses;

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• the number of small businesses that can be located in the small industrial zone according to the plan;

• the degree to which the small industrial zone is filled with small businesses, the ratio of the number of placed small businesses to the number of small businesses that can be located according to plan.

9. Motivating factors to become a member of KSZ include:

• use of transport;

• availability of electricity source;

• economic and scientific-technical potential of the region;

• availability of raw materials and labor resources;

• availability of intermediate products;

• tax and other benefits.

The main performance monitoring indicator of the small scan zone is given in the table below.

Key performance monitoring indicators for small industrial zones

Social	Economical	Indicators of clustering capabilities
• Number of jobs created in the zone • Number of jobs per 1 hectare of production area used • Average wages of workers • Social conditions created for the employees of the zone: availability of health care, kindergarten, postal service, kitchen, shop, car accommodation, sports and health service (for large KSZs)	• Total land area, • hence the area of land used, the area of production. • Number of CBT entities operating in the zone. • Number of workers in the zone. • Zone occupancy rate: the ratio of the number of SMEs located in the zone to the number of small businesses that can be located according to the plan. • Total income, income per hectare of production area, profit (by project and zone) • Revenues to the central and local budgets • The volume of industrial output per year in the zone • The share of exports in the total product, the share of innovative products and knowledgeable products. • Number of enterprises exporting products, enterprises producing innovative products.	• Opportunities to establish enterprises that provide services to key producers: production of intermediate products, supply of raw materials; • insurance, postal, qualified personnel, export, engineering, information technology services, • opportunities for transportation, warehousing and other services. • Increasing the level of cooperation of enterprises within the zone; • Increasing the level of cooperation of enterprises within the zone with local industrial enterprises; • Interaction with higher education institutions and research institutes.

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	• Project efficiency and payback period.	

In addition, the creation of incentives for small businesses to effectively operate enterprises located within the zone, including: the provision of small industrial zones with engineering and transport communications at public expense; production facilities, built to a certain extent; low rent for production space; availability of tax, customs, credit and other benefits for zone participants; reduction of barriers to starting a business over time, ie the use of the "single window" service; Availability of shops, kitchens, car accommodation and other service facilities in Tashkent KSZ.

The cost of development and operation of businesses will be reduced as a result of the projects developed at KSZ.

Transfer of three different types of basic monitoring equipment for a small industrial zone (social, economic and zoning clustering tools).

Small industrial zones establish a production system, build it, and exert a great deal of control over it. These criteria serve as a database to aid small industrial zones in identifying essential information sources.

Raw resources, technology, qualified employees, financing, and innovation are the most essential aspects impacting the establishment and growth of small industrial zones.

There are 31 small industrial zones in urban areas and 56 in district regions, according to the placement of small industrial zones in urban and district areas. In terms of product type production, small industrial zones in the city produce a wide range of items that differ in technological level from those produced in small industrial zones in the districts. For example, Tashkent's Yakkasaray small industrial zone produces over 50 different goods from nine different sectors. The district's minor industrial zones generate a maximum of three to four different types of products.

In order to analyze the state of small industrial zones and compare them, efficiency monitoring

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indicators have been devised. The following are the many sorts of efficiency criteria for small industrial zones:

- regional advantages (increased regional industrial production);
- social efficiency (employment and income);
- financial: revenues from state, local, and other sources;
- environmental: the influence of small industrial zones on the region's ecology;
- product diversification, synergistic efficiency, and other benefits based on the formation of cooperative relationships with regional businesses.

The advantages gained in KSZ will result in a shorter project implementation time and lower construction costs.

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