



## Article

# Trends and Dynamics of The Development of The Service Sector in The Samarkand Region

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**Abstract:** This article analyzes the trends and dynamics of the development of the service sector in the Samarkand region. The study examines the growth of the service industry, increase in investment volume, implementation of innovative technologies, and methods for enhancing competitiveness in terms of their impact on economic development. Furthermore, the paper discusses innovative management strategies, effective marketing policies, financial and infrastructural development, and mechanisms to improve economic efficiency. The research findings highlight that digitalization, technological integration, improvement of the entrepreneurial environment, and investment-oriented approaches play a crucial role in ensuring the sustainable development of the service sector in the Samarkand region.

**Keywords:** Service Sector, Economic Development, Competitiveness, Innovative Management, Investments, Technologies, Infrastructure, Marketing, Entrepreneurship, Financial Efficiency, Digital Transformation, Business Development

## 1. Introduction

Nowadays, the service sector demonstrates its development characteristics by improving the quality of life of the population, developing human capital, and creating the necessary conditions for cognitive (knowledge and thinking) factors. In this process, issues of increasing the efficiency of the use of economic resources in the sector are of particular importance and it plays an important role in socio-economic development [1].

That is why the Strategy of Actions on five priority areas of development of the Republic of Uzbekistan for 2017-2021 "Rapid development of the service sector, increasing the role and share of services in the formation of gross domestic product, radically changing the structure of services provided, primarily due to their modern high-tech types" defined as an urgent task [2].

The development of the service sector in the Samarkand region is considered one of the main directions of socio-economic development. This sector is considered an important factor in ensuring the well-being of the population, expanding employment, and economic development [3].

## 2. Materials and Methods

The methodology for this research article involves a combined qualitative and quantitative analysis aimed at examining the trends and dynamics of service sector development in the Samarkand region. Initially, the study adopts a comprehensive review

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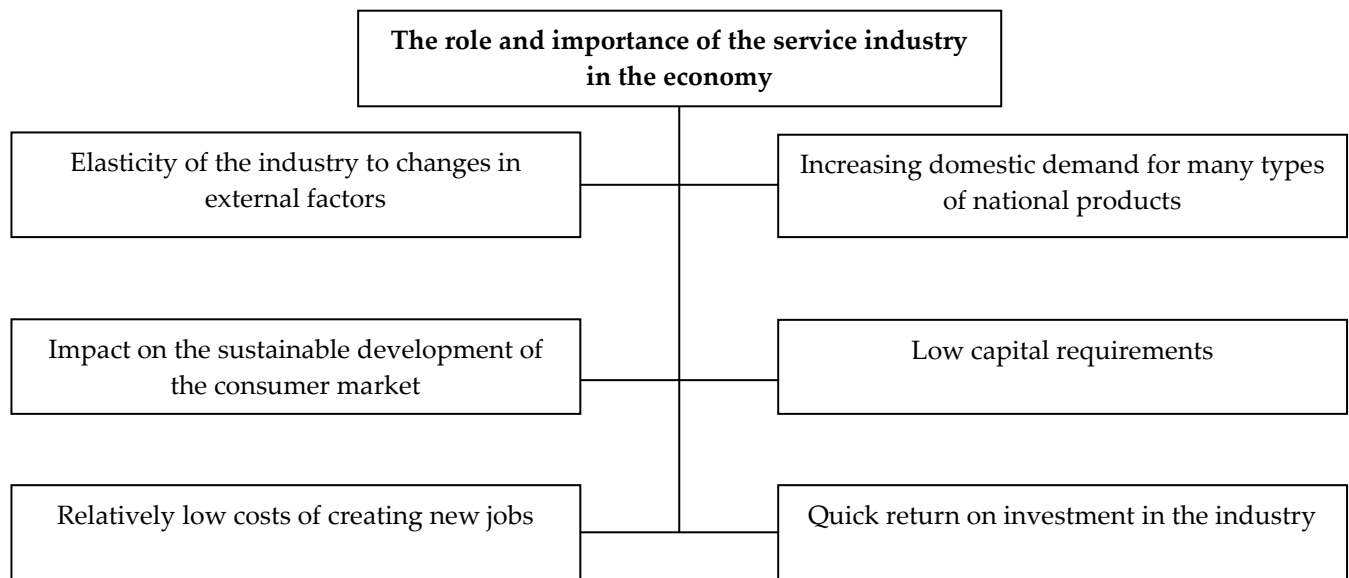
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of existing scientific literature and policy documents, including the Strategy of Actions for Uzbekistan's development, to frame the theoretical foundation and understand the regional significance of the service sector. Official statistical data from the State Statistics Committee of Uzbekistan serves as the primary quantitative source, enabling a detailed assessment of key socio-economic indicators such as GDP growth, investment levels, employment rates, and productivity trends from 2011 to 2024. Comparative analysis methods are employed to track growth trajectories within sub-sectors, particularly trade, transport, finance, hospitality, and communication services, thereby identifying their relative contributions to regional economic development. Additionally, the research emphasizes examining the impacts of digitalization, technological integration, innovative management strategies, and infrastructure improvements on enhancing sectoral competitiveness and economic efficiency. Analytical reasoning guides the interpretation of data to recognize persistent gaps, such as productivity constraints and disparities between rural and urban service accessibility. Based on these insights, targeted recommendations are proposed to stimulate further growth, including advocating increased investments, modernization of infrastructure, promotion of digital technologies, and refinement of managerial approaches. The methodology ensures robust outcomes by integrating statistical analysis with theoretical insights, thus providing a holistic understanding of the critical factors influencing sustainable service sector development in Samarkand.

### 3. Results and Discussion

The results of the research reveal notable trends and dynamics in the development of the service sector in Samarkand region. Statistical data from 2011 to 2024 illustrate significant growth in the overall volume of services, expanding approximately threefold, reaching nearly 30,000 billion soums by 2024. Despite this growth, the service sector's contribution to regional GDP decreased slightly from 44% in 2016 to 33.8% in 2020, highlighting underlying productivity challenges. Employment data indicate substantial job creation within key sub-sectors: employment increased notably in housing and communal services by 57.6%, transport and communications by 47.5%, and finance and insurance by 46.3%. The trade, catering, and supply sector experienced a 33.5% growth, reflecting active market expansion [4]. However, employment faced a temporary decline of 3.9% between 2018 and 2020 due to external shocks such as the global pandemic. An essential finding was the uneven geographical distribution of service development; urban areas significantly outperformed rural regions, indicating untapped rural potential. Furthermore, sectors such as financial services, architectural engineering, and tourism-related hospitality notably expanded, influenced by increased infrastructural investments and digital integration. However, productivity challenges persist, necessitating strategic interventions. Overall, the study highlights that sustained sectoral growth, investment attraction, and improved managerial practices are pivotal to maximizing economic impact and increasing regional competitiveness. Strengthening rural service access and integrating digital technologies emerge as critical areas requiring focused policy and investment initiatives [5].

Figure 1 highlights the strategic importance of the service sector within the economy, emphasizing key advantages such as high elasticity to external economic changes, positive impact on consumer market sustainability, relatively low capital requirements, increased domestic demand, affordability in job creation, and swift investment returns. This figure underlines why prioritizing the service sector is economically beneficial for regional development [6].



**Figure 1.** The role and importance of the service industry in the economy

The role of the service sector in the economy and important trends in its dynamics become apparent in Samarkand region. When analyzing Table 1. the growth of GDP from 2016 to 2024, a stable growth trend is observed in the regional economy. In 2016, GDP increased by 108.7%, while by 2020 this figure amounted to 104.1%. In addition, in 2023, GDP amounted to 74,115.3 billion soums, and for 2024 we can see that it will exceed 88,000 billion soums. This indicates that the overall growth rate of the economy in the region is maintained and strengthened. The total volume of services, in turn, has also grown with a certain dynamics. In 2016, the total volume of services increased by 110.3% compared to the previous year, while in 2020 this figure reached 102.6%. In 2023, the total volume of services amounted to 28,520.1 billion soums, and for 2024 it is indicated that it will exceed 30,000 billion soums [7].

Table 1 presents major socio-economic indicators of Samarkand region from 2016 to 2024, illustrating steady growth across various economic measures. GDP exhibits continuous growth, surpassing 88,000 billion soums by 2024, indicating robust economic health. The table also reveals dynamics within sub-sectors, particularly services, which consistently expanded from 6,594.4 billion soums in 2016 to an expected 30,000 billion soums in 2024. Despite general growth, the share of the service sector in GDP shows a slight decline, indicating productivity issues within certain service categories such as trade and catering, necessitating targeted strategic interventions [8].

**Table 1.** The main socio-economic indicators of the development of Samarkand region.

#	Indicators	Size unity	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	GDP	billion soums	14999.9	18133.4	31187.4	37593.9	42378.1	53749.9	62440.3	74115.3	88000
		Past per year relative, %	108.7	102.8	99.3	104.1	102.4	108.8	116.2	118.7	118.7
		billion soums	14671.2	17739.9	30659.5	36479.7	41469.8	52640.7	68869.4	72726.1	76500
2	Yalp added value	Past per year relative, %	108.7	102.8	101.3	104	102.4	108.8	130.8	105.6	105.6
		billion soums	328.7	393.5	1620.5	1114.2	908.3	1109.2	1574.1	1389.2	1500

	Goods and net taxes on export-import transactions	Past year relative, %	107.9	102.2	147.1	105.9	102.5	109.5	-	107.9	107.9
		billion soums	3687	4386.3	6264.2	7604.5	19452.5	10927	13474.5	15419.8	16400
4	Industry product ( construction added in case )	Past year relative, %	109.4	100.4	112.7	108	103.1	112	-	106.6	106.6
		billion soums	4389.8	5772.6	15350.5	17481.5	8594.6	23622.4	24652.2	28786.2	30000
5	Village farm products	Past year relative, %	105.6	101.4	94.4	102.2	104.4	104.6	-	104.4	104.4
		billion soums	6594.4	7581	8968	11393.7	14318.7	18091.3	22739.5	28520.1	30000
6	Total services	Past year relative, %	110.3	105	104.1	104.4	102.6	112.5	-	106.2	106.2
		billion soums	1416	1661.2	1987.5	2375.4	2762.8	3355.7	4190.8	5188.3	5800
10	Trade , living and eating according to services	Past year relative, %	108.1	102.7	103.4	104.1	101.4	109.9	-	112.1	112.1
		billion soums	1639.2	1801.6	2118.1	2342.1	2580.4	3384.8	3876.6	4907.8	5500
11	Transportation and storage , information and communication services	Past year relative, %	107.4	105.3	107	103.9	100.3	124.7	-	112.1	112.1
		thousand US dollars	3539.2	4118.2	4862.1	6676.2	8079.5	-	14672.1	18424	19000
12	Other services	Past year relative, %	107.9	105.7	103	104.6	100	-	-	103	103

The share of this sector in GDP is also noteworthy: in 2016 it was 44.0%, while in 2020 this figure decreased to 33.8%. This decrease may be due, first of all, to the poor trend in labor productivity in the service sector.

As the leading sectors of the service sector, trade, accommodation and catering services are of particular importance. In 2016, this sector grew by 108.1%, while in 2020 this figure fell to 101.4%. In 2023, this sector reached 5188.3 billion soums, and for 2024 it is worth noting that it exceeded 5800 billion soums. A decrease in labor productivity is also observed in this sector, which affects the overall economy [9].

There is also a growth trend in the field of transportation and storage, information and communication services. In 2016, this sector grew by 107.4%, but in 2020 it fell by 100.3%. In 2023, this sector amounted to 4907.8 billion soums, and for 2024 it increased by 5500 billion soums. Stable growth is also observed in the field of agricultural products. In 2016, this sector grew by 105.6%, but in 2020 it reached 104.4%. In 2023, it amounted to 28786.2 billion soums, and for 2024 it increased by 30000 billion soums [10].

There is also a growth trend in the industrial sector. In 2016, this sector grew by 109.4%, and in 2020 it reached 103.1%. In 2023, this sector amounted to 15,419.8 billion soums, and for 2024 we expect an increase of 16,400 billion soums.

The service sector has become the main part of the economy of Samarkand region. It is necessary to work on trends in the growth of this sector, its share in GDP and labor productivity. Such studies help to develop the regional economy more effectively [11].

It contains important information on the dynamics of the number of people employed in the economic sectors and industries of the Samarkand region for 2011–2024, the general development trend of the regional economy, the relevance of the service sector, and the distribution of labor resources. Based on the analysis of the data provided, the following main results were achieved.

The total number of jobs in the Samarkand region increased by 30.1% between 2011 and 2024. This indicates an increase in employment and stable economic development in the region [12].

Separately, we note that from 2011 to 2020, the total number of jobs increased by 19.0%, and by 2024, this figure will exceed 1,600,000 people.

However, between 2018 and 2020, the total number of jobs decreased by 3.9%, which is explained by the impact of the pandemic, global economic downturns, and other objective factors.

The share of the total number of people employed in the service sector has increased by 15.3%, which means the importance of the service sector in the region and the effect of measures aimed at its development [13].

High growth rates were observed in certain sectors of the service industry:

Housing, communal economy and household services: The number of jobs in this sector increased by 57.6%. This indicates the development of infrastructure projects, utility facilities and household services in the region.

Transport and communication: The number of jobs in this sector increased by 47.5%. This means that it is the result of investments aimed at the modernization of transport infrastructure in the region, the creation of logistics centers and the development of communication technologies [14].

Finance, lending and insurance: The number of jobs in this sector increased by 46.3%. We are all witnesses to the development of the financial sector and the expansion of the banking network in the region.

the trade, catering and supply sector increased by 33.5%. This means the active development of the trade network in the region and the expansion of the consumer market.

The number of jobs in agriculture and forestry increased by 29.9%. This indicates the relevance of agriculture in the region and the effectiveness of measures aimed at its development. In particular, employment has increased in the grain, melon and livestock farming sectors.

The number of jobs in the industrial sector increased by 49.0%. This leads to the intensive development of the industrial sector in the region, the construction of new manufacturing enterprises, and an increase in export potential.

The number of jobs in the construction sector increased by 37.2%. This is a model of the active development of the construction sector in the region, the construction of new housing estates, infrastructure facilities, and social products, as can be seen in the example of the Samarkand region.

The number of jobs in the field of healthcare, sports and social security increased by 15.5%. This is the result of measures aimed at improving the healthcare system in the region and training new doctors and medical workers.

The number of jobs in the field of education, culture, art, science and scientific staff increased by 11.2%. This means that it is the result of investments aimed at improving the education system in the region, and developing the fields of culture and science.

The total number of jobs decreased by 3.9% between 2018 and 2020, which is explained by the impact of the pandemic, labor migration, labor market stagnation, and other objective factors.

By 2024, the region is expected to see increased employment, a boom in the service sector, and sustainable economic development.

Table 2 provides detailed employment statistics in Samarkand region from 2011 to 2024, illustrating significant labor market expansion of 30.1%. It indicates high employment growth rates in various sub-sectors, notably housing and communal services (57.6%), transport and communication (47.5%), finance (46.3%), and trade and catering (33.5%). Despite overall positive trends, the table acknowledges employment reduction between 2018 and 2020 due to the pandemic's impact. These figures clearly demonstrate the centrality of the service sector in job creation and underline the necessity of continued investment and management improvements to sustain regional economic growth.

**Table 2.** "Employment Dynamics by Economic Sectors in Samarkand Region (2011–2024)"

<b>The number of people employed in economic sectors and sectors in Samarkand region ( year per thousand people )</b>						
<b>Indicators</b>	<b>2011.</b>	<b>2016.</b>	<b>2018.</b>	<b>2020.</b>	<b>2024.</b>	<b>2011-2024 growth , %</b>
<b>Points – total :</b>	1229.9	1443.9	1523.1	1463.3	<b>1600</b>	<b>30.1</b>
<b>From this :</b>						
Village and forest farm	346.3	422.3	433.1	410.9	<b>450</b>	<b>29.9</b>
Industry	134.4	156.9	186.1	181.4	<b>200</b>	<b>49</b>
Construction	80.2	99.5	109	99.5	<b>110</b>	<b>37.2</b>
Transport and communication	61	80.7	82.5	79.3	<b>90</b>	<b>47.5</b>
Trade , general eating and supply	138.6	168.6	171.4	168.7	<b>185</b>	<b>33.5</b>
Housing utility economy , household service to show	47.6	67	68	67.3	<b>75</b>	<b>57.6</b>
Health storage , sports and social supply	103.9	109.1	112.7	108.3	<b>120</b>	<b>15.5</b>
Education , culture , art , science and scientific h.k.	197.8	207.4	210.9	203.4	<b>220</b>	<b>11.2</b>
Finance , lending and insurance	4.1	4.5	5.3	5.1	<b>6</b>	<b>46.3</b>
Others	116	127.9	144.1	139.4	<b>150</b>	<b>29.3</b>

From Table 2. the number of employed people in Samarkand region increased by 30.1% during 2011–2024. This indicates the stable development of the economy in the region, the relevance of the service sector, and the efficiency of the allocation of labor resources. On the other hand, the work done in relation to the unemployed part of the population is still insufficient, and comprehensive measures should be taken to solve these problems.

Development of services and service industries in Samarkand region: socio-economic analysis

In Samarkand region, the service sector is one of the main directions of socio-economic development of the region. According to the data provided, the total volume of services in 2020 amounted to 14318.7 billion soums, which is an increase of 82.3% compared to 2016. The growth rates for each sector and industry and their contribution to the regional economy are analyzed. During 2016–2023, the total volume of services increased by 3.7 times. This indicator, which was 7852.8 billion soums in 2016, will reach



28992.0 billion soums by 2023, which indicates the relevance of the service sector in the region and the effectiveness of measures aimed at its development.

Services in the field of architecture, engineering research, technical testing and analysis:

The volume of services in this sector has increased by 9.5 times. This is the result of investments in the construction of architectural and infrastructure projects in the region, including the creation of new industrial enterprises, residential areas and other facilities.

The volume of services in the field of financial services increased by 8.8 times. This indicates the expansion of the bank network in the region, the development of lending and insurance services.

The volume of services in the field of accommodation and catering services increased by 9.2 times. This means that it is the result of measures aimed at the active development of tourism in the region, including the creation of hotels, restaurants and other tourism infrastructure.

The volume of services in the field of educational services increased by 5.4 times. This is the result of investments aimed at improving the education system in the region, building new private schools, universities and knowledge centers.

The volume of services in the field of healthcare services has increased by 5.5 times. This is the result of measures aimed at modernizing the medical system in the region and training new doctors and medical workers.

The volume of services in the field of transport services increased by 2.8 times. Separately, auto transport services increased by 2.6 times, which means that it is the result of investments aimed at the development of transport infrastructure and the creation of logistics centers in the region.

The volume of services in the field of trade services increased by 3.0 times. This means that it is the result of investments aimed at the active development of the trade network in the region, the expansion of the consumer market and the creation of trade centers.

The share of services in rural areas was 54.0% in 2012, while by 2020 this figure had increased to 57.0%. This indicates that the development of the service sector in rural areas has not developed much. The per capita share of services in rural areas is significantly lower than in urban areas, which means that there is still great potential for the development of the service sector in rural areas.

#### **4. Conclusion**

In conclusion, the development of the service sector in Samarkand region is an important component of economic growth. The results of the study show that the growth of the service sector has a positive impact on economic stability, employment and well-being of the population in the region. Attracting investment, introducing digital technologies and applying innovative management strategies were identified as necessary factors for the effective development of the sector [15].

Also, the results of the research gave suggestions on the existing problems in the field, in particular, on increasing labor productivity, modernizing the infrastructure, and strengthening competitiveness. It is recommended to ensure continuous development of the industry through public and private sector cooperation, improve market mechanisms and implement innovative approaches.

Based on the results of the research, directions for further development of the service sector in Samarkand region were determined. These areas are aimed at increasing the efficiency of the sector, strengthening its investment attractiveness and bringing it into line with world standards [16].

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