

## THE ESSENCE OF THE EFFICIENCY INDICATORS OF CONSTRUCTION WORK IN THE ECONOMY

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**Abstract.** *This article examines production efficiency, capital investment absorption and return on investment, quality requirements for the construction industry, influence of consumers on production, production technology of construction products, material consumption, influence on external influences.*

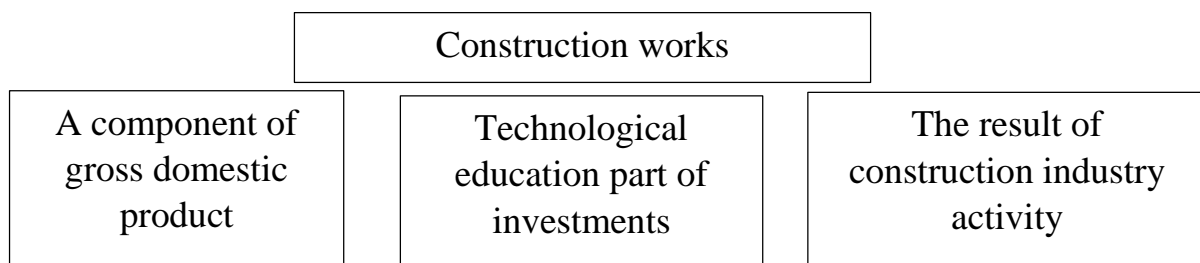
**Keywords:** *construction work, efficiency, investment, industry, quality, demand, technology.*

**Introduction.** Speaking about the term "construction work", we should emphasize that it is used in several meanings in normative and statistical documents. The following definition of construction works is given in the republican statistical collections:

Construction work is the result of construction production as a complex of construction, restoration, expansion, capital and current repair works of buildings and structures. The cost of construction works includes drawing up and preparing a plan for the development of construction sites, water supply, heat, sewage, installation of foundations, raising walls, sanitary-technical works of building constructions, other contract works (commissioning and adjustment, hydrowashing, opening of the soil layer, technical and cultural works, etc.) are included.[1]

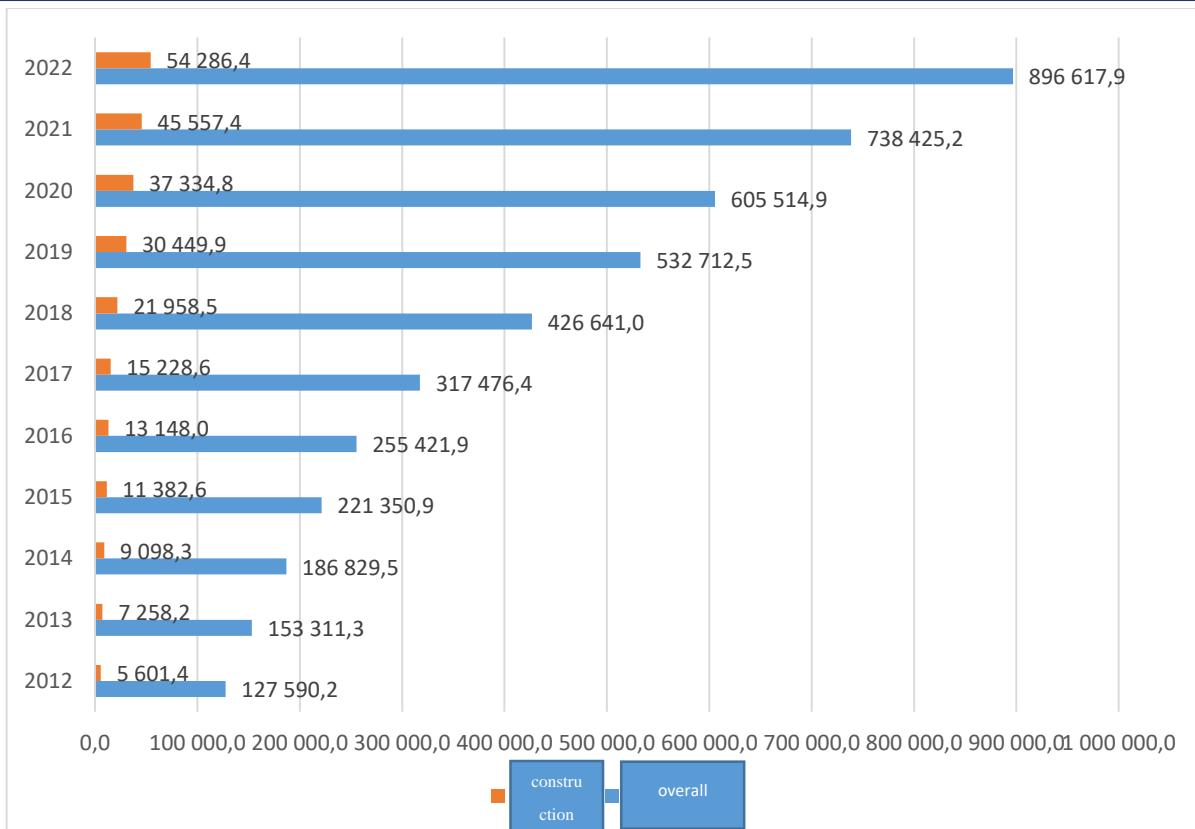
**Research methodology.** Systematic approach, abstract-logical thinking, grouping, comparison, factor analysis, selective observation methods were used in the research process.

**Analysis and results.** Construction works are presented in all statistical data as a result indicator of the construction sector of our country. Therefore, in researching the content of construction works, we based ourselves on the analysis of their reflection in official data. "Construction work" is represented in the official database in several forms (Fig. 1).



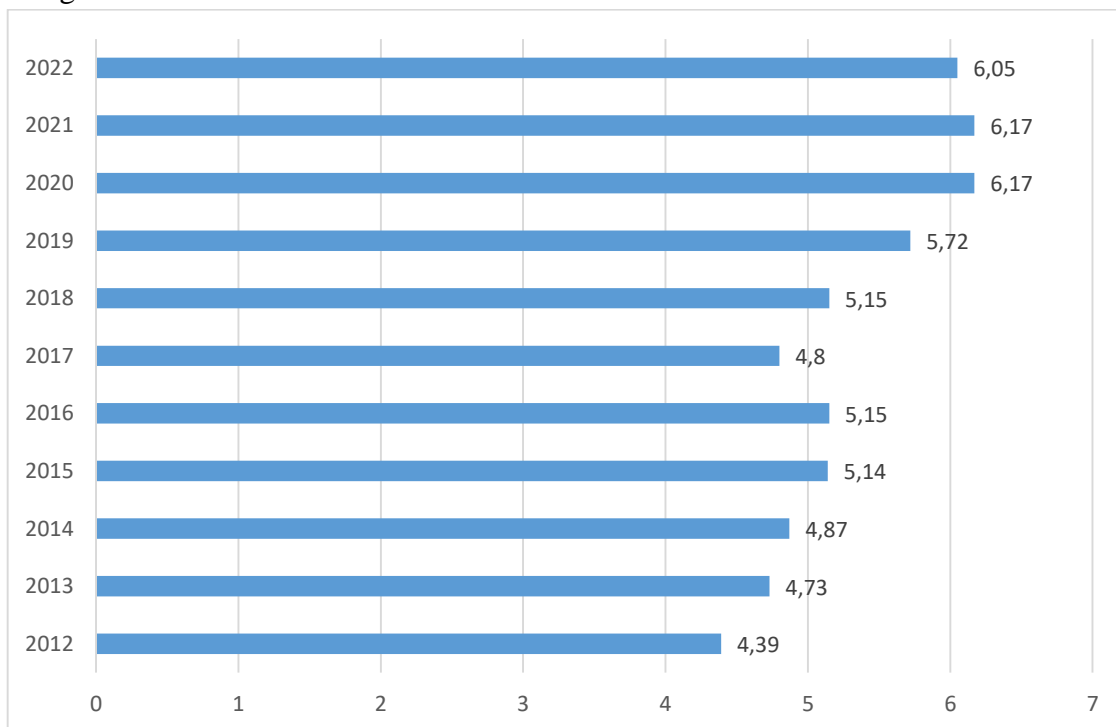
**Figure 1.** *The meaning of the term "Construction works".*

The first form of construction works shows the contribution of industries and sectors to the gross domestic product of our country. For example, in the block of macroeconomic indicators of statistical reports, the term construction works is analyzed as an object that contributed to the gross domestic product, i.e. shows the size and share of added value created in the construction sector.



**Figure 2. The volume of the gross domestic product of the Republic of Uzbekistan in the section of economic activities**

As can be seen from the diagram, the growth rate of the gross domestic product has been accelerating in the last five years, while the share of construction works in the GDP is also increasing.



**Figure 3. The share of construction works in GDP, in %.**

The chart in Figure 3 shows that after 2018, the contribution of construction to GDP has exceeded six percent, which is 20% more than the previous five-year average. This trend continues in 2023. This indicator confirms that the construction sector occupies a significant place in the economic potential of our country.

The second form of the term construction works is reflected in its technological structure in investment statistics. In this case, in the statistics of investments and construction, among the total investments made in the fixed capital, the production of machinery, equipment, vehicles and household equipment, construction works and other expenses are allocated. In this context, construction works appear as a separate element in the cost structure of investments. (Table 1)

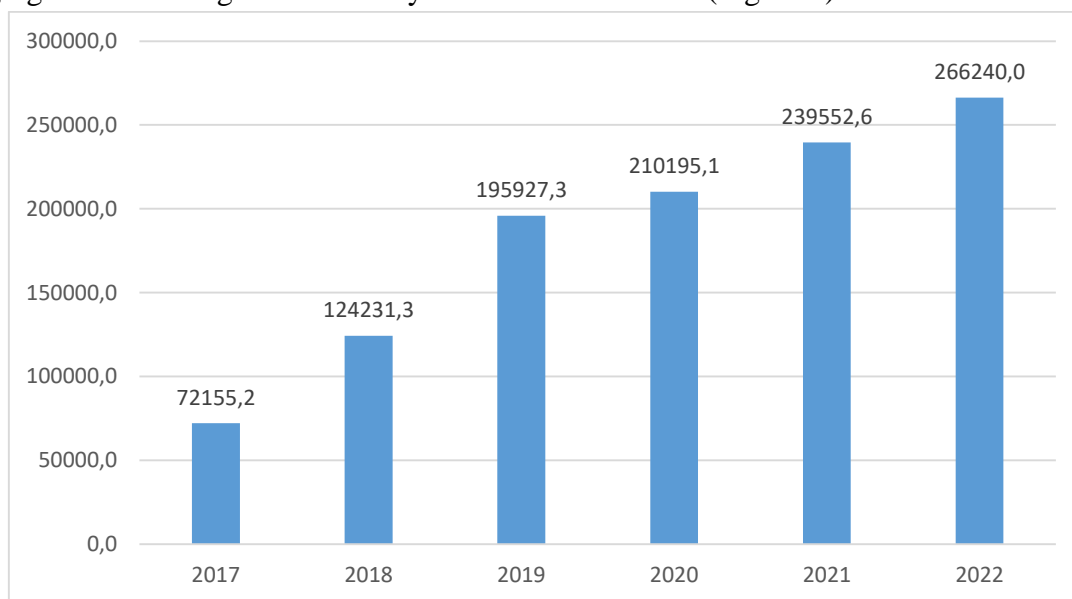
**Table 1.**

***Contribution of construction works in the composition of investments in the Republic of Uzbekistan.\****

No	Indicator name	Amount by years					
		2017	2018	2019	2020	2021	2022
1	Total investments in fixed capital, billion soums,	72155.2	124231.3	195927.3	210195.1	239552.6	266240.0
	Technological composition of investments, in %						
2	construction works	53.4	49.7	43.3	42.3	43.2	48.6
3	machine, equipment, inventory	32.8	39.7	49.2	51.7	51.3	44.5
4	others	13.8	10.6	7.5	6	5.5	6.9

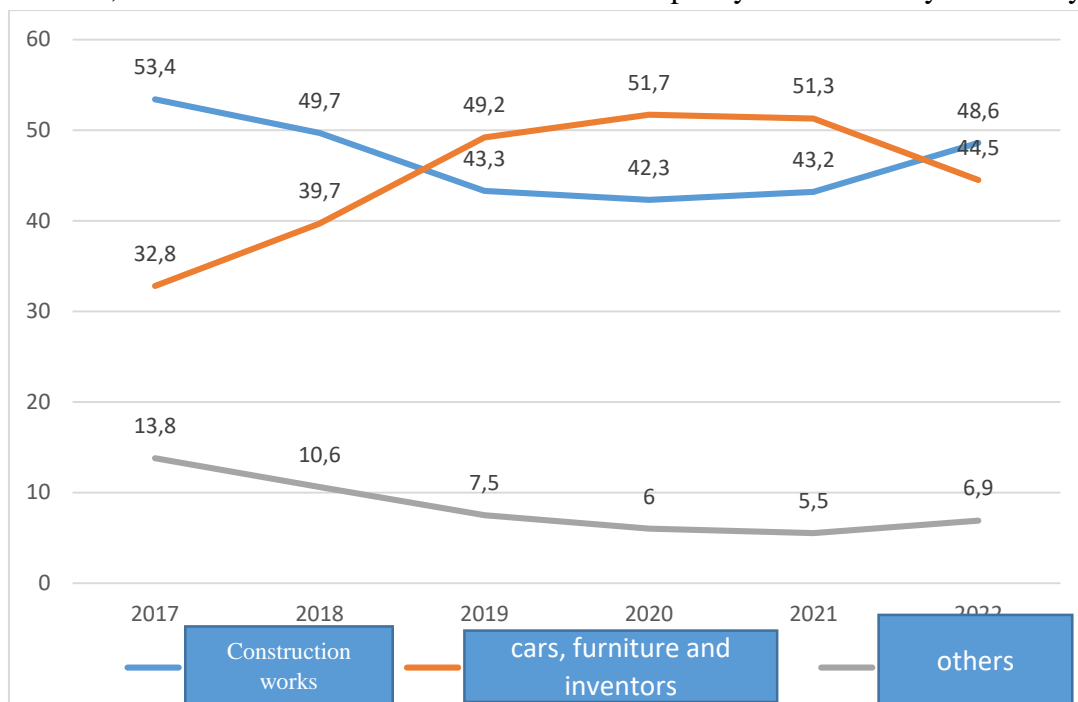
\*- The table was compiled by the author based on the data of the Statistical Agency under the President of the Republic of Uzbekistan.

As can be seen from the table, the volume and composition of investments is constantly changing. Let's use diagrams to clearly show these numbers. (Figure 4)



**Figure 4. Investment growth rates**

From this figure, it is clear that the rate of growth of investments in the period after 2019 is slowing down. On the one hand, this depends on the investment policy of our country, and on the other hand, it indicates a decrease in the investment capacity of our country's economy.



**Figure 5. Changes in the share of elements in the composition of investments, %.**

The technological composition of investments shows their distribution according to the types of capital and fixed assets being created. Investments in machinery, equipment, and inventory fill the asset part of fixed assets, i.e., the main means of production related to making a profit. Construction work increases the passive part of fixed assets, that is, it serves to further expand production conditions. Other expenses in the pursuit of investments are mostly related to the conditions of investment utilization (preparation of investment projects, justification, organization and management of investments) and do not contribute to the increase of fixed assets. The following conclusions can be drawn from the diagram data in Figure 5:

- the decreasing share of other costs in the technological structure of investments indicates their effective use;
- the share of expenses spent on construction works and machinery and equipment is approximately at the same level;
- In 2019-2021, the increase in expenses for machines and equipment indicates the rapid growth of active capital.

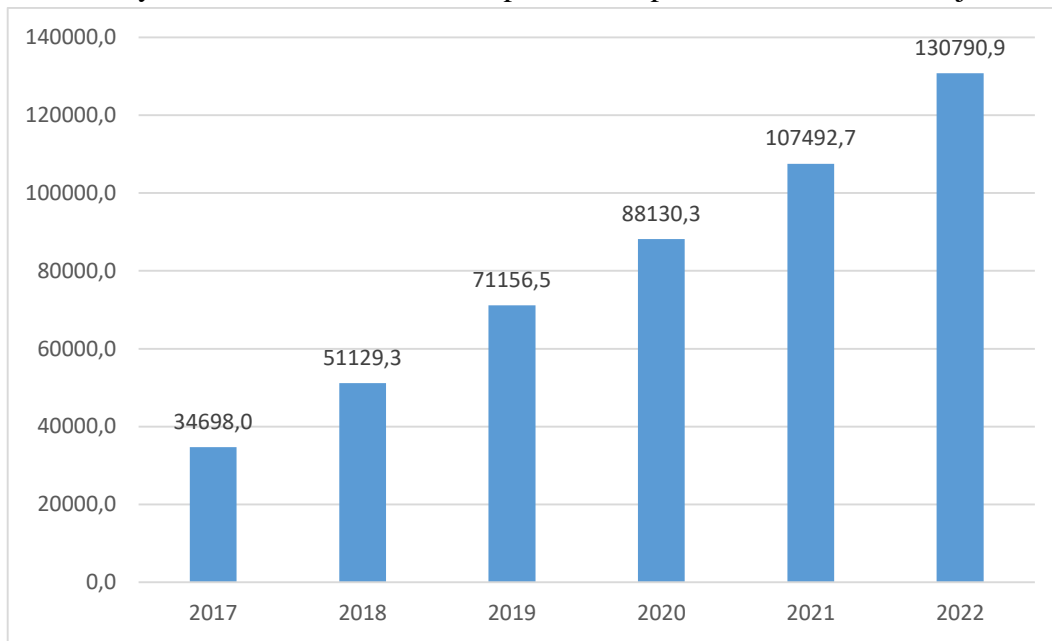
When we talk about the third form of the term construction works, it reflects the final result of economic activity in the construction sector and statistical reports show the volume of work performed by all construction organizations and enterprises. (-6 pictures)

As can be seen from Figure 6, the volume of construction works has grown steadily during the observed period, which means that the economic policy in the construction sector has a positive effect on its development.

If we pay attention to statistical data, the average annual growth rate during this period was 25.6%, and in 2020 during the coronavirus pandemic, the annual growth rate was 23.6%.

It should be noted that the above definitions and terms do not fully reflect the specifics of construction production, that is, they only reveal its impact on the economy. In order to analyze

the essence of construction works, it is necessary to study another important aspect of them. For this, it is necessary to look at the construction production process as a research object.



**Figure 6. Changes in the volume of construction works performed in the Republic of Uzbekistan in 2017-2022.**

Construction work is a complex of construction processes, the result of which is the final construction product, i.e. finished constructions, or their parts and elements.

Construction work is a complex of all specialized and special works performed on the construction site. The name of the work is associated with the type of material processing (for example, earthwork, concrete work, bricklaying work), or structural elements of the building (roofing work, electrical installation work, finishing work).

Construction work is a complex of practical actions performed during the construction of buildings and structures. The work included in them consists of specific stages and processes.

In our opinion, the criterion of the effectiveness of quality management in construction work should not be the maximization of quality at any cost, but the formation of an acceptable level of quality. It depends on the following features of construction production:

- construction is an investment sector of the national economy, in which production efficiency is very important for the absorption of capital flows and the return of investments;
- quality requirements (needs) for the construction industry are set outside the market, so the influence of end consumers on production is much lower than in other industries;
- construction products are also unique in terms of production technology (complexity, multi-component, material consumption, exposure to external influences, etc.), which determines the importance of the organization's production function.

Improving the quality of construction is not only an important national economic task, but also a complex scientific and methodological problem, the solution of which can be the basis of economic reforms in capital construction. The thesis about the need to improve the quality of construction is very common in scientific and methodological literature. The main focus of most authors is on the mechanism of controlling the occurrence of defects and measures to prevent and eliminate the causes of their occurrence. However, world experience shows that a significant increase in product quality can be achieved only on the basis of the implementation of a

comprehensive quality management system that meets the ISO-9000 series international standards and EN-14000 European standards. It is known that the quality management standard has a recommendatory nature and is used as an additional tool to increase the economic efficiency of manufacturers. At the same time, before introducing a quality management system in construction organizations, an important methodological problem must be solved: from which quality level does the calculation correspond and to which quality level of this construction organization? This issue is not only of theoretical importance, because the definition of the current position and the final goals is the starting point for the implementation and effective operation of the quality management system. We are talking about the normative level of the quality of construction work, which is the point of contact between the interests of the customer (representative of consumers of construction products) and the construction organization (seller of construction products). Under the standard level of construction quality, we understand the ratio of construction quality and costs, which ensures minimization from both the seller and the developer organization.

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