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## THE ROLE OF CLUSTER IN CONSTRUCTION MATERIALS INDUSTRY

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### ABSTRACT

*This article analyzes the construction materials industry of the Republic of Uzbekistan, its importance and provides recommendations for improvement on the basis of an innovation cluster. Strategic approaches are produced only in the separated regions. That's why it is important to form strategic approaches for development of innovational construction materials. The experience of developed countries shows that there is no single unified mechanism for creating, developing and stimulating clusters. As noted in the Address of the President of the Republic of Uzbekistan ShavkatMirziyoyev to the Oliy Majlis on December 29, 2020: "From now on, each village or mahalla will be developed based on its direction and growth points.*

**KEYWORDS:** *Construction Materials Industry, Material, Cluster, Investment, Capital, Commercial Bank, Interest Rate, Draft.*

### INTRODUCTION

The most prior issues of these days are reducing the participation of the country in economics, increasing the efficiency of ruling system in construction materials industry, promoting the organizations that are dealing with recycling local materials, diversification of locally produced materials and expanding the export and attracting investment to our network. By this, the purpose of extending the proportion of construction industry in the country's economy and building materials industry is stated. As noted in the Address of the President of the Republic of Uzbekistan ShavkatMirziyoyev to the Oliy Majlis on December 29, 2020: "From now on, each village or mahalla will be developed based on its direction and growth points. To this end, I propose to create a regional infrastructure development fund worth 3 trillion Uzbek sum on the next year. The fund will be used to co-finance infrastructure projects based on suggestions from local councils. Furthermore, 100 techno parks, small industrial zones, regional clusters and

logistics centers will be established in 84 districts and cities to further increase the industrial potential” [2].

Construction materials industry is one of the big fields of country’s economy and it contains a number of fields and it is the main part of construction fund, the price of construction materials organizes the costs of construction manufacture. Additionally, delay in innovational development of construction materials industry leads to quiescency of the whole construction complex, the reason of the case is using old materials technologies and the cost of buying them.

Nowadays, there is no single policy in developing construction materials, more specifically innovational construction materials. Strategic approaches are produced only in the separated regions. That’s why it is important to form strategic approaches for development of innovational construction materials. Organizing construction clusters in areas make way for linking this field with the policy of the country and the benefits of other participants of construction complex and scientific base.

By the information provided above, economic subjects, science, infrastructure and organized forms that are new to the field of construction – there evolves a chance to do with clusters.

### **Analysis of the theme-relating materials**

The scientific works of local and foreign authors are being used as theoretical and methodical base of scientific approaches in usage of innovational clusters in production of construction materials.

M. Porter is the person who is the author of theory of developing and improving cluster and his works deal with the competitiveness of clusters. T. Anderson, K. Ketels, O. Solvell, M. Storper and some other scientists contributed to the development of clusters. Russian scientists, namely L.M. Dadayev, L.V. Ivanenko, C. Klyosova, E.A. Monastirniy, E.I. Robinshtein, T.V. Pogodina are the ones who also dealt with this problem.

Additionally, the Russian scientists who studied the role of cluster are also A.A. Ugryumov, A.A. Voronin, LS. Markova, L.V. Ivanenko, V.P. Tretyanka, V.V. Matitsina, L.N. Asaul and others. Despite this, the style of construction clusters is not fully developed yet. The problems of using clusters in territorial construction materials industry are yet to be solved.

### **Analysis and results**

As we can see from the experiences of developed countries, innovational activities will develop if there are enough clusters. Scientific researches reveal that, at the place where attraction of innovational activities and innovational atmosphere is high, there you can see advanced clusters or vice versa.

The situation that covered the company can also be the reason for upgrading innovational activities as well as the results of construction companies. So, a company working in the field of construction materials industry can be the only one who attracted innovation or a partner with other companies like that and both can be efficient and beneficial for the company.

M. Porter is the person who used the term of cluster for the first time in science. He described cluster as general and common group of companies working in the same field of industry and collaborating with each other, and a group that is geographically situated side by side [2].

The effects of clusters' activities can be in the degree of elements, or in the economy of a region or a country. Some issues can be counted as factors of development with clusters in construction materials industry.

Internal factors:

1. Manipulating the size of manufacture and broadening activities range.
2. Separating costs and risks
3. Upgrading the ability of overcoming difficulties.
4. Flexibility and efficiency
5. Fast reaction to changes in demands of market.
6. Efficiency of attracting investments
7. Manipulating efficiency and flexibility of actions.
8. Improving stability and durability of market place.
9. Shortening the price of purchasing and spreading intellectual properties.

External effects are counted as results that are evolved inside the cluster. Some of them are;

1. Increase of money came from taxes.
2. Rising of employment rate.
3. Expansion of investment attraction.

As a result of the establishment and development of innovative clusters in the building materials industry, the optimal development of industry in the country will contribute to the growth of investment and economic recovery of the country [4]. This will create the conditions for the organization of constructive solutions through the transition to new housing systems and a more economical, prudent approach to resources, the formation of a different pricing policy to ensure the ability to manage buildings designed to meet the needs of the population.

The experience of developed countries shows that there is no single unified mechanism for creating, developing and stimulating clusters. Therefore, in order to carry out modernization on the basis of cluster principles, it is necessary to develop a state policy on the formation and support of clusters. Public cluster policy should include:

- supporting clusters in the budget, tax, finance and credit sectors
- Stimulation of their investment attractiveness;
- creating conditions for the development of innovative activities
- encouraging the development of infrastructure

**Growth rates of production of some construction materials in the country in 2019-2020 \***

№	Name of raw material results	Unit of measurement	Production volumes		Dynamics in 2020 compared to 2019 (In percent)
			2019	2020	

1	Limestone	Thousand tons	11 219,70	16 268,60	1,45
2	Soil components	Thousand tons	1 216,70	1 581,70	1,30
3	Quartz sand	Thousand tons	287,9	374,3	1,30
4	Sand and gravel materials	Thousand cubic meters	7 029,20	8 083,60	1,15
5	Brick raw material	Thousand cubic meters	2 092,40	2 406,30	1,15
6	basalt	Thousand tons	162,7	195,2	1,20
7	Gypsum stone	Thousand tons	1 292,00	1 679,60	1,3

**\*Source:** Based on data from the State Statistics Committee of the Republic of Uzbekistan

Table 1 shows that in 2019-2020, the volume of construction materials production increased in 2020 compared to 2019, while the share of total industrial output in the country and its regions increased. At the same time, many enterprises operating in the industry are operating at high efficiency. Its products meet the requirements of international quality standards.

Research shows that the peculiarities of the formation of regional branch clusters of the construction materials industry include:

- High investment and innovation potential of the industry, which creates conditions for the creation of a cluster of innovative types;
- Enterprises are connected to the location of resources, not to customers;
- The dependence of the construction industry as a supplier of the construction industry on all sectors of material production, which allows to expand the markets for the sale of these products;
- The need to take into account the areas of activity of enterprises of the construction industry in the formation of cluster links;
- Market orientation of the construction materials industry;
- High level of technical interchangeability of network products, the high level of competition, which allows to expand the range of clusters through the involvement of small business;
- The focus of cluster products on local markets due to the high cost of delivery to remote destinations.

## CONCLUSION AND SUGGESTIONS

In short, the development of a cluster is largely determined by the development of the industry in which it operates. In this regard, before making a decision on the formation of a cluster, it is necessary to conduct an analysis of the economic environment in which it operates, its level of innovation. Based on this conclusion, we propose the following:

- Developing a cluster approach to innovation management
- On the basis of the construction materials industry of Tashkent region establishing a construction cluster; effective operation style;
- To form a style for effective usage of cluster in construction.

## LIST OF USED MATERIALS

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