

## IMPROVING THE STRATEGY FOR THE DEVELOPMENT OF THE OIL AND GAS INDUSTRY OF THE REPUBLIC OF UZBEKISTAN

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### ABSTRACT

*This article discusses the issues of improving the management of oil and gas enterprises in Uzbekistan, thereby increasing the efficiency of enterprises in the industry. The Investment Program of our Republic includes 26 projects with a total value of 27.8 billion dollars. Considering the economic development of the country and the sharp increase in the demand for energy resources in the future, the need to accelerate the reforms on the sustainable development of the network will increase even more. The program to ensure oil and gas economic stability is economic it should be developed on the basis of the multi-level structural structure of measures to ensure stability and its provision with resources.*

**KEYWORDS:** *Oil And Gas Enterprises, Competition, Investment, Monopolistic Industries.*

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### INTRODUCTION

The implementation of reforms aimed at reducing the state share in monopoly industries in Uzbekistan shows that the infrastructure of oil and gas enterprises is changing in a positive direction. The reason is that the investments involved in network enterprises fully allow to update the infrastructure of the enterprise and stabilize its financial situation. Therefore, it is urgent to carry out research aimed at improving the mechanism of innovative management of infrastructures of oil and gas enterprises during the current period of rapid reforms.

Oil and gas, fuel and energy sectors in the Republic of Uzbekistan development and diversification of energy sources with alternative energy are being carried out consistently. It is becoming an important factor in meeting the ever-increasing need for energy resources of economic sectors and the population.

The Investment Program of our Republic includes 26 projects with a total value of 27.8 billion dollars. Determination of financing conditions for foreign loans worth 2.3 billion dollars to the Ministries of Energy and Finance under the project "Organization of production of synthetic liquid fuel (GTL) on the basis of purified methane of the Shu'rtan gas-chemical complex", "Shurtan gas-chemical complex" on the project of expanding the production capacities of the complex The task of attracting a \$300 million loan from Gazprombank loaded.

Mubarak gas processing plant, Sho'rtanneftgaz and Gazlineftgaz liquefied gas production, oil and gas production, it was emphasized that funds required for projects such as the purchase of geological exploration equipment should be financed from the country's Eurobonds. It was

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shown that attracting direct foreign investments to regions with complex geological exploration is not at the level of demand. It is necessary to accelerate the transformation of state-owned companies while implementing structural changes in the economy. The participation of the private sector in the liquefied gas market will be expanded, and duties on its import will be canceled [1].

**Analysis of literature on the topic:** A number of foreign and local scientists have conducted research on the issues of improving economic management and innovative strategic management mechanisms in oil and gas enterprises. A number of scientists who have studied the improvement of management in oil-gas and energy enterprises, its content and impact on other areas of the economy, expressed different opinions on improving management efficiency.

I. Ansoffa, A. Chandler According to the planning theory of scholars like Mintzberg, as long as strategy follows structure, the result will be ineffective. According to A. Chandler, strategy is necessary to determine the main long-term goals and objectives of the enterprise, as well as to develop a program of activities and resource allocation to achieve these goals [2].

Henry Mintsberg said, "When we believe strongly in our actions, we usually achieve better results. The importance of the strategy for the enterprise: its adoption eliminates the main problems, and the most important thing is that the manager should pay attention to details and choose specific goals or choose to serve customers, instead of discussing the best market selection [3].

V. According to Quint, strategic management is the object of strategizing is the process of formation and operation of a strategic management system that contributes to the formation or increase of fundamental value, which includes the development and long-term realization of the strategy and its doctrine in accordance with the missions, priorities, goals and tasks defined in it [4].

R. Rumelt considered the issues of improving the economic management and innovative strategic management mechanism in oil and gas enterprises, researched the theoretical and methodological foundations of strategic management, and developed the concept of strategic management [5].

The efficiency of the oil and gas industry is directly related to the activity of other sectors of the economy. Considering the economic development of the country and the sharp increase in the demand for energy resources in the future, the need to accelerate the reforms on the sustainable development of the network will increase even more. Today, the oil and gas industry of Uzbekistan is an important branch of the economy, which is developing rapidly and innovative processes are widely introduced. It is known that the goal of the country's investment policy is primarily based on prioritizing innovative activity in strategic sectors of the economy, that is, modernization of sectors, technical and technological re-equipment.

**Methods:** During the research, in order to learn how to improve the management of the infrastructure of oil and gas enterprises in the Republic of Uzbekistan, to learn how to obtain a high-value finished product through the introduction and modernization of them, the observation, induction and deduction of dynamic series, economic-statistical analysis and synthesis, statistical grouping, monographic research, systematic analysis, comparison and other methods were used.

**Results, and Discussion:** In accordance with the strategy of Actions on the five priority areas of development of the Republic of Uzbekistan, a number of changes were made in the field of oil and gas industry. In particular, by the decision of the President of the Republic of Uzbekistan dated June 30, 2017 "On measures to improve the management system of the oil and gas sector", the management system of the joint-stock company "Uzbekneftgaz" was improved [2].

Analyzing the export potential of the network, it is necessary to pay attention to the need to increase the volume of exports based on the deep processing of hydrocarbons, and not to depend only on gas. In order to regulate the monopolistic industry by the state, it is necessary to revise tariffs on the basis of market principles, provide oil bases and regional gas supply services gradually on the basis of public-private partnership, including concrete measures to transfer the Fergana oil refinery to the trust management of investors. was also emphasized by the leader.

The program for increasing the extraction of hydrocarbon raw materials until 2021 and the mechanisms for its implementation were approved. In 2017, the planned plan for drilling oil and gas condensate and production of liquefied gas was fulfilled. This indicates the need to improve the infrastructure of "Uztransgaz" JSC.

Network within JSC "Uzbekneftegaz" from the current year If we analyze based on the statistical data of the enterprises, the infrastructure of oil and gas enterprises today includes 25 gas pumping stations, 252 gas pumping units, 393 gas distribution stations, 101,317 gas distribution points, 13,250.2 km of main gas pipelines, high-pressure gas 13,736 km of pipelines, 31,651 km of medium-pressure gas pipelines, 85,203 km of low-pressure gas pipelines, 210 free gas fields, and 125 oil fields.

**CONCLUSIONS AND SUGGESTIONS:** Over the years, many problems have accumulated in the oil and gas network. Due to the insufficient increase of reserves, the forecast of natural gas extraction and production of oil products in 2017 was not fulfilled sufficiently. The forecast for the volume of drilling in the geological-exploration process has been fulfilled by 77%. If these works were completed, it would be possible to increase the reserve even more. Also, only 49% of the forecast of operational drilling and 53% of the forecast of the number of completed wells were fulfilled [2].

Modernization and maintenance of natural gas extraction facilities and distribution networks are also insufficient. As a result, 6% of this natural resource is lost from the extraction of gas to its delivery to the consumer. In accordance with the state program of geological exploration, the need to increase natural gas reserves by 57 billion cubic meters and oil and condensate reserves by 3.6 million tons in 2018 by opening new fields was emphasized.

In order to ensure the production of 63 billion cubic meters of natural gas, 3 million tons of oil and condensate this year, it was noted that 255 new wells and 26 new technological facilities should be completed, 76 wells should be overhauled. It is planned to implement 24 investment projects worth 2 billion 756 million dollars by JSC "Uzbekneftgaz". These funds will be used to build the Jizzakh oil refinery and provide it with modern technologies, to equip the 2nd line of the Kandim gas processing complex and the Kandim mining group, to produce synthetic liquid fuel at the Shu'rtan gas-chemical complex, to carry out exploration work at the "25th Anniversary of Independence" field in Surkhandarya. will be directed to projects such as development of technical and economic bases.

Analyzing the fact that more than half of the investments attracted to the economy of our country correspond to the contribution of the oil and gas sector, it is necessary to know that every spent dollar should bring economic benefits. From the point of view of the state's interests, it is necessary to review the terms of product distribution agreements and joint ventures, diversify the logistics routes of oil and gas enterprises, and determine the transport corridors and tariffs that guarantee lower prices for the import of raw materials and the export of products.

Losses in the supply of natural gas to consumers indicate that the gas distribution system is physically obsolete. This, in turn, requires that the scientific innovations brought in the research work on improving the infrastructures of oil and gas enterprises should be introduced to the networks. Development of high and medium pressure gas distribution system, motor vehicles in cooperation with foreign companies gasification proposals should be considered. The US company Epsilon Development is expected to invest 5.2 billion dollars in gas production in Uzbekistan.

Earlier, the American company was in Surkhandarya and Fergana regions announced that it will extract gas in fields that require significant costs and are difficult to develop. In the next two years, the United States plans to invest 2 billion dollars in the development of gas fields in these areas. In recent years, 11.8 billion dollars have been invested in the country, 73% of this amount has been directed to the oil and gas sector.

Also, the economic stability of the oil and gas enterprise is based on the expanded reproduction, and the expanded reproduction at the level of value movement should provide sufficient additional value not only to replenish the spent reserves, but also to increase their volume, in turn, the value and quality of the produced product. From this point of view, it is important to develop a program to ensure economic stability in each oil and gas enterprise.

The program to ensure oil and gas economic stability is economic it should be developed on the basis of the multi-level structural structure of measures to ensure stability and its provision with resources. Alternative ways to achieve the economic stability of the oil and gas enterprise should be interconnected within the framework of providing resources for investment project activities on the basis of state partnership and relations between them.

As a result of the conducted research, the following conclusions were formed regarding the possibility of achieving economic recovery of financially unstable enterprises through the introduction of an innovative management mechanism in branch enterprises, which is connected with the use of important economic natural gas not as fuel in the national economy, but as raw material:

1. Oil and gas enterprises operating in our country improvement of its infrastructure, and at the same time, we propose to attract private capital to the oil and gas sector, as well as to the process of extraction and production of oil reserves.
2. Development of public-private partnerships on a large scale By putting new tasks we these network infrastructures development and financial stability of branch enterprises We offer that we can provide. As a scientific research solution to ensure the economic stability of the country's strategically important oil and gas network, we have the following we came to the idea:

3. Not only to attract foreign investors to develop the infrastructures of financially unstable oil and gas enterprises, which are part of Uzbeneftegaz JSC, but also to create a competitive environment for local business entities and implement financing through venture funds.

4. Attracting investments and their effective use if we use the experience of developed industrialized countries, especially the experience of investment policy of the Republic of Korea is distinguished by its importance. In this regard, one of the important priorities of the investment policy in our country is the strategy aimed at introducing advanced techniques and technologies on the basis of long-term projects in attracting foreign investments.

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