

Babaxanova Nilufar – applicant
Applicant of Tashkent State Transport University
Uzbekistan, Tashkent

ANALYSIS OF THE MAIN ACTIVITY OF JSC “UZBEKISTON TEMIR YULLARI”

Abstract: At the present stage of development of the railway company it is relevant to ensure the efficiency of transportation activities and there is a need for continuous monitoring and analysis of the main financial and economic indicators. The article discusses the importance, the main objectives of JSC "Uzbekiston Temir Yullari" state of the inventory of the railway stock, the dynamics of the main volume indicators and passenger turnover, comparative analysis of their growth rate and growth index of GDP of the Republic of Uzbekistan is carried out. Measures on optimization of expenses of JSC "Uzbekiston Temir Yullari" are being put forward.

Key words: freight activity, railway transport, JSC “Uzbekiston Temir Yullari”.

Аннотация: На современном этапе развития железнодорожной компании актуальным является обеспечение эффективности перевозочной деятельности и возникает необходимость проведения постоянного мониторинга и анализа основных финансово-экономических показателей. В статье рассматривается значение, основные задачи АО «Ўзбекистон темир йўллари», состояние инвентарного парка, динамика основных объёмных показателей, характеризующих грузооборот и пассажирооборот, проведён сопоставительный анализ темпов их роста и индекса роста ВВП Республики Узбекистан. Предлагаются меры по оптимизации затрат АО «Ўзбекистон темир йўллари».

Ключевые слова: перевозочная деятельность, железнодорожный транспорт, АО "Ўзбекистон темир йўллари".

INTRODUCTION

The last decade of JSC "Railways of Uzbekistan" carries out its primary transport activities under conditions of increasing domestic competition and increasing pressure of other modes of transport. With the aim of increasing demand for services, development of the infrastructural capacity and upgrading of the main funds is being developed within the Company. Deployed length of railways in the Republic of Uzbekistan is 4842,4 km, including electrified 2675,7 km station ways, whose share is more 55,3% [9].

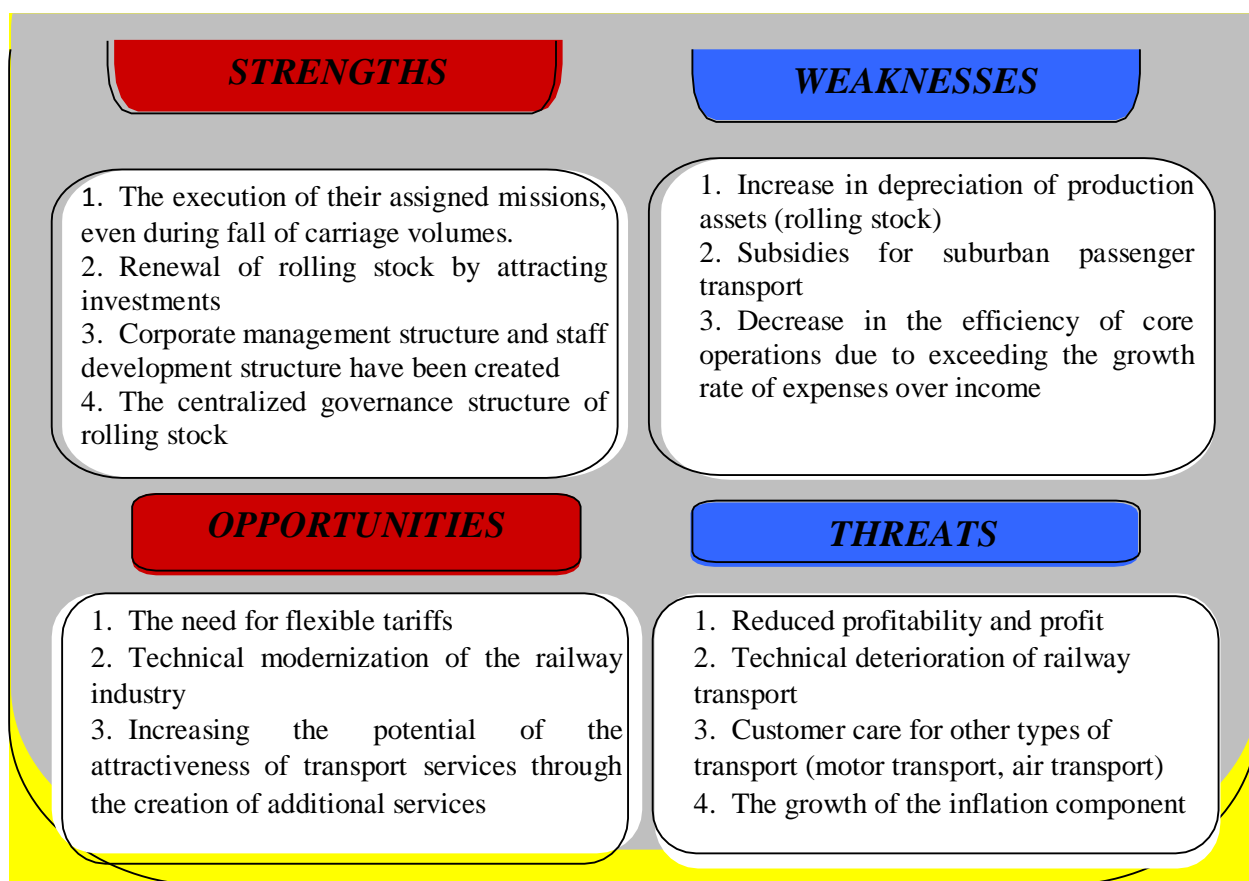
The President of the Republic of Uzbekistan Sh.M. Mirziyoev noted the great importance of the company in the country's economy, "The fact that so far in the country by rail carried more than 60 percent of cargo and more than 75 percent of passengers, is an indication of that this sector plays an important role in the development of the economy [7].

The importance of this issue was raised by tendency to optimize expenditures for the carrying activity of the r/w company within the frames of development strategy of JSC “Railways of Uzbekistan”.

By business-plan for the year of 2021 the main parameters of the industry development are defined, stipulated by the Decree of the President of the Republic of Uzbekistan dated 04.03.2021 № UP-4707 “About measures to ensure the structural changes, modernization and diversification of production for the 2019-2021 years”, orders of the President of the Republic of Uzbekistan dated 04.10.2021 No PP-1623 "On the program of priority measures for increasing production capacities and development of new kinds of competitive products”, dated 06.03.2022 No PP-2313 “About development and modernization of engineering, communications and road transport infrastructure” [8,9].

For the economy of any state, the accelerated development of the transport complex is the optimal source of long-term sustainable growth and a means of ensuring the mobility of the population and social mobility. In general, for the macroeconomic indicator of gross domestic product (GDP) and industrial corporations, the acceleration of transport development is a reliable mechanism for reducing the cost of products (works, services) and expanding the export component of the business. That is why the best way to modernize railway transport in modern conditions should be the transition to an innovative way of development and successful implementation of key business objectives. The responsibility for their solution lies with an effective system of corporate governance. In the following picture SWOT analysis of the current state of JSC "Uzbekiston Temir Yullari" is given.

With purpose to analyze the strategy of the Company’s development let us apply SWOT analysis method offered by foreign scientists. Based on Economic literature analysis, we highlighted strengths and weaknesses of JSC “Uzbekiston Temir Yullary”, as well as opportunities and threats depending on effect and result type from its realization (pic.). Such classification easily allows to identify development trends in general (4, 5).



Picture 1. SWOT analysis matrix of JSC “Uzbekiston Temir Yullari” for the years of 2019-2021

Optimally formed and realized transport policy, and also development strategy of “Uzbekiston Temir Yullary” JSC worked out taking into account the necessities of the state and consumers, according to before signed international agreements in the field of railway transport, oriented to attracting of investments in this industry and accordingly to the economy of the state, directly executes one of fundamental roles at providing of steady socio-economic politics of the state for the future.

ANALYSIS AND RESULTS

The main tasks put before JSC "Uzbekiston Temir Yullari" are as follows:

- the creation of a unified rail transport network;
- continuation of electrifying the main railways directions;
- developing of the rail way infrastructure, including renovation of rail ways, and switching on to fiber telecommunication systems;
- develop your own repair base of the rolling stock;
- restoration and upgrading of rolling stock;
- search for alternative transport corridors providing the entrance on to world market and increase the export potential of the Republic.

Hence, a well known specialist in the field of analysis of the r/w transportation – Mr. V.F.Danilin gives his view regarding analysis of transportation activity: “Analysis start from study of the volume, dynamics and structure of the main

resources. For characterizing of the age of resources and their amortization, resources are divided as per their lifecycle exploitation” (3).

Currently, as of 2021 year operational fleet of locomotives is 473 locomotives, wagons - 23.5 thousand units, coach wagons - 549 units.

Table 1 shows the age profile of the company's inventory. The table shows that the period of operation of 314 locomotives out of 473 units is more than 30 years, i.e. 66.3%. Over the past 10 years, the average age of the locomotives has increased from 22 to 26 years. Among the technologies required for the innovation development of railway transport, particular attention is paid to the development strategy of JSC "Uzbekiston Temir Yullary" for the period until the year 2025.

Table 1.

Inventory rolling stock age of the JSC “UTY”

Type	Up to 10 years	From 10 to 20 years	From 20 to 30 years	Over 30 years	Total
1.Electric locomotives	44	12	30	30	116
2.Diesel locomotives	45	7	9	99	160
3.Shunting locomotives	-	-	12	185	197
In total	89	19	51	314	473

The main turnover of the company is concentrated within the country, which is one of the main factors of increasing the profitability of the company. However, increased competition and the loss of positions before other modes of transport (air, road) negatively effects the financial results of JSC "Uzbekiston Temir Yullary".

Table 2 shows the main macroeconomic indicators out of main activities of JSC "Railways of Uzbekistan" during 2018-2022 ya.

Table 2.

The main volume indicators of JSC « Railways of Uzbekistan »

Indicator	2018 year	2019 year	2020 year	2021year	Forecast for 2022 year
GDP index growth, %	108,0	101,5	95,4	96,3	98,1
Industrial manufacturing index growth,%	108,4	108,0	104,1	104,6	106,4
Turnover, mln. tons-km	22931	22934	22936	22965,4	22999,8
Growth rate, %	103,3	102,3	100,6	100,13	100,15
Passengers turnover, mln. Pass-km	3759,5	3757,7	3933,6	4293,9	4701,7
Growth rate, %	100,12	99,95	104,7	109,2	109,4

As shown in table 2, the growth rate of industrial production is much higher than the growth rate of cargo and passenger traffic.

The specialists of the r/w company mainly note that “features of distributing of financial streams for the r/w transport, as well as complexity and diversity of the managed processes require application of specific methods of forecasting” [2,6].

Costs of railways for freight transportation are divided accordingly as per carriage operations - initial-final; formation - dismantling and movement of trains. [1,10].

The analysis showed that the cost of initial-final operations accounted for 15%, and 85% - for the movement operations out of total expenditures on freight transport. [6].

The framework of the internal financial-payment relations related to JSC "Uzbekiston Temir Yullary" carriages, consists of complete centralization of revenues from cargo transportation and implementation of travel documents for passengers, baggage clearance as part of the tariff in the territory of the Republic of Uzbekistan, commuter traffic and related miscellaneous incomes and their distribution among participants of the transportation in the measure completed volume inland settlement prices and transport cost needs [8].

Bearing in mind a number of factors influencing to the main carriage activity of JSC "Uzbekiston Temir Yullary", let us see several measures for its improvement.

For increase of transportation volumes, as we think, it is necessary to create a logistical model 3PL+, which in the future can be transformed onto 4PL. And the company will be beyond competition in its segment of consignment transportation [2].

In passenger traffic JSC "Uzbekiston Temir Yullari" goes behind other modes of transport. Probably, JSC "Uzbekiston Temir Yullari" should consider the use of 4PL models in passenger transport, that is delivery of passengers "from door to door", using all modes of transport. Air transport, JSC "Uzbekiston Temir Yullari" inferior, mainly due to prolonged delivery of passengers and quality of delivery, however, rail transport more accessible to passengers with an average income (middle class). In the case of a decrease in real disposable income, passengers will instead of air transport, focus on rail transport. To increase competition in bus and air transport, it is necessary to use such activities that do not require large costs, but bring great returns, for example - increasing the quality of passenger transportation services (WI-Fi in trains, password on the ticket - the fight against stowaways and increase the com-portability of transport – providing modern types and availability of the global Internet). [1].

Another influencing factor is the tariff restriction. Tariff restriction and indexing traffic of different types, rising inflation and consumer prices lead to a significant loss of profits of JSC "Uzbekiston Temir Yullari". The shortfall in profits and increased costs leads to adjustments and changes in the business model by 2022. In order to avoid this, it is necessary to take a number of measures to balance the company's budget and reduce operating and indirect costs of the company. In 2021 the programme was conducted to save costs and optimize them to ensure the financial balance of JSC "Uzbekiston Temir Yullari", which allowed to save about 12% of the financial resources. The company needs to continue measures to balance the budget and optimize costs. Expenses on payment of labour despite of the decrease are very important. It is inevitable to optimize the number of personnel by 3-5% in the company and all structural units (budget savings – up to 5-7%).

CONCLUSIONS AND RECOMMENDATIONS

Thus, the analysis of the main transport activities of JSC " Railways of Uzbekistan" has shown that in difficult conditions of competitive struggle for the client, the company has not changed the direction of business-critical projects and strategy up

to 2022, with the support of the state continues to fulfill its social tasks, and be one of the leading sectors in the economy.

Measures to achieve a balanced budget of JSC " Railways of Uzbekistan" are directed to increase revenue and optimize expenses of the company. As recommendations to reduce costs, we offer:

- compliance with budget discipline;
- maintenance of the number of employees in accordance with the volume of traffic;
- performance of tasks on labor productivity growth;
- socially adequate measures to change tariffs;
- in order to increase productivity to increase the objectivity of awarding employees.

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