

STAGES OF DEVELOPMENT OF THE SERVICE SECTOR IN SAMARKAND REGION AND ITS CURRENT IMPORTANCE

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This article analyzes the development trends of the service sector in Samarkand region, its role in the regional economy and its economic significance on a scientific basis. The increasing share of the service sector in GDP in the context of globalization and economic modernization is substantiated, especially the rapid development of tourism, trade, transport and logistics, education and healthcare services. The study examines the impact of digitalization processes, the expansion of e-commerce and the increase in foreign investment flows on the innovative development of the service sector.

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In the current processes of globalization and economic modernization, the service sector is emerging as one of the most important and rapidly developing sectors of national economies. Especially in the conditions of a post-industrial economy, the service sector serves as an important factor not only in increasing the volume of gross domestic product, but also in ensuring employment, improving the investment climate, and strengthening the competitiveness of regions. In this regard, studying the development trends of the service sector and assessing its economic significance is one of the current scientific and practical issues.

Within the framework of the economic reforms being carried out in the Republic of Uzbekistan, special attention is paid to the development of the service sector. In particular, one of the priority areas is ensuring sustainable growth of the service sector through diversification of the regional economy, support for small business and private entrepreneurship, and widespread introduction of elements of the digital economy. In this process, analysis of the characteristics of the development of the service sector in individual regions is of great scientific and practical importance.

Samarkand region, as one of the historical, cultural and economic centers of the country, has great potential for the development of the service sector. Tourism, trade, transport and

logistics, education and healthcare services are rapidly developing in the region and are becoming an important component of the regional economy. In particular, the development of international tourism is giving a strong impetus to the expansion of the service sector. At the same time, digitalization processes, the introduction of innovative technologies and the improvement of the business environment are contributing to the service sector reaching a qualitatively new level. The aim is to analyze the development trends of the service sector in Samarkand region and assess its importance in the regional economy on a scientific basis. To achieve this goal, structural changes, development factors, innovative directions and economic efficiency of the service sector are studied in a comprehensive manner.

Samarkand region is one of the largest and economically important regions of the Republic of Uzbekistan, with the region's share in the country's GDP accounting for 8.3 percent in 2024 (Uzbekistan Statistics Committee, 2024). The service sector in the region has been developing rapidly in recent years, becoming the main driving force of the regional economy. The share of services in the total gross regional product increased from 44.7 percent in 2020 to 52.1 percent in 2024, which is higher than the average for Uzbekistan (50.6 percent) (Samarkand regional administration, 2024).

Tourism, trade, transport and logistics, education and healthcare services occupy the largest share in the region. It is the city of Samarkand - a place of historical monuments included in the UNESCO World Heritage List - that occupies a leading position in the tourism sector in all of Uzbekistan, receiving more than 3 million tourists per year (UNWTO, 2024). This creates significant economic opportunities for hospitality, catering, transport and trade and service enterprises, but at the same time increases the intensity of competition.

The intensity of competition in the service sector in Samarkand region has increased significantly in recent years. Between 2020 and 2024, the number of service enterprises with foreign capital increased by more than 2.5 times. Especially in the tourism and hospitality sector, the entry of foreign hotel chains (brands such as Holiday Inn, Marriott, Wyndham) has forced local enterprises to adapt to new competitive conditions.

Literature review

The analysis of the studied scientific literature shows that the service sector is widely recognized as an important driver of economic growth. The works of foreign scholars, in particular, Zeithaml, Guerrieri, Acemoglu and Gadrey, shed light on the role of the service sector in the global economy, its connection with structural changes, and its specific aspects in assessing efficiency. Their research substantiates the direct impact of service quality on economic results. The work "Services Marketing: Integrating Customer Focus Across the Firm" by the American economist VA Zeithaml " extensively covers the role of the service sector in the economy, especially the issues of increasing economic efficiency through

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service quality and consumer satisfaction ”⁶⁰. The scientist substantiates that the development of the service sector is an important driver of economic growth and proposes to assess the efficiency of service provision through the service quality model. This approach is relevant in explaining the expansion of the service sector in the Samarkand region, especially the importance of the quality factor in tourism and trade services. The main contribution of the scientist is to show the need to analyze the service sector not only in terms of volume, but also in terms of quality. However, the work does not sufficiently reveal the specifics of the service sector in developing regions, especially in regional economies.

The article “The Service Sector in the Global Economy” by Italian economist G. Guerrieri and other scholars “analyzes the role of the service sector in the global economy and its importance in international trade”⁶¹. The study substantiates the role of the service sector in increasing economic integration and competitiveness. This approach serves as an important theoretical basis for explaining the increase in the number of enterprises with foreign capital in the Samarkand region and the growing export potential of services. The contribution of scholars is to show the service sector as an integral part of global value chains. At the same time, the article does not deeply analyze the development mechanisms of the service sector at the level of local regions, which is reflected in a scientific gap.

The study “The Rise of Services: Structural Change and Economic Growth” by American economist D. Acemoglu and other scholars “analyzes the growth of the services sector in the process of structural changes in the economy”⁶². The researchers scientifically substantiate that the expansion of the services sector is a natural consequence of the transition from industry and agriculture to services. This idea is very suitable for explaining the increase in the share of services in the Samarkand region from 44.7 percent to 52.1 percent. The main contribution of the study is to empirically prove the inextricable link between the services sector and economic growth. However, the work does not sufficiently reflect the characteristics of developing countries and their regional characteristics.

The article “The Misuse of Productivity Concepts in Services” by the French economist J. Gaudrey “considers the problems of measuring productivity in the service sector”⁶³. The researcher emphasizes that traditional production indicators in the service sector do not give effective results and that new methodologies are needed. This approach shows that when assessing the service sector in the Samarkand region, it is necessary to take into account not only volume indicators, but also qualitative and innovative factors. The author's contribution

⁶⁰VA Zeithaml, MJ Bitner, and DD Gremler, *Services Marketing: Integrating Customer Focus Across the Firm*, 7th ed. New York: McGraw-Hill, 2018.

⁶¹G. Guerrieri and MC Meliciani, "The Service Sector in the Global Economy," *Review of International Economics*, vol. 13, no. 3, pp. 531–550, 2005.

⁶²D. Acemoglu and V. Guerrieri, "Capital Deepening and Unbalanced Economic Growth," *Journal of Political Economy*, vol. 116, no. 3, pp. 467–498, 2008.

⁶³J. Gaudrey, "The Misuse of Productivity Concepts in Services," *Service Industries Journal*, vol. 12, no. 1, pp. 29–44, 1992.

is to encourage a revision of the methodology for assessing the service sector. At the same time, the article does not sufficiently develop practical application mechanisms.

The work “Theoretical Foundations of the Development of the Service Sector in the National Economy” written by the Uzbek scientist BX Khodiyev “analyzes the role of the service sector in the national economy and its development directions”⁶⁴. The scientist indicates that the increasing share of the service sector in GDP is an important sign of the process of economic modernization. This view serves as an important theoretical basis for substantiating the economic importance of the service sector in the Samarkand region. The author's contribution is the development of a model of the development of the service sector in the conditions of the national economy. However, the analysis at the regional level, in particular at the regional level, is not sufficiently deep.

The book “Economics of Services” written by Uzbek economist Sh.Sh. Shodmonov “extensive coverage of the structure, development factors and economic efficiency of the service sector”⁶⁵. The researcher emphasizes the role of the service sector in increasing employment and improving the well-being of the population. This approach is important in explaining the development of the service sector in the Samarkand region through small and medium-sized businesses. The main contribution of the researcher is the comprehensive disclosure of the socio-economic significance of this service sector. At the same time, modern trends, in particular, digital services and e-commerce, are not sufficiently covered.

In general, the literature review shows that, although there is a sufficient scientific basis for the service sector, the study of the characteristics of its territorial development, especially within the framework of innovative and digital transformation processes, still remains a pressing scientific problem. This further increases the relevance of this study.

Research methodology

This study aims to study the development trends of the service sector in the Samarkand region, using scientific approaches that allow for a comprehensive analysis of economic processes. The study used general scientific and special economic methods.

Analysis and discussion of results

Samarkand region is one of the largest and economically important regions of the Republic of Uzbekistan. According to the results of 2024, the region will occupy a significant share in the country's gross domestic product, demonstrating its economic potential. In recent years, the service sector in the region has been developing rapidly, becoming one of the leading drivers of the regional economy. In particular, the share of services in the regional gross product increased from 44.7 percent in 2020 to 52.1 percent by 2024, which is higher than the average level in the republic. This indicates that the economy in the region is structurally oriented towards the services sector.

⁶⁴BX Khodiyev, Theory of National Economy. Tashkent: Uzbekistan, 2019.

⁶⁵Sh. Sh. Shodmonov, Economics of Services. Tashkent: Economics, 2017.

Tourism, trade, transport and logistics, education and healthcare services are the priority areas in the regional economy. In particular, the city of Samarkand has a rich historical and cultural heritage and is an internationally recognized tourist center. The annual visit of millions of tourists gives a strong impetus to the development of hospitality, catering, transport and trade services in the region. At the same time, the expansion of the services market also leads to an intensification of the competitive environment, which requires high quality and efficiency from enterprises.

The composition of economic entities operating in the service sector is also one of the important economic indicators. As of 2024, the main part of service entities operating in the region is represented by small businesses, while the share of medium and large enterprises is also relatively high. Such a structure indicates the stable and diversified development of the service sector in the region, as well as its high investment attractiveness.

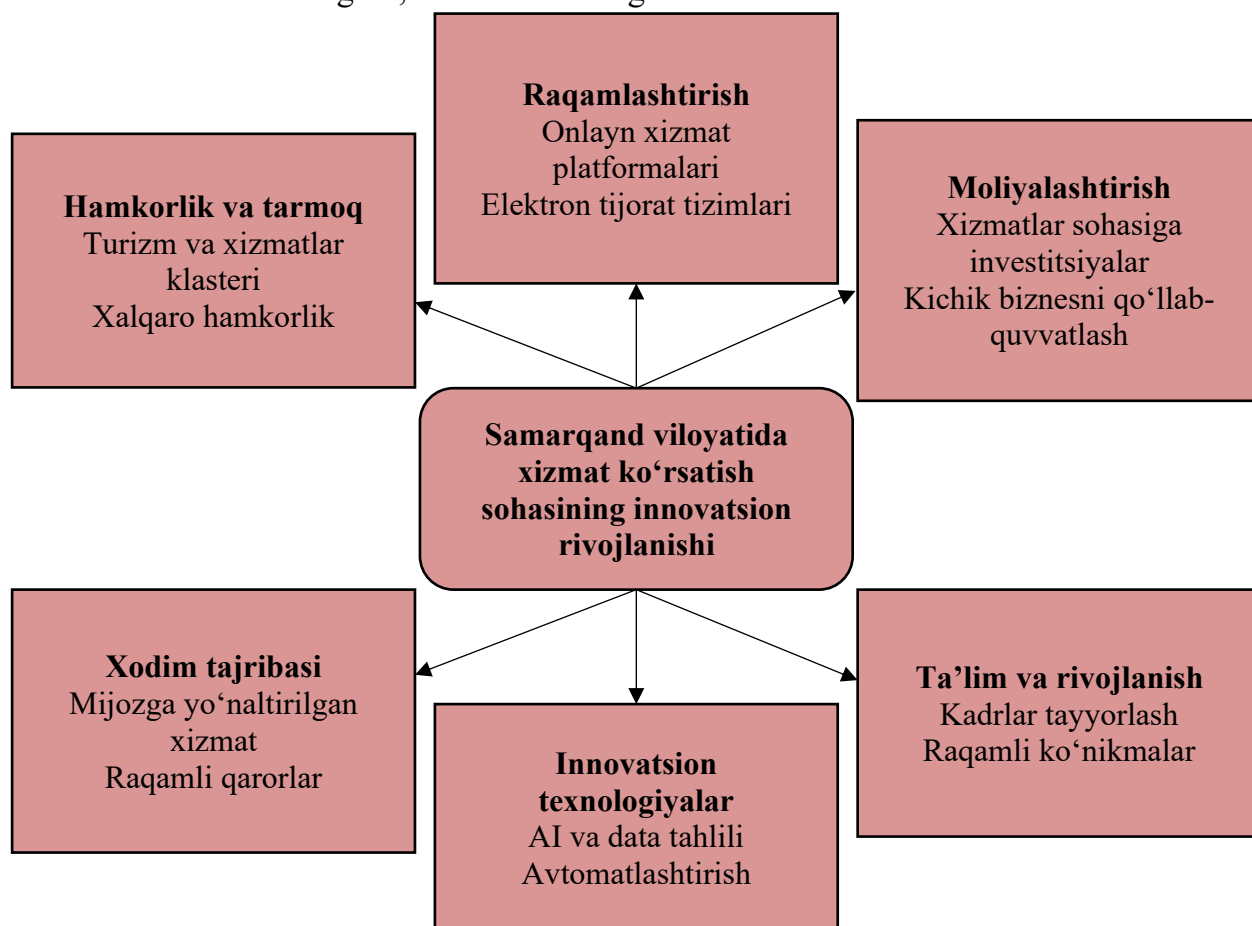


Figure 1. Factors of innovative development of the service sector in the Samarkand region

Over the past five years, significant qualitative changes have been observed in the service sector. In particular, the widespread introduction of digital technologies and e-commerce has contributed to the services market reaching a new level. The several-fold increase in the volume of e-commerce indicates that significant transformations are taking place in the consumer behavior of the population and the methods of doing business. At the same time,

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the increase in the number of enterprises with foreign capital has strengthened the competitive and innovative environment in the service sector. In addition, the increasing share of enterprises using modern management approaches is an important factor in improving the quality of services and increasing efficiency.

Conclusion and suggestions

The service sector in Samarkand region has been developing steadily and rapidly in recent years, becoming one of the leading sectors of the regional economy. The increasing share of services in the regional gross domestic product confirms the structural transformation of the economy, that is, the gradual transition from production to the service sector. In particular, the development of tourism, trade, transport and logistics, education and healthcare services is making a significant contribution to the economic growth of the region.

The analysis showed that small and medium-sized businesses play an important role in the development of the service sector. At the same time, the increase in the number of large and foreign-owned enterprises is increasing the competitive environment in the services market, contributing to an increase in quality and efficiency. In recent years, the introduction of digital technologies, e-commerce and modern management methods has emerged as one of the main factors ensuring the innovative development of the services sector.

However, the analysis revealed that there are some problems in the service sector. In particular, the uneven development of service quality and infrastructure across regions, the lack of qualified personnel, the low level of use of digital technologies in some areas, and the limited access of small businesses to financial resources are hindering the full potential of the service sector.

Based on the above, it is appropriate to put forward the following proposals in order to further develop the service sector:

First, it is necessary to accelerate digitalization processes in the services sector, in particular, to improve the quality and speed of services through the widespread introduction of e-commerce, online services, and digital platforms.

Secondly, it is necessary to improve financial support mechanisms for small and medium-sized businesses operating in the service sector, including expanding preferential loans, subsidies, and investment programs.

Thirdly, in order to increase the capacity of personnel in the services sector, it is important to integrate the education system with practice, form modern professional skills, and develop a system of regular professional development.

Fourth, it is necessary to further develop the infrastructure of tourism and related services, ensure diversification of services, and form a service delivery system that meets international standards.

Fifth, it is advisable to increase competitiveness in the services sector and expand services exports by attracting foreign investment and introducing innovative technologies.

In general, the consistent development of the service sector in the Samarkand region serves as an important factor in ensuring sustainable growth of the regional economy, increasing employment, and improving socio-economic well-being.

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